FY19

2019 Full-Year Results Presentation

August 2019

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COVER IMAGES

Top Left: *Cardno is working with the Governments of Australia and Indonesia to support strong, sustainable and inclusive economic growth in Indonesia.*

Top Right: *Cardno not only provided civil engineering services for the Sienna Wood Explorer Park public space, but worked with Stockland to create an immersive design experience using Virtual Reality technology and BIM.*

Bottom Left: *Cardno Geologist and Environmental Scientist Danyelle Philips collecting soil samples for testing, Charlottesville, Virginia.*

Bottom Right: *Cardno senior project scientist Benjamin Harvey performing a wetland delineation for Henke Development Group, Westfield, Indiana.*

01 Performance overview

02 Detailed financial review

03 Proposed demerger of Intega

2019 Performance in Review

Cardno Group FY19 underlying EBITDAI of $62.0m, at top end of market guidance range. Third year in a row hitting guidance. Focus of this presentation is FY19 results as the current combined entity, then section 3 addresses the proposed demerger of Intega.

- Fee revenue $895.2m up 17.2% on prior year.
- Underlying EBITDAI $62.0m up 10.3% on prior year. Pro-forma (assumes full financial year contribution from Raba Kistner) EBITDAI ~$68m.
- Operating cash of $40.8m (down 10.8% on prior year).
- Completed four acquisitions expanding our Consulting Engineering footprint in Regional Victoria and the Florida Quays and our Construction Materials Testing footprint in the US and Australia.
- Balance sheet remains strong, bank debt facility successfully renewed and increased (expires December 2021).
- Continued varied performance:
  - 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%, driven by the FY18 comparative being bolstered by a number of major projects that completed in 1H FY18, as well as implementation of operational disciplines and associated “project clean up”. Completed acquisition of regional Victoria engineering consultancy TGM. Division restructured in H2 with solid platform for growth going forward.
  - Construction Sciences now a materially larger business – doubling 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. EBITDA margin down from 3.4% to 1.2%, due in part to investment in business development.
  - 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 grew 14.7%, due to both the acquisition of Raba Kistner and TGM, and organic growth – notably in Government Services.
- Cardno expects the total company FY20 EBITDAI to grow over the FY19 pro-forma EBITDAI. The extent of this growth will be driven by multiple factors including market conditions, client and business development, ability to improve margins, and acquisitions.

2019 Performance Overview

One of the most pleasing outcomes exiting FY19 is a very structured business with emerging momentum. Each division reached different milestones over the year.

Key milestones in FY19 at a **divisional level** include:

Asia Pacific	> Restructure and alignment of operations within the division to capitalise on collaboration and client opportunities nationally. > Completed the acquisition of TGM, expanding our Consulting Engineering footprint in Regional Victoria > Implemented several important improvement initiatives including Key Accounts Program, Project Management Framework and an Australian Pricing Model
Americas	> Significantly increased revenue and EBITDA exiting FY19 > Focus on business development and growth initiatives that grew backlog > Implementing plans to improve two business units in Infrastructure
International Development	> Performance continues to improve with new contract wins and cost management in turbulent market (Federal Election/BREXIT) > Investment in BD is starting to show 'green shoots' positive signs moving into FY20
Construction Sciences	> Strong organic performance > Completed acquisition of Raba Kistner, significantly expanding our Construction Materials Testing presence in the US > Enjoying a favorable business environment with good business discipline > SureSearch aligned to Construction Sciences
PPI	> Quality Assurance business yielding positive results > Core business stable and experiencing growth > Order book and general activity increasing as we exit FY19
LATAM	> Continued wind down of operations with the roll off of projects in Caminosca. Exiting FY19 there are limited staff left in Caminosca > Modest expansion of the Entrix environmental sciences business into Peru strengthening margins and results

2019 Rebuilding Momentum (1/2)

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We continue to make progress in setting up the business for a strong performance in FY20 and beyond, by implementing a number of specific actions to improve the business structure and excellence across our clients, people and delivery.

Key initiatives are:

Safety	> Our continued focus has delivered an improvement in our Total Recordable Injury Frequency Rate (TRIFR) of 25% in our Consulting business, (Asia Pacific and Americas) and a 27% reduction in Construction Sciences. In addition, our International Development division continues to track well below industry standard and our PPI business has industry leading performance with a TRIFR of zero which it has maintained for the last three years	✓ Safety is one of our core values and remains a key priority for our entire business Our Zero Harm culture is strongly embedded in our business to ensure that our people come home from work safely every day
Client Excellence	> Introduction of Key Account Program focusing on sustained advisory relationships > Extending roll-out of pipeline tool to Asia Pacific > Introduction of structured independent client feedback across the whole business	✓ All initiatives under Client Excellence have commenced and are progressing well. Pipeline Tool has been implemented in the Americas and APAC implementation will be complete in early FY20.
People Excellence	> New Employee Value Proposition > Industry leading Paid Parental Leave Policies and Domestic and Family Violence Leave programs > Improved leadership engagement and communication > Introduction of clearer KPIs and personal development plans > Career path development > New focus on diversity and inclusiveness > Reduction in gender pay gap to become a leading performer	✓ All initiatives under People Excellence have commenced and are progressing well.
Delivery Excellence	> Right sized and shaped Asia Pacific and some Americas business units > Launched project management framework in APAC > Launched Pricing model for margin management in Asia Pacific > Construction Sciences benefitting from operational disciplines implemented over the past three years > Completed Manila review to expand shared services	✓ All initiatives under Delivery Excellence have commenced and most have been implemented. New KPI's to be rolled out early FY20.
Business **Structure**	> Consolidated APAC North and South into a single Division and rationalised P&Ls > Integrated TGM into our Victorian business > Aligned SureSearch to Construction Sciences	✓ Successfully implemented.

2019 Rebuilding Momentum (2/2)

We have made progress rebuilding financial performance during the year with continued focus on initiatives which drive stability, retention, governance and organic growth. No silver bullet initiatives, just initiatives to optimise performance and engagement.

Key initiatives at a **group level** are:

Finance	> Further work on development of Calumo (Business Intelligence Software) and other key indicators including Dashboards > Continuing work on transparency, KPI's and cost allocations	WIP	Calumo development work is ongoing.
Human Resources	> Gender Pay Gap analysis and progress towards closure > New inclusion and diversity strategy for 2019-2021 > New global mobility strategy	WIP	Ongoing in FY20.
HSEQ	> Updated our Zero Harm Leading Actions and launched them with a global safety video	✓	Implemented successfully
Digital enablement and IT	> Appointment of CDO and CTO to drive Digital Transformation and innovation. Digital programs are being implemented with positive initial results > Completion of future IT architecture will drive enterprise system improvements to support digital capability	WIP	These initiatives are ongoing into FY20.
Marketing	> New global company web site launched	✓	Launched successfully
Training	> New leadership capability framework and training > New project management training program for Asia Pacific region. In FY20, this will be made available to the rest of the business	WIP	Ongoing in FY20. In FY20, this will be made available to the rest of the business

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2019 Full-Year Financial Performance Highlights (1/3)

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Full year underlying EBITDAI of $62.0m at top end of market guidance range of $60m +/-$3m.

> Fee revenue was up 17.2% on prior year.

> Underlying EBITDAI of $62.0m up 10.3% from $56.2m EBITDAI in FY18.

> Underlying Net Operating Profit After Tax of $16.3m is before abnormal items including a $46.3m non-cash impairment charge on goodwill, and acquisition, refinance, demerger project, and redundancy costs of $14.4m. After these items, a statutory net loss of $44.5m was recorded.

> Backlog grew 14.7%, due to both the acquisition of Raba Kistner and TGM, and organic growth – notably in Government Services.

> Operating cash flow of $40.8m, down 10.8%, reflects ongoing working capital management and the timing of debtor receipts and creditor payments.

