



2021

ANNUAL GENERAL MEETING

Presenters:

Michael Alscher, Chairman

Susan Reisbord, CEO & Managing Director

November 2021

Making a difference.



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ACKNOWLEDGEMENT OF COUNTRY



In the spirit of reconciliation, I would like to acknowledge the Traditional Custodians of country throughout Australia and their connections to land, sea and community. We pay our respect to their elders past, present and emerging and extend that respect to all Aboriginal and Torres Strait Islander peoples today”.

Chairman's Address

Michael Alscher, Chairman



Board of Directors



Michael Alscher

Chairman



Susan Reisbord

CEO & Managing Director



Rebecca Ranich

Non-Executive Director



Steven Sherman

Non-Executive Director



Jeffrey Forbes

Non-Executive Director

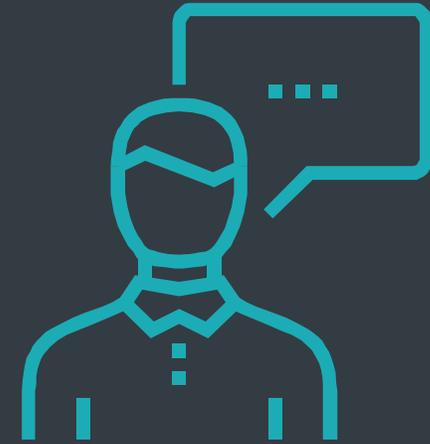


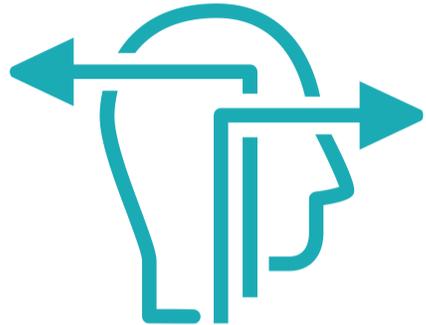
Nathaniel Thomson

Non-Executive Director

CEO's Address

Susan Reisbord, CEO & Managing
Director





OUR VISION

is to be **leaders in improving** the physical and social environment for people around the world.

OUR MISSION

is to provide services to plan, design, manage and deliver sustainable physical, social and economic infrastructure for international and local communities.

OUR PURPOSE

As a global organization of talented people, we are united by our purpose:

Making a difference.

Our Core Values

SAFETY

Safety comes first

INTEGRITY

We do the right thing

PEOPLE

We care about our people & communities

EXCELLENCE

We deliver high quality services

2021 Full-Year Financial Performance Highlights



Full year underlying EBITDAI (Pre-AASB 16) of \$51.2M, up 19.0% vs PCP of \$43.0M and ahead of FY21 guidance. Fifth year in a row of meeting or exceeding guidance.

- > Cardno has managed COVID-19 well, however management believe that COVID-19 has cost the business 12-18 months of growth.
- > Fee revenue on a constant currency basis was down 2.3% on prior year. The bulk of this was from the consolidation of businesses associated with the business improvement initiatives underway in Asia Pacific.
- > Underlying EBITDAI (Pre-AASB 16) of \$51.2M up 31.6% on a constant currency basis.
- > Underlying Net Operating Profit After Tax of \$27.7M.
- > Operating cash flow of \$62.6M, reflects ongoing working capital management and the timing of debtor receipts and creditor payments. In FY2020 Cardno received a deferral of \$12.0M of Australian GST and payroll taxes, being a concession provided by the Australian Taxation Office associated with the COVID-19 pandemic. \$10.4M was repaid in 1HY21. Debtors+WIP DSO of 75 days consistent with industry best practice.
- > Backlog decreased 0.9% on a constant currency basis. The Americas is effectively flat year on year, while both Asia Pacific and International Development grew backlog. All three divisions commence FY22 with encouraging levels of backlog and pipeline of future work.

