

## Media Release and ASX Announcement

21 August 2019

### CARDNO ANNOUNCES FY19 RESULTS

Professional infrastructure and environmental services consultancy Cardno Limited (ASX: CDD) today announced underlying EBITDAI\* of \$62.0 million for FY19 – up by 10.3% on the previous corresponding period and at the top end of market guidance.

The Company also reported an increase in gross revenue of 18.1% on prior year.

Full Year to 30 June 2019	FY 2019 (A\$m)	FY 2018 (A\$m)
Gross Revenue	1,319.3	1,117.0
Fee Revenue	895.2	763.5
Underlying EBITDAI*	62.0	56.2
Underlying NOPAT**	16.3	20.0
Net Loss	(44.5)	(14.0)
Operating Cash Flow	40.8	45.7
EPS – basic (cents)	(9.78)	(2.97)
NOPAT EPS – basis (cents)	3.57	4.23

\*EBITDAI represents earnings before interest, income tax, depreciation, amortisation and impairment.

\*\*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:

- > Cardno completed four acquisitions, DDAI, Trilab, Raba Kistner and TGM. All are performing well, with the two larger businesses, TGM (expanding Cardno's consulting engineering footprint in regional Victoria) and Raba Kistner (establishing a substantial footprint in materials testing across Texas in the United States) ahead of expectations.
- > Balance sheet remains strong, bank debt facility successfully renewed and increased (expires December 2021)
- > Americas division performance continues to improve with revenue up 14.3% on prior year. EBITDA margin increased from 4.8% to 5.1%
- > Asia Pacific revenues down 4.1% on prior year and EBITDA margin down from 5.6% to 4.5% due to lack of material project wins in FY19
- > Non-cash write down (impairment) of Asia Pacific goodwill of \$46.3 million associated with acquisitions made prior to 2015
- > Construction Sciences doubled its revenue through organic growth in Australia and the acquisition of Raba Kistner in the US. EBITDA margin remains ~10%
- > International Development revenue up 13.2% on prior year
- > PPI continues to rebound in performance and we expect this trend to continue.
- > Wind down of LATAM projects and operations is progressing broadly consistent with management expectations.

- > Backlog, which is a leading indicator of future revenues, grew 14.7%, due to both the acquisition of Raba Kistner and TGM, and organic growth in several divisions – notably Government Services.

Cardno also today announced its intention to demerge its quality, testing and measurement business from its consulting business - subject to shareholder and other approvals. Please refer to Media Release and ASX Announcement of 21<sup>st</sup> August 2019: *CARDNO ANNOUNCES INTENTION TO DEMERGE*.

**– ENDS –**

**For all media enquiries please contact:**

Jackie McPhee, Corporate Marketing Manager | t: +61 7 3100 2142 | m: 0421 896 983  
| e: Jackie.McPhee@cardno.com.au

**About Cardno:** Cardno is a global provider of integrated professional services which enrich the physical and social environment for the communities in which we live and work. Our team of multidisciplinary specialists around the world has almost 75 years' experience in designing, developing and delivering sustainable projects and community advancement programs. Cardno is listed on the Australian Securities Exchange (ASX: CDD). [www.cardno.com](http://www.cardno.com).