

9 OCTOBER 2020**9M20¹ NPAT \$474M; REVENUE² \$9.3BN****OPERATING CASH FLOW³ PRE-FACTORING OF \$922M IN LTM⁴****STRONG LIQUIDITY WITH GROSS CASH⁵ OF \$3.6BN****WIH⁶ OF \$35.5BN, EQUIVALENT TO MORE THAN TWO YEARS OF REVENUE****OUTLOOK ACROSS CORE BUSINESSES REMAINS POSITIVE;
MONITORING COVID-19 IMPACT**

CIMIC Group today announced the performance of its business during the nine months to 30 September 2020:

- NPAT of \$474 million for 9m20
- Revenue of \$9.3 billion in 9m20, compared to \$10.7 billion in 9m19
- Revenue returned to growth in 3Q20 (up 8% versus 2Q20) after COVID-19 led to a slowdown of revenues across our activities, both domestic and overseas, and a temporary delay in the award of some new projects
- Margins remain resilient with operating profit⁷, PBT and NPAT margins⁸ of 8.6%, 6.9% and 5.1% respectively; supported by diversity of business mix and cost efficiency measures
- Operating cash flow pre-factoring of \$922 million in LTM
- Factoring balance reduced by \$134 million YTD and \$142 million YOY to \$1.83 billion
- Strong liquidity with gross cash of \$3.6 billion
- Net debt⁹ of \$1.67 billion, net cash of \$25 million excl. BICC, share buyback and reduction in factoring; YTD variation mainly due to the slowdown of revenues and delay in the award of new work from COVID-19
- Supply chain finance balance reduced by \$705 million YTD and \$561 million YOY to \$146 million
- Solid investment grade credit ratings reaffirmed by S&P (BBB/Stable/A-2) in August 2020 and Moody's (Baa2/Stable) in June 2020
- Work in hand of \$35.5 billion, equivalent to more than two years of revenue; pipeline remains positive
- Approx. \$1.4 billion of new work¹⁰ awarded in 3Q20 amid temporary delay in award of some new projects due to COVID-19
- Outlook remains positive across Group's core businesses; monitoring impacts of COVID-19.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: "We are seeing improved operating conditions, which is providing momentum as we enter the last quarter of the year.

“Governments have announced numerous stimulus packages in our core construction and services markets, with additional opportunities through the strong PPP pipeline, and the mining market is proving resilient.

“The transaction with a new equity investor for Thiess is well progressed, with due diligence completed and negotiations expected to be finalised in the coming days.

“The introduction of an equity partner into Thiess capitalises on the outlook for mining, provides capital for Thiess’ continued growth and enables CIMIC to strengthen its balance sheet.”

CIMIC Group Chief Executive Officer Juan Santamaria said: “The significant role of infrastructure in the economic recovery from the pandemic supports a positive outlook for the construction, services, mining and PPP sectors.

“We continue to work with governments to progress the future infrastructure pipeline and to support our clients to fast-track and deliver projects in construction, services and mining.

“Our focus remains on closely managing capital expenditure and working capital, and generating sustainable cash-backed profits.”

CIMIC has a solid level of work in hand of \$35.5 billion and its project wins during the third quarter included:

- Mining services at Mount Owen, NSW (Thiess)
- Building and infrastructure projects, India and Australia (Leighton Asia and Broad)
- Resources and water infrastructure projects, Western Australia and Queensland (CPB Contractors)
- Maintenance, shutdowns and sustaining capital projects, Western Australia and Queensland (UGL)
- Maintenance and turnaround services, Queensland, Western Australia and Victoria (UGL).

At 30 September 2020, around \$25 billion of tenders relevant to CIMIC were expected to be bid and/or awarded for the remainder of this year (subject to the evolution of COVID-19) and around \$525 billion of projects were coming to the market in 2021 and beyond. This pipeline includes around \$110 billion of identified PPP opportunities.

Mr Fernández Verdes said: “Looking ahead, infrastructure investment will be a valuable contributor to the economic recovery from COVID-19 and we are encouraged by the substantial investment programs in the regions where we operate.

“Our focus on digitalisation and innovation is increasingly important, supporting better risk sharing, delivering efficiency and improving safety and sustainability outcomes.”

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

ENDS

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CIMIC Group (ASX:CIM) is an engineering-led construction, mining, services and public private partnerships leader working across the lifecycle of assets, infrastructure and resources projects. CIMIC Group comprises our construction business CPB Contractors, including Leighton Asia and Broad, our mining and mineral processing companies Thiess and Sedgman, our services specialist UGL and our public private partnerships arm Pacific Partnerships – all supported by our in-house engineering consultancy EIC Activities. Our mission is to generate sustainable shareholder returns by delivering innovative and competitive solutions for clients and safe, fulfilling careers for our people. With a history since 1899, and around 35,000 people in 20 countries, we strive to be known for our principles of Integrity, Accountability, Innovation and Delivery, underpinned by Safety. CIMIC is a member of the S&P/ASX 200 index, the Dow Jones Sustainability Australia Index and FTSE4Good.

¹ The nine month period ended 30 September 2020

² Revenue excludes revenue from joint ventures and associates of \$2,052.3m (9m19: \$1,802.8m)

³ Operating cash flow includes cash flow from operating activities and changes in short term financial assets and investments before interest, finance costs and taxes

⁴ Last 12 months

⁵ Gross cash represents cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)

⁶ WIH includes CIMIC's share of work in hand from joint ventures and associates

⁷ Operating profit is EBIT adjusted for any one-off items. No one-off items in 9m20 or 9m19

⁸ Margins are calculated on revenue which excludes revenue from joint ventures and associates

⁹ Net cash/(debt) includes cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)

¹⁰ New work includes new contracts and contract extensions and variations, including the impact of foreign exchange rate movements