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01 Nov 2017

Singapore Exchange (SGX)
2 Shenton Way
19-00 SGX Centre 1
Singapore 068804

RE: CIMIC ANALYST AND INVESTOR PRESENTATION 9M RESULTS 2017

Please find attached a copy of a media release issued by CIMIC Group Limited, parent company of CIMIC Finance (USA) Pty Ltd.

Yours faithfully
CIMIC GROUP LIMITED

Lyn Nikolopoulos
Company Secretary

ANALYST AND INVESTOR PRESENTATION

9m RESULTS 2017



Marcelino Fernández Verdes, Executive Chairman
Adolfo Valderas, Chief Executive Officer
Michael Wright, Deputy Chief Executive Officer
Stefan Camphausen, Chief Financial Officer



UGL is one of the consortium members that runs Metro Trains Melbourne, which is responsible for operating and maintaining Melbourne's suburban rail network.

1 November 2017

INTEGRITY > ACCOUNTABILITY > INNOVATION > DELIVERY

SAFETY

MEMBER OF
Dow Jones
Sustainability Indices
In Collaboration with RobecoSAM



FTSE4Good

Refer to 'ASX/Media Release' for further information

9m17 financial highlights – solid performance sustained

Strong financial position with net cash of \$606m, up 48% YTD

- ✓ Successfully refinanced and expanded \$2.6bn syndicated bank facility reflecting strength of balance sheet
- ✓ Moody's rating upgraded to Baa2 from Baa3 (following S&P upgrade in May 2017)
- ✓ Net contract debtors¹ of \$1.2bn, down \$418m YOY

Cash flows from operating activities² of \$922m for 9m17, up 46% YOY

- ✓ EBITDA cash conversion 107% LTM remaining at consistently high level; 85% in 9m17 (vs 79% in 9m16)
- ✓ Continued focus on managing working capital
- ✓ Free operating cash flow³ over \$1bn LTM

NPAT of \$501m for 9m17, up 21% YOY; 3Q17 up 20% YOY to \$178m

- ✓ Revenue⁴ of \$9.6bn up 26% YOY, with strong contributions from all core businesses
- ✓ Solid EBITDA, EBIT and NPAT margins⁵ of 11.4%, 7.5% and 5.2% respectively

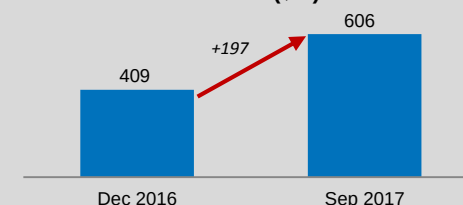
Work in hand⁶ of \$35.7bn, equivalent to over two years revenue, up \$1.7bn YTD

- ✓ WIH continues to grow with extensive project pipeline in our key markets
- ✓ New work⁷ of \$13.4bn awarded in 9m17; bidding discipline maintained
- ✓ Relevant to CIMIC, nearly **\$23bn** of tenders to be bid and/or awarded in the remainder of 2017, and nearly **\$385bn** of projects are coming to the market in 2018 and beyond, including about \$50bn worth of PPP projects

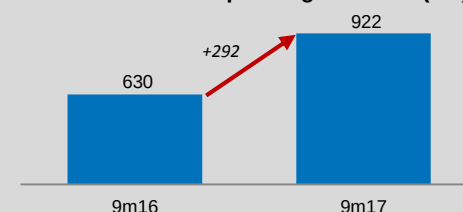
FY17 NPAT guidance confirmed, \$640m-\$700m, up 10-21% YOY, subject to market conditions

- ✓ Solid contributions from construction, mining and services supports positive outlook
- ✓ Balance sheet strength positions CIMIC well for strategic growth opportunities and shareholder remuneration

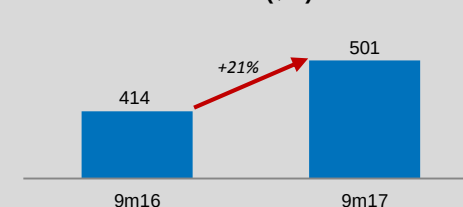
Net cash (\$m)



