

ANALYST AND INVESTOR PRESENTATION FY RESULTS 2020



Juan Santamaria, Executive Chairman and Chief Executive Officer
Emilio Grande, Chief Financial Officer



UGL's maintenance and asset management facility in Kangy Angy on the NSW Central Coast

10 February 2021

Authorised by the CIMIC Group Board

Refer to 'ASX/Media Release' for further information

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2020 Financial overview

Statutory NPAT of \$620m, underlying NPAT \$601m

- ✓ Revenue¹ of \$11.4bn, with COVID-19 leading to a temporary delay in the award of new projects and slowdown of revenues across our activities, both domestic and overseas
- ✓ EBIT, PBT and NPAT margins² of 10.3%, 8.7% and 5.4% respectively
- ✓ Successful completion of 50% sale of Thiess on 31 December 2020; retention of the remaining 50% reflects the ongoing strategic importance of Thiess to our business
- ✓ One-off post tax impacts in FY20 in relation to 50% sale of Thiess (+\$1.4bn)³, Gorgon Jetty resolution (\$805m) and other items⁴ (\$613m) associated with COVID-19, project settlements and provision, and property business and oil & gas vessel impairments

Operating cash flow⁵ pre factoring of \$579m, rebound in 4Q20

- ✓ EBITDA cash conversion pre-factoring of around 30%, impacted by the temporary slowdown of revenues and delay of new work from COVID-19, and Leighton Asia's temporary license suspension in Hong Kong (now restored) which had a significant negative impact on cash flows
- ✓ Factoring balance reduced by \$985m YOY, from \$1.96bn to \$976m; decrease attributable to \$526m operational reduction and \$459m from deconsolidation of Thiess

Strong liquidity of \$4.2bn; includes \$2.1bn of net proceeds from 50% sale of Thiess

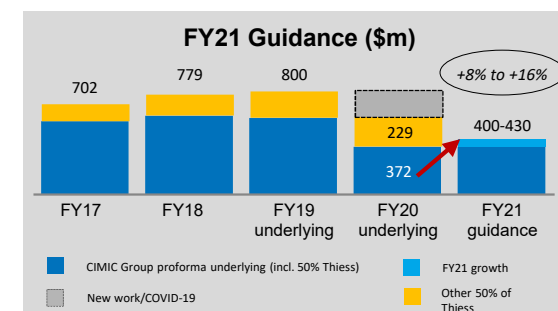
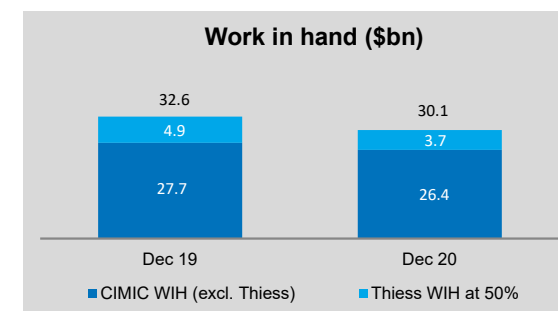
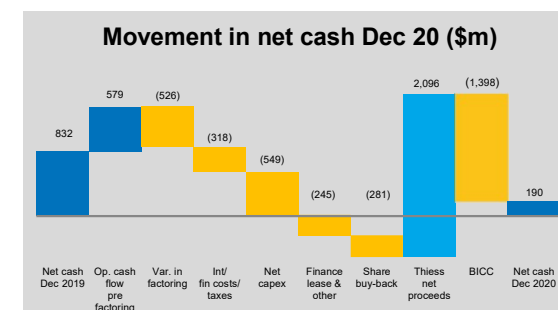
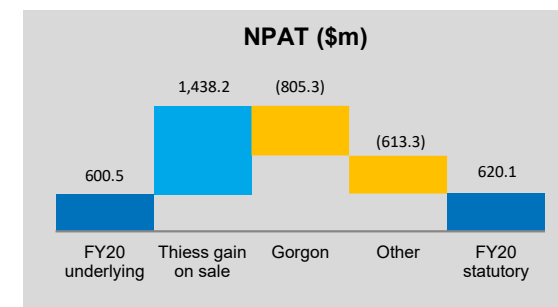
- ✓ Returned to payout ratio of 60-65%; final dividend declared of 60c per share, 62% on 2H20 result (franked at 20% and CFI at 80%)
- ✓ Returned \$281m of cash to shareholders through share buy-back in FY20
- ✓ Supply chain finance balance reduced by \$707m YOY, from \$851m to \$144m
- ✓ Moody's (Baa2/Stable) strong credit rating confirmed in January 2021. S&P (BBB/Stable/A-2) assessing impact of Thiess transaction

Work in hand⁶ of \$30.1bn adjusted for Thiess at 50%, equivalent to approx. two years' worth of revenue

- ✓ Awarded new work⁷ of \$7.4bn in FY20 despite temporary delay in the award of new projects due to COVID-19
- ✓ More than \$500bn of tenders relevant to CIMIC to be bid and/or awarded in 2021 and beyond, including \$130bn for PPPs

FY21 NPAT guidance in the range of \$400m-\$430m, subject to market conditions

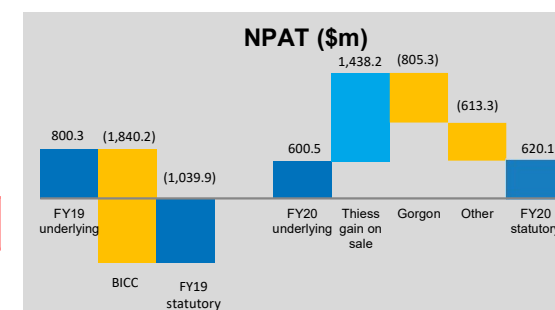
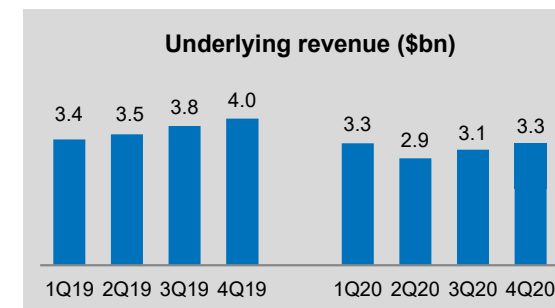
- ✓ Guidance adjusted for 50% of Thiess and continuing impact of COVID-19
- ✓ Governments have announced numerous stimulus packages in core construction and services markets, additional opportunities through the strong PPP pipeline
- ✓ FY21 focus is managing working capital, generating sustainable cash-backed profits and a rigorous approach to tendering, project delivery and risk management



Statutory NPAT of \$620m

- ✓ Revenue¹ of \$11.4bn, with COVID-19 leading to a temporary delay in the award of new projects and slowdown of revenues across our activities, both domestic and overseas
- ✓ Statutory revenue includes the resolution of Gorgon Jetty arbitration which resulted in a revenue reversal of \$1,150m; no impact on cash
- ✓ Robust EBIT, PBT and NPAT margins² of 10.3%, 8.7% and 5.4% respectively
- ✓ One-off post tax impacts in relation to 50% sale of Thiess (+\$1.4bn)³, Gorgon Jetty resolution (\$805m) and other items⁴ (\$613m) associated with COVID-19, project settlements and provisions, and property business and oil & gas vessel impairments

