

HALF YEAR REPORT 2023



Directors' Report

The Directors of CIMIC Group Limited present their report for the half-year ended 30 June 2023 in respect of the Consolidated Entity constituted by the Company and the entities it controlled during the half year.

The Consolidated Entity's interim financial report for the half-year ended 30 June 2023 and the auditor's review report are presented on pages 33 to 34.

INFORMATION REGARDING DIRECTORS	
The Directors of the Company at any time during or since the end of the half-year are:	
Juan Santamaria Executive Chairman since November 2020, CEO and Managing Director from February 2020 to May 2022.	Russell Chenu Independent Non-executive Director since June 2014.
José-Luis del Valle Pérez Non-executive Director since March 2014.	Pedro López Jiménez Non-executive Director since March 2014.
David P Robinson Non-executive Director since December 1990.	Peter W Sassenfeld Non-executive Director since November 2011.
Kathryn Spargo Independent Non-executive Director since September 2017.	

ALTERNATE DIRECTOR	
Robert L Seidler AM Alternate Director for Mr del Valle Pérez since June 2014.	

Signed in accordance with a resolution of the Directors:



Juan Santamaria
Executive Chairman

Sydney, 20 July 2023

Consolidated Statement of Profit or Loss

for the six months ended 30 June 2023

	Note	6 months to June 2023 \$m	6 months to June 2022 \$m
Revenue	2	6,115.7	5,040.9
Expenses	3	(5,836.0)	(5,341.0)
Finance income	4	37.5	7.0
Finance costs	4	(130.6)	(77.0)
Share of profit of associates and joint venture entities		80.3	102.4
Other gains	8	-	531.7
Profit before tax		266.9	264.0
Income tax expense		(62.7)	(62.4)
Profit for the period		204.2	201.6
Profit for the period attributable to non-controlling interests		(1.7)	(1.4)
Profit for the period attributable to shareholders of the parent entity		202.5	200.2
Dividends per share - Interim	5	-	39.0c

The consolidated statement of profit or loss is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Other Comprehensive Income

for the six months ended 30 June 2023

	6 months to June 2023 \$m	6 months to June 2022 \$m
Profit for the period attributable to shareholders of the parent entity	202.5	200.2
Other comprehensive income attributable to shareholders of the parent entity:		
<i>Items that may be reclassified to profit or loss</i>		
• Foreign exchange translation differences (net of tax)	52.7	81.4
• Effective portion of changes in fair value of cash flow hedges (net of tax)	(25.4)	49.7
<i>Items that will not be reclassified to profit or loss</i>		
• Fair value gain on investments designated as fair value through other comprehensive income (net of tax)	37.4	1.6
Other comprehensive income for the period (net of tax)	64.7	132.7
Total comprehensive income for the period attributable to shareholders of the parent entity	267.2	332.9
<i>Total comprehensive income for the period attributable to shareholders of the parent entity:</i>		
Total comprehensive income for the period	268.9	334.3
Total comprehensive income for the period attributable to non-controlling interests	(1.7)	(1.4)
Total comprehensive income for the period attributable to shareholders of the parent entity	267.2	332.9

The consolidated statement of other comprehensive income is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Financial Position

as at 30 June 2023

	Note	30 June 2023 \$m	31 December 2022 \$m
Assets			
Cash and cash equivalents	6	2,335.2	2,569.0
Trade and other receivables	7	2,911.4	2,806.5
Current tax assets		147.0	154.2
Inventories: consumables and development properties		269.9	269.4
Asset held for sale		-	44.1
Other investments: marketable securities	8	379.8	-
<i>Total current assets</i>		6,043.3	5,843.2
Trade and other receivables	7	494.9	414.1
Inventories: development properties		65.8	68.4
Investments accounted for using the equity method	10	1,892.9	1,817.3
Other investments	8	298.8	915.8
Deferred tax assets		132.6	234.1
Property, plant and equipment		551.4	566.7
Intangibles		950.9	941.4
<i>Total non-current assets</i>		4,387.3	4,957.8
Total assets		10,430.6	10,801.0
Liabilities			
Trade and other payables		5,011.8	5,203.7
Current tax liabilities		13.6	14.1
Provisions		273.8	268.9
Financial liability		9.3	33.7
Interest bearing liabilities	12	-	110.1
Lease liabilities		84.2	75.3
<i>Total current liabilities</i>		5,392.7	5,705.8
Trade and other payables		123.3	216.1
Provisions		17.5	18.2
Interest bearing liabilities	12	3,027.6	3,235.2
Lease liabilities		164.2	189.3
<i>Total non-current liabilities</i>		3,332.6	3,658.8
Total liabilities		8,725.3	9,364.6
Net assets		1,705.3	1,436.4
Equity			
Share capital		1,458.7	1,458.7
Reserves		(369.3)	(448.9)
Retained earnings		620.7	433.1
<i>Total equity attributable to equity holders of the parent</i>		1,710.1	1,442.9
Non-controlling interests		(4.8)	(6.5)
Total equity		1,705.3	1,436.4

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Changes in Equity

for the six months ended 30 June 2023

	Share Capital	Reserves	Retained Earnings	Attributable to Equity Holders	Non- controlling Interests	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m
Total equity at 1 January 2022	1,458.7	(617.2)	241.0	1,082.5	(3.3)	1,079.2
Profit for the period	-	-	200.2	200.2	1.4	201.6
Other comprehensive income	-	132.7	-	132.7	-	132.7
Transactions with shareholders in their capacity as shareholders:						
- Dividends	-	-	(112.1)	(112.1)	-	(112.1)
Total transactions with shareholders	-	-	(112.1)	(112.1)	-	(112.1)
Total equity at 30 June 2022	1,458.7	(484.5)	329.1	1,303.3	(1.9)	1,301.4
	Share Capital	Reserves	Retained Earnings	Attributable to Equity Holders	Non- controlling Interests	Total Equity
	\$m	\$m	\$m	\$m	\$m	\$m
Total equity at 1 January 2023	1,458.7	(448.9)	433.1	1,442.9	(6.5)	1,436.4
Profit for the period	-	-	202.5	202.5	1.7	204.2
Other comprehensive income	-	64.7	-	64.7	-	64.7
Transactions with shareholders in their capacity as shareholders:						
- Dividend	-	-	-	-	-	-
Total transactions with shareholders	-	-	-	-	-	-
Other equity movements:						
- Transfer of reserve on disposal of investment	-	14.9	(14.9)	-	-	-
Total other equity movements	-	14.9	(14.9)	-	-	-
Total equity at 30 June 2023	1,458.7	(369.3)	620.7	1,710.1	(4.8)	1,705.3

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial report.

Consolidated Statement of Cash Flows

for the six months ended 30 June 2023

	Note	6 months to June 2023 \$m	6 months to June 2022 \$m
Cash flows from operating activities			
Cash receipts in the course of operations (including GST)		6,467.1	5,277.6
Cash payments in the course of operations (including GST)		(6,482.3)	(4,943.7)
Cash flows (used) in / from operating activities		(15.2)	333.9
Interest received		41.9	7.0
Finance costs paid		(112.4)	(54.9)
Income taxes paid		(5.0)	(68.9)
Net cash (used) in / from operating activities		(90.7)	217.1
Cash flows from investing activities			
Payments for intangibles		(4.5)	(9.3)
Payments for property, plant and equipment		(144.4)	(57.0)
Proceeds from sale of property, plant and equipment		12.0	5.0
Proceeds from sale of investments		348.6	55.4
Cash disposed from disposal of investments		(1.3)	-
Payments for investments		(13.0)	(27.5)
Dividends from investments		23.2	-
Net cash from / (used) in investing activities		220.6	(33.4)
Cash flows from financing activities			
Payment of financial liability		(24.8)	(19.7)
Proceeds from borrowings		454.8	1,297.6
Repayment of borrowings		(762.6)	(555.0)
Repayment of leases		(45.5)	(45.4)
Net cash (used) in / from financing activities		(378.1)	677.5
Net (decrease) / increase in cash held		(248.2)	861.2
Cash and cash equivalents at the beginning of the period		2,569.0	1,939.7
Effects of exchange rate fluctuations on cash held		14.4	11.1
Cash and cash equivalents at reporting date	6	2,335.2	2,812.0

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial report.

Notes to the Consolidated Financial Statements

for the six months ended 30 June 2023

1. BASIS OF PREPARATION

The consolidated interim financial report is presented in Australian dollars and has been prepared on a historical cost basis, except for financial instruments that have been measured at fair value at the reporting date.

CIMIC Group Limited is a Company domiciled in Australia. The consolidated interim financial report for the six months ended 30 June 2023 comprises the Company and its controlled entities (the “Consolidated Entity” or “Group”) and the Consolidated Entity’s interest in associates and joint arrangements. All financial information presented in Australian dollars has been rounded off to the nearest hundred thousand dollars, unless otherwise stated.

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and complies with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board.

The consolidated interim financial report does not include all the information required for an annual financial report and should be read in conjunction with the financial report of the Group for the year ended 31 December 2022.

The consolidated interim financial report was authorised for issue by the Directors on 20 July 2023.

Significant accounting policies

The accounting policies and methods of computation applied by the Group in this consolidated interim financial report are the same as those applied by the Group in the financial report for the year ended 31 December 2022, except as disclosed below.

a) New and amended accounting standards

In the current year, the Group has applied a number of new and revised accounting standards and amendments that are mandatorily effective for an accounting period that begins on or after 1 January 2023, as follows:

- AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- AASB 2021-7 *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections*
- AASB 2022-1 *Amendments to Australian Accounting Standards – Initial Application of AASB 17 and AASB 9 – Comparative Information*
- AASB 17 *Insurance Contracts*
- AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*
- AASB 2022-7 *Editorial Corrections to Australian Accounting Standards and Repeal of Superseded and Redundant Standards*
- AASB 2022-8 *Amendments to Australian Accounting Standards – Insurance Contracts: Consequential Amendments*
- AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules*

While these standards introduce new disclosure requirements, they do not materially affect the Group’s accounting policies or any of the amounts recognised in the financial statements.

b) Accounting estimates and judgements

The preparation of the consolidated interim financial report requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

In preparing the consolidated interim financial report, judgements made in the application of Australian Accounting Standards Board (‘AASBs’) that could have a significant effect on the financial report and estimates with a risk of adjustment in the next year are the same as those disclosed in the 31 December 2022 CIMIC Annual Report.

Notes continued

for the six months ended 30 June 2023

1. BASIS OF PREPARATION continued

b) Accounting estimates and judgements continued

■ Impact of change in tax consolidation group:

As disclosed in the 31 December 2022 CIMIC Annual Report, Hochtief Australia Holdings Limited completed its acquisition of 100% of CIMIC's share capital on 10 June 2022. With effect from this date, CIMIC Group Limited and its wholly owned Australian entities joined the Hochtief Australia Holdings Limited multiple entry consolidated ('MEC') group for tax purposes, with Hochtief Australia Holdings Limited as the head entity of the MEC group. Under the new tax group, the head entity and the group members continue to account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continued to be a standalone taxpayer. The head entity recognises the current tax liabilities or assets and the deferred tax liabilities or assets arising from unused tax losses and unused tax credits (including franking credits) assumed from member entities in the tax consolidated group.

As previously reported, upon CIMIC's entry into the Hochtief Australia Holdings Limited tax group, the Income Tax Assessment Act 1997 required the tax values of CIMIC Group's assets to be reset in accordance with the tax cost resetting principles. A provisional best estimate of the likely tax values, supported by expert advice, has been adopted in the financial report. The provisional accounting impact of the change in tax group was disclosed in Note 6: *Income tax expense* in the 31 December 2022 CIMIC Annual Report. The net impact results from a number of offsetting adjustments to reset various tax cost bases predominantly related to financial investments, inventories and property, plant and equipment. Finalisation of the reset tax base is expected by September 2023.

■ Determination of control or joint control:

We continually reassess facts and circumstances based on currently available information to consider, under Australian Accounting Standards, if changes are required to previous conclusions regarding control or joint control determinations.

Where CIMIC holds a call option over its joint venture partner's interest in a company, the period of time between the exercise of an option and resultant transfer of shares is considered in the context of the current ability of the Group to direct the relevant activities of the joint venture. This also considers whether the joint venture partner can direct the relevant activities of the business during this period and whether this period is significant in the context of the activities of the joint venture.

c) Market conditions

COVID is regarded to have now transitioned to an endemic phase with a return to normalised business conditions.

The industry continues to experience inflationary pressures as a whole. The Group is managing this exposure through new contractual mechanisms and leveraging its existing supply chain, upfront procurement contracts and financial hedging strategies. The Group was also impacted by unseasonably wet weather in 2022, particularly in Australia, which was mitigated by the resequencing of resources and pre-existing wet weather contract allowances.

In the industries in which we operate we are experiencing a skills shortage which is driving a demand for labour. This demand, when combined with inflationary pressures, is putting upward pressure on wages. The Group continues to monitor remuneration benchmarks and has in place long standing staff retention strategies.

Notwithstanding possible future uncertainties, the outlook across the Group's core markets remains positive with strong levels of work in hand. The Group continues to monitor macro-economic and other risk factors. It considers the possible impacts that these uncertainties may have on liquidity assessments, asset valuation and contract cost forecasts.

Notes continued

for the six months ended 30 June 2023

2. REVENUE

	6 months to June 2023 \$m	6 months to June 2022 \$m
Construction revenue	4,208.4	3,510.0
Services revenue	1,844.6	1,470.3
Corporate and Investments	62.7	60.6
Total revenue	6,115.7	5,040.9

3. EXPENSES

	6 months to June 2023 \$m	6 months to June 2022 \$m
Materials	(1,259.9)	(1,087.9)
Subcontractors	(2,141.5)	(1,896.7)
Plant costs	(297.8)	(216.2)
Personnel costs	(1,760.5)	(1,464.3)
Depreciation and impairment of property, plant and equipment	(126.0)	(124.2)
Amortisation of intangibles	(6.4)	(6.7)
Net gain on sale of assets	3.5	4.5
Foreign exchange losses	(4.9)	(3.4)
Lease expense	(66.4)	(60.4)
Design, engineering and technical consulting fees	(32.3)	(20.0)
Other expenses	(143.8)	(465.7)
Total expenses ¹	(5,836.0)	(5,341.0)

¹As previously disclosed, UGL, a wholly owned subsidiary of CIMIC, together with its consortium partners CH2M Hill Companies Limited (CH2M) and General Electric Company, were contracted by JKC Australia LNG Pty Ltd (JKC) to carry out works relating to the construction of a combined cycle power plant for the Ichthys LNG Project in the Northern Territory. In January 2017, the UGL-CH2M JV Consortium terminated their contract with JKC for the design, construction, and commissioning of the combined cycle power plant (CCPP Contract).