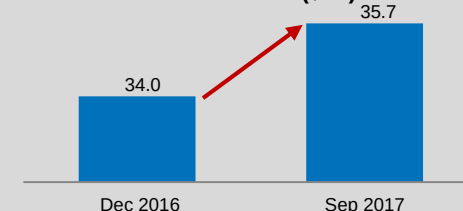
Cash flows from operating activities (\$m)



NPAT (\$m)



Work in hand (\$bn)



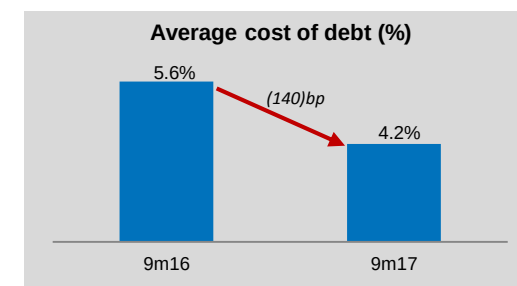
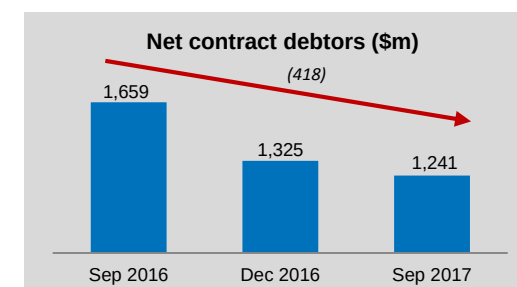
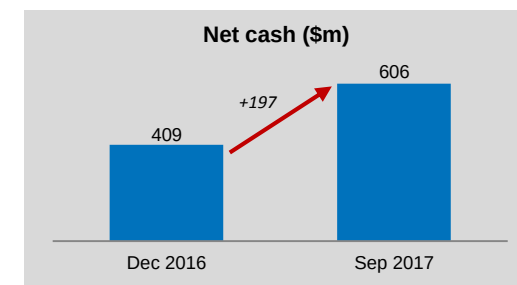
Strong financial position; net cash of \$606m

- ✓ Net cash of \$606m, up \$197m YTD; \$2.2bn of undrawn debt facilities
- ✓ Net contract debtors of \$1.2bn, down \$418m YOY
 - Unchanged \$675m contract debtors portfolio provision
- ✓ Moody's rating upgraded to Baa2 from Baa3 (following S&P upgrade in May 2017 to BBB from BBB-)
- ✓ Successfully refinanced and expanded \$2.6bn syndicated bank facility
 - Facility upsized to provide increased financial flexibility to pursue business and capital allocation opportunities
 - Reflection of strength of balance sheet
 - Heavy oversubscription with strong response from lenders in Australia and Asia
- ✓ Cost of debt down 140bp YOY to 4.2%; higher average level of debt YOY due to UGL acquisition

Balance sheet (\$m)	Sep 2016	Dec 2016	Mar 2017	Jun 2017	Sep 2017
Net cash/(debt)	769.2	409.3	277.9	607.5	606.4
Operating leases	(472.9)	(466.9)	(459.0)	(450.4)	(433.9)
Net cash/(debt) (incl. op. leases)	296.3	(57.6)	(181.1)	157.1	172.5
Net contract debtors	1,659.0	1,324.6	1,494.9	1,238.7	1,240.7

Finance cost detail (\$m)	9m16	FY16	9m17
Debt interest expenses	(49.4)	(67.1)	(59.3)
Facility fees, bonding and other costs ⁸	(15.7)	(24.4)	(22.4)
Total finance costs	(65.1)	(91.5)	(81.7)
Interest income	56.1	73.5	52.0
Net finance costs⁹	(9.0)	(18.0)	(29.7)

Finance cost detail (\$m)	9m16	FY16	9m17
Debt interest expenses (a)	(49.4)	(67.1)	(59.3)
Gross debt ¹⁰ at period end	870.9	1,167.2	1,318.1
Gross debt period average (b)	1,167.4	1,224.0	1,898.0
Average cost of debt ($\frac{-ax4/3}{b}$)	5.6%	5.5%	4.2%



Cash flow consistently high

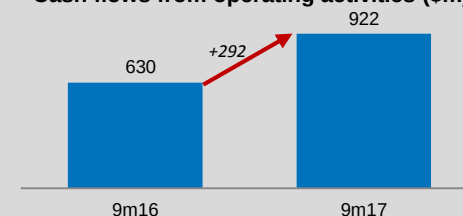
Cash flows from operating activities of \$922m for 9m17, up 46% YOY