Financial performance (\$m)	FY19 Statutory ⁸	FY20 Statutory ⁸	FY19 Underlying ⁹	FY20 Underlying ⁹	FY19 Proforma underlying ¹⁰	FY20 Proforma underlying ¹⁰
<i>Includes both continuing operations and discontinued operations</i>			<i>Statutory result, FY20 adjusted for sale of Thiess, Gorgon and other FY20 one-offs. FY19 adjusted for BICC.</i>		<i>Underlying result, adjusted for Thiess as 50% JV</i>	
Revenue	14,701.1	11,408.6	14,701.1	12,610.4	10,806.1	9,004.2
EBITDA	(578.0)	2,116.1	2,146.7	1,911.1	1,051.5	839.4
<i>EBITDA margin</i>	<i>(3.9)%</i>	<i>18.5%</i>	<i>14.6%</i>	<i>15.2%</i>	<i>9.7%</i>	<i>9.3%</i>
D&A	(917.6)	(936.5)	(917.6)	(884.8)	(263.2)	(240.5)
EBIT/operating profit¹¹	(1,495.6)	1,179.6	1,229.1	1,026.3	788.3	598.9
<i>EBIT/operating profit margin</i>	<i>(10.2)%</i>	<i>10.3%</i>	<i>8.4%</i>	<i>8.1%</i>	<i>7.3%</i>	<i>6.7%</i>
Net finance costs	(129.2)	(187.8)	(129.2)	(187.8)	(88.7)	(160.0)
Profit before tax	(1,624.8)	991.8	1,099.9	838.5	699.6	438.9
<i>PBT margin</i>	<i>(11.1)%</i>	<i>8.7%</i>	<i>7.5%</i>	<i>6.6%</i>	<i>6.5%</i>	<i>4.9%</i>
Income tax	587.5	(375.1)	(297.0)	(227.2)	(109.8)	(64.3)
<i>Effective tax rate</i>	<i>36.2%</i>	<i>37.8%</i>	<i>27.0%</i>	<i>27.1%</i>	<i>15.7%</i>	<i>14.7%</i>
Non-controlling interests	(2.6)	3.4	(2.6)	(10.8)	5.8	(3.1)
NPAT	(1,039.9)	620.1	800.3	600.5	595.6	371.5
<i>NPAT margin</i>	<i>(7.1)%</i>	<i>5.4%</i>	<i>5.4%</i>	<i>4.8%</i>	<i>5.5%</i>	<i>4.1%</i>
EPS (basic) – NPAT	(320.9)c	195.0c	246.9c	188.9c		



Thiess transaction

Strategic rationale

- ✓ Capitalises on Thiess' strong performance and outlook for mining sector
- ✓ Retention of 50% reflects ongoing strategic importance of Thiess to CIMIC
- ✓ Substantially reduces CIMIC's capex requirements while allowing CIMIC to share in Thiess' future growth

Use of proceeds

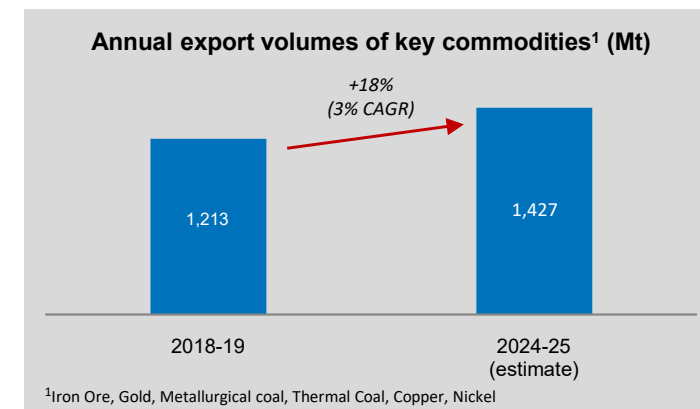
- ✓ CIMIC received net proceeds of \$2.1bn on completion of the transaction
- ✓ Strengthens CIMIC's balance sheet, primarily by reducing debt
- ✓ Provides capital to pursue other strategic options, both organic and inorganic

Financial impact

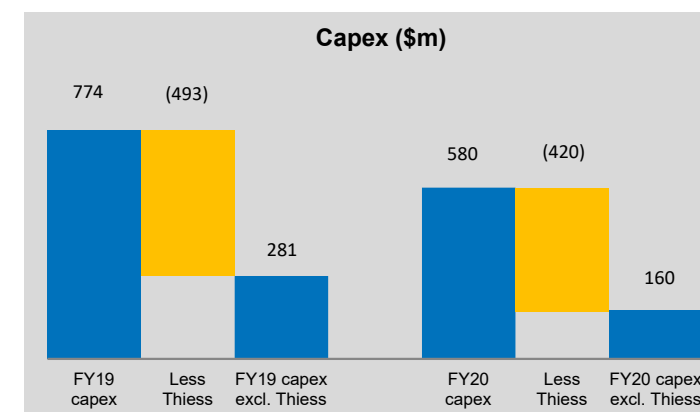
- ✓ Generates PBT gain of \$2.2bn (or NPAT of \$1.4bn³)
- ✓ Reduces CIMIC's lease liability balance as at 31 December 2020 by \$484m and factoring balance by \$459m
- ✓ CIMIC's capex requirements will reduce significantly, Thiess' capex spend was approx. \$450m per annum over the past two years
- ✓ Thiess is accounted for as an equity joint venture from 31 December 2020
- ✓ In FY20, Thiess' revenue was \$3.6bn and underlying NPAT¹² was \$458m

Other detail of the transaction

- ✓ CIMIC and Elliott jointly control Thiess Group Holdings
- ✓ Targeted 50/50 dividend policy totaling \$360m per annum for the first six years, with a catch-up mechanism for both Elliott and CIMIC, with Elliott to receive preferential payment
- ✓ Sale agreement includes customary future share transfer options including:
 - potential initial public offering or sale to a third party; and
 - an option for Elliott to sell its 50% interest in Thiess to CIMIC after the third anniversary, between four and six years from completion, capped at the lower of entry price and fair market value

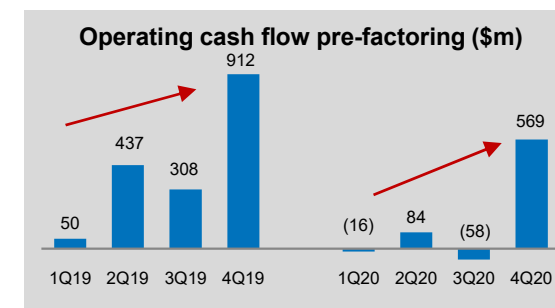


Source: Australian Office of the Chief Economist, March 2020



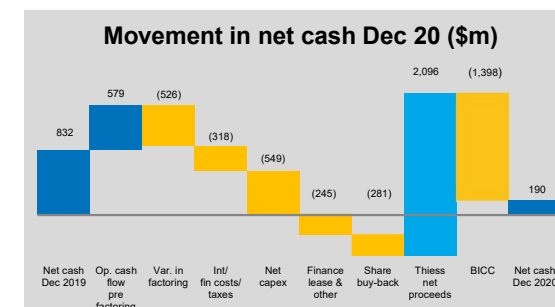
Operating cash flow pre-factoring of \$579m