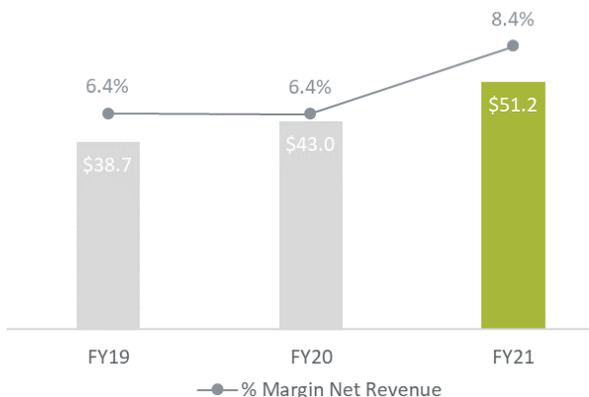
\$M	FY21	REMOVING FX		FY20	% change year on year
		FY20 @ FY21 FX Rate	% change year on year		
Gross Revenue	890.4 M	939.6 M	▼ (5.2%)	978.3 M	▼ (9.0%)
Fee Revenue	612.7 M	626.9 M	▼ (2.3%)	677.1 M	▼ (9.5%)
Underlying EBITDAI ¹	78.5 M	68.0 M	▲ 15.5%	73.5 M	▲ 6.8%
Underlying EBITDAI Pre AASB 16 impact ²	51.2 M	38.9 M	▲ 31.6%	43.0 M	▲ 19.0%
Underlying NOPAT ³	27.7 M			9.4 M	▲ 194.7%
Net profit after tax	32.7 M			56.6 M	▼ (42.2%)
Operating Cash Flow	62.6 M			73.5 M	▼ (14.8%)
NOPAT EPS - basic (cents)	6.69			2.10	▲ 218.6%
Backlog	1,177.3 M	1,188.1 M	▼ (0.9%)	1,214.3 M	▼ (3.0%)

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

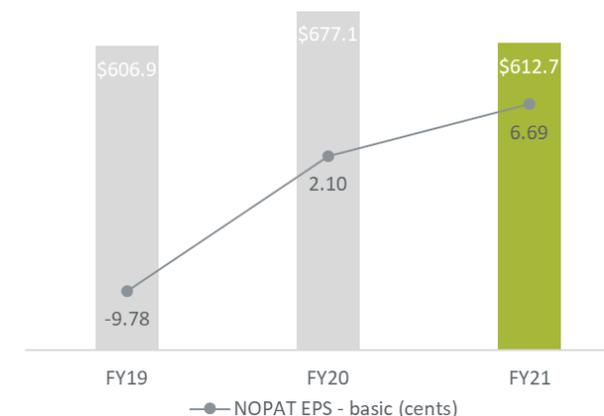
² Underlying EBITDAI = EBIT plus underlying adjustments, depreciation, amortisation and impairment losses pre AASB 16 impact