- ✓ EBITDA cash conversion rate of 107% in LTM remaining at a consistently high level; 85% in 9m17 (vs 79% in 9m16)
- ✓ Strong cash flows from operating activities of \$922m for 9m17; \$1.5bn in LTM
 - Continued focus on managing working capital
 - Factoring volume on similar level to June 2017
- ✓ Increased mining and tunnelling activity leads to higher level of gross capital expenditure
- ✓ Free operating cash flow over \$1.0bn in LTM; \$535m in 9m17 up 19% YOY

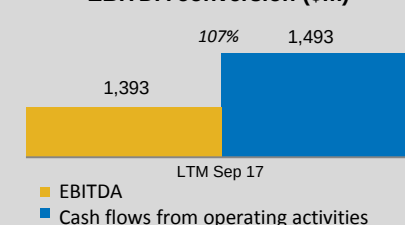
EBITDA conversion (\$m)	9m16	9m17	Chg. \$	LTM Sep 16	LTM Sep 17	FY16
Cash flows from operating activities (a)	630.2	922.2	292.0	1,199.8	1,493.4	1,201.4
EBITDA (b)	793.0	1,090.1	297.1	1,124.6	1,392.9	1,095.8
EBITDA conversion (a)/(b)	79%	85%		107%	107%	110%

Cash flow (\$m)	9m16	9m17	Chg. \$	LTM Sep 16	LTM Sep 17	FY16
Cash flows from operating activities	630.2	922.2	292.0	1,199.8	1,493.4	1,201.4
Interest, finance costs, taxes and dividends received	(59.8)	(98.8)	(39.0)	(95.7)	(113.4)	(74.4)
Net cash from operating activities	570.4	823.4	253.0	1,104.1	1,380.0	1,127.0
Gross capital expenditure	(182.9)	(306.1)	(123.2)	(252.6)	(403.4)	(280.2)
Gross capital proceeds	63.3	18.1	(45.2)	184.4	52.6	97.8
Net capital expenditure	(119.6)	(288.0)	(168.4)	(68.2)	(350.8)	(182.4)
Free operating cash flow	450.8	535.4	84.6	1,035.9	1,029.2	944.6

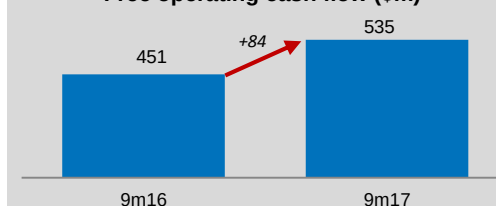
Cash flows from operating activities (\$m)



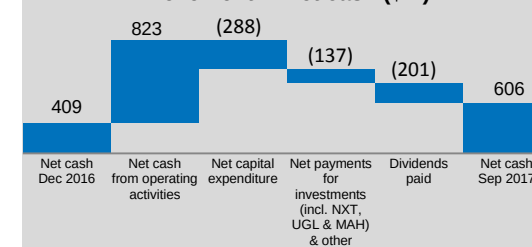
EBITDA conversion (\$m)



Free operating cash flow (\$m)

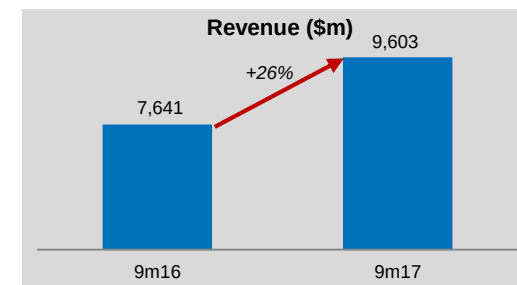


Movement in net cash (\$m)