2019 Results A$ million

	Reported		
			Percent change year on year
Gross Revenue	$1,319.3	▲	18.1%
Fee Revenue	$895.2	▲	17.2%
Underlying EBITDAI [1]	$62.0	▲	10.3%
Underlying NOPAT [2]	$16.3	▼	18.4%
Abnormal Items [3]	$60.7	▲	78.7%
Net Profit / (Loss) after Tax	($44.5)	▼	217.4%
Operating Cash Flow	$40.8	▼	10.8%
EPS - basic (cents)	($9.78)	▼	229.3%
NOPAT EPS - basic (cents)	$3.57	▼	15.6%
Backlog [4]	$1,643.1	▲	14.7%

(1) Underlying EBITDAI = EBIT plus underlying adjustments, depreciation, amortisation and impairment losses.

(2) Underlying NOPAT = NPAT plus underlying adjustments and impairment losses. A reconciliation of NPAT to NOPAT has been prepared and is shown on slide 9.

(3) See slide 10. Abnormal items.

(4) Backlog reported on a total contract basis, being the total value of the signed contract less the value of work performed to date.

2019 Full-Year Financial Performance Highlights (2/3)

(A$ Millions)	2018 1H18	2018 2H18	2018 FY	2019 1H19	2019 2H19	2019 FY	FY Change %
Gross Revenue	543.4	573.6	1,117.0	599.7	719.6	1,319.3	18.1%
Fee Revenue	346.3	417.2	763.5	414.0	481.2	895.2	17.2%
Underlying EBITDAI [1]	30.2	26.0	56.2	27.9	34.1	62.0	10.3%
Underlying EBITDAI Margin	8.7%	6.2%	7.4%	6.7%	7.1%	6.9%	
Underlying NOPAT [2]	**13.9**	**6.1**	**20.0**	**10.4**	**5.9**	**16.3**	**(18.4%)**
Abnormal Items	**(35.8)**	**1.8**	**(34.0)**	**(2.7)**	**(58.1)**	**(60.7)[3]**	**78.7%**
Net Profit / (Loss) after Tax	**(21.9)**	**7.9**	**(14.0)**	**7.7**	**(52.2)**	**(44.5)**	**358.4%**
Operating Cash Flow	31.6	14.1	45.7	4.8	36.0	40.8	(10.8%)
EPS - basic (cents)			(2.97)			(9.78)	229.3%
NOPAT EPS - basic (cents)			4.23			3.57	(15.6%)
Backlog [4]			1,432.6			1,643.1	14.7%

(1) *Underlying EBITDAI = EBIT plus underlying adjustments, depreciation, amortisation and impairment losses.*

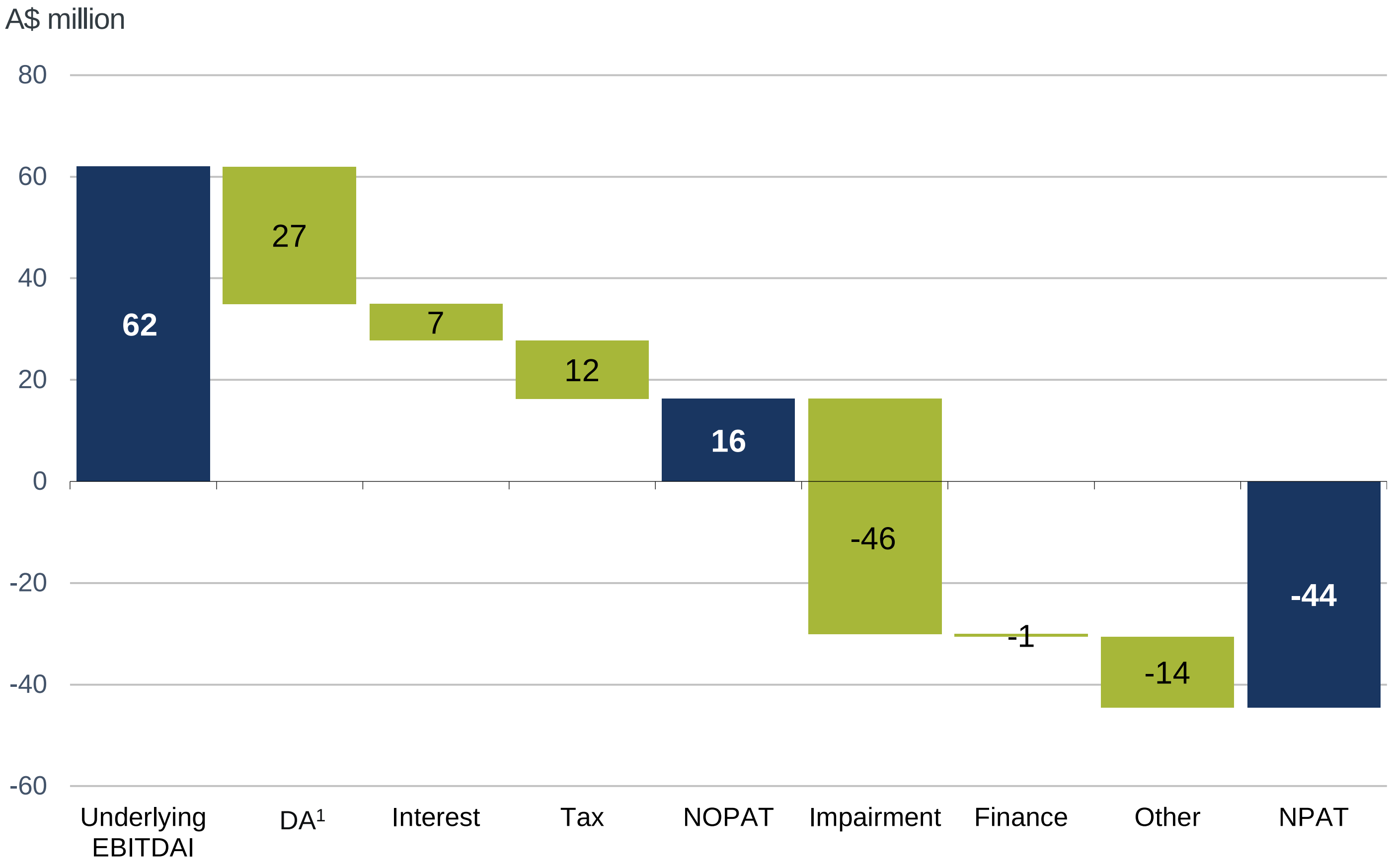
(2) *Underlying NOPAT = NPAT plus underlying adjustments and impairment losses. As shown above.*

(3) *See slide 10. Abnormal items.*

(4) *Backlog reported on a total contract basis, being the total value of the signed contract less the value of work performed to date.*