On 11 April 2022, CIMIC entered into a conditional, confidential commercial agreement with its consortium partners and JKC resulting in a full and final settlement of all matters in connection with the CCPP Contract (the Settlement). CIMIC paid an amount of \$192.5 million in April 2022 and paid an additional amount of \$300 million in March 2023, as its contribution to the Settlement. This was reflected in the period ended 30 June 2022.

Notes continued

for the six months ended 30 June 2023

4. NET FINANCE INCOME / (COSTS)

	6 months to June 2023 \$m	6 months to June 2022 \$m
Finance income		
Interest and other	37.5	7.0
Total finance income	37.5	7.0
Finance costs		
Debt interest expense	(84.4)	(41.5)
Finance charge for lease liabilities	(7.0)	(6.7)
Facility fees, bonding and other finance costs	(25.8)	(21.0)
Hedge ineffectiveness on cross currency interest rate swaps	(0.3)	(0.1)
Impact of discounting	(13.1)	(7.7)
Total finance costs	(130.6)	(77.0)
Net finance costs	(93.1)	(70.0)

Notes continued

for the six months ended 30 June 2023

5. DIVIDENDS

	Cents per share	\$m
2022 Final and 2023 Interim dividend		
Subsequent to reporting date the Company announced a final dividend in respect of the year ended 31 December 2022. The dividend is payable on 3 August 2023. This dividend has not been provided for in the consolidated statement of financial position.	19.0	59.1
Subsequent to the reporting date the Directors of the Company deferred the decision to declare an interim dividend in respect of the period ended 30 June 2023.		
Dividends recognised in the reporting period to 30 June 2023		
31 December 2022 final dividend	-	-
Dividends recognised in the reporting period to 31 December 2022		
30 June 2022 interim ordinary dividend	39.0	121.4
31 December 2021 final dividend	36.0	112.1
Total dividends recognised in reporting period to 31 December 2022		233.5

6. CASH AND CASH EQUIVALENTS

	June 2023 \$m	December 2022 \$m
Funds on deposit	618.2	859.0
Cash at bank and on hand	1,717.0	1,710.0
Cash and cash equivalents	2,335.2	2,569.0

As at 30 June 2023: \$661.0 million (31 December 2022: \$700.1 million) of cash at bank is restricted. It includes cash subject to certain operational restrictions of \$314.7 million (31 December 2022: \$393.6 million) as well as cash in relation to the sale of receivables of \$346.3 million (31 December 2022: \$306.5 million). The receivables only include certified amounts with the factoring done on a non-recourse basis.

Notes continued

for the six months ended 30 June 2023

7. TRADE AND OTHER RECEIVABLES

	June 2023 \$m	December 2022 \$m
Contract receivables	391.1	317.5
Contract assets	1,759.5	1,770.1
Retentions and capitalised costs to fulfil contracts	121.2	117.2
Total contract debtors	2,271.8	2,204.8
Trade debtors	227.1	219.6
Other amounts receivable	370.7	363.3
Prepayments	105.7	103.5
Derivative financial assets	18.6	4.2
Amounts receivable from related parties	412.4	325.2
Total trade and other receivables	3,406.3	3,220.6
Current	2,911.4	2,806.5
Non-current	494.9	414.1
Total trade and other receivables	3,406.3	3,220.6
Additional information on contract debtors		
Total contract debtors – trade and other receivables	2,271.8	2,204.8
Total contract liabilities – trade and other payables	(1,945.4)	(2,142.7)
Net contract debtors	326.4	62.1

Remaining performance obligations (Work in hand)

Contracts which have remaining performance obligations as at 30 June 2023 are set out below.

	June 2023 \$m	December 2022 \$m
Work in hand ¹	30,822	30,426

¹Includes \$8,286 million (31 December 2022: \$8,124 million) of CIMIC's share of work in hand from joint ventures and associates which are equity accounted investments.

Contracts in the different sectors have different lengths. The average duration of contracts is given below, however some contracts will vary from these typical lengths. Revenue is typically earned over these varying timeframes, however more of the revenue noted above is expected to be earned in the earlier years.

Construction	1-4 years
Services	4-10 years
Corporate and Investments	3-7 years

Notes continued

for the six months ended 30 June 2023

8. OTHER INVESTMENTS – MARKETABLE SECURITIES

In order to avoid any perceived conflict of interest with other Group companies, on 31 March 2022, CIMIC decided to remove its nominee directors from the Ventia Services Group Limited ('Ventia') board and to waive certain of its material rights, until the end of September 2023, in respect of nominating directors; the appointment of the Ventia CEO; and voting on the election, re-election, appointment or removal of directors. Further, CIMIC agreed to abstain from voting its shares on certain resolutions put to a meeting of Ventia's shareholders, retaining the right to vote on matters relating to share rights, ownership and resolutions which may adversely affect the economic value of CIMIC's interest in Ventia.

In accordance with the Group's accounting policy, given CIMIC no longer had significant influence over its investment in Ventia, the investment was reclassified from an associate to a financial investment measured at fair value through other comprehensive income ('FVOCI'). This resulted in a non-cash one off gain of \$501.7 million which was presented in 'other gains' in the statement of profit or loss for the six months ended 30 June 2022.

On 7 March 2023 CIMIC Group Investments No. 3 Pty Limited, a wholly owned subsidiary of CIMIC, sold 93,023,256 ordinary shares in Ventia. Following the sale, CIMIC held approximately 21.9% of the issued share capital in Ventia.

As part of the trade on 7 March 2023 advisors were appointed to support CIMIC in its divestment, as is common market practice for disposal of substantial shareholdings in listed business. Ventia shares are listed and actively traded on the Australian Securities Exchange. As such the shares can be made readily available for sale. Ventia was reclassified as a current asset from non-current other investments in the statement of financial position at 31 March 2023.

On 4 May 2023 CIMIC sold a further 61,983,471 ordinary shares in Ventia. Following this sale and at 30 June 2023 CIMIC held approximately 14.7% of the issued share capital in Ventia and the waiver of certain material rights remain in place. Therefore, in accordance with the Group's accounting policy, the investment continues to be accounted for as a financial investment measured at fair value through other comprehensive income. Accordingly, no gain was recognised in the statement of profit or loss in respect of the sale of Ventia shares for the six months ended 30 June 2023.

Notes continued

for the six months ended 30 June 2023

9. ACQUISITIONS AND DISPOSALS OF CONTROLLED ENTITIES

30 June 2023 acquisitions and disposals of controlled entities

Disposals

Glenrowan Solar Farm

During the period the Group divested a 49% equity interest in its wholly owned subsidiary Glenrowan Solar Holdings Pty Limited and its controlled entities ("Glenrowan") and entered into a joint venture arrangement with the acquirer. The sale completed on 22 June 2023.

The terms of the completed sale agreement means that the transaction was accounted for as a disposal of controlled entities in accordance with AASB 10: *Consolidated Financial Statements* ("AASB 10") resulting in the deconsolidation of Glenrowan. The terms of the shareholders agreement require the consent of both shareholders on relevant business activities and both parties are exposed to variable returns, resulting in joint control in accordance with AASB 11: *Joint Arrangements*. Accordingly, the Group has recognised its retained interest in Glenrowan as a joint venture entity on 22 June 2023.

31 December 2022 acquisitions and disposals of controlled entities

Acquisitions

Logistic Engineering Services

On 2 May 2022, CIMIC through its wholly owned subsidiary UGL Operations and Maintenance (Services) Pty Limited acquired 100% of Logistic Engineering Services Pty Ltd ("LES") for cash consideration of \$8.1 million. LES is an Australian-based consulting and professional service provider that specialises in the development and delivery of integrated logistics support services, software and training throughout the asset lifecycle, with a focus on the Defence sector. The acquisition has been accounted for under AASB 3: *Business Combinations*.

The contribution by the acquired company to the Group from either the acquisition date or 1 January 2022 to the end of the period ended 31 December 2022 was immaterial.

Onyx Projects

On 1 July 2022, CIMIC through its wholly owned subsidiary Sedgman Pty Limited acquired 100% of Onyx Projects Pty Ltd ("Onyx"). Onyx is a project management and engineering company operating in the resources sector based in Perth, WA. The company delivers greenfield and brownfield engineering projects in mining and minerals processing, specialising in brownfield and sustaining capital projects. The purchase consideration was \$13.4 million cash, of which \$3.4 million was deferred. Subsequent to the acquisition, \$1.0 million of the \$3.4 million deferred amount has been paid. The acquisition has been accounted for under AASB 3: *Business Combinations*.

The contribution by Onyx to the Group from either the acquisition date or 1 January 2022 to the end of the period ended 31 December 2022 was immaterial.

Ecco Engineering

On 27 October 2022, CIMIC through its wholly owned subsidiary Leighton Asia Pty Ltd acquired 100% of Ecco Engineering Company Limited ("Ecco"). This company is a Hong Kong based engineering company that provides services for water infrastructure, primarily in the wastewater treatment sector. The purchase consideration was \$4.6 million cash, of which \$1.1 million was deferred. Subsequent to the acquisition, \$0.3 million of the \$1.1 million deferred amount has been paid. The acquisition has been accounted for under AASB 3: *Business Combinations*.

The contribution by Ecco to the Group from either the acquisition date or 1 January 2022 to the end of the period ended 31 December 2022 was immaterial.

Notes continued

for the six months ended 30 June 2023

9. ACQUISITIONS AND DISPOSALS OF CONTROLLED ENTITIES CONTINUED

31 December 2022 acquisitions and disposals of controlled entities continued

Disposals

BIC Contracting ("BICC")

On 15 February 2021 the Group signed a share purchase agreement with SALD Investment LLC ("SALD") for the sale of CIMIC's investments in the Middle East, including CIMIC's 45% investment in BICC. The transaction involved several steps including the transfer of BICC's group entities directly to SALD. The sale agreement covered all of CIMIC's investments in the Middle East and resulted in SALD owning all of the BICC Group entities across the UAE, Qatar, Oman and Saudi Arabia. CIMIC has not increased its financial exposure to the Middle East since the sale was agreed.

The entities were transferred progressively from February 2021 to July 2022, with the exception of a nominee holding in a BICC company. The transfer of this nominee holding was completed on 1 February 2023 for nominal consideration.

10. ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD

The Group has the following investments in associates:

Name of entity	Principal activity	Country	Ownership interest	
			June 2023 %	December 2022 %
Canberra Metro Holdings Pty Ltd ¹	Construction	Australia	38	38
Canberra Metro Holdings Trust ¹	Investment	Australia	30	30
Metro Trains Australia Pty Ltd ¹	Services	Australia	20	20
Metro Trains Sydney Pty Ltd ¹	Services	Australia	20	20
On Talent Pty Ltd	Recruitment	Australia	30	30
Spark North East Link Holdings Pty Limited ¹	Investment	Australia	20	20
Spark North East Link Pty Limited ¹	Investment	Australia	20	20
Torrens Connect Pty Ltd	Services	Australia	23	23

All associates have a statutory reporting date of 31 December with the following exceptions:

¹Entities have a 30 June statutory reporting date.

Notes continued

for the six months ended 30 June 2023

10. ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

The Group has the following joint venture entities:

Name of entity	Principal activity	Country	Ownership interest	
			June 2023 %	December 2022 %
Adelaide Metro Operations Pty Ltd	Services	Australia	50	50
Auckland One Rail Limited	Services	New Zealand	50	50
Australian Terminal Operations Management Pty Ltd	Services	Australia	50	50
Canberra Metro Operations Pty Ltd	Services	Australia	50	50
CIP Holdings General Partner Limited ¹	Investment	New Zealand	40	40
Cornerstone Infrastructure Partners Holding LP ¹	Investment	New Zealand	40	40
Glenrowan Solar Holdings Pty Ltd ⁴	Investment	Australia	51	-
GSJV Guyana Inc ¹	Contract Mining	Guyana	50	50
GSJV SCC (formerly GSJV Limited (Barbados)) ¹	Contract Mining	Barbados	50	50
IC Integrity Pty Ltd	Services	Australia	49	49
Kings Square No.4 Unit Trust ¹	Development	Australia	50	50
Kings Square Pty Ltd ¹	Development	Australia	50	50
Leighton Abigroup Joint Venture ¹	Construction	Australia	50	50
Leighton-Infra 13 Joint Venture ²	Construction	India	50	50
Leighton-Ose Joint Venture ²	Construction	India	50	50
Momentum Trains Holding Pty Ltd ¹	Investment	Australia	49	49
Momentum Trains Holding Trust ¹	Investment	Australia	49	49
Mpeet Pty Limited	Services	Australia	50	50
Mulba Mia Leighton Broad Joint Venture ¹	Construction	Australia	50	50
Pulse Partners Agent Pty Ltd ¹	Investment	Australia	49	49
Pulse Partners Holding Pty Ltd ¹	Investment	Australia	49	49
Pulse Partners Holding Trust ¹	Investment	Australia	49	49
Spark NEL DC Workforce Pty Ltd	Construction	Australia	33	33
Thiess Group Holdings Pty Ltd ³	Investment	Australia	50	50
U-Go Mobility Pty Ltd	Services	Australia	50	50
Wallan Project Pty Ltd ¹ (act as trustee of Wallan Project Trust)	Investment	Australia	49	49
Wallan Project Trust ¹	Investment	Australia	49	49
WSO M7 Stage 3 JV	Construction	Australia	50	50

All joint venture entities have a statutory reporting date of 31 December with the following exceptions as they are aligned with the joint venture partners' reporting date and / or the reporting date is prescribed by local statutory requirements:

¹Entities have a 30 June statutory reporting date.

²Entities have a 31 March statutory reporting date.

³Thiess Group Holdings Pty Ltd is an intermediate holding company of Thiess Pty Ltd. The principal activity of Thiess Pty Ltd is contract mining.

⁴During the period the Group divested a 49% equity interest in its wholly owned subsidiary Glenrowan and entered into a joint venture arrangement with the acquirer. Refer to Note 9: Acquisitions and Disposals of Controlled Entities – Disposals.

Notes continued

for the six months ended 30 June 2023

10. ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

Thiess Group Holdings Joint Venture ("Thiess Joint Venture")

The Group holds a 50:50 joint venture with funds advised by Elliott Advisors (UK) Ltd ("Elliott").

The following table provides summarised financial information and reconciles the carrying amount of the Group's interest, and its share of profit or loss of its equity accounted investment in the Thiess Joint Venture. The information has been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments and differences in accounting policies.

In the opinion of the directors, at 30 June 2023, there were no material joint ventures other than the Thiess Joint Venture.