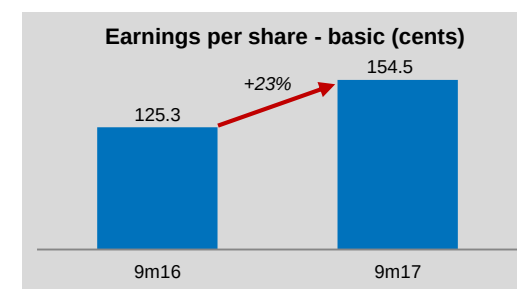
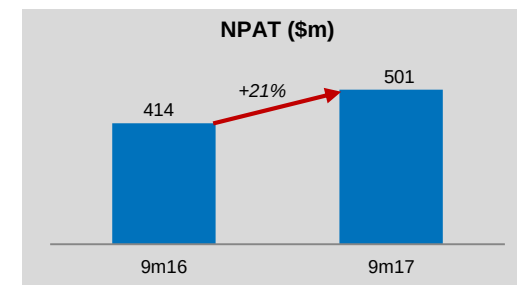


Solid 9m17 operating performance

- ✓ Revenue of \$9.6bn up 26% YOY, with strong contributions from all core businesses
- ✓ Solid EBITDA, EBIT and NPAT margins of 11.4%, 7.5% and 5.2% respectively
- ✓ Increased mining and tunnelling activity leads to higher level of depreciation
- ✓ PBT of \$687m for 9m17, up 28% YOY; 3Q17 up 31% YOY to \$245m
- ✓ NPAT of \$501m for 9m17, up 21% YOY; 3Q17 up 20% YOY to \$178m; EPS up 23% YOY to 154.5c
 - No significant one-off impacts



Financial performance (\$m)	9m16	9m17	Chg. \$	Chg. %	3Q16	3Q17	Chg. \$	Chg. %	FY16
Revenue	7,640.8	9,602.6	1,961.8	25.7%	2,727.1	3,323.2	596.1	21.9%	10,853.6
EBITDA	793.0	1,090.1	297.1	37.5%	277.8	376.8	99.0	35.6%	1,095.8
<i>EBITDA margin</i>	10.4%	11.4%		100bp	10.2%	11.3%		110bp	10.1%
D&A	(246.3)	(373.4)	(127.1)	51.6%	(89.8)	(121.6)	(31.8)	35.4%	(337.4)
EBIT	546.7	716.7	170.0	31.1%	188.0	255.2	67.2	35.7%	758.4
<i>EBIT margin</i>	7.2%	7.5%		30bp	6.9%	7.7%		80bp	7.0%
Net finance costs	(9.0)	(29.7)	(20.7)	230%	(1.0)	(10.0)	(9.0)	900%	(18.0)
Profit before tax	537.7	687.0	149.3	27.8%	187.0	245.2	58.2	31.1%	740.4
<i>PBT margin</i>	7.0%	7.2%		20bp	6.9%	7.4%		50bp	6.8%
Income tax	(149.4)	(192.2)	(42.8)	28.6%	(43.3)	(68.5)	(25.2)	58.2%	(188.0)
<i>Effective tax rate</i>	27.8%	28.0%		20bp	23.2%	27.9%		470bp	25.4%
Non-controlling interests	25.4	6.3	(19.1)	(75.2)%	4.8	1.5	(3.3)	(68.8)%	27.9
NPAT	413.7	501.1	87.4	21.1%	148.5	178.2	29.7	20.0%	580.3
<i>NPAT margin</i>	5.4%	5.2%		(20)bp	5.4%	5.4%		- bp	5.3%
EPS (basic)	125.3c	154.5c	29.2c	23.3%	45.5c	55.0c	9.5c	20.9%	176.6c



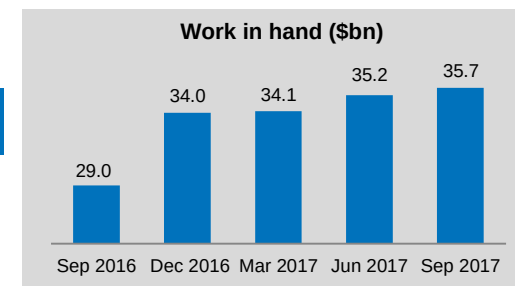
Extensive pipeline of opportunities in key markets

Increased work in hand of \$35.7bn, equivalent to over two years revenue, up \$0.5bn in 3Q17 (up \$1.7bn YTD)