³ Underlying NOPAT = NPAT plus underlying adjustments and impairment losses

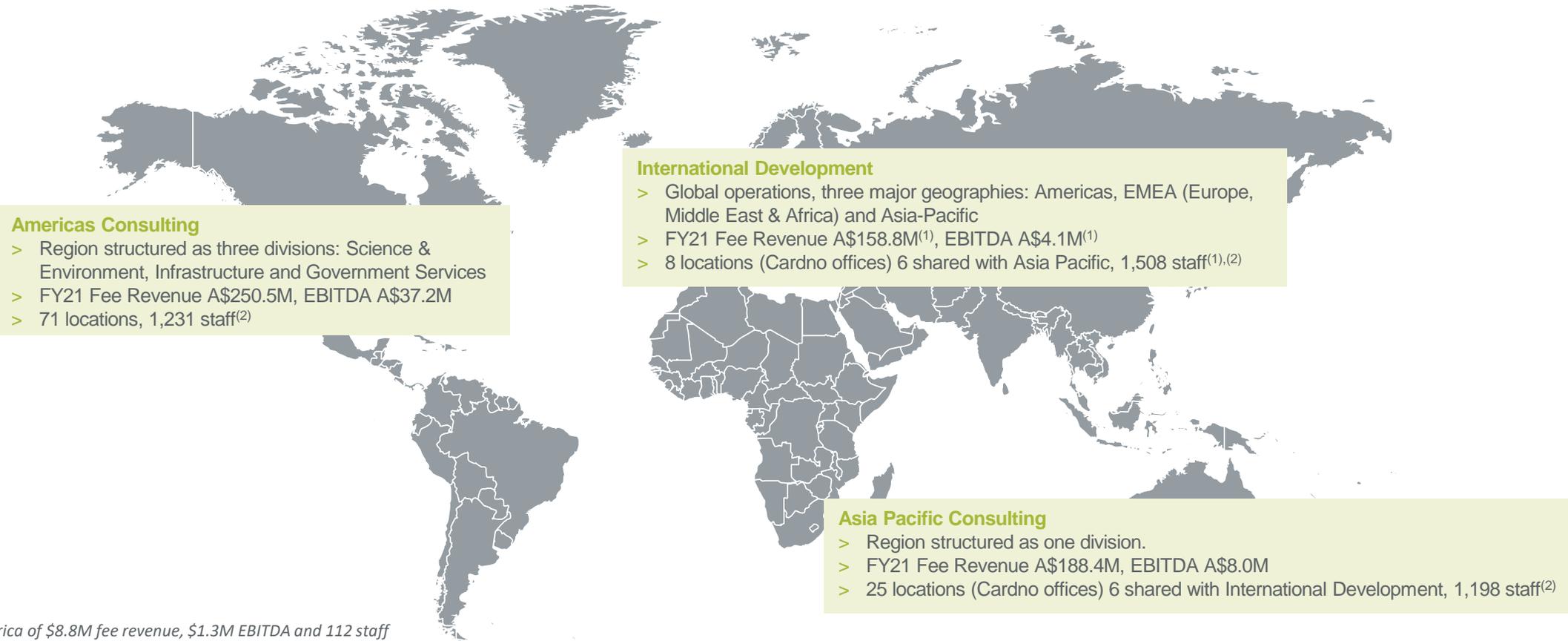
Underlying EBITDAI (\$M) & Margin %



Fee Revenue (\$M) & NOPAT EPS (cents)



Cardno's tailored solutions to local issues involves integrating social, economic, cultural and environmental interests. Cardno delivers long-term value to clients, their stakeholders and their communities.



Americas Consulting

- > Region structured as three divisions: Science & Environment, Infrastructure and Government Services
- > FY21 Fee Revenue A\$250.5M, EBITDA A\$37.2M
- > 71 locations, 1,231 staff⁽²⁾

International Development

- > Global operations, three major geographies: Americas, EMEA (Europe, Middle East & Africa) and Asia-Pacific
- > FY21 Fee Revenue A\$158.8M⁽¹⁾, EBITDA A\$4.1M⁽¹⁾
- > 8 locations (Cardno offices) 6 shared with Asia Pacific, 1,508 staff^{(1),(2)}

Asia Pacific Consulting

- > Region structured as one division.
- > FY21 Fee Revenue A\$188.4M, EBITDA A\$8.0M
- > 25 locations (Cardno offices) 6 shared with International Development, 1,198 staff⁽²⁾

Note:

⁽¹⁾ Excludes Europe and East Africa of \$8.8M fee revenue, \$1.3M EBITDA and 112 staff

⁽²⁾ Staff numbers include all staff who work >20 hours/month and long-term contractors. Excludes Group HQ Functions

Outlook for FY22 (as reported 27 August 2021)



Cardno stands to gain from (1) Industry Tailwinds across most sectors the company operates in, together with (2) The benefits of ongoing operational discipline globally.

- > Cardno is:
 - A leading ESG professional services consultancy advising clients on complex and technically demanding environmental, social and sustainable infrastructure projects. The company has unique service offerings in the areas of ESG advisory, health sciences, encroachment, restoration, asset management resilience and international development.
 - An engineering and sustainable infrastructure consultancy with a reputation for quality work and innovative technical outcomes. The company is well positioned to capitalise on the growing demand for infrastructure (particularly transport and water) in its core markets in Asia Pacific and the US.
- > Most Cardno markets are experiencing a degree of industry wide tailwinds, most notably in demand for environmental services and physical and social infrastructure.
- > There remains ongoing opportunity for further simplification and lower cost to serve (e.g. moving to a single global ERP).
- > The company advised the ASX in June 2021 that it was conducting a Strategic Review.

Cardno clients are B2B (business to business) or B2G (business to government). At FY21 year end Cardno's working capital metrics approached best practice and net debt was positive (cash exceeded debt). Despite the challenges associated with COVID-19, Cardno commences FY22 with encouraging levels of backlog and pipeline of future work.

As we advised last year, in FY22 some Cardno businesses will undoubtedly be impacted by the COVID-19 pandemic, but equally some businesses stand to gain both market share and share of wallet.

The Board expects that the business will continue to grow from its FY21 level however the Board has chosen to not provide explicit FY22 earnings guidance to the market due to the ongoing Strategic Review process.

Items of Business



ASKING QUESTIONS

1. Tap on the Questions icon  to submit a question.
2. Type your question in the chat box at the bottom of the screen and then select the send icon .

A confirmation that your message has been received will appear.

NOTE: Please refer to your Cardno General Meeting Documentation, Annexure A for these instructions during the remainder of the presentation.