2019 Full-Year Financial Performance Highlights (3/3)

BRIDGE FROM UNDERLYING EBITDAI TO STATUTORY LOSS

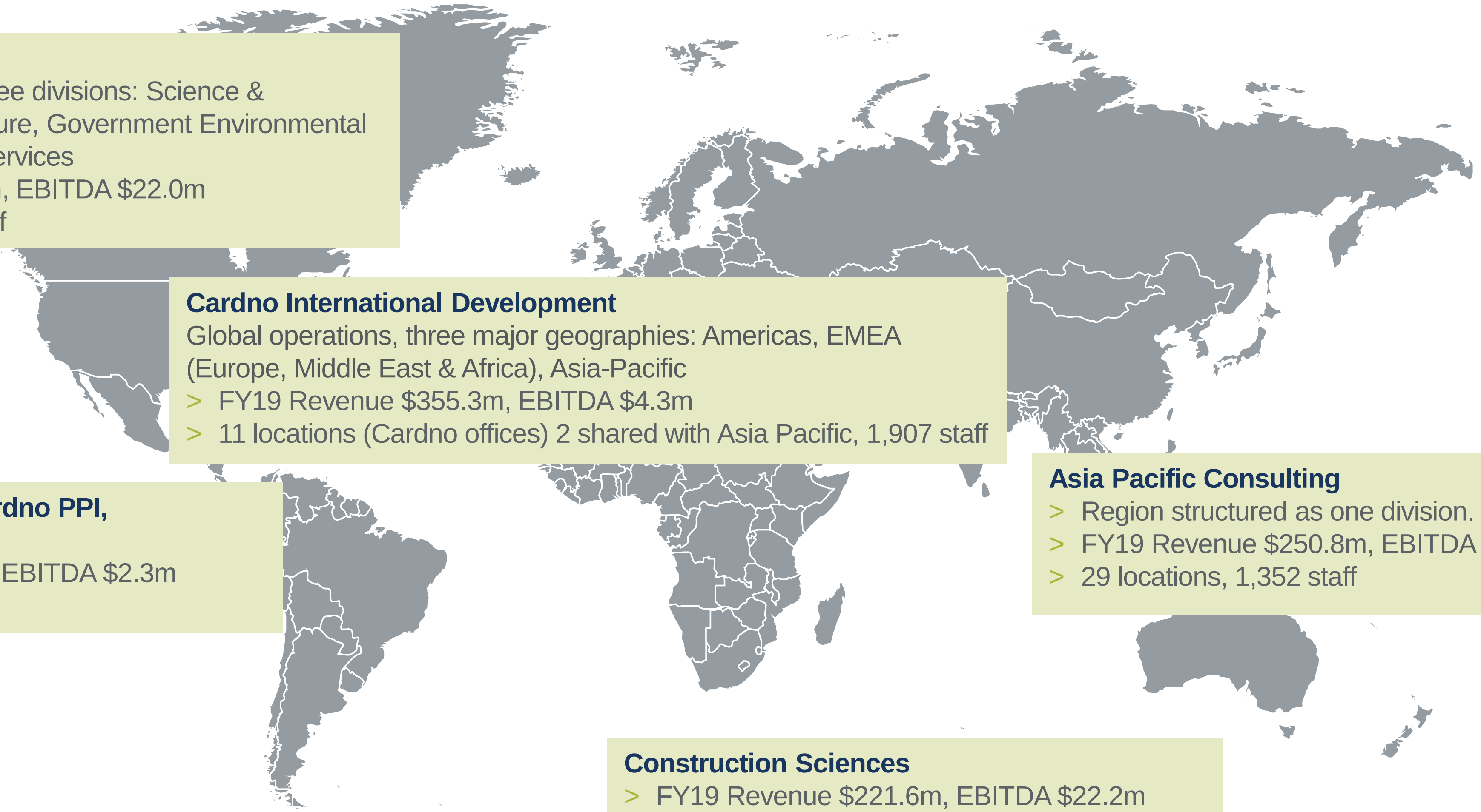


(1) *DA includes $5.0m amortisation expense associated with Raba Kistner and TGM*

Underlying Adjustments

- Asia Pacific Impairment (goodwill – non cash) $46.3m
- Finance Costs $0.5m
  - Previous debt facility break fees and interest costs.
- Other Expenses and Tax of $13.9m:
  - Release of onerous lease provision and other costs associated with office rationalisation and consolidation ($0.5m)
  - Costs associated with restructuring $2.2m
  - Acquisition related costs $4.4m
  - demerger costs $4.6m
  - Legal costs $0.7m
  - Tax effect of underlying adjustments ($3.1m)
  - Valuation of allowance against foreign tax credits $5.6m (non cash)

2019 Full-Year Segments



Americas Consulting
- Region structured as three divisions: Science & Environment, Infrastructure, Government Environmental & Asset Management Services
- FY19 Revenue $432.5m, EBITDA $22.0m
- 109 locations, 1,533 staff

Cardno International Development

Global operations, three major geographies: Americas, EMEA (Europe, Middle East & Africa), Asia-Pacific
- FY19 Revenue $355.3m, EBITDA $4.3m
- 11 locations (Cardno offices) 2 shared with Asia Pacific, 1,907 staff

Portfolio Companies: Cardno PPI, and Latin America
- FY19 Revenue $59.0m, EBITDA $2.3m
- 6 locations, 285 staff

Asia Pacific Consulting
- Region structured as one division.
- FY19 Revenue $250.8m, EBITDA $11.2m
- 29 locations, 1,352 staff

Construction Sciences
- FY19 Revenue $221.6m, EBITDA $22.2m
- 72 locations, 1,362 staff

NB:

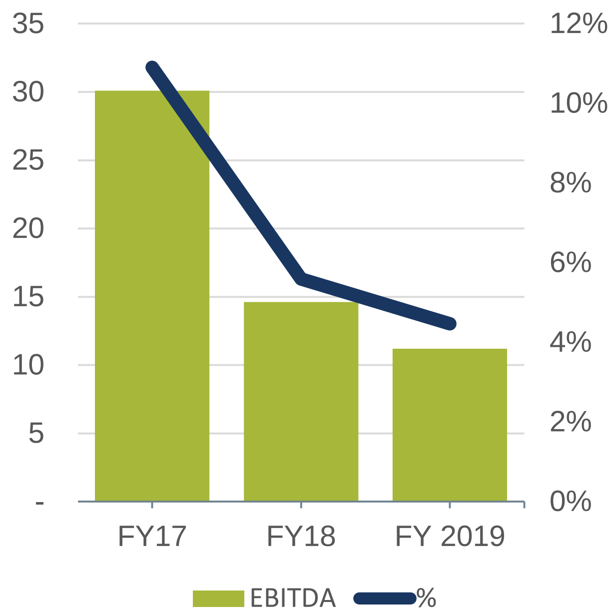
- Staff numbers include permanent, part time, short and long term contractors.

- Excludes group functions.

2019 Full-Year Segments: Asia Pacific

ASIA PACIFIC EBITDA AND % MARGIN

A$ million



Asia Pacific Consulting EBITDA margins declined from 5.6% to 4.5% driven by the continued wind down of a number of major projects in early FY18 as well as the implementation of project disciplines and associated "project clean up". Division restructured in H2 with solid platform for growth going forward.

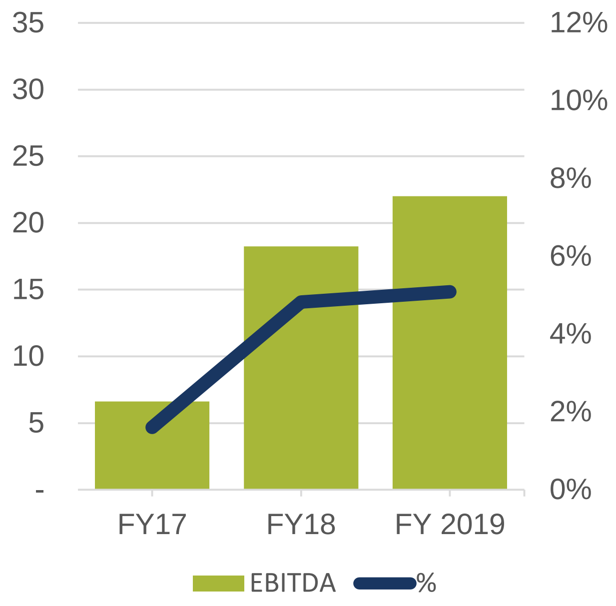
- Gross Revenue in FY19 of $250.8m, 4.1% lower than FY18, reflecting the previously flagged completion of three major projects in FY18.
- EBITDA margin was 4.5%, versus 5.6% margin achieved in FY18.
- No major project wins in Asia Pacific with, as stated, a number of major projects tailing off. Our Business Development group continues to position Cardno on a number of major project opportunities in QLD, NSW, VIC and Asia.
- The Company completed the acquisition of TGM in early December 2018. TGM is a regional Victorian professional engineering consultancy practice – increasing the group's expanding presence in major Australian regional centres.
- Business restructured in 2H FY19 to right-size the business, align operations between the northern and southern operations, and support increased collaboration.