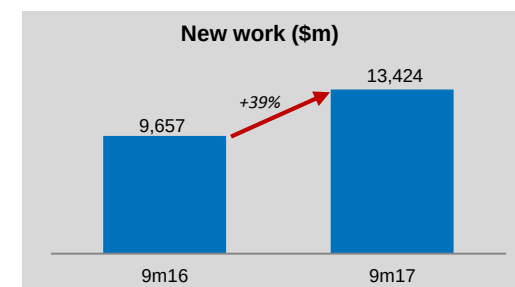
- ✓ WIH continues to grow with extensive project pipeline in our key markets
 - Services WIH up 38% YTD, increasing CIMIC's recurrent revenue profile
- ✓ New work of \$13.4bn awarded in 9m17, up 39% YOY, with \$4.5bn awarded in 3Q17; bidding discipline maintained

Extensive pipeline across all core businesses

- ✓ Relevant to CIMIC, nearly **\$23bn** of tenders to be bid and/or awarded in the remainder of 2017, and nearly **\$385bn** of projects are coming to the market in 2018 and beyond, including about \$50bn worth of PPP projects
- ✓ Some major projects that CIMIC is currently bidding include:
 - WestConnex PPP investment in New South Wales
 - Cross River Rail PPP project in Queensland, and Inland Rail PPP project
 - WestConnex Stage 3 in New South Wales
 - Selected projects under the Western Sydney roads upgrade program in New South Wales
 - Terminal 2 Airport works in Hong Kong and North South Corridor in Singapore
 - Sydney Buses region 6 in New South Wales
 - Beelbee 140MW Solar PV Farm in Queensland
 - Various projects in Canada and Chile including additional mining works in the oil sands and AMSA Minera Centinela
 - Mining and processing opportunities in New South Wales, Queensland and Western Australia



Work in hand (\$m) as at	Sep 16	Dec 16	Mar 17	Jun 17	Sep 17
Construction	12,575.0	12,959.0	14,279.0	15,191.2	14,662.5
Mining & mineral processing	10,259.0	10,025.4	9,054.5	9,576.9	9,582.8
Services	-	4,926.3	5,175.9	4,927.0	6,819.0
HLG	1,855.1	1,798.1	1,483.8	1,774.9	1,177.9
Corporate ¹¹	4,320.2	4,303.2	4,152.6	3,777.4	3,487.2
Total work in hand	29,009.3	34,012.0	34,145.8	35,247.4	35,729.4

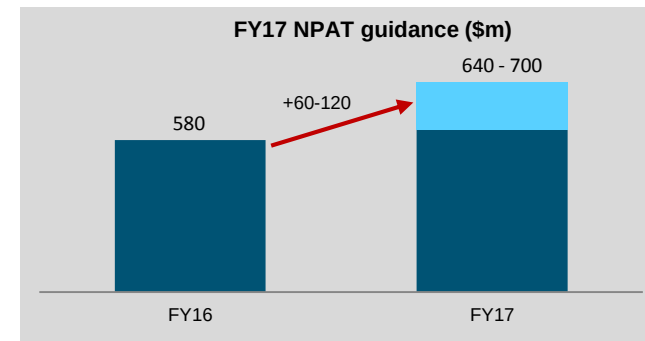


Guidance confirmed, delivering strong shareholder returns



FY17 NPAT guidance in the range of \$640m-\$700m, up 10-21% YOY, subject to market conditions

- ✓ Solid contributions from construction, mining and services supports positive outlook
- ✓ Balance sheet strength positions CIMIC well for strategic growth opportunities and shareholder remuneration



Delivery of strong shareholder returns

Strong share price performance

- ✓ CIMIC's share price closed at \$44.21 at 30 September 2017, up 26.5% or \$9.27 since 1 January 2017
- ✓ CIMIC's share price closed at \$48.35 at 31 October 2017

Dividend

- ✓ Interim ordinary dividend for FY17 of 60 cents per share (\$195m), up 25% YOY, franked at 100%, paid on 4 October 2017
- ✓ Final ordinary dividend for FY16 of 62 cents per share (\$201m), up 24% YOY, franked at 100%, paid on 4 July 2017

¹Net contract debtors represents the net of amounts due from customers and amounts due to customers. The Group's 2016 annual financial statements included provisional fair values for assets and liabilities acquired in the business combination. Accounting for the business combination has been completed in June 2017, and the 31 December 2016 and 31 March 2017 net contract debtors comparative information was adjusted retrospectively to increase the fair value of trade and other payables at the acquisition date by \$60m