- ✓ Operating cash flows impacted by COVID-19; strong operational cash flow pre-factoring of \$569m in 4Q20
- ✓ Suspension of tendering licence in Hong Kong (now restored) and unwinding of existing projects in Leighton Asia negatively impacting operating cash flows
- ✓ Factoring balance reduced by \$985m YOY, from \$1.96bn to \$976m; decrease attributable to \$526m operational reduction and \$459m from deconsolidation of Thiess
- ✓ Invested \$580m in capex to deliver mining operations and job-costed tunnelling opportunities. CIMIC's capex requirement will reduce significantly due to 50% sale of Thiess (Thiess capex of approx. \$450m per annum over the past two years)
- ✓ FY21 focus remains on maintaining discipline in capital expenditure, managing working capital and generating sustainable cash-backed profits



Cash flow (\$m)	FY19	FY20	Chg. %	4Q19	4Q20	Chg. %
Operating cash flow pre-factoring	1,707.0	578.6	(66.1)%	912.4	569.2	(37.6)%
Variation in factoring	7.3	(525.5)	-	(8.7)	(391.9)	-
Operating cash flow⁵	1,714.3	53.1	(96.9)%	903.7	177.3	(80.4)%
Interest, finance costs and taxes	(463.8)	(318.3)	(31.4)%	(225.6)	(97.3)	(56.9)%
Net operating cash flow	1,250.5	(265.2)	-	678.1	80.0	(88.2)%
Gross capital expenditure ¹³	(774.4)	(579.7)	(25.1)%	(256.9)	(148.4)	(42.2)%
Gross capital proceeds ¹⁴	22.5	30.5	35.6%	5.7	18.4	-
Net capital expenditure	(751.9)	(549.2)	(27.0)%	(251.2)	(130.0)	(48.2)%
Free operating cash flow¹⁵	498.6	(814.4)	-	426.9	(50.0)	-

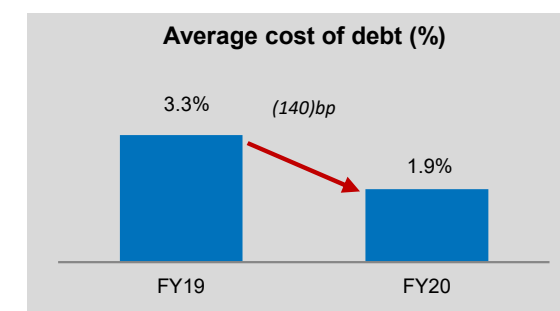
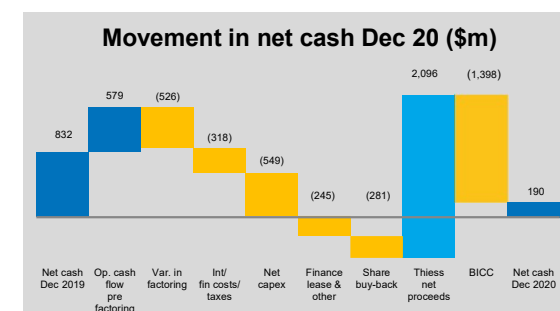
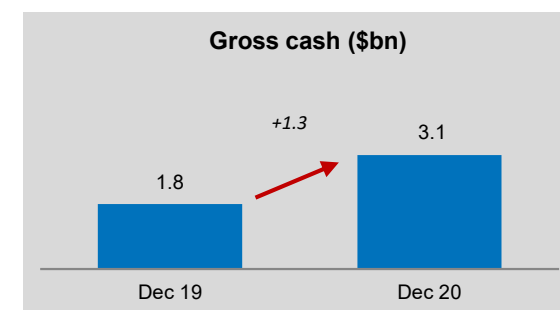
EBITDA conversion (\$m)	FY19	FY20	Chg. %	4Q19	4Q20	Chg. %
EBITDA (excl. one-offs) (a)	2,146.7	1,911.1	(11.0)%	584.0	420.6	(28.0)%
Operating cash flow pre-factoring (b)	1,707.0	578.6	(66.1)%	912.4	569.2	(37.6)%
EBITDA conversion¹⁶ pre-factoring (b)/(a)	80%	30%		156%	135%	



Strong liquidity of \$4.2bn

- ✓ Gross cash of \$3.1bn on balance sheet plus \$1.1bn of undrawn bank facilities; includes \$2.1bn of net proceeds from 50% sale of Thiess
- ✓ Net cash of \$190m following receipt of proceeds from 50% sale of Thiess, repayment of BICC financial guarantees and liabilities, reduction in factoring and slowdown of revenues and delay in the award of new work from COVID-19
- ✓ Moody's (Baa2/Stable) strong credit rating confirmed in January 2021. S&P (BBB/Stable/A-2) assessing impact of Thiess transaction
- ✓ Net contract debtors of \$(294.7)m, compared to \$1,285.7m at December 2019. YOY reduction of \$1.6bn mainly due to 50% sale of Thiess and Gorgon Jetty resolution
- ✓ The contract debtors portfolio provision is in line with FY19
- ✓ Supply chain finance balance reduced by \$707m YOY, from \$851m to \$144m
- ✓ Facility mix led to average cost of debt reducing by 140bp YOY to 1.9%

Net cash/(debt) (\$m)	Dec 2019	Dec 2020
Cash and equivalent liquid assets ¹⁷	1,754.5	3,087.0
Gross debt	(922.9)	(2,896.6)
Net cash/(debt)¹⁷	831.6	190.4
Net contract debtors	Dec 2019	Dec 2020
Net contract debtors	1,285.7	(294.7)
Finance cost detail (\$m)	FY19	FY20
Debt interest expenses	(66.1)	(83.5)
Facility fees, bonding and other costs ¹⁸	(119.8)	(127.4)
Total finance costs	(185.9)	(210.9)
Interest income	56.7	23.1
Net finance costs¹⁹	(129.2)	(187.8)
Finance cost detail (\$m)	FY19	FY20
Debt interest expenses (a)	(66.1)	(83.5)
Gross debt ²⁰ at period end	(922.9)	(2,896.6)
Gross debt period average (b)	2,018.4	4,411.3
Average cost of debt $(\frac{-a}{b})$	3.3%	1.9%



Work in hand of \$30.1bn, pipeline remains positive

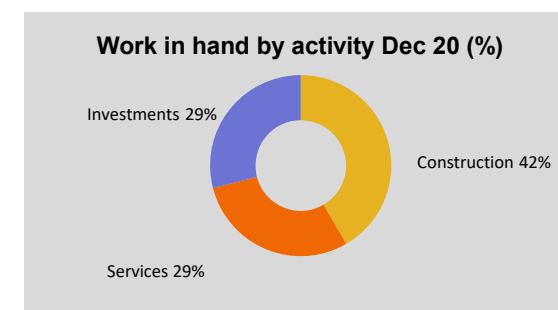
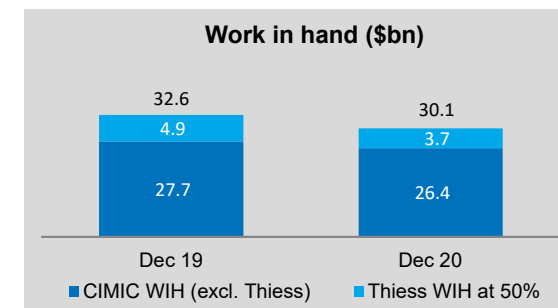
Work in hand⁶ of \$30.1bn adjusted for Thiess at 50%, equivalent to approximately two years' worth of revenue

