

ASX Statement & Media Release

21 August 2017

CARDNO ANNOUNCES FY2017 RESULTS

Professional infrastructure and environmental services consultancy Cardno Limited (ASX:CDD) today announced EBITDA from continuing operations of AUD \$44.0 million for FY2017, in line with the guidance issued in February of this year.

As part of this announcement, the company reported a net profit after tax including discontinued operations of \$8.6 million, driven by post-tax one off underlying adjustments of \$39.3 million partly offset by a profit from discontinued operations (net of tax) of \$27.9 million associated with the divestiture of XP Solutions and MMA Mining businesses. Underlying net profit after tax from continuing operations was \$19.9 million.

Full year to 30 June 2017	FY2017 (A\$m)	Restated* FY2016 (A\$m)
Gross Revenue from continuing operations	1,182.0	1,164.6
Fee Revenue	788.2	781.8
Underlying EBITDA from continuing operations	44.0	42.0
Underlying NOPAT from continuing operations **	19.9	6.2
Profit/(Loss) from discontinued operations	27.9	(44.9)
Profit/(Loss) for the period	8.6	(194.9)
Operating Cash Flow	(3.8)	56.4
EPS – basic (cents)	1.79	(79.19)

* Refer to Note 4 of the accompanying Cardno Ltd Consolidated Financial Report for details of the restatement

** Underlying Net Operating Profit after Tax, is a non-IFRS term which reflects the operating position of the business prior to underlying adjustments

Over the past 12 months:

- > The business achieved net fee revenue growth of 0.8% to \$788.2m. Although this growth is modest, it represents the first positive revenue growth since 2015.
- > EBITDA growth of 4.8% to \$44.0m. In the second half, the business achieved EBITDA of \$20.8m, which was more than 3x the EBITDA in the second half of FY2016.
- > Cardno has systematically worked through its balance sheet to address legacy issues.
- > The Australian engineering division has continued to perform strongly with fully allocated EBITDA margins of 10.9%.
- > Backlog grew 5.3% to \$846.1m on a like for like basis.
- > Cardno expensed business review and restructure costs of \$56.0m in the year. The company does not believe there is any further restructure or impairment costs to take up of a material nature.

Consistent with the guidance provided in February 2017, there was no final dividend declared for the year ended 30 June 2017, as the company's focus continues to be on capital and balance sheet management.

Cardno Chairman Michael Alscher said:

"This time last year I set out that FY17 would be a rebasing year for Cardno and in essence a review year to recalibrate the business away from past financial performance and practice. In addition, I explained that alongside conducting a complete balance sheet review, Cardno needed to push decision making back down to divisional management, rebuild the trust of its staff and invest in business development. I explained that there were a number of business and office consolidations that were required and that there was the need to review the balance sheet, both from a leverage perspective as well as a general review of the carrying value of assets.

I am pleased to report that our company has made significant progress in completing this restructure and the impact of this progress is starting to be reflected in the financial results of the business.

Cardno achieved an underlying profit of \$19.9 million in FY17 and an underlying EBITDA from continuing operations of \$44.0 million. This performance was consistent with the guidance provided at our AGM in October 2016.

Cardno's balance sheet is now both fit-for-purpose for our business and, we believe, amongst the strongest in our industry".

– ENDS –

For all media enquiries please contact:

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About Cardno: Cardno is a professional infrastructure and environmental services company, with specialist expertise in the development and improvement of physical and social infrastructure for communities around the world. Cardno's team includes leading professionals who plan, design, manage and deliver sustainable projects and community programs. Cardno is an international company, listed on the Australian Securities Exchange [ASX: CDD]. www.cardno.com.