KEY WINS DURING THE YEAR INCLUDE:

- Barry Beach Marine Terminal Remediation.
- F6 Extension Stage 1 – Geotechnical Investigation.
- Transport for New South Wales – Appointed to three year panel to provide combined geotechnical and environmental investigation services.
- Isaac Shire Council – NDRRA Supply of Geotechnical testing.

2019 Full-Year Segments: Americas

AMERICAS EBITDA
AND % MARGIN
A$ million



The Americas division performance continues to improve with revenue up 14.3% on prior year and EBITDA margin increasing from 4.8% to 5.1%. Stable leadership, investment in business development initiatives over the past two years, and ongoing operating disciplines have driven growth in top and bottom line results.

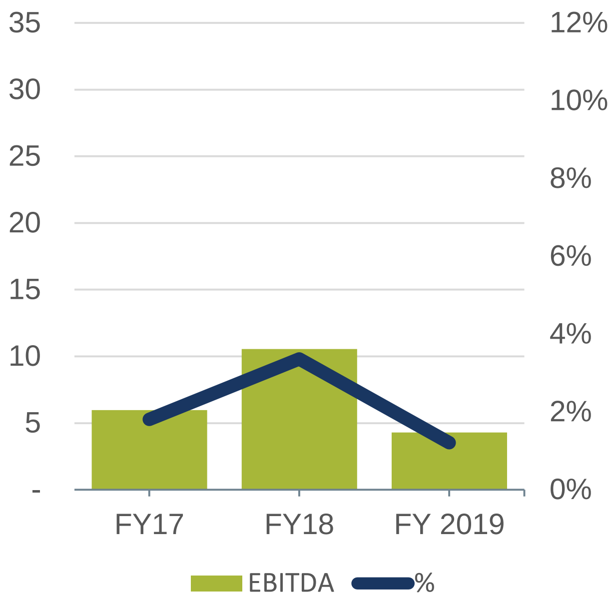
- Gross Revenue in FY19 of $432.5m, was 14.3% up on FY18.
- EBITDA margin was 5.1%, which while not yet at best practice, continues to trend upwards
- Improvement in operating margin driven by a series of initiatives that reduced non client facing management and labour, fringe (insurance, health), overhead and occupancy costs.
- Focus is on growing revenue and margin.

KEY WINS DURING THE YEAR INCLUDE:

- U.S. Army Corps of Engineers, Europe District contract for general Architect/Engineer (A/E) Services. Design and engineering services for U.S. military projects in Europe.
- Naval Facilities Engineering Command (NAVFAC) Atlantic contract for range sustainability services. Environmental planning services for U.S. Navy at-sea operational activities.
- U.S. Army BUILDER implementation at Fort Bragg, North Carolina. Asset management support for major U.S. Army installation in the southeastern U.S.
- VDOT Hazardous Materials and Facility Environmental Compliance Services – Statewide.
- Gully Branch Upland Restoration Project - Full restoration 444 acres of fallow farm fields.
- Deer Park Plant Fire - Emergency Response.
- Los Angeles Community College District - Provide Subsurface Utility Engineering.
- Gordie Howe International Bridge - Provide Utility Coordination and Subsurface Utility Engineering
- Kings Highway (Florida) - Provide Construction Engineering Inspection

2019 Full-Year Segments: International Development

ID EBITDA
AND % MARGIN
A$ million



As anticipated, International Development (ID) margins down from 3.4% to 1.2%, due in part to investment in business development and delays in awarding contracts in the northern hemisphere.

> Gross Revenue in FY19 of $355.3m, this was 13.2% up on FY18.

> EBITDA margin in FY19 of 1.2% is down on FY18 of 3.4%, with the business investing heavily in business development in FY19.

> Political uncertainty around long term government aid program strategy in the US, UK and Australia did and continues to have the potential to impact future financial year results.

KEY WINS DURING THE YEAR INCLUDE:

> PNG Economic and Social Infrastructure Program (ESIP) - DFAT facility combining infrastructure policy advisory and capacity building with development of pilot, demonstration projects. Will link with new focus (including with US and Japan) on infrastructure in PNG.

> MCC Procurement Agent Services Niger - Managing the Millennium Challenge Corporation-funded Compact to increase incomes and improve business performance by implementing the Climate-Resilient Communities and Irrigation & Market Access Projects.

> Technical Assistance to the ASEAN Regional Integration Support – By enhancing Indonesia's trade competitiveness and openness, the program promotes inclusive and sustainable economic growth, boosts job creation and employment in a gender sensitive way. It provides country-level interventions which supports regional economic integration and trade in ASEAN.

> UK Government Framework Contracts: General Economic Development Framework, International Multi-Disciplinary Framework (5 Lots – Social Development, Climate and Environment, Infrastructure, Livelihoods and Procurement), and the Conflict, Stability and Security Framework (FCO).

2019 Full-Year Segments: Construction Sciences

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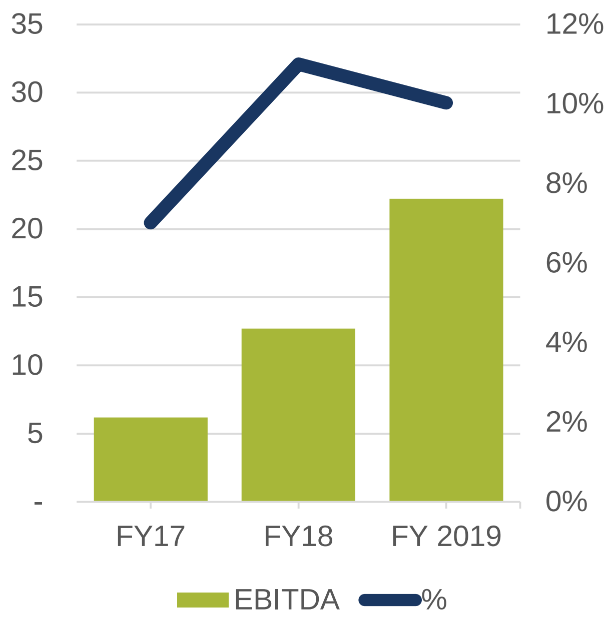
CONSTRUCTION SCIENCES EBITDA AND % MARGIN

A$ million



Construction Sciences is now a materially larger business – doubling its revenue through organic growth in Australia and the acquisition of Raba Kistner in the US in December 2018. The business continues to benefit from both the favourable business environment (infrastructure spend in Asia Pacific and North America) and ongoing business discipline.

- Gross Revenue in FY19 of $221.6m, up 92.0% on FY18 of $115.4m.
- EBITDA margin was 10.0%, which is slightly lower than the 11.0% margin achieved in FY18.
- The business closed out FY19 on slightly lower margins than FY18 due to weather conditions and client mix.
- Completed acquisition of Raba Kistner, giving Construction Sciences a material presence in Texas and other US locations, that is expected to benefit from the substantial long term infrastructure investment underway in the US and Canada.