Thiess Joint Venture	6 months to June 2023 \$m	6 months to June 2022 \$m
Summarised statement of profit or loss		
Revenue	2,810.7	1,660.3
Expenses	(2,174.2)	(1,155.3)
Depreciation and amortisation	(379.7)	(274.7)
Finance income	1.5	0.4
Finance costs	(99.5)	(57.8)
Profit before tax	158.8	172.9
Income tax expense	(44.7)	(47.4)
Profit for the period	114.1	125.5
Non-controlling interest	(1.5)	(0.7)
Profit for the year attributable to members of the parent entity	112.6	124.8
Other comprehensive income	39.5	41.4
Total comprehensive income	152.1	166.2
Group's ownership interest	50%	50%
Group's total share of:		
Profit for the period	45.9	62.0
Other comprehensive income	18.6	20.7
Total comprehensive income	64.5	82.7
Dividends received	49.0	89.5

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for the six months ended 30 June 2023

10. ASSOCIATES AND JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD CONTINUED

Thiess Joint Venture	30 June 2023 \$m	31 December 2022 \$m
Summarised statement of financial position		
Current assets		
Cash and cash equivalents	254.7	254.8
Other current assets	1,429.0	1,352.4
Total current assets	1,683.7	1,607.2
Non-current assets	5,126.8	5,072.8
Total non-current assets	5,126.8	5,072.8
Current liabilities		
Financial liabilities (excluding trade payables)	521.3	324.6
Other current liabilities	1,025.0	1,046.2
Total current liabilities	1,546.3	1,370.8
Non-current liabilities		
Financial liabilities (excluding trade payables)	2,022.5	1,993.6
Other non-current liabilities	293.1	280.8
Total non-current liabilities	2,315.6	2,274.4
Net assets (100%)	2,948.6	3,034.8
Less: non-controlling interests	(17.6)	(16.9)
Net assets attributable to members of the parent entity	2,931.0	3,017.9
Group's share of net assets (50%)	1,289.6	1,274.1

During the prior year CIMIC subscribed to Class C preference shares in Thiess totalling \$191.3 million. The Class C preference shares are considered a long-term interest in Thiess and not measured using equity method under AASB 128: *Investments in Associates and Joint Ventures* and therefore are required to be accounted as an equity instrument in accordance with AASB 9: *Financial Instruments*. In addition to CIMIC's share of the equity accounted profit of \$45.9 million CIMIC has recognised \$11.4 million in profit in respect of its Class C preference shares.

Notes continued

for the six months ended 30 June 2023

10. JOINT OPERATIONS

The Group has the following interest in joint operations:

Name of arrangement	Principal activity	Country	Ownership interest	
			June 2023 %	December 2022 %
Acciona Construction Australia Pty Ltd & CPB Contractors Pty Ltd	Construction	Australia	50	50
Acciona Infrastructure & CPB Contractors Joint Venture (formerly Leighton Abigroup Consortium (Epping to Thornleigh))	Construction	Australia	50	50
Baulderstone Leighton Joint Venture	Construction	Australia	50	50
Bintai - Leighton JV ²	Construction	Singapore	-	49
CH2-UGL JV	Construction	Australia	50	50
CPB & BMD JV	Construction	Australia	50	50
CPB & Bombardier JV	Construction	Australia	50	50
CPB & JHG JV	Construction	Australia	50	50
CPB & United Infrastructure JV	Construction	Australia	75	75
CPB BAM Ghella UGL Joint Venture	Construction	Australia	54	54
CPB Black & Veatch Joint Venture ¹	Construction	Australia	50	50
CPB Contractors & Georgiou Group	Construction	Australia	50	50
CPB Contractors & Spotless Facilities Services	Construction	Australia	50	50
CPB Downer EDI JV	Construction	Australia	67	67
CPB Dragados Samsung Joint Venture	Construction	Australia	40	40
CPB Ghella UGL JV	Construction	Australia	78	78
CPB John Holland Dragados Joint Venture	Construction	Australia	50	50
CPB Samsung John Holland Joint Venture	Construction	Australia	33	33
CPB Seymour Whyte JV	Construction	Australia	50	50
CPB Southbase JV	Construction	New Zealand	60	60
Gammon - Leighton Joint Venture	Construction	Hong Kong	50	50
GE Betz Pty Limited & McConnell Dowell Constructors (Aust) Pty Ltd & United Group Infrastructure Pty Ltd	Construction	Australia	50	50
HYLC Joint Venture ¹	Construction	Australia	50	50
IEC Boardwalk JV	Construction	Hong Kong	34	34
JH & CPB & Ghella JV	Construction	Australia	45	45
John Holland and UGL Infrastructure	Construction	Australia	50	50
John Holland Pty Ltd, UGL Engineering Pty Ltd and GHD Pty Ltd trading as Malabar Alliance	Construction	Australia	50	50
Leighton-First Balfour Joint Venture	Construction	Philippines	65	-
Leighton-First Balfour Joint Venture	Construction	Philippines	50	-
Leighton - Able Joint Venture	Construction	Hong Kong	51	51
Leighton - China State - Van Oord Joint Venture	Construction	Hong Kong	45	45
Leighton - China State Joint Venture	Construction	Hong Kong	51	51
Leighton - China State Joint Venture	Construction	Hong Kong	51	51
Leighton - Chubb E&M Joint Venture	Construction	Hong Kong	50	50
Leighton - Chun Wo Joint Venture	Construction	Hong Kong	84	84
Leighton - Chun Wo Joint Venture	Construction	Hong Kong	60	60
Leighton - Chun Wo Joint Venture	Construction	Hong Kong	70	70
Leighton - Gammon Joint Venture	Construction	Hong Kong	50	50
Leighton - HEB Joint Venture	Construction	New Zealand	80	80

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for the six months ended 30 June 2023

10. JOINT OPERATIONS CONTINUED

Name of arrangement	Principal activity	Country	Ownership interest	
			June 2023 %	December 2022 %
Leighton - Total Joint Operation	Construction	Indonesia	67	67
Leighton China State Joint Venture (Wynn Resort)	Construction	Macau	50	50
Leighton Contractors Downer Joint Venture ¹	Construction	Australia	50	50
Leighton Fulton Hogan Joint Venture (Sapphire to Woolgoolga) ¹	Construction	Australia	50	50
Leighton Fulton Hogan Joint Venture (Sh16 Causeway Upgrade)	Construction	New Zealand	50	50
Leighton John Holland Joint Venture	Construction	Singapore	50	50
Leighton M&E – Southa Joint Venture	Construction	Hong Kong	50	50
Leighton Yongnam Joint Venture	Construction	Singapore	70	70
Leighton York Joint Venture	Construction	Australia	75	75
LLECPB Crossing Removal JV	Construction	Australia	50	50
Manidis Roberts Pty Limited & MWH Australia Pty Ltd & PB Australia Pty Limited & United Group Infrastructure Pty Ltd	Services	Australia	60	60
Metropolitan Road Improvement Alliance	Construction	Australia	71	71
Mitsubishi Electric Australia Pty Ltd & Hyundai Rotem Company & UGL Rail Services Pty Limited	Services	Australia	17	14
Murray & Roberts Marine Malaysia - Leighton Contractors Malaysia Joint Venture ¹	Construction	Malaysia	50	50
NRT - Design & Delivery JV	Construction	Australia	50	50
NRT - Infrastructure Joint Venture	Construction	Australia	50	50
NRT Systems JV	Services	Australia	40	40
OWP Joint Venture (Optus Wireless JV)	Services	Australia	50	50
Parsons Brinckerhoff Australia Pty Limited & RPS Manidis Roberts Pty Ltd & Seymour Whyte Constructions Pty Ltd & UGL Engineering Pty Limited	Construction	Australia	33	33
PTA Radio	Services	Australia	44	44
Rizzani CPB Joint Venture	Construction	Australia	50	50
Spark NEL DC JV	Construction	Australia	28	28
UGL Cape	Services	Australia	50	50
UGL Kentz	Construction	Australia	50	50
Veolia Water - Leighton - John Holland Joint Venture	Construction	Hong Kong	24	24
WSP Australia Pty Limited & UGL Engineering Pty Limited	Services	Australia	50	50

All joint operations have a reporting date of 31 December with the following exceptions:

¹Arrangements have a 30 June reporting date. These entities have different statutory reporting dates to the Group as they are aligned with the joint operations partners' reporting date and / or the reporting date is prescribed by local statutory requirements.

²Arrangements have a 31 March reporting date. These entities have different statutory reporting dates to the Group as they are aligned with the joint operations partners' reporting date and / or the reporting date is prescribed by local statutory requirements.

Notes continued

for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS

a) Classification of financial assets and financial liabilities

Financial assets	June 2023 \$m	December 2022 \$m
Financial assets at amortised cost:		
Cash and cash equivalents	2,335.2	2,569.0
Trade and other receivables ¹	1,401.3	1,225.6
Financial assets at fair value through profit or loss	274.9	215.8
Financial assets at fair value through other comprehensive income ²	380.8	677.0
Derivative financial instruments:		
Used for hedging	18.6	4.2
Balance at reporting date	4,410.8	4,691.6

¹ Excludes prepayments of \$105.7 million (31 December 2022: \$103.5 million).

² Includes other investments – marketable securities.

Financial liabilities	June 2023 \$m	December 2022 \$m
Financial liabilities at amortised cost:		
Trade and other payables	5,109.8	5,392.2
Financial liability	9.3	33.7
Interest bearing liabilities	3,027.6	3,345.3
Lease liabilities	248.4	264.6
Derivative financial instruments:		
Used for hedging	19.2	21.5
Held for trading at fair value through profit or loss	6.1	6.1
Balance at reporting date	8,420.4	9,063.4

Notes continued

for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS CONTINUED

a) Classification of financial assets and financial liabilities continued

The Group's financial instruments resulted in the following income, expenses and gains and losses recognised in the consolidated statement of profit or loss:

	6 months to June 2023 \$m	6 months to June 2022 \$m
Income, expenses and gains and losses recognised in the statement of profit or loss:		
Interest from assets held at amortised cost	37.5	7.0
Net fair value gain / (loss) on equity investments mandatorily measured at FVPL	15.6	(3.6)
Loss on de-recognition of financial assets measured at amortised cost	(4.9)	(1.3)
Net foreign exchange losses recognised in profit before income tax for the period	(4.9)	(3.4)

b) Fair value hierarchy

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the fair value hierarchy. The fair values of financial assets and liabilities held at fair value have been determined based on either the listed price or the net present value of cash flows using current market rates of interest.

The table below analyses other financial instruments carried at fair value, listed in order of valuation method. The different levels have been identified as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data.

30 June 2023	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Assets				
Financial assets at fair value through profit or loss				
- Unlisted	-	-	274.9	274.9
Financial assets at fair value through other comprehensive income				
- Listed	380.8	-	-	380.8
Derivatives				
- Forward foreign exchange contracts - cash flow hedges	-	5.1	-	5.1
- Cross currency interest rate swap contracts - cash flow hedges	-	13.5	-	13.5
Total assets	380.8	18.6	274.9	674.3
Liabilities				
Financial liability at fair value through profit or loss				
- Put Option	-	-	(4.4)	(4.4)
- Class C Share Option	-	-	(1.7)	(1.7)
Derivatives				
- Forward foreign exchange contracts - cash flow hedges	-	(19.2)	-	(19.2)
- Cross currency interest rate swap contracts - cash flow hedges	-	-	-	-
Total liabilities	-	(19.2)	(6.1)	(25.3)

Notes continued

for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS CONTINUED

b) Fair value hierarchy continued

31 December 2022	Level 1 \$m	Level 2 \$m	Level 3 \$m	Total \$m
Assets				
Financial assets at fair value through profit or loss				
- Unlisted	-	-	215.8	215.8
Financial assets at fair value through other comprehensive income				
- Listed	677.0	-	-	677.0
Derivatives				
- Forward foreign exchange contracts - cash flow hedges	-	4.2	-	4.2
- Cross currency interest rate swap contracts - cash flow hedges	-	-	-	-
Total assets	677.0	4.2	215.8	897.0
Liabilities				
Financial liability at fair value through profit or loss				
- Put Option	-	-	(4.4)	(4.4)
- Class C Shares Option	-	-	(1.7)	(1.7)
Derivatives				
- Forward foreign exchange contracts - cash flow hedges	-	(0.4)	-	(0.4)
- Cross currency interest rate swap contracts - cash flow hedges	-	(21.1)	-	(21.1)
Total liabilities	-	(21.5)	(6.1)	(27.6)

During the period there were no transfers between Level 1, Level 2 and Level 3 fair value hierarchies. Level 3 instruments comprise unlisted equity and unlisted financial assets at fair value through profit and loss; the determination of the fair value of these securities is discussed below. The tables below analyse the changes in Level 3 instruments as follows:

	6 months to June 2023 \$m	12 months to December 2022 \$m
Financial assets at fair value through profit or loss		
Balance at beginning of reporting period	215.8	80.4
Additions	-	191.3
Disposals	-	-
Transfers ¹	43.5	(56.6)
Gains recognised through profit or loss	15.6	0.7
Foreign exchange recognised in other comprehensive income	-	-
Balance at reporting date	274.9	215.8

¹In the six months to June 2023 the Group's 15% interest in Wellington Gateway Partnership No.1 Limited and Wellington Gateway General Partner No.1 Limited was transferred from held for sale to financial assets as the value is no longer expected to be realised through a sale within 12 months.

Changing inputs to the Level 3 valuations to reasonably possible alternative assumptions would not change significantly amounts recognised in profit or loss, total assets, total liabilities or total equity.

Notes continued

for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS CONTINUED

c) Methods and valuation techniques

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

Listed and unlisted investments

The fair values of listed investments are determined on an active market valuation basis using observable market data such as current bid prices. The fair values of unlisted investments are determined by the use of internal valuation techniques using discounted cash flows. Where practical the valuations incorporate observable market data. Assumptions are generally required with regard to future expected revenues and discount rates.

Listed and unlisted debt

Fair value has been determined based on either the listed price or the net present value of cash flows using current market rates of interest.

The fair value of interest bearing liabilities is:

- Euro Medium Term Notes - fair value EUR487.8 million, equivalent to \$799.7 million; carrying value EUR625.0 million, equivalent to \$1,024.6 million (fair value 31 December 2022: EUR464.3 million, equivalent to \$725.4 million; carrying value EUR625.0 million, equivalent to \$976.6 million).

The carrying amounts of other financial assets and liabilities in the Group's statement of financial position approximate fair values.

Cash flow hedges

The Group's foreign currency forward contracts are not traded in active markets. The fair values of these contracts are estimated using a valuation technique that maximises the use of observable market inputs, e.g. market exchange and interest rates are included in Level 2 of the fair value hierarchy. Cross currency interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates that reflect the credit risk of various counterparties.

