



CIMIC Group Limited
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11 May 2020

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1Q20 NPAT \$166M, REVENUE \$3.3BN, MARKET OUTLOOK POSITIVE

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

Company Secretary

11 MAY 2020**1Q20 NPAT \$166M; REVENUE¹ \$3.3BN****OPERATING CASH FLOW² PRE-FACTORING OF \$1.6BN IN LTM³; EBITDA CASH CONVERSION⁴ PRE-FACTORING OF 76% IN LTM****NET (DEBT)/CASH⁵ \$(991)M, \$462M (EX. BICC); STRONG LIQUIDITY WITH GROSS CASH⁶ OF \$4.5BN****NEW WORK⁷ OF \$2.5BN; WIH⁸ OF \$36.1BN, EQUIVALENT TO MORE THAN TWO YEARS' WORTH OF WORK, PROVIDES GOOD VISIBILITY****OUTLOOK ACROSS CORE MARKETS REMAINS POSITIVE; MONITORING COVID-19 IMPACTS**

CIMIC Group today announced the performance of its business during the three months to 31 March 2020:

- NPAT of \$166 million
- Revenue of \$3.3 billion, compared to \$3.4 billion in 1Q19
- Robust operating profit⁹, PBT and NPAT margins¹⁰ of 8.4%, 6.9% and 5.0% respectively
- Generated operating cash flow pre-factoring of \$1.6 billion in LTM
- Delivered 76% EBITDA cash conversion pre-factoring in LTM, compared to 38% in 1Q19; factoring balance down approximately \$200 million YOY
- Net (debt)/cash \$(991) million; \$462 million (ex. BICC)
- Strong liquidity with gross cash of \$4.5 billion, debt repayments of less than \$0.2 billion due in next 12 months
- Awarded new work of \$2.5 billion; bidding discipline maintained
- Work in hand of \$36.1 billion, equivalent to more than two years' worth of work, provides good visibility
- Outlook across the Group's core markets remains positive; monitoring COVID-19 impacts
- Once we have better visibility of the consequences of COVID-19 on the business we will provide an update to 2020 profit guidance, if required.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: "Our priorities at this time are the health and safety of our people and the continued provision of essential services and critical infrastructure for the communities where we operate.

"We have kept our projects going and working productively to help support the economy at a time when it's very much needed.

“This includes operating and maintaining heavy, automated and light rail networks and infrastructure in Sydney, Melbourne, Canberra and Perth, and the continued operation of major mine sites across Australia and internationally.

“We also continue to deliver essential construction work, including delivery of the Christchurch Hospital’s Acute Services Building in New Zealand during the country’s recent strict lockdown.

“Notwithstanding the short-term impacts from the evolving COVID-19 situation, the outlook across the Group’s core markets remains positive. Once we have better visibility of the consequences of COVID-19 on the business we will provide an update to 2020 profit guidance, if required.”

CIMIC Group Chief Executive Officer Juan Santamaria said: “During the first quarter, we maintained a disciplined focus on sustaining a strong balance sheet, generating cash, and taking a rigorous approach to tendering, project delivery and risk management.

“We continue to pursue an increasing number of contracts that effectively manage risk in construction (such as alliances and collaborative partnerships, and managing contractor and cost reimbursable contracts), and grow our longer-term contracts in PPPs, services and mining and minerals processing.”

CIMIC Group announced several important projects during the first quarter including:

- UGL secured contracts to provide maintenance, shutdown and project services for its clients in the mining sector, generating combined revenue of \$180 million
- CPB Contractors was selected to deliver upgrades to two major regional highway projects in Victoria and Queensland, generating combined revenue of \$164 million
- UGL secured contracts to provide maintenance, turnarounds and project services for its clients in the oil and gas sector, generating combined revenue of \$450 million
- Thiess secured a five-year framework agreement with Rio Tinto Iron Ore in Western Australia, while Sedgman was awarded variations to operations contracts in NSW, generating combined revenue of \$100 million
- CPB Contractors was selected to deliver three road projects under the Port Wakefield to Port Augusta Regional Projects Alliance, generating revenue of approximately \$237 million
- UGL was awarded contracts to operate and maintain a tram and bus network in Adelaide and manufacture locomotives in Newcastle, NSW, generating combined revenue of \$180 million.

As at 31 March 2020, around \$90 billion of tenders relevant to CIMIC were expected to be bid and/or awarded for the remainder of 2020, and around \$400 billion of projects were expected to come to the market in 2021 and beyond. The total pipeline of \$490 billion has increased from \$430 billion as at March 2019. This pipeline includes around \$130 billion of PPP opportunities identified for the remainder of 2020 and beyond.

Mr Fernández Verdes said: “Looking ahead, governments in our markets have announced they will further accelerate major social, transport and economic infrastructure projects in order to create jobs and encourage private investment to stimulate economic growth. Our focus is to support this demand for critical infrastructure and create long-term value for our clients, communities and stakeholders.”

Refer to ‘Analyst and Investor Presentation’ for further information.

ENDS

Issued by CIMIC Group Limited ABN 57 004 482 982 www.cimic.com.au

Authorised by the CIMIC Group Board

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CIMIC Group (ASX:CIM) is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects. CIMIC Group comprises our construction business CPB Contractors, including Leighton Asia and Broad, our mining and mineral processing companies Thiess and Sedgman, our services specialist UGL and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy EIC Activities. Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people. With a history since 1899, and around 40,000 people in 20 countries, we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. CIMIC is a member of the S&P/ASX 100 index, the Dow Jones Sustainability Australia Index and FTSE4Good.

¹ Revenue excludes revenue from joint ventures and associates of \$611.2m (1Q19: \$642.6m)

² Operating cash flow includes cash flow from operating activities and changes in short term financial assets and investments before interest, finance costs and taxes

³ Last 12 months

⁴ EBITDA cash conversion and EBITDA in 1Q20 LTM does not include any gains/(losses) recognised as a result of the Group's financial investment in BICC and exit from the Middle East region recognised in 4Q19

⁵ Net cash/(debt) includes cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)

⁶ Gross cash represents cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)

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

⁸ WIH includes CIMIC's share of work in hand from joint ventures and associates

⁹ Operating profit is EBIT adjusted for any one-off items. No one-off items in 1Q20 or 1Q19

¹⁰ Margins are calculated on revenue which excludes revenue from joint ventures and associates