²Cash flows from operating activities before interest, finance costs, taxes and dividends received

³Free operating cash flow is defined as net cash from operating activities less net capital expenditure for property, plant and equipment

⁴Revenue excludes revenue from joint ventures and associates of \$2,103.5m (9m16: \$2,011.3m)

⁵Margins are calculated on revenue which excludes revenue from joint ventures and associates

⁶WIH includes CIMIC's share of work in hand from joint ventures and associates

⁷New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements

⁸Relates to the \$2.9bn of working capital facilities of which \$2.2bn is undrawn at 30 September 2017 and bank bonding commitment fees

⁹Net finance costs include interest income and finance costs

¹⁰Total interest bearing liabilities

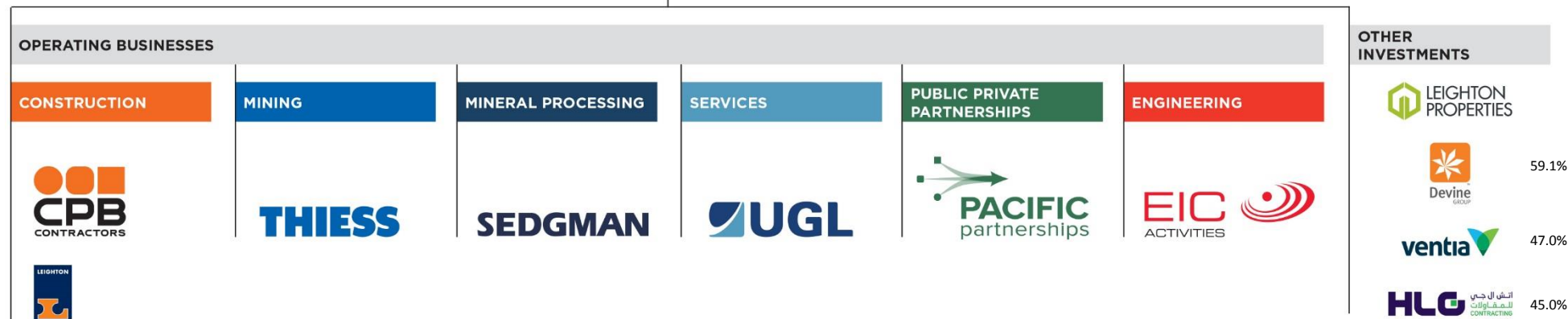
¹¹Corporate work in hand includes work in hand mainly from Commercial and residential and CIMIC's share on investments such as Ventia. From June 2017, Commercial and residential segment is included within the Corporate segment (FY16: \$724.2m, 3Q16: \$758.0m). September 2017 work in hand excludes CIMIC's share of Macmahon Holdings Limited work in hand due to divestment in July 2017 (HY17: \$260.9m)