- ✓ Awarded \$7.4bn of new work⁷ in FY20; temporary delay in the award of new projects due to COVID-19
- ✓ Contracts awarded in FY20 include:
 - Lake Vermont mining services extension, QLD
 - Australia-Singapore Military Training Initiatives facilities project, QLD
 - Mount Owen mining services extension, NSW
 - Port Wakefield to Port Augusta Regional Projects Alliance, SA
 - South Gippsland Highway Upgrade, VIC
 - Iron Bridge Magnetite Project, WA
 - Calder Park Signaling, VIC
 - Mackay Northern Access Upgrade, QLD
 - Hindu Heritage Experience Centre, India
 - Maintenance services contracts for projects across the rail, mining and oil and gas sectors, Australia

Strong pipeline of opportunities, more than \$500bn of projects coming to market

- ✓ Relevant to CIMIC, more than \$500bn of tenders to be bid and/or awarded in 2021 and beyond, including \$130bn of PPP projects
- ✓ Some major projects that CIMIC is currently bidding or intends to bid include:
 - Western Harbour Tunnel and Warringah Freeway Upgrade, NSW
 - Sydney Metro West – Tunnels and Excavation package/s, NSW
 - Vale Pomalaa Mining, Nickel project, Indonesia
 - Copper String 2.0, QLD
 - M6 Stage 1 (Arncliffe to Kogarah), NSW
 - Inland Rail (Gowrie to Kagaru section) PPP, QLD
 - New Dunedin Hospital – Ministry of Health, New Zealand
 - Cross Island Line Phase 1, Singapore
 - Various other mining and processing opportunities across Australia, Canada and Chile

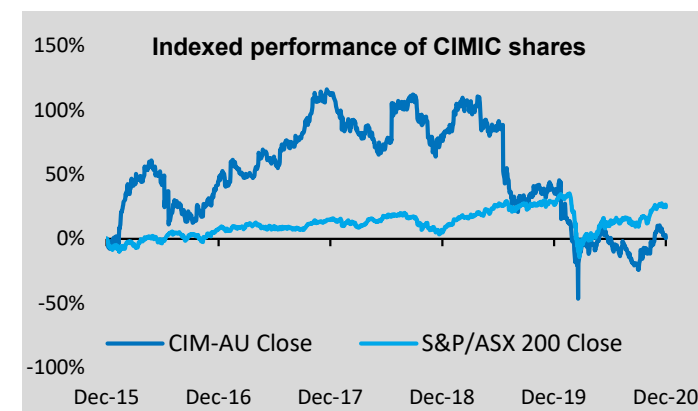
Work in hand (\$m) as at	Dec 19 restated	Dec 19 comparable	Dec 20	Chg. \$	Chg. %
Construction	16,229	16,229	12,526	(3,703)	(22.8)%
Services ²¹	9,282	9,282	8,825	(457)	(4.9)%
Investments ²²	12,000	12,000	12,414	414	3.4%
Total	37,511	37,511	33,765	(3,746)	(10.0)%
Less 50% sale of Thiess	-	(4,903)	(3,686)	1,217	(24.8)%
Total work in hand	37,511	32,608	30,079	(2,529)	(7.8)%



Shareholder returns and FY21 guidance

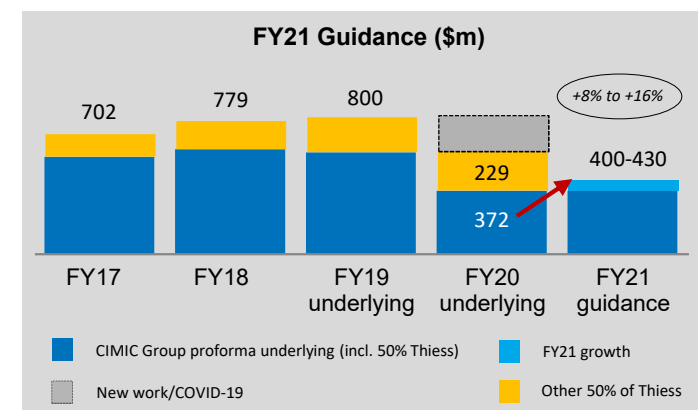
Dividends and buyback

- ✓ Return to dividend payout ratio of 60-65% for 2H20
- ✓ Total dividend of \$186.8m declared
 - Strong liquidity and improvement in cash flow particularly in 4Q20, closing of Thiess transaction, improved retained earnings and CIMIC's commitment to reward shareholders, supports declaration of a final dividend (franked at 20% and CFI at 80%) of 60c per share
 - Represents a payout ratio of 62% of 2H20 NPAT
- ✓ CIMIC repurchased 12.4m shares, equivalent to 4.0% of the issued share capital, for a total consideration of \$281.3m in FY20
- ✓ In the past five years, CIMIC has returned \$2.4bn to shareholders through dividends (+\$1.7bn) and share buybacks (+\$0.7bn)



FY21 NPAT guidance in the range of \$400m-\$430m, subject to market conditions

- ✓ Market outlook remains positive for construction and services, with new work recovering
- ✓ Governments have committed to significant stimulus packages in core construction and services markets, additional opportunities through the strong PPP pipeline, underpinning outlook
- ✓ FY21 focus is managing working capital, generating sustainable cash-backed profits and a rigorous approach to tendering, project delivery and risk management



APPENDICES



Statement of financial performance - Statutory



Key figures (\$m)	FY19	FY20	Chg. \$	Chg. %
Revenue⁸	14,701.1	11,408.6	(3,292.5)	(22.4)%
Expenses ⁸	(16,263.4)	(10,300.1)	5,963.3	(36.7)%
Share of profit/(loss) of joint ventures and associates	66.7	71.1	4.4	6.6%
EBIT⁸	(1,495.6)	1,179.6	2,675.2	-
<i>EBIT margin</i>	<i>(10.2)%</i>	<i>10.3%</i>	-	
Net finance costs ⁸	(129.2)	(187.8)	(58.6)	45.4%
Profit before tax⁸	(1,624.8)	991.8	2,616.6	-
<i>PBT margin</i>	<i>(11.1)%</i>	<i>8.7%</i>	-	
Income tax ⁸	587.5	(375.1)	(962.6)	-
Profit for the year ⁸	(1,037.3)	616.7	1,654.0	-
Non-controlling interests ⁸	(2.6)	3.4	6.0	-
NPAT⁸	(1,039.9)	620.1	1,660.0	-
<i>NPAT margin</i>	<i>(7.1)%</i>	<i>5.4%</i>	-	
EPS (basic) – NPAT	(320.9)c	195.0c	-	-
Gain on 50% sale of Thiess ³	-	(1,438.2)	-	-
Gorgon	-	805.3	-	-
Other FY20 one-offs ⁴	-	613.3	-	-
BICC ²³	1,840.2	-	-	-
Underlying NPAT⁹	800.3	600.5	(199.8)	(25.0)%