Put option

As part of the Thiess divestment, the transaction agreement includes an option for Elliott to sell all or part of its 50% interest in Class A preference shares or ordinary shares in Thiess to CIMIC after the third anniversary, between three and six years from completion on 31 December 2020. The exercise price will be the lower of a cost price or a price referable to movements in the S&P / ASX 200 Total Return index plus the accrued value of any shortfall in agreed minimum distributions. This option has no current impact on the control of the company.

The Put Option is accounted for as a derivative financial instrument in accordance with AASB 9 and is therefore held at fair value through profit and loss in the financial statements of CIMIC. External independent valuation advisors have been utilised in determining the fair value of the put option.

The fair value of the Put Option cannot be observed from a market price. A Probability Weighted Expected Returns Methodology is used to derive the value of the Put Option proceeds based on future potential payoffs if the option is exercised, adjusted for the minimum annual distributions per the Shareholders Agreement, and compares this to the estimated strike price to determine a fair value. As at 30 June 2023 the fair value of the Put Option was determined to be a liability of \$4.4 million (31 December 2022: \$4.4 million).

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for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS CONTINUED

c) Methods and valuation techniques continued

Class C Shares Option

As part of the Group's investment in the Thiess Class C preference shares, the parties entered into an option deed which includes an option for Elliott to put their Class C preference shares to CIMIC for a period of 42 months, starting six months after the end of the Put Option period, or, six months after the date when Elliott cease to own Class A preference shares or ordinary shares or notices the exercise of options related to all remaining Class A preference shares or ordinary shares.

CIMIC holds a call option to acquire the Class C preference shares from Elliott, for a period of 42 months, starting at the end of the Put Option period or the date when Elliott ceases to own any Class A preference shares or ordinary shares.

The option is accounted for as a derivative financial instrument in accordance with AASB 9 and is therefore held at fair value through profit and loss in the financial statements of CIMIC. External independent valuation advisors have been utilised in determining the fair value of the option.

The fair value of the option cannot be observed from a market price. The option is valued using net present value methodology having regard to the probabilised outcomes of both the put and the call option. As at 30 June 2023 the fair value of the Class C Shares Option was determined to be a liability of \$1.7 million (31 December 2022: \$1.7 million).

d) Valuation process

The internal valuation process for unlisted investments, unlisted debt and cash flow hedges is managed by a team in the Group finance department which performs the valuations required for financial reporting purposes. The valuation team reports to CIMIC's CFO. Discussions on valuation processes and outcomes are held between the valuation team and CFO as required. The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting period.

e) Valuation inputs

The following table summarises the quantitative information about the significant unobservable inputs used in Level 3 fair value measurements. There were no significant inter-relationships between unobservable inputs that materially affect fair values.

Financial asset / liabilities	Significant unobservable inputs	Range of inputs	Relationship of inputs to fair value
Unlisted investments	Growth rates	2.5% - 3.0%	The impact on a change in the unobservable inputs would not change significantly amounts recognised in profit or loss, total assets or total liabilities or total equity.
	Internal rate of return	9%	
	Discount rates	8% - 15%	
Put option	Expected exercise period	1 – 4 years	
	EBITDA multiple	3 – 4 times	
	Discount rates	10% - 15%	
Class C Shares option	Expected exercise period	4 – 8 years	
	Discount rates	10% - 15%	

f) Capital Risk Management

Capital planning forms part of the business and strategic plans of the Group. Decisions relating to obtaining and investing capital are made following consideration of the Group's key financial objectives including total shareholder return and the maintenance of an investment grade credit rating. Performance measures include return on revenue, return on equity, earnings growth, liquidity and borrowing capacity. The Group has access to numerous sources of capital both domestically and internationally, including cash balances, equity, bank debt, capital markets, insurance, lease facilities and trade finance facilities.

Notes continued

for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS CONTINUED

g) Cross Currency Interest Rate Swap

On 20 May 2021 and 2 June 2021, CIMIC Finance Pty Limited issued a total of EUR625.0 million of 8-Year Fixed-Rate corporate bonds in the Euro Medium Term Note market.

The notes bear interest from 28 May 2021 at the rate of 1.5% per annum and mature on 28 May 2029. Interest on the notes is paid annually on the 28th day of May in each year. Carrying amount at 30 June 2023: EUR625.0 million, equivalent to \$1,024.6 million (31 December 2022: EUR625.0 million, equivalent to \$976.6 million). The average Australian dollar to Euro exchange rate is 0.63. There are \$6.8 million of capitalised borrowing and other costs recognised against the loan facility (31 December 2022: \$7.2 million).

In order to hedge the exposure to movements in foreign exchange between the Australian Dollar and the Euro, the Group entered into a Cross Currency Interest Rate Swap ("CCIRS"). The terms match the term and value of the underlying debt and CIMIC has designated and documented this as a hedge relationship and swap the fixed rate Euro debt into fixed rate Australian Dollar Debt with an interest rate of 3.5%.

The notional principal of the CCIRS receive leg is EUR625.0 million at a rate of 1.5% and of the pay leg is AUD \$983.3 million at a rate of 3.5%. The Group applies the maturity date approach to classify derivative financial instruments.

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss consistent with the timing of recognition of the hedged item through profit or loss.

The contractual cash flows of the Euro Medium Term Debt and the associated CCIRS as at 30 June 2023 are as follows:

June 2023	Interest rate %	Carrying amount \$m	Contractual cash flows \$m	Less than 1 year \$m	1-5 years \$m	More than 5 years \$m
Non-derivative financial liabilities						
Euro Medium Term Note	1.5%	1,024.6	(1,117.0)	(15.4)	(61.6)	(1,040.0)
Derivative financial liabilities						
CCIRS	3.5%					
Net derivative financial liabilities / (assets)		(13.5)				
Inflow			1,117.0	15.4	61.6	1,040.0
Outflow			(1,190.9)	(34.6)	(138.4)	(1,017.9)
Total CCIRS		(13.5)	(73.9)	(19.2)	(76.8)	22.1

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for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS CONTINUED

g) Cross Currency Interest Rate Swap continued

December 2022	Interest rate %	Carrying amount \$m	Contractual cash flows \$m	Less than 1 year \$m	1-5 years \$m	More than 5 years \$m
Non-derivative financial liabilities						
Euro Medium Term Note	1.5%	976.6	(1,086.5)	(14.7)	(59.0)	(1,012.8)
Derivative financial liabilities						
CCIRS	3.5%					
Net derivative financial liabilities / (assets)		21.1				
Inflow			1,086.5	14.7	59.0	1,012.8
Outflow			(1,208.2)	(34.6)	(138.4)	(1,035.2)
Total CCIRS		21.1	(121.7)	(19.9)	(79.4)	(22.4)

Notes continued

for the six months ended 30 June 2023

11. FINANCIAL INSTRUMENTS CONTINUED

g) Cross Currency Interest Rate Swap continued

The hedging reserve represents hedging gains and losses recognised on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognised in profit or loss at expiry or termination of the hedge transaction. The impact on the hedge reserve from the CCIRS is as follows:

Cash Flow Hedge Disclosures for Cross Currency Interest Rates Swaps	6 months to June 2023 \$m	12 months to December 2022 \$m
Derivative financial liabilities		
Assets	13.5	-
Liabilities	-	(21.1)
Balance at reporting date	13.5	(21.1)
As at reporting date		
Cumulative fair value adjustment on hedged item	(13.5)	21.1
Effective portion recognised in reserves	(13.2)	21.1
Changes during the reporting period		
Change in fair value of the hedging instrument	34.6	(34.3)
Change in fair value of the hedged item	(34.3)	34.3
Cash flow hedge reserve (cumulative)		
Cumulative fair value adjustment on hedged item	(13.5)	21.1
(Gain) / loss on hedge ineffectiveness recognised in profit and loss	(0.3)	-
Amount reclassified from cash flow hedge reserve to profit and loss	41.1	(6.7)
Effective portion recognised in cash flow hedge reserve from change in fair value of hedging instrument after FX movement	27.3	14.4
Tax impact	(8.2)	(4.3)
Cash flow hedge reserve balance	19.1	10.1

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for the six months ended 30 June 2023

12. INTEREST BEARING LIABILITIES

	June 2023 \$m	December 2022 \$m
Current interest bearing loans	-	110.1
Non-current interest bearing loans	3,027.6	3,235.2
Total interest bearing liabilities	3,027.6	3,345.3

Syndicated loans

CIMIC Finance Limited, a wholly owned subsidiary of the Company, has four core syndicated bank debt facilities. The maturity of the facilities are as follows:

- \$950.0 million maturing on 25 September 2024
- \$1,000.0 million maturing on 1 July 2025
- \$475.0 million maturing on 9 December 2025
- \$475.0 million maturing on 9 December 2027

On 30 June 2023, CIMIC Finance Limited, a wholly owned subsidiary of the Company, refinanced its \$1,200.0 million facility that had been due to mature on 3 May 2024. The refinanced facility of \$1,000.0 million matures on 1 July 2025.

The total carrying amount at 30 June 2023 was \$1,792.5 million (carrying amount at 31 December 2022: \$2,150.0 million). There are \$7.7 million of capitalised borrowing costs recognised against the loan facility (31 December 2022: \$9.2 million). No amounts drawn under the syndicated loans are classified as current.

At 30 June 2023, the Group had undrawn bank facilities of \$1,247.5 million (31 December 2022: \$1,105.0 million), and undrawn guarantee facilities of \$440.1 million (31 December 2022: \$451.7 million).

Euro Medium Term Notes

On 20 May 2021 and 2 June 2021, CIMIC Finance Pty Limited issued a total of EUR625.0 million of 8-Year Fixed-Rate corporate bonds in the Euro Medium Term Note market.

The notes bear interest from 28 May 2021 at the rate of 1.50% per annum and mature on 28 May 2029. Interest on the notes is paid annually on the 28th day of May in each year. Carrying amount at 30 June 2023: EUR625.0 million (31 December 2022: EUR625.0 million), equivalent to \$1,024.6 million (31 December 2022: \$976.6 million). There are \$6.8 million of capitalised borrowing costs recognised against the loan facility (31 December 2022: \$7.2 million).

Bilateral loans

At 30 June 2023, bilateral and other unsecured loan facilities outstanding were \$225.0 million (31 December 2022: \$235.1 million).

Notes continued

for the six months ended 30 June 2023

13. TRADE FINANCE ARRANGEMENTS

The Group enters into factoring agreements with banks and financial institutions. These agreements only relate to certified receivables, on a non-recourse basis, acknowledged by the client with payment only being subject to the passage of time. Under the factoring agreements:

- The certified receivables are de-recognised where the risks and rewards of the receivables have been transferred, as the cash flow is only derived when there are goods or services provided or work performed by the Group for which it is entitled to be paid;
- The cash flow to the Group only arises when there is an amount certified by the client and contractually due to be paid to the Group; there are no disputes on the amounts due and the customer has acknowledged this by way of certification; and
- The receipt by the Group irrevocably removes the Group's right to the certified receivable due from the customers.

The factoring of these receivables is therefore done on a non-recourse basis. The level of non-recourse factoring across the Group was \$577.7 million as at 30 June 2023 (31 December 2022: \$528.4 million).

The Group does not consider there to be a concentration of credit risk from a financial institution.

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Bank guarantees, insurance bonds and letters of credit

Indemnities given by third parties on behalf of controlled entities and equity accounted investments are as follows:

	June 2023 \$m	December 2022 \$m
Bank guarantees	3,313.4	3,457.6
Insurance, performance and payment bonds	1,786.2	1,791.7
Letters of credit	435.6	386.2

Other contingencies

- The Company gives, in the ordinary course of business, guarantees and indemnities in respect of the performance by controlled entities, associates and related parties of their contractual and financial obligations. The value of these guarantees and indemnities is indeterminable in amount.
- There exists in some entities within the Group the normal design liability in relation to completed design and construction projects.
- Certain entities within the Group have the normal contractor's liability in relation to construction contracts. This liability may include litigation by or against the Group and / or joint arrangements in which the Group has an interest. It is not possible to estimate the financial effect of these claims should they be successful.
- Controlled entities have entered into joint arrangements under which the controlled entity may be jointly and severally liable for the liabilities of the joint arrangement.
- Under the terms of the CIMIC Group Class Order, the Company has entered into approved deeds of indemnity for the cross-guarantee of liabilities with participating Australian subsidiary companies.

Notes continued

for the six months ended 30 June 2023

14. CONTINGENT LIABILITIES AND CONTINGENT ASSETS CONTINUED

Other contingencies continued

- vi. On 13 February 2012, CIMIC announced that it had reported to the Australian Federal Police ("AFP") a possible breach by the Leighton International business of its Code of Ethics that, if substantiated, may have contravened Australian laws. The matter, has been, and in some cases continues to be, subject to the investigations below:
- In March 2014, the Australian Securities and Investment Commission ("ASIC") commenced a formal investigation into potential breaches of the Corporations Act relating to a number of matters being investigated by the AFP. In March 2017, ASIC advised CIMIC that its investigation has concluded and it will take no further action.
 - On 22 May 2018, the UK Serious Fraud Office ("SFO") announced it has charged individuals, none of whom are CIMIC employees, and on 26 June 2018 announced it has charged a company, which is not a member of the CIMIC Group. On 19 July 2019 the SFO announced that one individual had pleaded guilty to charges. Following trials in 2020 and 2021 the individuals were convicted on some charges. However, some of those convictions have been overturned on appeal. None of the juries' guilty findings relate to charges involving the CIMIC Group company contracts.
 - On 1 March 2019, CIMIC entered into an investigation agreement with the Department of Justice ("DOJ"). On 30 October 2019 the US DOJ announced that in March 2019 three individuals not employed by CIMIC pleaded guilty to a charge of conspiracy to violate the Foreign Corrupt Practices Act.
 - On 18 November 2020 the AFP advised CIMIC that it had charged an ex-employee with alleged offences relating to foreign bribery and related matters and on 23 February 2021 the AFP announced it had brought an additional charge in relation to foreign bribery. On 11 January 2021 the AFP informed CIMIC that it had charged a second ex-employee with related offences. The AFP has also indicated it may charge a further ex-employee and that its investigations continue. CIMIC does not know when the charges will be heard or the outcome of any investigation.

No CIMIC Group company has been charged.

CIMIC continues to cooperate with all official investigations.

- vii. On 25 August 2020 the Company announced to the ASX that a group of shareholders initiated proceedings on 24 August 2020 relating to the period 7 February 2018 – 22 January 2020 with regards to disclosures about the Company's non-controlling 45% investment in the Middle East as well as the reporting of the Company's cash flows in the context of factoring arrangements. The Company denies there is a proper basis for the claim and will defend the proceedings.
- viii. CIMIC's wholly owned subsidiary, CPB Contractors, and its joint venture partner Hansen Yuncken, in a 50/50 JV, were awarded the design and construction of the new Royal Adelaide Hospital for the South Australian State Government. The project experienced difficulties and delays arising from the complex interdependencies between the State's works and the JV's works and a dispute between the parties arose. An arbitration to settle the dispute between the parties was commenced but has been delayed with hearings only likely to commence in early 2024 with a decision made thereafter.