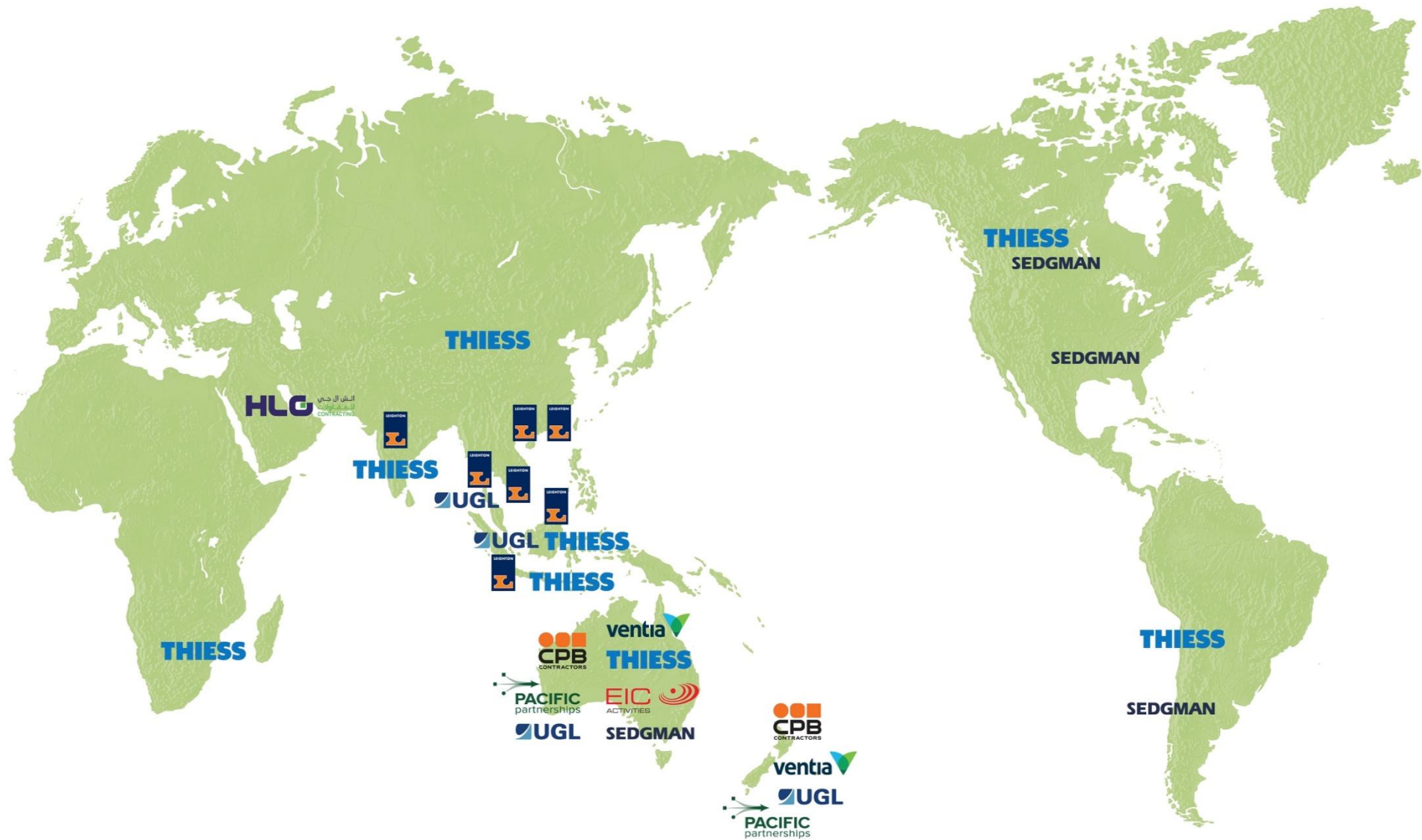
Definitions

- ✓ 1Q17, 2Q17, 3Q17 & 4Q17 - Three months to March 2017, June 2017, September 2017 and December 2017 respectively
- ✓ 1Q16, 2Q16, 3Q16 & 4Q16 - Three months to March 2016, June 2016, September 2016 and December 2016 respectively
- ✓ 9m16, 9m17 – Nine months to September 2016 and September 2017 respectively
- ✓ bn – Billion
- ✓ bp - Basis points
- ✓ D&A – Depreciation and amortisation
- ✓ EBIT - Earnings before net finance costs and tax
- ✓ EBITDA - Earnings before net finance costs, tax, depreciation and amortisation
- ✓ EPS - Earnings per share (basic)
- ✓ FY – Full year from January to December
- ✓ HY – Half year from January to June
- ✓ LTM - Last 12 months
- ✓ m - Million
- ✓ MAH – Macmahon Holdings Limited
- ✓ NPAT - Net profit after tax
- ✓ NXT – Nextgen Group Holdings Pty Ltd
- ✓ PBT - Profit before tax
- ✓ PPP – Public Private Partnership
- ✓ WIH - Work in hand
- ✓ YOY - Year on year

APPENDICES

HOCHTIEF AG — 72.68% —  — 27.32% — OTHER SHAREHOLDERS





\$bn



F/X rates

End of the period	Sep 2016	Sep 2017	Chg. \$	Chg. %	Dec 2016
AUD/USD	0.75	0.78	0.03	4.0%	0.72
AUD/EUR	0.67	0.67	-	0.0%	0.68
Period average	9m16	9m17	Chg. \$	Chg. %	FY16
AUD/USD	0.74	0.76	0.02	2.7%	0.74
AUD/EUR	0.67	0.69	0.02	3.0%	0.67

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