Statement of financial performance - Underlying



Key figures (\$m)	FY19	FY20	Chg. \$	Chg. %
Underlying revenue²⁴	14,701.1	12,610.4	(2,090.7)	(14.2)%
Underlying expenses ⁹	(13,538.7)	(11,655.2)	1,883.5	(13.9)%
Share of profit/(loss) of joint ventures and associates	66.7	71.1	4.4	6.6%
Operating profit¹¹	1,229.1	1,026.3	(202.8)	(16.5)%
<i>Operating profit margin</i>	<i>8.4%</i>	<i>8.1%</i>	<i>(30)bp</i>	
Net finance costs	(129.2)	(187.8)	(58.6)	45.4%
Underlying profit before tax⁹	1,099.9	838.5	(261.4)	(23.8)%
<i>Underlying PBT margin</i>	<i>7.5%</i>	<i>6.6%</i>	<i>(90)bp</i>	
Underlying income tax ⁹	(297.0)	(227.2)	69.8	(23.5)%
Underlying profit for the year ⁹	802.9	611.3	(191.6)	(23.9)%
Underlying non-controlling interests ⁹	(2.6)	(10.8)	(8.2)	-
Underlying NPAT⁹	800.3	600.5	(199.8)	(25.0)%
<i>Underlying NPAT margin</i>	<i>5.4%</i>	<i>4.8%</i>	<i>(60)bp</i>	
Underlying EPS (basic) – NPAT	246.9c	188.9c	(58.0)	(23.5)%
Gain on 50% sale of Thiess ³	-	1,438.2	-	-
Gorgon	-	(805.3)	-	-
Other FY20 one-offs ⁴	-	(613.3)	-	-
BICC ²³	(1,840.2)	-	-	-
Statutory NPAT⁸	(1,039.9)	620.1	1,660.0	-

Financial performance – Proforma underlying (Thiess 50% JV)

Key figures (\$m)	FY17 ¹⁰	FY18 ¹⁰	FY19 ¹⁰	FY20 ¹⁰
Proforma underlying group revenue	14,476.4	15,173.0	15,211.7	13,576.1
Proforma underlying JV revenue	(4,020.2)	(4,344.8)	(4,405.6)	(4,571.9)
Proforma underlying revenue	10,456.2	10,828.2	10,806.1	9,004.2
Proforma underlying EBITDA	925.7	1,049.5	1,051.5	839.4
<i>Proforma underlying EBITDA margin</i>	8.9%	9.7%	9.7%	9.3%
Proforma underlying D&A	(133.1)	(171.4)	(263.2)	(240.5)
Operating profit	792.6	878.1	788.3	598.9
<i>Operating profit margin</i>	7.6%	8.1%	7.3%	6.7%
Proforma underlying net finance costs	(47.3)	(86.7)	(88.7)	(160.0)
Proforma underlying profit before tax	745.3	791.4	699.6	438.9
<i>Proforma underlying PBT margin</i>	7.1%	7.3%	6.5%	4.9%
Proforma underlying income tax	(187.7)	(184.5)	(109.8)	(64.3)
Proforma underlying profit for the year	557.6	606.9	589.8	374.6
Proforma underlying non-controlling interests	12.4	6.7	5.8	(3.1)
Proforma underlying NPAT	570.0	613.6	595.6	371.5
<i>Proforma underlying NPAT margin</i>	5.5%	5.7%	5.5%	4.1%

Earnings reconciliation

FY20 one-off item breakdown (\$m)	PBT	Tax/NCI	NPAT	FY20 one-off items (post-tax)
Statutory	991.8	(371.7)	620.1	✓ 50% of Thiess sale (+\$1.4bn)
Gorgon Jetty resolution	1,150.4	(345.1)	805.3	✓ Gorgon Jetty resolution (\$805.3m)
Gain on sale of Thiess ³	(2,164.4)	726.2	(1,438.2)	✓ Other items:
Property and vessel impairments	150.4	(34.3)	116.1	▪ \$(116.1)m associated with property business and oil & gas vessel impairments;
COVID-19 and restructuring costs	269.8	(80.9)	188.9	▪ \$(188.9)m worth of COVID-19 associated productivity and health & safety costs and restructuring costs;
Project settlements	260.5	(78.2)	182.3	▪ \$(182.3)m worth of project settlements with respect to additional costs incurred in order to settle project matters with various clients both domestically and overseas; and
Cost provision	180.0	(54.0)	126.0	▪ \$(126.0)m additional cost provision taken in FY20 to complete the group's existing contracts driven by the ongoing uncertainty of COVID-19
Underlying	838.5	(238.0)	600.5	

	Statutory Group	Underlying	Proforma underlying	Statutory Group	Underlying	Proforma underlying	Financial performance reconciliation
(\$m)	FY19	FY19	FY19	FY20	FY20	FY20	
Revenue	14,701.1	14,701.1	10,806.1	11,408.6	12,610.4	9,004.2	✓ Statutory Group includes both continuing operations and discontinued operations on a line-by-line basis
EBITDA	(578.0)	2,146.7	1,051.5	2,116.1	1,911.1	839.4	✓ Underlying excludes the impact of BICC in FY19, Thiess gain, Gorgon Jetty resolution and other one-off items in FY20
Profit before tax	(1,624.8)	1,099.9	699.6	991.8	838.5	438.9	✓ Proforma underlying is adjusted for Thiess as a 50% JV
NPAT	(1,039.9)	800.3	595.6	620.1	600.5	371.5	

Segment performance

Segment revenue (underlying) (\$m)	FY19	FY20 ²⁴	Chg. \$	Chg. %
Construction	7,532.1	6,596.1	(936.0)	(12.4)%
Services	3,228.3	2,351.4	(876.9)	(27.2)%
Corporate	45.7	56.7	11.0	24.1%
Total revenue from continuing operations (underlying)	10,806.1	9,004.2	(1,801.9)	(16.7)%
Discontinued operations	3,895.0	3,606.2	(288.8)	(7.4)%
Total revenue (underlying)	14,701.1	12,610.4	(2,090.7)	(14.2)%

Segment PBT (underlying) ⁹ (\$m)	FY19	FY20	Chg. \$	Chg. %
Construction	470.4	307.6	(162.8)	(34.6)%
Services	153.1	104.6	(48.5)	(31.7)%
Corporate	(128.6)	(202.3)	(73.7)	57.3%
Total PBT from continuing operations (underlying)	494.9	209.9	(285.0)	(57.6)%
Discontinued operations	605.0	628.6	23.6	3.9%
Total PBT (underlying)	1,099.9	838.5	(261.4)	(23.8)%

Segmental performance

Construction

- ✓ Performance was driven by a temporary delay in project awards and slowdown in revenues due to COVID-19 and Hong Kong

Services

- ✓ The Group sustained its competitive position in the operations and maintenance service market
- ✓ Margins were steady despite COVID-19 impacting volumes of work
- ✓ Services segment now includes operating result of Sedgman, following the 50% sale of Thiess

Corporate

- ✓ The corporate segment represents the corporate head office and includes transactions relating to Group finance, taxation, treasury, corporate secretarial and certain strategic investments
- ✓ The FY20 corporate segment also includes contributions from Pacific Partnerships, EIC Activities and the Commercial and Residential business

Discontinued operations

- ✓ Discontinued operations represent the underlying results of Thiess for FY19 and FY20