15. EVENTS SUBSEQUENT TO REPORTING DATE

Subsequent to reporting date:

- Subsequent to reporting date the Company announced a final dividend in respect of the year ended 31 December 2022. The dividend is payable on 3 August 2023. This dividend has not been provided for in the consolidated statement of financial position. Refer to Note 5: *Dividends*.
- Subsequent to the reporting date the Directors of the Company deferred the decision to declare an interim dividend in respect of the period ended 30 June 2023.
- On 6 July 2023, CIMIC through its wholly owned subsidiary Sedgman Pty Limited acquired 100% of Novopro Projects Inc. for consideration of \$17.0 million. Novopro is a Canadian engineering and metallurgy company that provides services to projects in North America, Europe, Africa, the Middle East and Australia. Their main activity and specialty is project development and operational optimization in mineral processing for lithium projects, as well as potash, salt, magnesium and soda ash.

Notes continued

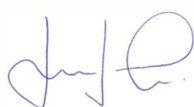
for the six months ended 30 June 2023

Directors' Declaration

In the opinion of the Directors of CIMIC Group Limited ("the Company"):

- 1) the consolidated interim financial report and notes set out on pages 2 to 31:
 - a) gives a true and fair view of the financial position of the Consolidated Entity as at 30 June 2023 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
 - b) complies with Australian Accounting Standard AASB 134 *Interim Financial Reporting*; and
- 2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors:



Juan Santamaria
Executive Chairman



David Robinson
Director

Sydney, 20 July 2023

Independent Auditor's Review Report to the Board of Directors of CIMIC Group Limited

Conclusion

We have reviewed the half-year financial report of CIMIC Group Limited (the "Company") and its subsidiaries (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2023, and the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 2 to 32.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half-year financial report of CIMIC Group Limited is not prepared, in all material respects, in accordance with Accounting Standard AASB 134 Interim Financial Reporting ("AASB 134").

Basis for Conclusion

We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* ("ASRE 2410"). Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Report* section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' Responsibility for the Half-year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report and have determined that the basis of accounting described in Note 1 is appropriate to meet the financial reporting requirements of AASB 134 and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary for the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with ASRE 2410 in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the half-year financial report is not prepared, in all material respects, in accordance with AASB 134. As the auditor of the Group, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte Touche Tohmatsu

DELOITTE TOUCHE TOHMATSU



Jason Thorne
Partner
Chartered Accountants
Sydney, 20 July 2023



For more information please contact CIMIC
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CIMIC.COM.AU



HY2023 RESULTS PRESENTATION

20 July 2023

Juan Santamaria
Executive Chairman

Pedro Vicente
Chief Executive Officer

Derek Kerr
Chief Financial Officer

integrity accountability innovation delivery | SAFETY



Glenrowan Solar Farm
UGL & Pacific Partnerships, Victoria

HY23 Financial Overview

NPAT of \$202.5m

- ✓ Group Revenue up 20.3% to \$8.2bn and revenue up 21.3% to \$6.1bn
- ✓ Revenue growth in all Australian operating companies, reflecting strong order book across all segments
- ✓ Robust performance achieved through disciplined cost control, risk management and delivery
- ✓ EBITDA increased \$27.5m to \$492.4m; EBITDA, EBIT and NPAT margins¹ remain strong at 8.1%, 5.9% and 3.3% respectively

Operating cash flow² pre-factoring of \$255m in HY23

- ✓ Strong operating cash flow in 2Q23, delivered OCF pre-factoring of \$255m in HY23
- ✓ EBITDA cash conversion pre-factoring of 52% in HY23 or 61% in LTM; 75% excluding Leighton Asia in LTM
- ✓ Factoring balance of \$578m (vs \$528m at December 2022) remains within target range

Strong balance sheet position supported by \$3.6bn of liquidity³

- ✓ Net cash of \$118m versus comparable net debt of \$442m at December 2022
- ✓ Successful HY23 monetisation of Ventia, improving CIMIC's liquidity position by \$349m. CIMIC retains a 14.7% interest in Ventia (worth \$380m at HY23)
- ✓ CIMIC maintains investment grade ratings (BBB-/A-3/Outlook Stable) by S&P and (Baa3/Outlook Stable) by Moody's

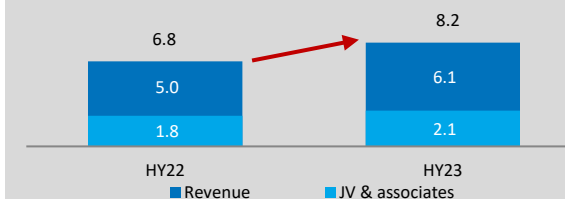
New work of \$8.6bn⁴ in HY23; growth across the energy & resources sector and in data centres

- ✓ Total WIH⁵ of \$30.8bn; approximately \$5bn of new work won⁴ in HY23 was in strategic growth markets
- ✓ Orderbook remains well balanced across Construction, Services and Mining
- ✓ Disciplined approach to tendering with focus on lower risk and alliance-style contracting models

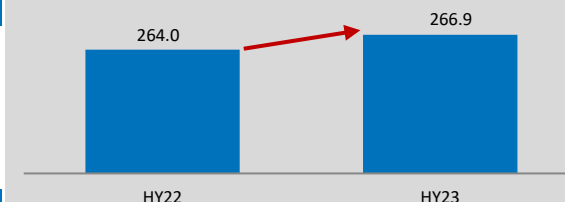
FY23 Guidance

- ✓ CIMIC maintains FY23 Guidance of \$400-450m Operational NPAT, subject to market conditions

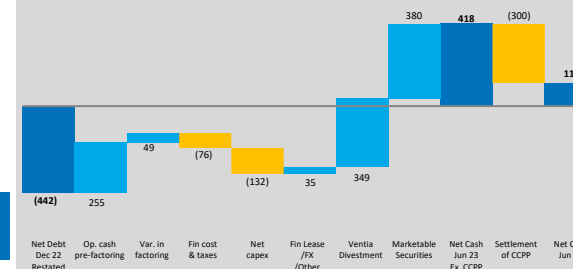
Group revenue (\$bn)



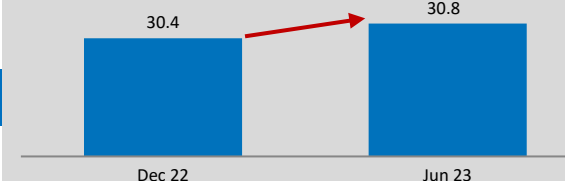
PBT (\$m)



Movement in net (debt) / net cash Jun 23 (\$m)

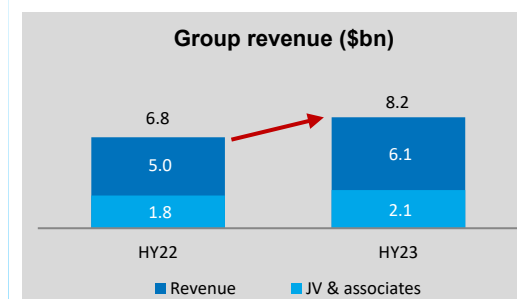


Work in hand (\$bn)

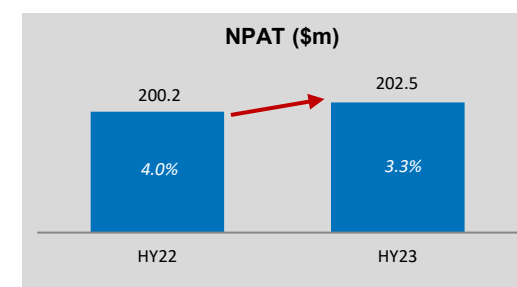
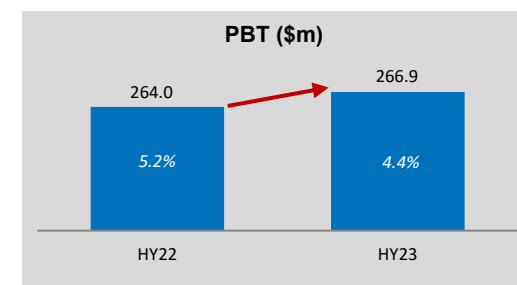


NPAT of \$202.5m

- ✓ Group revenue up 20.3% to \$8.2bn, revenue excluding JV & associates up 21.3% to \$6.1bn
 - Growth in revenue from all Australian operating companies reflecting a strong order book across all segments
 - Revenue contribution from JV & associates revenue increased HoH; strong growth in Thiess revenue reflecting project wins and acquisition of MACA for the full six months
- ✓ EBITDA increased \$27.5m to \$492.4m; EBITDA, EBIT and NPAT margins¹ remain strong at 8.1%, 5.9% and 3.3% respectively
- ✓ Stable NPAT of \$202.5m with YoY margin variations impacted by project mix (incl. higher revenue from Westgate tunnel) and higher net finance costs
- ✓ D&A reflective of activity mix between job funded capex intensive tunneling works and other phases; increase in tunneling and related D&A activity is expected in 2H23 as proportion of tunnelling activity ramps up on Western Sydney Airport SBT and M6 Stage 1 projects



Financial performance (\$m)	HY22	HY23	Chg. % (HY23 v. HY22)
Group revenue	6,842.6	8,229.0	20.3%
JV & associates revenue	(1,801.7)	(2,113.3)	17.3%
Revenue	5,040.9	6,115.7	21.3%
EBITDA	464.9	492.4	5.9%
EBITDA margin	9.2%	8.1%	(110)bp
D&A	(130.9)	(132.4)	1.1%
EBIT	334.0	360.0	7.8%
EBIT margin	6.6%	5.9%	(70)bp
Net finance costs	(70.0)	(93.1)	33.0%
Profit before tax	264.0	266.9	1.1%
PBT margin	5.2%	4.4%	(80)bp
Income tax	(62.4)	(62.7)	0.5%
Effective tax rate	23.6%	23.5%	
Non-controlling interests	(1.4)	(1.7)	21.4%
NPAT	200.2	202.5	1.1%
NPAT margin	4.0%	3.3%	(70)bp

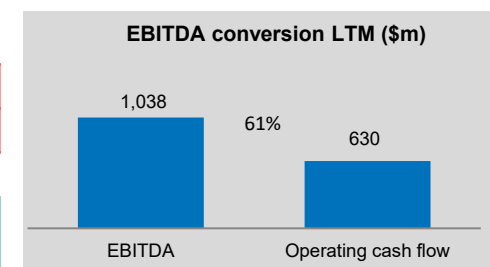
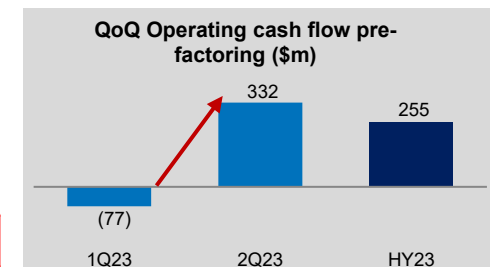


Operating cash flow pre-factoring of \$255m

- ✓ Solid operating cash flow² pre-factoring in HY23 of \$255m
- ✓ EBITDA cash conversion of 61% LTM or 75% excluding Leighton Asia; YoY variation in cashflow reflects lower client funded mobilisations and working capital profile on lower risk and alliance style jobs
- ✓ Improvement in Leighton Asia operating cash flow HoH
- ✓ Factoring balance increased to \$578m (vs \$528m at December 2022); remains within target range
- ✓ Increase in gross capital expenditure due to job-costed tunnelling equipment purchased and deployed for major projects and PPE (WIP) for renewable energy development project (Glenrowan Solar Farm)
- ✓ H1 cashflow position reflects typical seasonality of the business; stronger H2 expected in line with historical trends

Cash flow (\$m)	Underlying HY22	Underlying ² HY23	Underlying ² LTM HY23
Operating cash flow pre-factoring	386.9	255.3	630.2
Variation in factoring	139.5	49.3	4.2
Operating cash flow²	526.4	304.6	634.4
Interest, finance costs and taxes	(116.8)	(75.5)	(148.1)
Net operating cash flow	409.6	229.1	486.3
Gross capital expenditure	(57.0)	(144.4)	(265.5)
Gross capital proceeds	5.0	12.0	24.4
Net capital expenditure	(52.0)	(132.4)	(241.1)
Free operating cash flow	357.6	96.7	245.2
Free operating cash flow pre-factoring	218.1	47.4	241.0

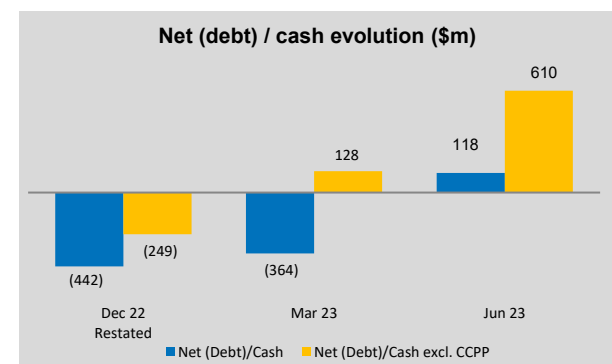
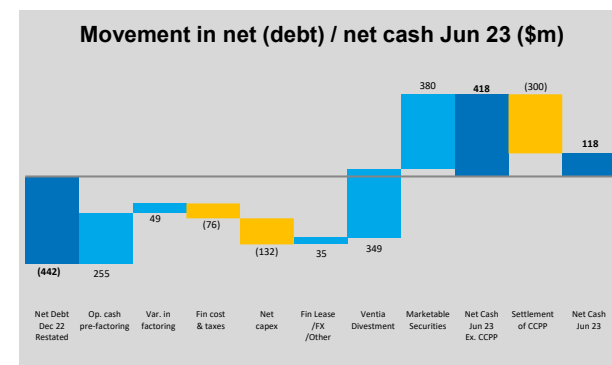
EBITDA conversion (\$m)	Underlying HY22	Underlying ² HY23	Underlying ² LTM HY23
EBITDA (a)	464.9	492.4	1,038.3
Operating cash flow pre-factoring (b)	386.9	255.3	630.2
EBITDA conversion pre-factoring (b)/(a)	83%	52%	61%
EBITDA conversion pre-factoring (b)/(a) - excl. Leighton Asia			75%