VOTING

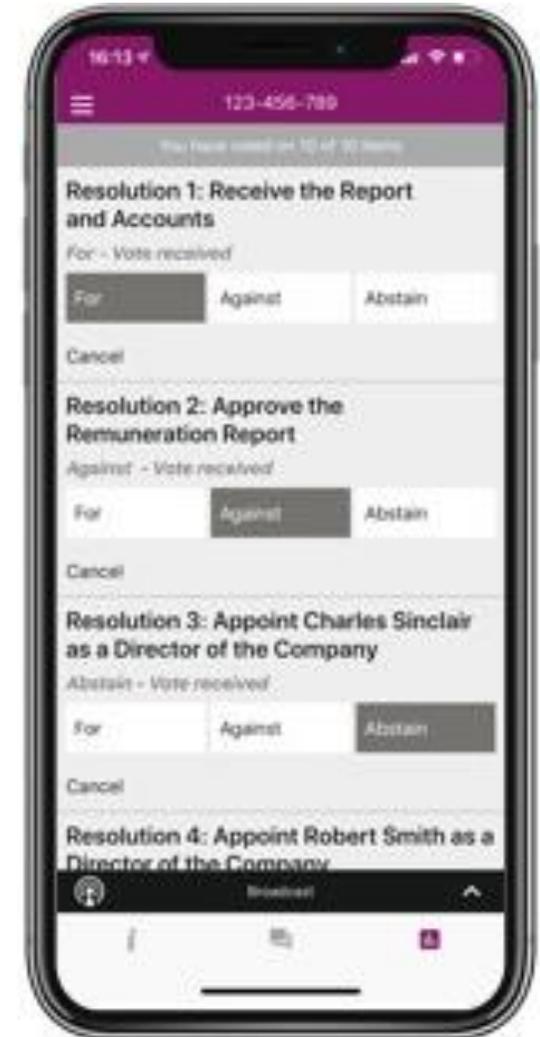
When the poll is open, a voting icon  will appear on your device and the Meeting Resolutions will be displayed.

- > **To vote** tap one of the voting options. Your response will be highlighted.
- > **To change your vote**, simply press a different option to override.

The number of items you have voted or yet to vote on, is displayed at the top of the screen.

Votes may be changed up to the time the Chairman closes the poll.

NOTE: Please refer to your Cardno General Meeting Documentation, Annexure A for these instructions during the remainder of the presentation.



PROXY VOTES

Proxies have been received from 207 Shareholders representing 302,177,917 ordinary voting shares, being 77.36% of Cardno's issued share capital.

NOTICE OF MEETING

- > The Notice of Meeting was dispatched to all shareholders.
- > If there is no objection, it is proposed that the Notice of Meeting be taken as read.

FINANCIAL STATEMENTS AND REPORTS

To receive and consider the Company's financial reports and the report of the Directors and the Company's auditor contained in the Company's Financial Report for the financial year ended 30 June 2021.

RESOLUTION 1

Re-election of Rebecca Ranich

To consider and, if thought fit, to pass the following as an ordinary resolution:

‘That Rebecca Ranich, a Director retiring by rotation in accordance with rule 19.3(b) of the Constitution and Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director.’

Proxies Received	For	Against	Abstain	Open	Excluded
# Votes cast	300,792,904	291,349	112,597	1,093,664	N/A
% of Votes able to be cast	99.55%	0.09%	N/A	0.36%	N/A

RESOLUTION 2

Re-election of Nathaniel Thomson

To consider and, if thought fit, to pass the following as an ordinary resolution:

‘That Nathaniel Thomson, a Director retiring by rotation in accordance with rule 19.3(b) of the Constitution and Listing Rule 14.4, and being eligible for re-election, be re-elected as a Director.’

Proxies Received	For	Against	Abstain	Open	Excluded
# Votes cast	300,201,700	832,097	161,528	1,095,189	N/A
% of Votes able to be cast	99.37%	0.27%	N/A	0.36%	N/A

RESOLUTION 3

Remuneration Report

To consider and, if thought fit, to pass the following resolution as a non-binding advisory resolution in accordance with section 250R(2) of the Corporations Act:

‘That the Remuneration Report contained in the Company’s Financial Report for the financial year ended 30 June 2021 be adopted.’

Proxies Received	For	Against	Abstain	Open	Excluded
# Votes cast	296,169,685	4,071,793	106,531	1,093,664	848,841
% of Votes able to be cast	98.29%	1.35%	N/A	0.36%	N/A

RESOLUTION 4

Approval of the Issue of Performance Rights to Susan Reisbord

To consider and, if thought fit, pass the following resolution as an ordinary resolution:

‘That, pursuant to Section 208(1)(a) of the Corporations Act and Listing Rule 10.14, the members of the Company approve the granting of a maximum of 417,944 Performance Rights to Susan Reisbord, Managing Director, under the Cardno Limited Performance Equity Plan and on the terms outlined in the Explanatory Memorandum.’

Proxies Received	For	Against	Abstain	Open	Excluded
# Votes cast	295,414,118	4,795,209	993,223	1,087,964	N/A
% of Votes able to be cast	98.05%	1.59%	N/A	0.36%	N/A

That brings the formal business of the meeting to an end.

The poll is closed and the final results will be announced via the ASX, once known.

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.