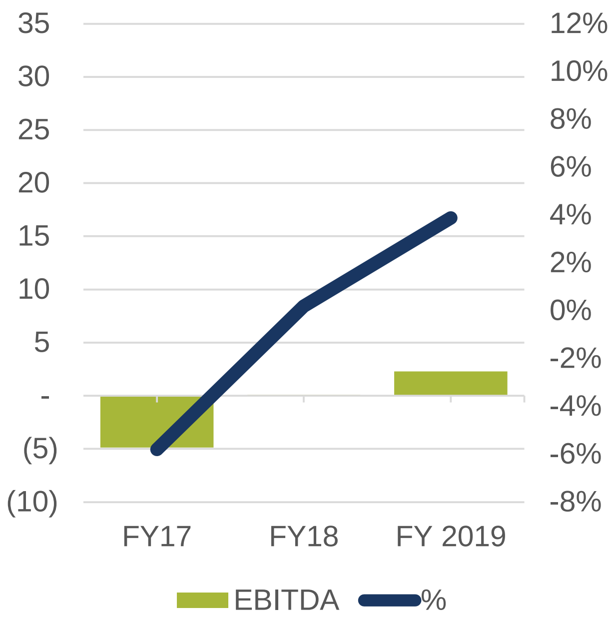
KEY WINS DURING THE YEAR INCLUDE:

- Bruce Hwy - Haughton River Floodplain Upgrade. Materials testing & geotechnical monitoring.
- Interstate 635 LBJ East project, Texas, USA. Construction Engineering Inspection (CE&I), CMT and quality documentation services.
- South Flank Bulk Earthworks WA. Soil, Earthworks, Aggregates, Concrete, Grout and Geotechnical Engineering services.
- Inland Rail NSW. Utility mapping services and geo-mechanical testing.

2019 Full-Year Segments: Portfolio Companies

PORTFOLIO COMPANY EBITDA AND % MARGIN

A$ million



FY18 EBITDA $88k doesn't show on this scale

Portfolio revenues and margins continue to improve, primarily due to PPI Oil & Gas business – reflecting both improving market conditions and the successful strategic pivot towards quality assurance services for mid-stream oil and gas clients and other clients. The Latin America business continues to run off major projects.

> Gross Revenue in FY19 of $59.0m, was 23.2% up on FY18.

> PPI (Oil & Gas) business continues to perform well in FY19: the strategy of shifting our focus to QA/QC together with strong business discipline has resulted in a profitable FY19. The backlog continues to grow.

> The Latin America business continues to operate in challenging market conditions. Focus is on completing and winding down the engineering projects in Ecuador with good progress being made on closing out the joint venture projects.

KEY WINS DURING THE YEAR INCLUDE:

> Super Major (Exxon Mobil) Offshore Guyana, Provide QAQC services

> Independent (Delonex) Chad, Drilling Program, Provide Engineering services

> Super Major (Chevron) Gorgon Project phase II, Provide QAQC services

> Triton Knoll – Wind Farm, Provide QAQC services

Acquisitions

Continuing our disciplined approach to acquisitions, Cardno made four conservatively funded on strategy bolt-on acquisitions in the financial year. All are performing close to or ahead of plan.

DDAI DAVID DOUGLAS ASSOCIATES, INC.
CIVIL ENGINEERS • LAND PLANNERS • CONTRACT ADMINISTRATORS

On **1 July 2018**, the Group acquired 100% of **David Douglas Associates, Inc**, a 20 person civil engineering consulting firm based in the Florida Keys. The acquisition both strengthens the company's market position and provides geographic expansion in Florida.

Cardno TGM

On **14 December 2018**, the Group acquired 100% of **TGM**, a Victorian based 130 person engineering services firm specialising in the approval, design and completion of urban development, building and infrastructure projects.

Trilab

On **2 July 2018**, the Group acquired 100% of **Trilab**, a Brisbane based leading supplier of specialised Soil Mechanics Testing and Rock Mechanics Testing services. Trilab employs 40 staff.

RABA KISTNER

On **21 December 2018**, the Group acquired 100% of **Raba Kistner Inc**, a Texas based 470 person engineering services firm specialising in construction materials testing, geotechnical engineering consulting, project management and independent quality assurance and inspection primarily for transport infrastructure projects, government and commercial clients.

2019 Full-Year Balance Sheet

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	FY2017 '$000's	FY2018 '000's	FY2019 '000's	
Cash and cash equivalents	80,028	71,127	55,544	
Trade and other receivables	218,749	212,158	194,084	1
Inventories	96,882	73,773	123,973	
Other current assets	13,696	15,066	14,942	
Total current assets	**409,355**	**372,124**	**388,543**	
PPE	35,593	49,336	52,185	
Intangible assets	295,873	313,017	359,054	2
Deferred tax assets	142,127	102,333	97,310	
Other financial assets	1,323	236	1,245	
Total non-current assets	**474,916**	**464,922**	**509,794**	
Total assets	**884,270**	**837,046**	**898,337**	
Trade and other payables	144,327	120,840	158,768	3
Loans and borrowings	615	2,165	2,754	
Other current liabilities	87,117	80,786	89,289	
Total current liabilities	**232,059**	**203,791**	**250,811**	
Trade and other payables	0	3,015	14,422	
Loans and borrowings	94,708	88,900	146,427	4
Other non-current liabilities	12,227	8,132	7,979	
Non-current liabilities	**106,935**	**100,047**	**168,828**	
Total liabilities	**338,993**	**303,838**	**419,639**	
Net assets	**545,277**	**533,208**	**478,698**	
Net debt	**15,294**	**19,938**	**93,637**	

Balance sheet reflects the acquisition of TGM (Regional Victoria Consultancy), Raba Kistner (Texas HQ Construction Materials Testing), Trilab (Qld Construction Materials Testing) and DDAI (Florida Quays Consultancy) businesses.

1. Continued focus on WIP conversion to debtors then debtors collection. The increase is mainly due to the inclusion of acquisitions.
2. Increase mainly due to goodwill on acquisitions completed in the year (less Asia Pacific impairment).
3. Increase in payables due to acquisitions and deferred consideration expected to be paid in the future based on agreed earnouts.
4. Increase due to drawdown of debt lines to fund acquisitions and significant debt repaid 2H19.

2019 Full-Year Balance Sheet Strength

	FY2017 '$000's	FY2018 '000's	FY2019 '000's	
Net debt	15,294	19,938	93,637	1
Total debt facilities	US$91.6m	US$91.6m	US$161.2m	2
Intangible assets	295,873	313,017	359,054	
Trade + Other Receivables – trade payables	74,422	88,303	20,894	
Net tangible assets	249,404	220,191	119,644	3
Current assets/Current liabilities	1.8x	1.8x	1.5x	
(Cash + Debtors + WIP)/(payables + debt)	1.7x	1.7x	1.2x	4
(Cash + Debtors + WIP)/Debt	4.2x	3.9x	2.5x	
Net Debt/EBITDAI (lending covenant <= 3.0x)	**0.4x**	**0.3x**		5
Net Debt/EBITDAI (lending covenant <= 2.5x)			**1.5x**	
Interest Cover Ratio (lending covenant >= 3.0x)	**5.6x**	**16.3x**		5
Fixed Charge Cover Ratio (lending covenant >= 2.0x)			**2.3x**	
Net Asset Value (lending covenant >= $446.7M)	**545,276**	**533,208**		5
Net Asset Value (lending covenant >= $425.0M)			**478,698**	

** Interest Cover Ratio is the ratio of EBITDAI to Net Interest Expense for the prior 12 months.*

Covenants re-set (Dec 2018)
EQUITY TEST =Total Assets - Total Liabilities (Required for Equity Test > 425.0)
LEVERAGE RATIO = Net Debt / EBITDAI (Required for Leverage Ratio < 2.5)
FIXED CHARGE COVER RATIO = EBITDAIR / Fixed Charges (Required for Fixed Charge Cover Ratio > 2.0)

1. The company is in a net debt (cash on hand less debt) position of $93.6 million at the end of 30 June 2019 (net debt of $110.9 million at 31 December 2018 and net debt of $19.9 million at 30 June 2018). The increase in net debt relates to funds drawn for the acquisition of Raba Kistner and TGM in late calendar year 2018, less repayment of debt through the financial year.
2. Increased debt facilities following the successful refinance, increasing facilities by approximately $100m. The new facility is a three-year AU $110.8 million and US $83.0 million syndicated drawdown facility, expiring in December 2021.
3. Net tangible assets decreased primarily as a result of acquisitions.
4. Liquidity ratios all remain healthy.
5. Covenant ratios under the new facility agreement all comfortably met.