Statement of cash flows



Key figures (\$m)	FY19	FY20	Chg. \$	Chg. %
Operating cash flow⁵	1,714.3	53.1	(1,661.2)	(96.9)%
Interest, finance costs and taxes	(463.8)	(318.3)	145.5	(31.4)%
Net operating cash flow	1,250.5	(265.2)	(1,515.7)	-
Payments for intangibles	(15.4)	(18.4)	(3.0)	19.5%
Payments for property, plant and equipment	(774.4)	(579.7)	194.7	(25.1)%
Payments for investments in controlled entities and businesses	(14.0)	(10.9)	3.1	(22.1)%
Proceeds from sale of property, plant and equipment	22.5	30.5	8.0	35.6%
Proceeds from sale of controlled entities and businesses	-	2,223.4	2,223.4	-
Cash acquired from acquisition of investments in controlled entities and businesses	18.0	16.3	(1.7)	(9.4)%
Disposal of cash in relation to the sale of controlled entities and businesses	-	(127.7)	(127.7)	-
Payments for investments	(29.1)	-	29.1	-
Loan to associates and joint ventures	(398.6)	-	398.6	-
Net cash from investing activities	(1,191.0)	1,533.5	2,724.5	-
Cash payments for share buyback	(16.7)	(281.3)	(264.6)	-
Repayment of financial liability	-	(1,398.4)	(1,398.4)	-
Net proceeds from borrowings	390.0	2,157.1	1,767.1	-
Repayment of leases	(320.0)	(317.8)	2.2	(0.7)%
Dividends paid to shareholders of the Company	(509.1)	-	509.1	-
Dividends paid to non-controlling interests	(4.2)	(11.4)	(7.2)	-
Net cash from financing activities	(460.0)	148.2	608.2	-

Statement of financial position – assets

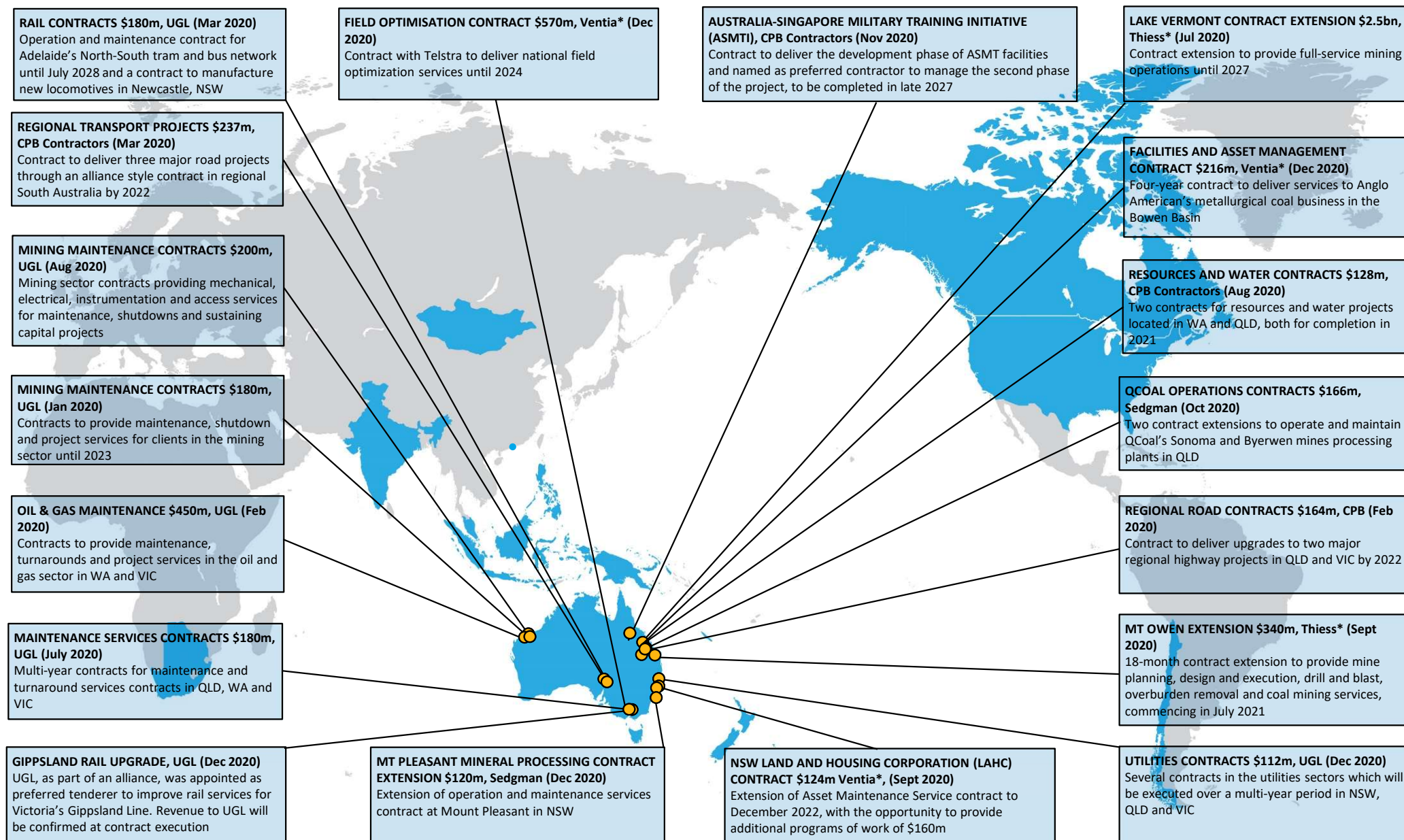
Assets (\$m)	Dec 2019	Dec 2020	Chg. \$	Chg. %	Composition
Current assets					Current assets:
Cash and cash equivalents	1,750.0	3,082.5	1,332.5	76.1%	✓ Cash and cash equivalents: Cash and cash equivalents was \$3,082.5m at 31 December 2020
Short term financial assets and investments	4.5	4.5	-	-	✓ Short term financial assets and investments: Includes liquid assets converted or readily convertible to cash subsequent to year end
Trade and other receivables	3,554.4	1,929.8	(1,624.6)	(45.7)%	✓ Trade and other receivables: Includes contract debtors, sundry debtors, joint venture and other receivables
Current tax assets	-	1.0	1.0	-	✓ Inventories: consumables and development properties: Includes job-costed inventories held for large infrastructure projects and commercial & residential assets
Inventories: consumables and development properties	400.1	185.2	(214.9)	(53.7)%	
Total current assets	5,709.0	5,203.0	(506.0)	(8.9)%	
Non-current assets					Non-current assets:
Trade and other receivables	130.4	89.8	(40.6)	(31.1)%	✓ Investments accounted for using the equity method: Equity accounted investments include project-related associates and joint ventures, PPP projects and CIMIC's 50% share of Thiess, which is now accounted for as a joint venture as at 31 December 2020
Inventories: development properties	114.9	84.8	(30.1)	(26.2)%	✓ Deferred tax assets: Decrease driven by the utilisation of tax losses following 50% sale of Thiess, net of deferred tax on write-off of Gorgon Jetty contract asset
Investments accounted for using the equity method	250.5	1,378.2	1,127.7	-	✓ Property, plant and equipment: Additions to property, plant and equipment during the year including investment in job-costed tunnelling machines for major road and rail projects
Other investments	112.2	57.1	(55.1)	(49.1)%	
Deferred tax assets	1,025.2	757.9	(267.3)	(26.1)%	
Property, plant and equipment	2,279.1	814.2	(1,464.9)	(64.3)%	
Intangibles	1,104.4	912.3	(192.1)	(17.4)%	
Total non-current assets	5,016.7	4,094.3	(922.4)	(18.4)%	
Total assets	10,725.7	9,297.3	(1,428.4)	(13.3)%	