Net cash \$118m; Liquidity of \$3.6bn

- ✓ Net cash of \$118m versus net debt of \$442m at December 2022; net cash/debt restated¹¹ as part of the ongoing alignment with Hochtief reporting; includes final CCPP payment and partial sell-down of Ventia
- ✓ Successful HY23 monetisation of Ventia, improving CIMIC's net cash position by \$349m. CIMIC retains a 14.7% interest in Ventia (\$380m at HY23). CIMIC sell downs have demonstrated the liquidity of the stock, with Ventia share price and trading volumes responding positively
- ✓ Net contract debtors of \$326m compared to \$62m at December 2022; reflects half-year seasonality and FX
- ✓ CIMIC maintains its independent debt funding structure with direct access to local and offshore debt markets; debt maturity profile improved following extension of \$1.0bn working capital facility
- ✓ Increase in net finance costs driven by increases in base rates and average debt levels
- ✓ Investment grade ratings (BBB-/A-3/Outlook Stable) by S&P and (Baa3/Outlook Stable) by Moody's maintained

Net cash / debt	Dec 22 Reported	Dec 22 Restated ¹¹	Jun 23
Cash and cash equivalents	2,569.0	2,569.0	2,335.2
Marketable securities ⁶	-	-	379.8
Other financial assets ⁷	-	334.4	430.1
Financial assets	2,569.0	2,903.4	3,145.1
Total interest bearing liabilities	(3,345.3)	(3,345.3)	(3,027.6)
Net cash (+) / net debt (-)	(776.3)	(441.9)	117.5
Net contract debtors (\$m)		Dec 22	Jun 23
Net contract debtors		62.1	326.4
Finance cost detail (\$m)		HY22	HY23
Debt interest expenses		(41.5)	(84.4)
Facility fees, bonding and other costs		(35.5)	(46.2)
Total finance costs		(77.0)	(130.6)
Interest income		7.0	37.5
Net finance costs		(70.0)	(93.1)
Finance cost detail (\$m)		HY22	HY23
Debt interest expenses (a)		(41.5)	(84.4)
Gross debt ⁸ at period end		3,175.7	3,027.6
Gross debt period average (b)		3,262.2	3,824.5
Average cost of debt ($\frac{-ax^2}{b}$)		2.5%	4.4%



\$8.6bn of new work awarded in HY23

Work in hand⁵ levels maintained at \$30.8bn; new work⁴ of \$8.6bn in HY23

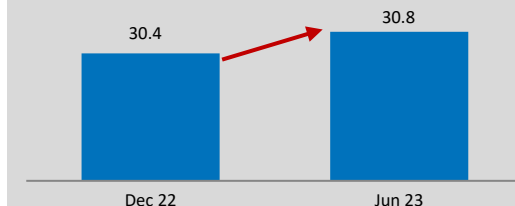
- ✓ ~\$5bn of new work won⁴ in HY23 was in strategic growth markets
- ✓ Contracts awarded in HY23 include:
 - Humelink, NSW (*preferred*)
 - Gruyere Gold mine, WA
 - North-South Commuter Railway System Project, Contract Packages 03b and 03a, Philippines
 - HKG2 Data Centre, Hong Kong
 - Minera Centinela Copper mine, Chile
 - Candaba Viaduct, Philippines
 - Nepean Hospital Redevelopment Stage 2, NSW
 - Neoen Battery Energy Storage System, QLD
 - Collie Battery Energy Storage System, WA
 - Mt Keith Debottlenecking Project, WA
 - Port Hedland Battery Energy Storage System, WA
 - CopperString early works extension, QLD
 - Gold Coast University Hospital, QLD
 - Metro Trains Melbourne (MTM) Extension, VIC
 - Defence North Queensland Mid-Term Refresh Program, QLD
 - Royal Prince Alfred Hospital redevelopment ECI, NSW

Strong pipeline of opportunities coming to market

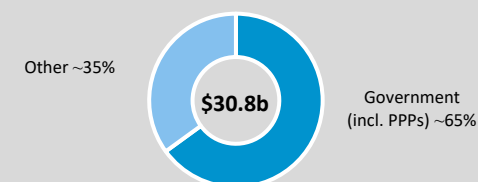
- ✓ CIMIC's active bid pipeline includes:
 - CopperString 2032 (*formally CopperString 2.0*), QLD
 - Suburban Rail Loop Package C, VIC
 - SGP2 Data Centre, Singapore
 - Albermarle Lithium, WA (*awarded July 2023*)
 - Hopeland Solar Farm, QLD
 - Mungari Gold Expansion, WA
 - Paradise Dam Improvement Project Alliance, QLD
 - Trunk Road T4 and Associated Works, Hong Kong
 - Johor Bahru Data Centre, Malaysia
 - RPA Hospital Main Works, NSW
 - New Bundaberg Hospital, QLD (*awarded July 2023*)
 - Hillside Copper & Gold Project, SA
 - Alkimos Seawater Desalination Plant, WA
 - BHP Iron Ore Western Ridge Crusher, WA

Work in hand (\$m) as at	Dec 22	Jun 23	Chg. % (Jun 23 v Dec 22)
Construction	15,870	16,121	1.6%
Services	9,631	10,005	3.9%
Investments ¹⁰	4,925	4,696	(4.6%)
Total	30,426	30,822	1.3%

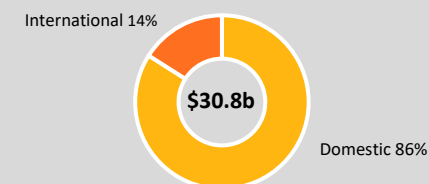
Work in hand (\$bn)



Work in hand by client Jun 23 (%)

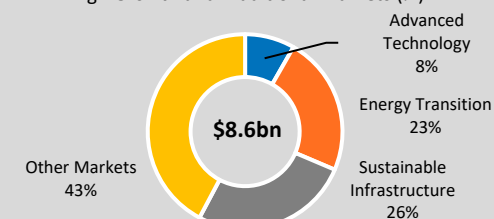


Work in hand by region Jun 23 (%)



New Work

High Growth and Traditional Markets (%)



Initiatives delivered in HY23, focus areas for the future



HY23 Achievements

- ✓ Improved Risk and ESG management implemented across the CIMIC Group; additionally, CIMIC now reports under EU Taxonomy requirements
- ✓ Ventia monetisation improved liquidity by \$349m; long term value creation achieved through consolidation of the original CIMIC services businesses
- ✓ Debt maturity profile improved following extension of \$1.0bn working capital facility
- ✓ Successful integration of MACA into Thiess business; MACA has made significant contribution to reweighting Thiess work-in-hand away from thermal coal and increasing overall revenue by approximately \$1.5bn p.a.; enhanced ESG strategy supported successful refinancing of \$1.5bn Thiess debt
- ✓ CPB co-created 11 construction courses in partnership with Western Sydney University and TAFE NSW, demonstrating long-term commitment to skills development and Australia's future construction workforce
- ✓ LAIO's focus on strategic growth sectors in data centres and large-scale infrastructure projects in South East Asia has led to an increase in work-in-hand and improved geographical spread in the high-growth Asia region
- ✓ UGL continued strengthening of the UGL brand as a market leader in the design, construction and operation of renewable energy assets. Awarded three battery energy projects in HY23, and development of the Glenrowan Solar Farm together with Pacific Partnerships
- ✓ Sedgman acquisition of Novopro in July 2023 will bring deep experience in lithium processing technology to Sedgman; making them well positioned to support increased battery demand
- ✓ Final payment of CCPP settlement; legacy matter now closed
- ✓ Enhancements of data analytic capability to improve bid/estimation, cost control and procurement; closer integration with Nexlore – our specialist technology division – on product development and solution delivery. Achieved production release of specialist ESG Reporting and our Minerva Procurement platform
- ✓ Expansion in offshore data centre capability – delivering high-value engineering and technology services; offshoring allows us to engage and develop highly skilled resources in emerging labour markets

Focus areas for the future

- ✓ Focus on strategic growth markets; key talent embedded into collaborative global teams to leverage knowledge and scale from across ACS / HOCHTIEF / CIMIC; capitalise on the next wave of infrastructure opportunities presented by ESG and climate change (e.g. renewables and hydrogen, electrification of infrastructure, demand for green rated projects, increased recycling, rehabilitation services, demand for 'alternate' minerals)
- ✓ Continuing to implement plans and controls to manage cost escalation, supply chain constraints and access to resources
- ✓ Investing in digital innovation and solutions that continue to drive improved design, construct and operational outcomes for projects
- ✓ Delivering on CIMIC's net zero commitments by reducing energy usage, improving energy efficiency, using alternate materials and decarbonising the business



CPB - Western Sydney Airport Airside Civil Earthworks

Supplementary financial information: Profit & Loss



Key figures (\$m)	Statutory [^] June 2022	Underlying June 2022	June 2023 [^]
Group revenue	6,842.6	6,842.6	8,229.0
JV & associates revenue	(1,801.7)	(1,801.7)	(2,113.3)
Revenue	5,040.9	5,040.9	6,115.7
Expenses	(5,210.1)	(4,708.4)	(5,703.6)
Share of profit of joint ventures and associates	102.4	102.4	80.3
Other gains	531.7	30.0	-
EBITDA	464.9	464.9	492.4
<i>EBITDA margin</i>	<i>9.2%</i>	<i>9.2%</i>	<i>8.1%</i>
Depreciation & amortisation	(130.9)	(130.9)	(132.4)
EBIT/operating profit	334.0	334.0	360.0
<i>EBIT/operating profit margin</i>	<i>6.6%</i>	<i>6.6%</i>	<i>5.9%</i>
Net finance costs	(70.0)	(70.0)	(93.1)
Profit before tax	264.0	264.0	266.9
<i>PBT margin</i>	<i>5.2%</i>	<i>5.2%</i>	<i>4.4%</i>
Income tax	(62.4)	(62.4)	(62.7)
Non-controlling interests	(1.4)	(1.4)	(1.7)
NPAT	200.2	200.2	202.5
<i>NPAT margin</i>	<i>4.0%</i>	<i>4.0%</i>	<i>3.3%</i>

([^] Statutory P&L aligned with CIMIC Group 30 June 2023 Reviewed 'Consolidated Interim Financial Report' for the metrics - Revenue, Share of profit of joint ventures & associates, Other gains, Profit before tax, Income tax, Non-controlling interests, NPAT).

Supplementary financial information: Balance Sheet

Assets (\$m)	Dec 2022^	Jun 2023^	Commentary
Current assets			Current assets:
Cash and cash equivalents	2,569.0	2,335.2	✓ Cash and cash equivalents: Cash and cash equivalents movement due to final CCPP settlement payment made in HY23. Balance also includes strong cash deposits held in Joint Operations for large infrastructure projects
Trade and other receivables	2,806.5	2,911.4	✓ Trade and other receivables: Includes contract debtors, sundry debtors, joint venture and other receivables.
Current tax assets	154.2	147.0	
Inventories: consumables and development properties	269.4	269.9	✓ Other investments – marketable securities: Reclass of CIMIC's equity stake in Ventia from non-current other investments following the escrow period ceasing in March 2023
Other investments – marketable securities	-	379.8	
Assets held for sale	44.1	-	
Total current assets	5,843.2	6,043.3	
Non-current assets			Non-current assets:
Trade and other receivables	414.1	494.9	✓ Investments: Include project-related associates and joint ventures, PPP projects, and CIMIC's 50% share of Thiess. Decrease related to Ventia reclass following the escrow period ending
Inventories: development properties	68.4	65.8	
Investments	2,733.1	2,191.7	✓ Deferred tax assets: Reduction in deferred tax assets is due to reallocation of tax losses following the takeover of CIMIC by HOCHTIEF
Deferred tax assets	234.1	132.6	
Property, plant and equipment	566.7	551.4	
Intangibles	941.4	950.9	
Total non-current assets	4,957.8	4,387.3	
Total assets	10,801.0	10,430.6	

(^ Balance sheet aligned with CIMIC Group 30 June 2023 Reviewed 'Consolidated Interim Financial Report').

Supplementary financial information: Balance Sheet

Liabilities and equity (\$m)	Dec 2022 [^]	Jun 2023 [^]
Current liabilities		
Trade and other payables	5,203.7	5,011.8
Current tax liabilities	14.1	13.6
Provisions	268.9	273.8
Financial liability	33.7	9.3
Interest bearing liabilities	110.1	-
Lease liabilities	75.3	84.2
Total current liabilities	5,705.8	5,392.7
Non-current liabilities		
Trade and other payables	216.1	123.3
Provisions	18.2	17.5
Interest bearing liabilities	3,235.2	3,027.6
Lease liabilities	189.3	164.2
Total non-current liabilities	3,658.8	3,332.6
Total liabilities	9,364.6	8,725.3
Equity	1,436.4	1,705.3

Commentary

Current and non-current liabilities:

- ✓ **Trade and other payables:** Includes contract liabilities, trade creditors and accruals, joint venture payables and other creditors.
- ✓ **Interest bearing liabilities:** Current and non-current interest bearing liabilities amounted to \$3,027.6m at 30 June 2023

([^] Balance sheet aligned with CIMIC Group 30 June 2023 Reviewed 'Consolidated Interim Financial Report').