2019 Cash Flow

	FY2017 '$000's	FY2018 '000's	FY2019 '000's	
Underlying EBITDAI	44,005	56,210	62,006	
Working capital movement	(41,730)	(2,827)	(13,637)	
Net interest paid	(4,720)	(2,943)	(6,436)	1
Income tax paid	(1,388)	(4,738)	(1,164)	
Net cash provided by operating activities	**(3,833)**	**45,702**	**40,769**	
Proceeds on disposal of subsidiaries	57,977	0	0	
Acquisition of subsidiaries, deferred consideration	(6,180)	(10,738)	(76,950)	2
Payments for PPE	(12,280)	(18,827)	(9,586)	
Other investing activities	932	0	0	
Net cash used in investing activities	**40,449**	**(29,565)**	**(86,536)**	
Share buy back	(5,670)	(13,917)	(21,470)	3
Net change in borrowings	(55,225)	(11,200)	53,538	4
Dividends	0	0	0	
Other	(2,303)	(2,039)	(4,235)	
Net cash used in financing activities	**(63,198)**	**(27,156)**	**27,833**	
Net increase in cash	**(26,582)**	**(11,019)**	**(17,934)**	
Cash and cash 1 July	105,613	80,028	71,127	
Other	997	2,118	2,351	
Cash and cash equivalents at 30th June	**80,028**	**71,127**	**55,544**	
Net cash from operating activities / EBITDAI (underlying)	**-8.71%**	**81.31%**	**65.75%**	

The Company recorded a net operating cash inflow for the year of $40.8 million ($45.7 million FY18). This is primarily driven by a strong operating result for the year, tighter working capital controls, the timing of receipts of large payments from clients, and higher financing costs associated with the new debt facility (both drawn debt to fund acquisitions and higher cost of debt).

1. Interest costs significantly increased.
2. Completed acquisitions in Asia Pacific, Infrastructure and Construction Sciences businesses.
3. Surplus funds utilised for ongoing buyback program and to pay down debt.
4. Drawdown from new bank debt facility to fund acquisitions.

Proposed demerger: Key points

Cardno Board proposes to;

1) Consolidate Cardno's Quality/Testing/Measurement businesses, and then
2) Demerge the consolidated entity into a separate company, Intega Group Limited, listed on the ASX

> **Intega Group Limited "Intega" will comprise of**:

- Australian Construction Sciences (Incl NZ)
- U.S. Raba Kistner
- U.S. PPI Oil & Gas
- U.S. Survey businesses providing subsurface utility engineering services (UES)

> **At point of demerger, Cardno Limited will comprise of:**

- Asia Pacific Consulting
- Americas Consulting
- International Development

Demerger mechanics & Key Dates

> Cardno shareholders receive 1 Intega share for every 1 Cardno share

> No capital is being raised as part of the demerger

> Cardno's largest shareholder, Crescent Capital Partners (CCP), owns ~50.1% of Cardno shares and thus will own ~50.1% of Intega shares

> Cardno shareholders are scheduled to receive the scheme implementation booklet in early September 2019

> The proposed demerger will be voted on by Cardno shareholders at a demerger Scheme Meeting on 10th October, 2019

> Assuming the proposed demerger is successful, Intega Group Limited (proposed ASX:ITG) would commence trading on the ASX on 1st November 2019.

Demerger rationale

Cardno's Consulting and Quality/Testing/Measurement businesses are now both of sufficient scale to operate separately and will benefit from the transparency and focus of the proposed demerger on each business.

Background to Demerger

Within Cardno, the board recognised that there were differences in activities and operating culture between the (i) the Quality, Testing and Measurement (QTM) businesses; and (ii) the Consulting businesses.

In recognition of these differences, the Cardno board separated the majority of the QTM businesses from the Consulting Businesses into "Portfolio Companies" in 2017.

This separation was done as the Cardno Board recognised that the management focus, KPIs and operational nature of the QTM businesses were fundamentally different from the Consulting Businesses.

Since this time, the QTM business has performed strongly and grown both organically and through acquisition. Testing businesses now represent 39% of the total EBITDA of the Cardno Group.

Cardno believes that each business has considerable growth opportunities and the company's view is that both the Consulting Businesses and the QTM Businesses are of sufficient scale to operate separately and would benefit from the transparency, removal of dis-synergies and the focus that a demerger will establish.

Strategic aspects of each business

	Intega (QTM)	Cardno (Consulting)
Key activities	> Construction Material Testing and associated Testing > Subsurface utility work > Quality Assurance for Energy companies	> Environmental consulting > Engineering consulting > Development consulting
Clients	> Owners and constructors of infrastructure projects > Energy and mining companies > Concrete and quarrying companies	> Property owners, governments (federal, state, local), corporates and infrastructure building consortia
Types of employees	> Predominately field based workforce	> Predominately consulting services workforce
Key success drivers	> Software to ensure systemised and verifiable testing and processes > Logistics management and material testing > Time management and low error rates	> Key account management > Project design > Practice area expertise > IT platforms and client delivery > Staff attraction and retention
Management focus	> IT and operational logistics > Occupational Health & Safety and compliance	> Knowledge systems > Solutions sales > Staff utilisation and attrition > Project costings / delivery
Short term growth opportunities	> US organic and acquisition growth > Improvement in EBITDA margin of UES in America's	> Improvement in EBITDA margin of Asia Pacific > On strategy acquisitions in US > Organic growth in US

Demerger rationale

The Cardno Board believes that the separation of Intega from Cardno will create greater shareholder value and has been supported unanimously by the Cardno Board.

Cardno®

Why has the Demerger been proposed by the Cardno Board?

- The Cardno Board believes that separating Intega from Cardno will create greater shareholder value through each business being able to focus on:
  - its own unique growth opportunities;
  - distinct culture and operating models with Intega (a predominantly field-based workforce) versus Cardno Consulting (a predominantly consulting services workforce);
  - increased transparency internally and externally, allowing for more effective management oversight;
  - access to capital and debt markets based on specific company make up; and
  - increased performance accountability.
- With the acquisition of Raba Kistner in 2018, the Quality, Testing and Measurement Business is now of sufficient scale to operate as an independent ASX-listed business under the Intega name.
- The Demerger allows Cardno Shareholders to choose whether to directly invest in one or both of Cardno and Intega after the Demerger based on their individual investment objectives, risk tolerances and desired sector exposures

Advantages of the Demerger

- The potential advantages of the Demerger include the separation of Intega and Cardno and will allow:
  - each business to be more aligned culturally and operationally;
  - investors with different investment strategies and preferences to choose their level of investment in Cardno and Intega;
  - separate boards and management teams to be empowered to pursue independent strategies, operational initiatives and capital management;
  - tailored capital structures and financial policies appropriate for each business' scale, operations and strategic objectives; and
  - the Independent Expert has concluded that the Demerger is in the best interests of Cardno Shareholders.

Each Cardno Director intends to vote, or cause to be voted, all Cardno Shares held or Controlled by them in favour of the Demerger Resolutions. This represents ~50.1% of the shares of Cardno.

Operating segments split

Proposed demerger sees the QTM businesses demerged into a new entity, Intega Limited. There are limited separation issues given that a significant proportion of Cardno QTM businesses have been operating independently for the past three years.