Statement of financial position – liabilities and equity



Liabilities and equity (\$m)	Dec 2019	Dec 2020	Chg. \$	Chg. %	Composition
Current liabilities					Current and non-current liabilities:
Trade and other payables	6,024.6	4,569.8	(1,454.8)	(24.1)%	✓ Trade and other payables: Includes contract liabilities, trade creditors and accruals, joint venture payables and other creditors
Current tax liabilities	60.3	16.5	(43.8)	(72.6)%	✓ Provisions: Relates to wages and salaries, annual leave, long service leave, retirement benefits and deferred bonuses
Provisions	327.2	218.3	(108.9)	(33.3)%	
Financial liability	1,483.4	151.2	(1,332.2)	(89.8)%	✓ Financial liability: Relates to the Group's exposure to financial guarantees in respect of BICC. Reduction due to amounts paid in respect of CIMIC's financial guarantees in FY20
Interest bearing liabilities	164.3	210.0	45.7	27.8%	✓ Interest bearing liabilities: Current and non-current interest bearing liabilities amounted to \$2,896.6m at 31 December 2020
Lease liabilities	277.8	69.7	(208.1)	(74.9)%	✓ Lease liabilities: Represents the Group's portfolio of leased assets made up by property, plant and vehicles utilised by the Group
Total current liabilities	8,337.6	5,235.5	(3,102.1)	(37.2)%	
Non-current liabilities					
Trade and other payables	200.8	195.3	(5.5)	(2.7)%	
Provisions	60.5	42.7	(17.8)	(29.4)%	
Interest bearing liabilities	758.6	2,686.6	1,928.0	-	
Lease liabilities	624.3	245.1	(379.2)	(60.7)%	
Deferred tax liabilities	20.9	-	(20.9)	-	
Total non-current liabilities	1,665.1	3,169.7	1,504.6	90.4%	
Total liabilities	10,002.7	8,405.2	(1,597.5)	(16.0)%	
Equity	723.0	892.1	169.1	23.4%	

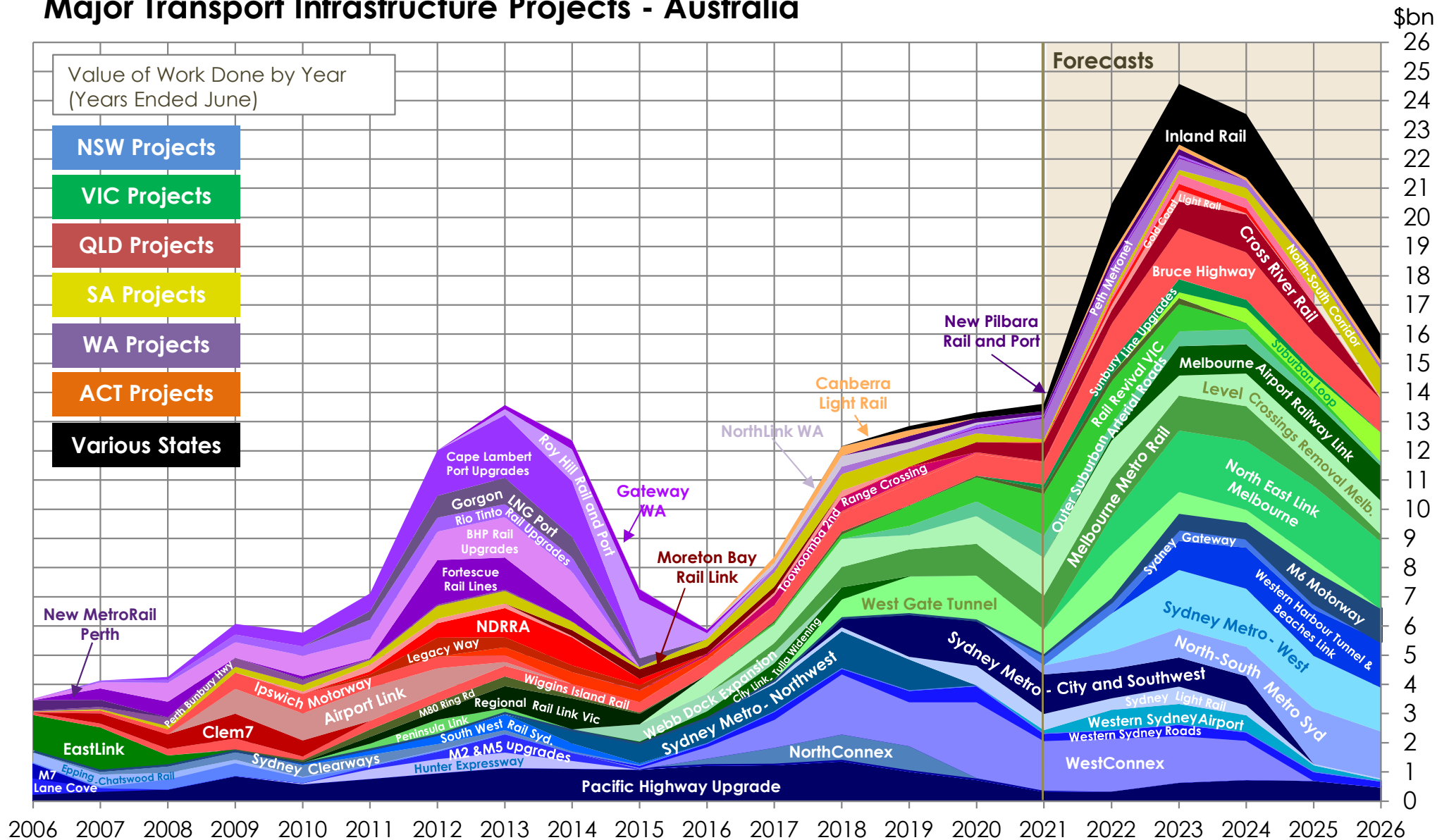
Selected project wins during FY20



* As at 31 December 2020, CIMIC Group's share of Ventia and Thiess was 46.9% and 50% respectively.

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 2021



CIMIC GROUP is an engineering-led construction, mining, services and public private partnerships leader with a history dating back to 1899. We are a family of industry leaders integrating a world of experience and expertise to drive insight, develop future-ready solutions and deliver enduring value across the lifecycle of assets, infrastructure and resources projects.

CONSTRUCTION



CPB CONTRACTORS is a leading international construction contractor with operations spanning Australia, New Zealand, Asia, India and Papua New Guinea. The team delivers major projects spanning all key sectors of the construction industry, including roads, rail, tunnelling, defence, building and resources infrastructure. Working closely with clients and partners, including Pacific Partnerships, our projects connect communities, play a key role in urban and rural development, help drive economic growth, and provide vital, long-term infrastructure. CPB Contractors combines the design and construction expertise and track record formerly delivered by Leighton Contractors and Thiess in Australia and New Zealand.



CPB Contractors includes the people and projects of **LEIGHTON ASIA**, the contractor behind some of Asia's most complex and high-profile infrastructure projects.

It also includes **BROAD** - a leading managing contractor in the Australian building industry delivering diverse commercial construction projects.

MINERALS PROCESSING



SEDGMAN is a market leader in the design, construction and operation of mineral processing plants and associated mine site infrastructure. With a track record in successful project and operations delivery, Sedgman is focused on realising value for clients through excellence in engineering and innovative solutions. From pre-feasibility and commissioning, to operations, the team has completed close to 200 processing and materials handling projects in diverse and remote locations globally. The team overcomes complex challenges to unlock the full potential of diverse commodities across base and precious metals, industrial minerals, coal and iron ore, delivering outcomes that exceed expectation, on time and on budget.