Supplementary financial information: Cash flow

Key figures (\$m)	Statutory [^] Jun 2022	CCPP Settlement	Underlying Jun 2022	Statutory [^] Jun 2023	Settlements ²	Underlying Jun 2023
Operating cash flow	333.9	192.5	526.4	(15.2)	319.8	304.6
Interest, finance costs and taxes	(116.8)	-	(116.8)	(75.5)	-	(75.5)
Net operating cash flow	217.1	192.5	409.6	(90.7)	319.8	229.1
Payments for intangibles	(9.3)	-	(9.3)	(4.5)	-	(4.5)
Payments for property, plant and equipment	(57.0)	-	(57.0)	(144.4)	-	(144.4)
Proceeds from sale of property, plant and equipment	5.0	-	5.0	12.0	-	12.0
Net proceeds from sale / (purchase) of investments	27.9	-	27.9	335.6	-	335.6
Cash disposed from disposal of investments	-	-	-	(1.3)	-	(1.3)
Dividends from investments	-	-	-	23.2	-	23.2
Payment of settlements	-	(192.5)	(192.5)	-	(319.8)	(319.8)
Net cash from investing activities	(33.4)	(192.5)	(225.9)	220.6	(319.8)	(99.2)
Repayment of financial liability	(19.7)	-	(19.7)	(24.8)	-	(24.8)
Net proceeds / (repayment) from borrowings	742.6	-	742.6	(307.8)	-	(307.8)
Repayment of leases	(45.4)	-	(45.4)	(45.5)	-	(45.5)
Net cash from financing activities	677.5	-	677.5	(378.1)	-	(378.1)

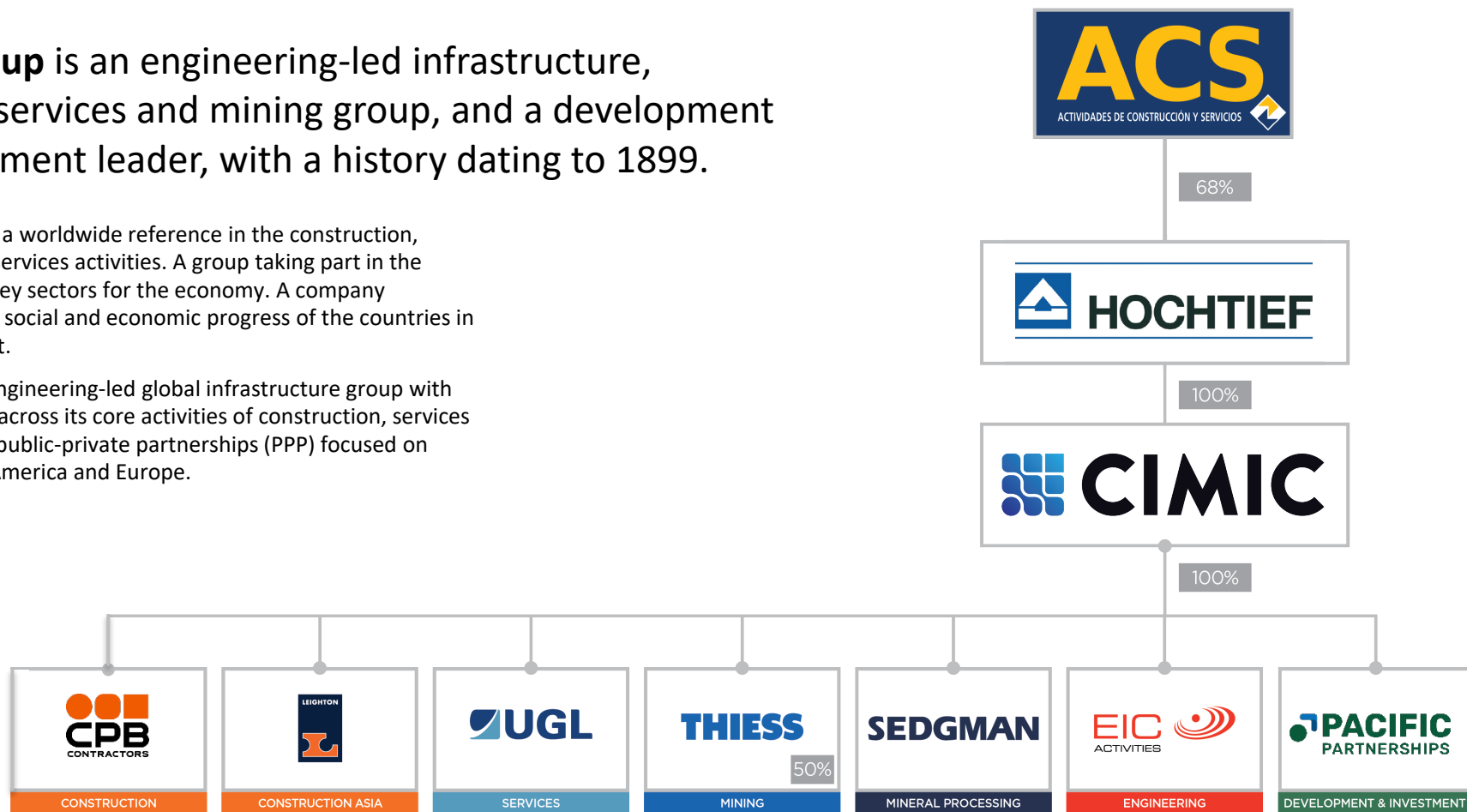
([^] Statutory cash flow aligned with CIMIC Group 30 June 2023 Reviewed 'Consolidated Interim Financial Report')

Our operating businesses

CIMIC Group is an engineering-led infrastructure, industrial services and mining group, and a development and investment leader, with a history dating to 1899.

The ACS Group is a worldwide reference in the construction, concessions and services activities. A group taking part in the development of key sectors for the economy. A company committed to the social and economic progress of the countries in which it is present.

HOCHTIEF is an engineering-led global infrastructure group with leading positions across its core activities of construction, services and concessions/public-private partnerships (PPP) focused on Australia, North America and Europe.



CPB Contractors and **Leighton Asia** are international infrastructure companies spanning Asia, Australia, New Zealand and Papua New Guinea.

UGL is a leader in the operation & management of transport, energy & utilities infrastructure.

Thiess is the world's largest mine operator, in Asia, Australia and the Americas.

Sedgman designs, constructs and operates mineral processors.

EIC Activities provides engineering services.

Pacific Partnerships develops, invests in and manages infrastructure and energy assets.

Reaffirm core strengths and grow in energy transition, digital infrastructure and technology, and sustainable infrastructure

Further develop CIMIC Group's presence across the value chain in projects and assets that provide critical digital infrastructure and facilitate the transition to renewable energy sources.

					
Energy transition	Digital infrastructure	New sustainable mobility	Social infrastructure	Energy transition commodities	Sustainable infrastructure
- Solar farms - Battery energy storage systems - Transmission lines - Electrification - Hydrogen	- Data centres - Digitalisation and data visualisation software - Environment and emissions related data	- Light rail & metros - Inter-modal transport networks - Smart cities - Electric vehicles	- Healthcare - Cancer treatment facilities - Research partnerships - Correctional facilities	- Commodities critical to rechargeable batteries - Mine waste reprocessing - Nickel, copper, lithium etc	- Green infrastructure (low carbon, climate resilient) - Emissions reduction commitments - Mine rehabilitation - Water

Enhance existing operations and grow in areas supporting net zero deadlines

- Focus maintained on the strong local competitive positions in core developed markets
- Development and investment opportunities in significant renewable energy pipeline due to sizable multi-year investment requirements

Expand across high tech engineering value chain

- Leverage proprietary integrated digital solutions as demand shifts from technology adoption to smart analytics, to improve sustainability
- Specialist engineering capabilities in critical new growth sectors, eg lithium, batteries, data centres
- Advanced supply chain and project management tools to transform responsiveness; increase predictive analytics

Selected HY23 significant project wins in strategic growth markets



Energy
transition



Digital
infrastructure



New sustainable
mobility



Social
infrastructure



Energy transition
commodities



Sustainable
infrastructure

Nepean Hospital redevelopment

\$260m, CPB CONTRACTORS

(01/2023) hospital redevelopment Stage 2 including a new clinical tower, refurbishments, NSW, Australia



BHP Nickel debottlenecking

\$105m, CPB CONTRACTORS

(03/2023) structural mechanical, piping, electrical and instrumentation works for BHP Nickel West Mt Keith, WA, Australia



SCRIP railway project

\$283m, LEIGHTON ASIA

(04/2023) construct a section of the North South Commuter Railway System – South Commuter Railway Project, Manila, Philippines



Alinta Battery Energy Storage System

UGL

(05/2023) install a 35-megawatt one-hour BESS facility and extend existing high voltage infrastructure. WA, Australia



Collie Battery Energy Storage System

UGL

(06/2023) design and construct, test and commission stage 1 of a BESS and associated energy infrastructure, WA, Australia



CopperString transmission line

\$20m, UGL AND CPB CONTRACTORS

(06/2023) early works for CopperString 2032. Also preferred contractor for the project's substations and transmission line, QLD, Australia



Brisbane airport upgrade

CPB CONTRACTORS

(06/2023) planning phase of international terminal security and retail upgrades with delivery expected to follow, QLD, Australia



Cadia tailings storage facility

CPB CONTRACTORS

(01/2023) enabling works for tailings storage facility recommissioning, for a gold and copper mine. Delivered in an alliance, NSW, Australia



RPA hospital redevelopment

CPB CONTRACTORS

(01/2023) early contractor involvement phase of the redevelopment of Sydney's Royal Prince Alfred Hospital, NSW, Australia



Candaba Viaduct expansion

\$161m, LEIGHTON ASIA

(02/2023) design and construct the third, 5.3km bridge of the Candaba Viaduct, Manila, Philippines



Defence department refresh

\$104m, CPB CONTRACTORS

(02/2023) delivery of the Mid-Term Refresh including maintenance and upgrades at RAAF Base Townsville and HMAS Cairns, QLD, Australia



Glenrowan solar farm

PACIFIC PARTNERSHIPS

(03/2023) financial close and construction commencement on a solar farm, VIC, Australia



CIMIC

CPB

BROAD

CONSTRUCTION

THIESS

SEDGMAN

UGL

PACIFIC

EIC

ACTIVITIES

Commodity Diversification

Minera Centinela copper mine

\$155m* THIESS

(03/2023) mining operations, maintenance, and asset management at a greenfield copper mine in Antofagasta, Chile



McPhee Creek mining contract

MACA (THIESS)

(03/2023) the mining contract including mine load and haul at Atlas Iron's project, WA, Australia

Weda Bay nickel mine

\$125m*, THIESS

(03/2023) ore hauling for the largest nickel player on Halmahera Island, North Maluku, Indonesia



Gruyere gold mine

\$850m*, MACA (THIESS)

(06/2023) extension of open pit mining at a gold mine including a comprehensive range of mining services, WA, Australia

Muswellbrook mine rehabilitation

THIESS

(06/2023) creation of native ecosystem and pasture land uses that generate approximately 180ha of rehabilitated land, NSW, Australia



Eskay Creek Revitalization Project

SEDGMAN

(05/2023) basic engineering and feasibility study update for Skeena Resources' former gold and silver mine, British Columbia, Canada



Sustainability

Evolving our business and improving ESG outcomes, with new areas of work and new ways of working



STRATEGIC GOALS

EVOLVING OUR BUSINESS

Sustainable solutions	- Improve ESG outcomes and reduce emissions from each project to contribute to communities and a low-carbon, climate resilient future - Innovation and digitization to optimise solutions and drive operational efficiencies
New opportunities	- Development and investment in renewable energy. Eg. large-scale solar farm owned and developed by CIMIC as principal (Pacific Partnerships, UGL) - Expanding solar, wind and stored energy projects (UGL) - Delivering infrastructure that enables evolving energy mix (UGL, CPB)
Resourcing the future	- Renewables commodity diversification (Sedgman, Thiess) - Services in mine waste reprocessing (Sedgman) - Minimising clients' emissions, water use, environmental footprint (Sedgman)

IMPROVING ESG OUTCOMES

Environment	- Target: climate neutral by 2045 and net zero for Scope 1 and 2 by 2038 - On track for interim target emissions reduction
Social	- Developing our people, a safe and inclusive culture - Training, employment, supply chain opportunities in local communities
Governance	- Strong governance framework and Code of Conduct - Independent Directors

HY23 ACHIEVEMENTS HIGHLIGHTS

ENVIRONMENT

- Sustainable solutions:** Infrastructure Sustainability Council awarded CPB, PP and UGL's Cross River Rail TSD package a 'Leading' design rating – the highest ISC rating
- Awards:** CPB's NEWest project won Civil Construction Federation's Environmental Achievement Award and M80 project won Australian Construction Achievement Award
- Renewables:** PP achieved financial close and commenced site works on Glenrowan Solar Farm; UGL won three battery energy storage system projects for Neoen and Alinta Energy
- Accreditation:** EIC achieved GE3 accreditation for geotechnical engineering in QLD; UGL invested in Infrastructure Sustainability Accredited Professionals (ISAP) for key roles
- Commodity diversification:** In Canada, Sedgman contracted for Skeena Resources engineering works (gold and silver) and mobilized at Artemis Gold's Blackwater Mine
- Decarbonisation:** CPB announced its corporate offices and precast facilities to be powered by 100% renewable energy in 2023 and beyond
- Rehabilitation:** Thiess Rehabilitation contracted at the Muswellbrook Coal Mine in NSW; Sedgman partnered with enviroMETS QLD, to improve mining impacted land

SOCIAL

- Safety:** LA's Hong Kong business recognised with OH&S awards from the Hong Kong OSH Forum, Lighthouse Club, and the Construction Industry Safety Awards; CPB's Sydney Metro – WSA SBT project enclosed plant with plastic cabins to mitigate silica exposure; the LA Tangguh project in Indonesia achieved nine million safe hours without LTI
- Diversity:** International Women's Day and National Reconciliation Week marked
- Local skills:** The Institute of Applied Technology – Construction, (TAFE NSW, CPB, and Western Sydney University), opened enrolments for 11 courses
- Indigenous:** CPB's M6 Stage 1 project and Port Wakefield to Port Augusta project graduated Indigenous training program cohorts
- Development:** CIMIC Group Graduate Program inducted the 2023 cohort; CPB awarded Training Employer of the Year in WA by Civil Construction Federation
- Sponsorships:** Sedgman renewed its partnership with the Royal Flying Doctor Service; UGL announced a partnership with Legacy Brisbane

GOVERNANCE

- Reporting:** CIMIC Group's 2022 Annual Review and Sustainability Report published; 2022 Joint Modern Slavery Statement lodged with the Australian Government

Pacific Partnerships: Lead sponsor, developer and investor for infrastructure and energy assets



- ✓ CIMIC has been responsible for the delivery of more than 30 PPPs valued at over \$70 billion over the past 25 years
- ✓ Since 2016, Pacific Partnerships has:
 - submitted 17 proposals valued at more than \$50bn
 - secured 7 new projects worth \$22bn (58% success rate*)
 - Commenced Energy portfolio, developing first solar farm and achieved Financial Close in March 2023 following award of government VRET2 offtake

AUSTRALIA & NEW ZEALAND PORTFOLIO

9

assets

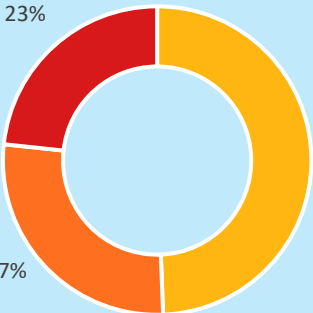
>\$25bn

investment
value

~\$360m

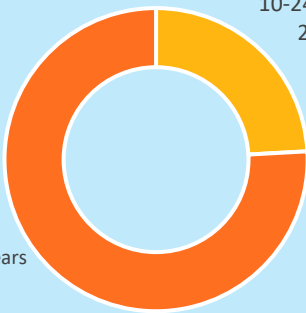
committed equity
as at 30 June 2023

Social, Energy
& Other, 23%



Committed equity by sector

10-24 years
24%



Committed equity by concession length

*Excludes projects not awarded, e.g. projects cancelled by the client
^The Group does not provide custodial or corrective services.