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DESCRIPTION (current reporting units)

Asia Pacific	> 1,352 staff in 29 locations. Urban development and engineering consulting business in Australia > 10 sub-specialties with particularly strong reputation in urban infrastructure, land development and environmental consulting > Increased focus on key account management, developing digital solutions, reducing cost-to-serve (automation, offshoring)
Americas[1]	> 1,533 employees in 109 locations. Niche consulting specialties include: ▪ Regulatory/litigation expert support ▪ Hydro electric relicensing and pipeline permitting ▪ Remediation and restoration (oil spills and clean up planning) ▪ Department of Defense (DoD) environmental consulting business ▪ Florida Department of Transport (DoT) relationships and civil engineering
International Development	> 1,907 employees in 11 locations (2 shared with Asia Pacific) > Significant contractor for Department of Foreign Affairs and Trade (DFAT) with more than A$300m of contracts. Emerging US and European businesses. Focus over the past 2 years has been on investing in the US and Europe to grow scale > Currently developing a consulting practice focused on validating supply chains for the absence of "modern slavery"
Portfolio Companies[3]	> 1,647 employees in 78 locations. Leading provider of Construction Materials Testing (CMT) in Australia > Software solutions for QA for laboratories (Construction Sciences), construction compliance in the US (Raba Kistner), supply chain compliance for O&G (PPI) > Niche global Oil and Gas QA business focused on managing inventory and parts for offshore platforms operating globally > A leading UES business in Canada, US and Australia

CARDNO CONSULTING[2]

Staff: 4,482
Offices: 124 (2 shared by Asia Pacific & ID)
FY19 PRO-FORMA Gross Rev/EBITDA: A$956m & A$38m

Asia Pacific
Staff: 1,352
Offices: 29
FY19 Revenue/EBITDA: A$248m and A$11m

Americas
Staff: 1,223
Offices: 86
FY19 Revenue/EBITDA: A$354m and A$23m

International Development
Staff: 1,907
Offices: 11
FY19 Revenue/EBITDA: A$354m and A$4m

INTEGA[2, 3]

Staff: 1,957
Offices: 101
FY19 PRO-FORMA Gross Rev/EBITDA: A$418m & A$30m

America's
Staff: 1,105
Offices: 49
FY19 Revenue/EBITDA: A$274m and A$16m

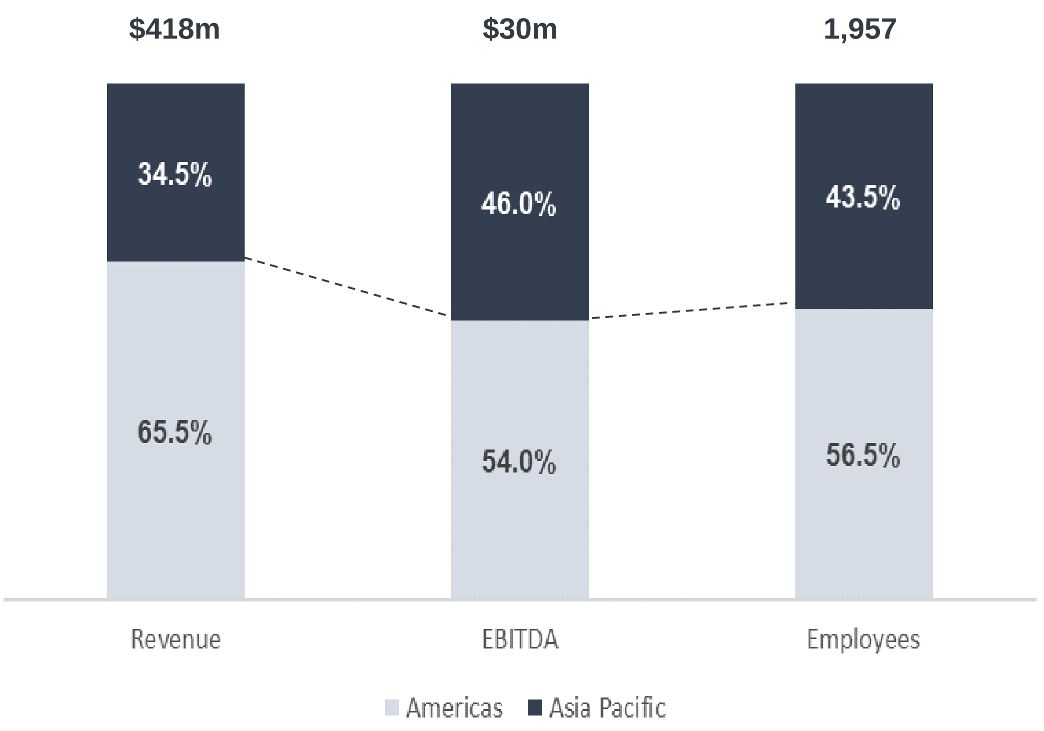
Asia Pacific
Staff: 852
Offices: 52
FY19 Revenue/EBITDA: A$144m and A$14m

Note: [1]Includes Survey, [2] Pro-Forma FY19 revenue and EBITDA assumes a full financial year contribution from Raba Kistner. Staff and office numbers are as at June 2019, [3]Includes Raba Kistner - acquired effective 1-Dec-19

Post demerger Intega description

Intega is a Quality, Testing and Measurement Business that provides construction materials testing (CMT), subsurface utility engineering services (UES) and quality assurance for energy companies (QA).

Intega: Key FY19 PRO-FORMA financial statistics



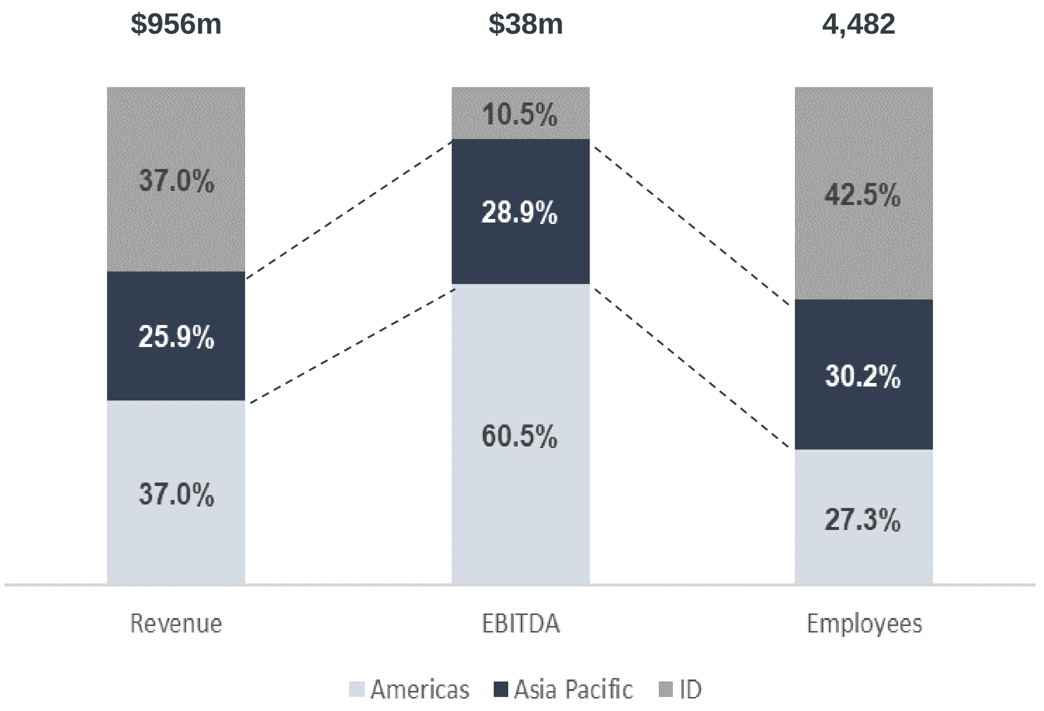
Description

- Intega is currently a wholly-owned subsidiary of Cardno. Following the Demerger, Intega will be a separate legal entity listed on the ASX and will operate the Quality, Testing and Measurement Business. The Quality, Testing and Measurement Business has around 1,957 employees in 101 permanent offices as at 30 June 2019.
- Intega operates primarily in Australia, the United States, Canada and New Zealand. The services that the Quality, Testing and Measurement Business focuses on include:
  - providing conformance tests on construction materials to help determine whether the construction of a project is meeting the standards specified by the designer/owner and standard regulations;
  - providing subsurface utility engineering services such as mapping of the location and condition of pipes and cables;
  - providing owners' representative services and environmental testing services to ensure quality and environmental requirements of a build are met;
  - providing geotechnical engineering services including design of temporary works, bored pile supervision, and geotechnical investigation; and
  - providing quality assurance on critical components for energy companies.
- Intega operates under 4 primary operating brands: Construction Sciences, Raba Kistner, T2 Utility Engineers and PPI.
- Currently A$348m of backlog representing 10 months of revenue.