SERVICES



UGL is a market leader in end-to-end asset solutions. The team's whole-of-life offer delivers operational value and enhanced customer experiences for critical assets in power, water, resources, transport, defence and security, and social infrastructure. Its services-led approach supports real business needs, now and into the future, by connecting clients with leading thinking across all stages of a project's lifecycle. UGL maximises solutions, delivery and end performance, spanning engineering design; construction and commissioning; manufacturing; operations, maintenance and facilities management; upgrades and overhauls; and asset management. Clients minimise interface risk while optimising quality, time and cost outcomes.

PUBLIC PRIVATE PARTNERSHIPS



PACIFIC PARTNERSHIPS develops, invests in and manages social and economic infrastructure concession assets, leveraging CIMIC Group's financial strength and diverse capabilities. The team's project development, technical, commercial and finance expertise transform into seamless, value-for-money solutions for clients. This spans the finance, design, construction, and long-term operations and maintenance of key infrastructure under public private partnership and build own operate transfer structures. Pacific Partnerships is a proactive, collaborative partner to clients, infrastructure users, investors and lenders, building on a corporate history responsible for delivering more than 30 PPPs valued at more than \$60 billion.

ENGINEERING



EIC ACTIVITIES is CIMIC Group's engineering and technical services business, providing a competitive advantage for winning and delivering profitable projects that generate value for clients. Leading innovation, EIC Activities provides all operating companies with access to the Group's collective experience, technical capabilities and leading technology applications. This continually strengthens the Group by challenging and optimising technical solutions through collaboration and knowledge sharing. EIC Activities brings engineering experts, technical solutions, lean practices and global industry developments - equipping tender and project teams with more levers to innovate, mitigate risk, improve efficiency and drive performance.

OTHER INVESTMENTS



50%



46.9%



59.1%

Group market position



F/X rates

End of the period	Dec 2019	Dec 2020	Chg. \$	Chg. %
AUD/USD	0.70	0.77	0.07	10.0%
AUD/EUR	0.63	0.64	0.01	15.9%
Period average	FY19	FY20	Chg. \$	Chg. %
AUD/USD	0.69	0.69	-	-
AUD/EUR	0.62	0.60	(0.02)	(3.2)%

¹Revenue excludes revenue from joint ventures and associates of \$2,803.6m (FY19: \$2,506.0m)

²Margins are calculated on revenue which excludes revenue from joint ventures and associates. Underlying margins are calculated net of the one-off items recorded in FY19 and FY20

³The total NPAT impact of the 50% sale of Thiess includes the statutory gain of \$1,488.2m offset by \$(50.0)m in relation to tax losses previously recognised within continuing operations, which following the completion of the sale are no longer expected to be utilised

⁴Refer to the 'Earnings reconciliation' in the Appendices for further information on the FY20 one-offs

⁵Operating cash flow includes cash flow from operating activities and changes in short term financial assets and investments before interest, finance costs and taxes. Operating cash flow includes the cash generated by Thiess during FY20 which was sold on 31 December 2020 (refer to the Financial report, 'Note 32: *Acquisitions, disposals and discontinued operations*')

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

⁷New work includes new contracts and contract extensions and variations, including the impact of foreign exchange rate movements and other WIH adjustments

⁸Statutory includes both continuing operations and discontinued operations on a line-by-line basis

⁹Underlying result excludes the FY20 one-off items (post-tax) in respect of the 50% sale of Thiess (+\$1.4bn), Gorgon Jetty resolution (\$805m) and other FY20 one-offs (\$613m) associated with COVID-19, project settlements and provisions, and property business and oil & gas vessel impairments. Refer to the 'Earnings reconciliation' in the Appendices for further information. FY19 excludes one-off relating to the provisions and asset impairments of the Group's financial investment in BICC

¹⁰Proforma underlying financial performance represents CIMIC Group's underlying result (i.e. Statutory, excluding one-off items) adjusted for Thiess as a 50% JV. The Thiess statutory result is adjusted for the one-off impact of COVID-19 and restructuring costs

¹¹Operating profit is EBIT adjusted for the one-off items in FY19 and FY20

¹²Thiess' underlying NPAT excludes the FY20 impact of COVID-19 and restructuring costs on the business

¹³Gross capital expenditure is payments for property, plant and equipment. Capex includes spend incurred by Thiess during FY20 which was sold on 31 December 2020 (refer to the Financial report, 'Note 32: *Acquisitions, disposals and discontinued operations*')

¹⁴Gross capital proceeds are proceeds received from the sale of property, plant and equipment. Proceeds includes proceeds generated by Thiess during FY20 which was sold on 31 December 2020 (refer to the Financial report, 'Note 32: *Acquisitions, disposals and discontinued operations*')

¹⁵Free operating cash flow is defined as net operating cash flow less net capital expenditure for property, plant and equipment

¹⁶EBITDA cash conversion does not include any gains/(losses) recognised as a result of the one-off items

¹⁷Net cash/(debt) includes cash and equivalent liquid assets (which includes cash, cash equivalents and short term financial assets and investments)

¹⁸Relates to the \$3.7bn of working capital facilities, of which \$1.1bn is undrawn at 31 December 2020, and relates to bank bonding commitment fees

¹⁹Net finance costs include interest income and finance costs

²⁰Total interest bearing liabilities

²¹As a result of the Thiess transaction, Services WIH now includes the Sedgman business. Services WIH has been restated for FY19 to include Sedgman

²²Investments WIH includes WIH from CIMIC's share of investments including Ventia and Thiess. The Investments balance includes 100% of Thiess WIH in FY20 (\$7.4bn) and FY19 (\$9.8bn)

²³One-off relating to the provisions and asset impairments of the Group's financial investment in BICC

²⁴Underlying revenue excludes the \$(1,150.4)m revenue reversal with respect to the Gorgon Jetty contract asset following resolution of the arbitration and \$(51.4)m other FY20 item in respect of property business

Definitions

- ✓ 1Q19, 2Q19, 3Q19 & 4Q19 – Three months to March 2019, June 2019, September 2019 and December 2019 respectively
- ✓ 1Q20, 2Q20, 3Q20 & 4Q20 – Three months to March 2020, June 2020, September 2020 and December 2020 respectively
- ✓ 2H20 – Second half year from July to December 2020
- ✓ bn – Billion
- ✓ bp – Basis points
- ✓ cps – Cents per share
- ✓ capex – Capital expenditure
- ✓ CFI – Conduit foreign income
- ✓ D&A – Depreciation and amortisation
- ✓ EBIT – Earnings before net finance costs and tax
- ✓ EBITDA – Earnings before net finance costs, tax, depreciation and amortisation
- ✓ EPS – Earnings per share (basic)

- ✓ Excl – Excluding
- ✓ FY – Full year from January to December
- ✓ HY – Half year from January to June
- ✓ LTM – Last 12 months
- ✓ m – Million
- ✓ NCI – Non-controlling interests
- ✓ NPAT – Net profit after tax
- ✓ PBT – Profit before tax
- ✓ PPP – Public Private Partnership
- ✓ WIH – Work in hand
- ✓ YOY – Year on year

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