1st VRET2 project closed
Australia's largest PPP
NZ's 1st road PPP
Canberra's 1st rail PPP



25

Transport PPPs



191 km

of urban rail track



461 km

of roads



401

new train carriages and
trams across Australia



166 km

of major tunnels for
rail and road



9

Social PPPs & Energy



1,888

hospital beds



600

correctional capacity^



10

schools

Thiess: The world's largest mine operator



- ✓ **Addressable market of +\$156bn**, with +82% of opportunities in the metals and minerals sector
- ✓ Pipeline has evolved since 2020, with a **greater focus** on opportunities in **key geographies** (Australia, Indonesia, Chile, North America) and **commodities** (metals and minerals) and increased scope following MACA acquisition
 - **US based business** launched in 2021, providing a platform for many metals and minerals opportunities
 - **Indonesia strategy** is to transition into nickel. Indonesia has one of the largest nickel reserves globally
 - **Thermal coal projects** that remain in the target pipeline and are tendered are brownfield projects and either extensions or replacements of existing work

~90 years of history and operations across core stages of the mining lifecycle

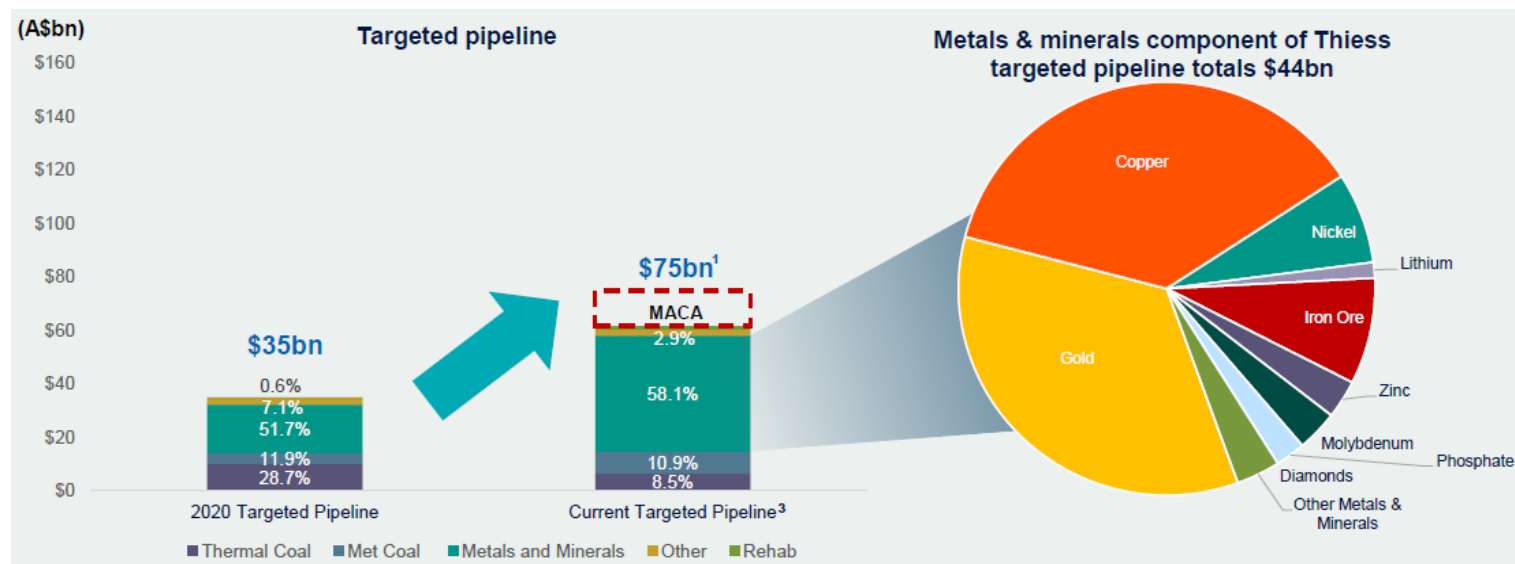
- More than 40 projects across 7 countries

ESG transition: Thermal coal revenue target <25% by end of 2027

- Interim targets: Net zero scope 1 and 2 emissions by 2025; 85% of operated light vehicles hybrid or battery electric by 2030; 25% reduction of Scope 3 emissions from diesel combustion in operated fleet by 2035

Thiess Rehabilitation

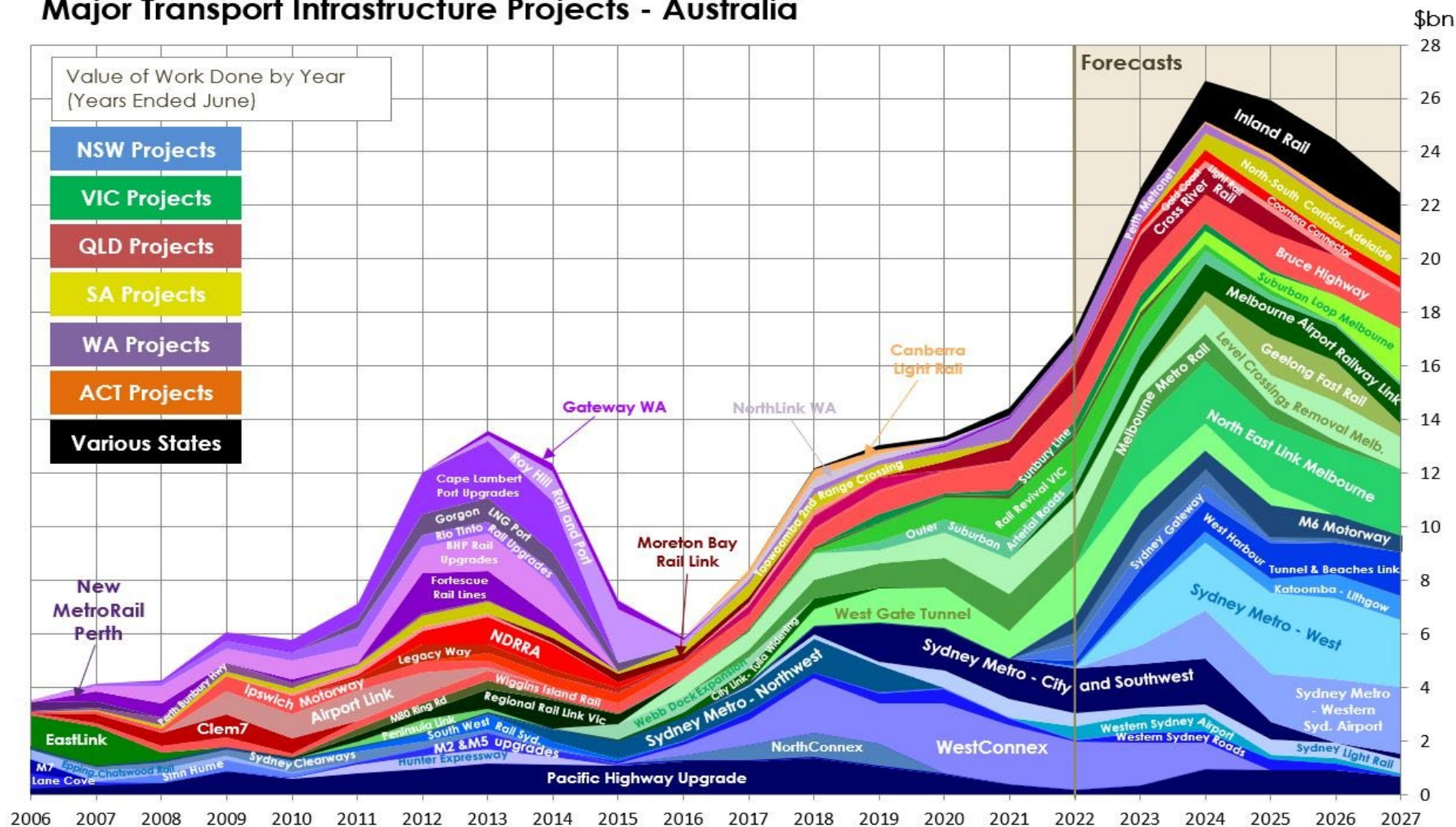
- June 2023: 2-year contract with Idemitsu Australia's Muswellbrook Coal Company to deliver rehabilitation services at Muswellbrook Mine, NSW
- July 2023: 3.5-year partnership with Idemitsu Australia's Ensham Resources to deliver mine rehabilitation solutions that create areas for native bushland and cattle grazing across 700 hectares of land



* Information presented above based on December 2022

Australian transport infrastructure projects: market opportunities

Major Transport Infrastructure Projects - Australia



Note: This chart includes projects with a value of work done greater than \$300 million in any single year

Source: Macromonitor, January 2023

F/X rates

End of the period	Jun 2022	Jun 2023	Chg. \$	Chg. %
AUD/USD	0.69	0.66	(0.03)	(4.3%)
AUD/EUR	0.66	0.61	(0.05)	(7.6%)
Period average	HY22	HY23	Chg. \$	Chg. %
AUD/USD	0.72	0.68	(0.04)	(5.6%)
AUD/EUR	0.67	0.63	(0.04)	(6.0%)

¹Margins are calculated on revenue ('statutory revenue') which excludes revenue from joint ventures and associates

²Operating cash flow includes cash flow from operating activities before interest, finance costs and taxes. Free operating cash flow is defined as net operating cash flow less net capital expenditure for property, plant and equipment. HY23 underlying operating cash flow excludes payments of \$319.8m, mainly related to the final CCPP settlement. HY22 underlying operating cash flow excludes the CCPP settlement payment of \$192.5m made in April 2022

³Liquidity includes gross cash of \$2.3bn on balance sheet, plus \$1.3bn of undrawn bank facilities

⁴New work includes new contracts and contract extensions and variations, including the impact of foreign exchange rate movements and other WIH adjustments. Foreign exchange rate movements account for \$0.1bn of total new work won for HY23

⁵WIH includes CIMIC's share of work in hand from joint ventures and associates

⁶The post IPO escrow period for CIMIC's shareholding in Ventia expired February 2023; as such Ventia was reclassified as current asset 'Marketable Securities'. The subsequent sell down of 18% of Ventia shares by CIMIC supports the liquidity of the retained stake, with Ventia share price and trading volumes responding positively.

The value of Marketable Securities is calculated based on Ventia's share price at 30 June 2023 of \$3.03 per share

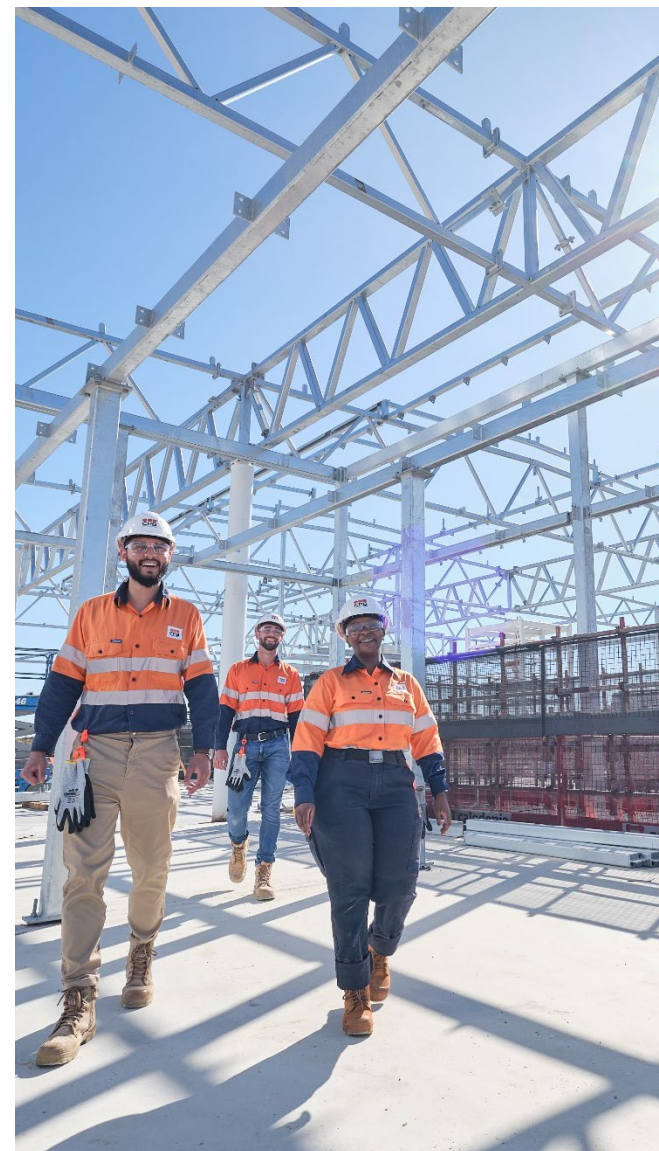
⁷Other financial assets refer to short term indirect tax and intercompany receivables due from Hochtief Australia Holdings Ltd

⁸Total interest bearing liabilities

⁹Relates to new work awarded to Thiess (at 100% Thiess value)

¹⁰Investments WIH includes WIH from CIMIC's share of investments at their ownership %, including Thiess

¹¹Restated to include short term indirect tax and intercompany receivables as part of the ongoing alignment with Hochtief reporting



Definitions

- ✓ 1Q22, 2Q22, 3Q22 & 4Q22 – Three months to March 2022, June 2022, September 2022 and December 2022 respectively
- ✓ 1Q23, 2Q23, 3Q23 & 4Q23 – Three months to March 2023, June 2023, September 2023 and December 2023 respectively
- ✓ BESS – Battery Energy Storage System
- ✓ 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
- ✓ ECI – Early Contractor Involvement
- ✓ ESG – Environmental, social, and governance
- ✓ FX – Foreign Exchange
- ✓ FY – Full year from January to December
- ✓ HoH – Comparison of HY23 versus HY22
- ✓ HY – Half year from January to June
- ✓ H1 – January to June
- ✓ H2 – July to December
- ✓ IPO – Initial Public Offering
- ✓ JV – Joint venture
- ✓ LTM – Last 12 Months
- ✓ m – Million
- ✓ NPAT – Net profit after tax
- ✓ OCF – Operating cash flow
- ✓ PBT – Profit before tax
- ✓ PPE (WIP) – Property Plant and Equipment (Work-In-Progress)
- ✓ PPP – Public Private Partnership
- ✓ QoQ – Quarter on quarter
- ✓ SBT – Station, Boxes & Tunnelling
- ✓ VRET2 – Victorian Renewable Energy Target auction
- ✓ WIH – Work in hand
- ✓ YoY – Year on year
- ✓ YTD – Year to date



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- contains forward looking statements. These statements reflect the current views, expectations and assumptions of the board of directors of CIMIC and are based on information currently available to the Board, involve risks and uncertainties and do not guarantee future results, performance or events. Any forward looking statements have been prepared on the basis of a number of assumptions which may prove to be incorrect or involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of CIMIC, which may cause actual results, performance or achievements to differ materially from those expressed or implied in the statements. There can be no assurance that actual outcomes will not differ materially from these statements. Any forward looking statement reflects views held only as at the date of this presentation. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, CIMIC does not undertake to nor is it under any obligation to, publicly update or revise any of the forward looking statements or change in events, conditions or circumstances on which any such statement is based.

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