Post demerger Cardno consulting description

Cardno is an environmental, infrastructure and development consulting business.

Cardno Consulting: Key FY19 PRO-FORMA financial statistics



Description

- Cardno Consulting is an environmental, infrastructure and development consulting business which had around 4,482 employees in 124 permanent offices as at 30 June 2019. The services that Cardno Consulting focuses on include:
  - **Environmental Consulting:** Services include environmental assessment, permitting, restoration, remediation and environmental management in both Asia Pacific and the Americas. In addition, Cardno has deep expertise in understanding the impact of chemicals on human health and assisting companies in the regulation of toxicology.
  - **Infrastructure Consulting:** Services include civil engineering, asset management, planning, structural engineering and military master planning. This business ensures that the built environment is designed and planned efficiently and in compliance with the required regulations and the needs of end users.
  - **International Development:** Services include developing and managing development solutions for the Australian Department of Foreign Affairs and Trade (DFAT), the United States Agency for International Development (USAID), the United Kingdom Foreign and Commonwealth Office (FCO) and Department for International Development (DFID) and for other governments, non-government aid organisations and private sector clients, to build their social licence and improve the lives of people in developing countries.
- Cardno Consulting operates three divisions: Asia Pacific, the Americas, and International Development.
- Currently A$1,295m of backlog representing 16 months of revenue
- For additional information see www.cardno.com.au

Intega and Cardno investment highlights

Key themes for the two companies.

	Intega	Cardno Consulting
Growing markets with strong backlog	> Significant planned infrastructure expenditure in Australia and the US (Texas in particular) in the next few years > Currently A$348m of backlog representing 10 months of revenue	> Significant infrastructure and environmental remediation expenditure in Australia and the US over the next 5 years > Currently A$1,295m of backlog representing 16 months of revenue
Market positions	> A leading Construction Material Testing business in Australia and the USA > A leading Quality Assurance provider for mid-stream Oil and Gas in the niche of inventory and parts QA > Material underground engineering/survey business in Australia, Canada and South West US	> Well regarded engineering consultants in specific geographic markets > Reputation in: ▪ Litigation expert consulting (toxicology) ▪ Pipeline and hydroelectric dam permitting ▪ Environmental remediation and clean up > A leading Aid contractor (IDA) to DFAT (Australia)
Track record of delivering landmark projects	> Currently working on: NorthConnex, Victorian Metro Tunnel, Woolgololga-Ballina Highway, Toowoomba 2nd Crossing, Brisbane Airport 2nd runway, Southern Gateway and Horseshoe in Texas, the Los Angeles Airport, the Gorgon LNG project	> Currently working on: multiple Marine Corp and Army Builder programs, Lee Vining Hydro relicensing, various Department of Transport projects in Australia and the US, expert support for Johnson & Johnson on litigation cases, North East Link
Investments in growth	> Demonstrated organic growth over past 4 years	> Investments in systems in the past two years: CRM, pricing tools, Business Development resources and new markets
Competitive advantages	> Comply: Software for QA in materials testing laboratories > ELVIS: Software for construction compliance > QA Reporter: Software for O&G supply chain and inventory	> Worked on all major oil spills in the US in the past 20 years > Significant track record in IDA, transport infrastructure (Florida) and urban development in Australia
Significant growth opportunities	> continued organic growth driven by the need for additional investment in infrastructure > continued geographic expansion in the United States > improving the operational performance and profitability of the UES division in the Americas; and > continued expansion of service lines in Asia Pacific.	> improve the EBITDA margin of the Asia Pacific division > expand the consulting service offerings through organic growth and acquisitions; and > increase the focus of the International Development business on private sector consulting.
Management	> Well regarded management team that has been running all key divisions for multiple years	> Well regarded CEO and management team in place

Board & Management separation

The current Cardno Board of Directors and Management Team will be split between Cardno and Intega.

CURRENT CARDNO

Directors	> Michael Alscher (Chair) > Neville Buch (Deputy Chair) > Jeff Forbes > Rebecca Ranich > Steve Sherman > Nathanial Thomson
CEO / CFO	> Ian Ball (CEO) > Peter Barker (CFO)
Divisions	> *Asia Pacific* > *Americas* > *International Development* > *Portfolio Companies*

DEMERGED STRUCTURE

Cardno Consulting (Cardno Limited)

Non Exec Directors	> Michael Alscher (Chair) > Jeff Forbes > Rebecca Ranich > Steve Sherman > Nathanial Thomson
MD/CEO, CFO	> Ian Ball (CEO) > Peter Barker (CFO)
Divisions	> *Asia Pacific Consulting* > *Americas Consulting* > *International Development*

Intega (Intega Group Limited)

Non Exec Directors	> Neville Buch (Chair) > Michael Alscher > Jeff Forbes > Steve Sherman
MD/CEO, CFO	> Matt Courtney (CEO) > Shael Munz (CFO)
Divisions	> *Asia Pacific* > *Americas*

Intega – CEO and CFO

Intega CEO and CFO will be appointed from within the existing business
Both will be based in Brisbane, Australia.

CEO & MD

Matthew Courtney
Joined Cardno in July 1992

> Matt has more than 30 years' experience providing quality control and quality assurance to all sectors of construction for government and private clients, with multiple delivery modes including JV, Alliances, EPCM, and PPP.

> Matt's career started with Queensland Water Resources Commission (now SunWater) a Queensland Government owned corporation, prior to joining Bowler Geotechnical in 1992, and purchasing a franchise in Bowler Geotechnical in 1995.

> Bowler Geotechnical was acquired by Cardno in 2008. Matt has held several management roles in Cardno and was appointed CEO of Construction Sciences in 2016. During this period Matt has led the acquisition and integration of a number of businesses in Australia and in the USA.

> Matt holds a Masters Degree in Engineering Science from the University of New South Wales, and is a member of the Australian Institute of Company Directors.

CFO

Shael Munz
Joined Cardno in February 2016

> Shael has over 20 years of domestic and international experience in the services, media and banking fields.

> Shael began her career in Sydney as an auditor and business services senior before travelling overseas to the United Kingdom to work for several years in finance roles with Merrill Lynch, Westminster Council and Barclays Bank.

> In 2006, on returning to Australia, she joined APN News and Media as the Group Financial Controller before moving to Transpacific Industries, now Cleanaway, in 2007 as the Group Reporting and Treasury Manager until the head office relocated to Melbourne in 2015. Shael was appointed Group Financial Controller of Cardno in February 2016 before moving over to the Construction Sciences division as CFO in February 2019.

> Shael holds a Bachelor of Business (Accounting) from Charles Sturt University, is a Chartered Accountant (CA 2001) and has completed courses in treasury management (University of Melbourne), leadership (Cert 4 Diploma of Management) and project management (Australian Institute of Management).

THANK YOU

We are an ASX-listed professional infrastructure and environmental services company, with expertise in the development and improvement of physical and social infrastructure for communities around the world

www.cardno.com

Making a difference.