

4 FEBRUARY 2020**2019 STATUTORY NPAT \$(1.0)BN; NPAT (EXCL. BICC¹) OF \$800M, UP 3% YOY²****OPERATING CASH FLOW³ OF \$1.7BN; FACTORING UNCHANGED****NET CASH⁴ OF \$832M; \$3.0BN OF UNDRAWN FACILITIES****WIH⁵ OF \$37.5BN, AWARDED NEW WORK⁶ OF \$18.0BN****FY20 NPAT GUIDANCE OF \$810M TO \$850M**

CIMIC Group today announced the performance of its business during the 12 months to 31 December 2019:

- Statutory NPAT of \$(1.0) billion; NPAT (excl. BICC) of \$800 million, up 3% YOY
- Revenue⁷ of \$14.7 billion; stable operating profit⁸, PBT and NPAT margins⁹ of 8.4%, 7.5% and 5.4% respectively (excl. BICC)
- One-off post tax impact of \$(1.8) billion relating to the Group's exposure to the non-controlling financial investment in BICC, as a result of the decision to exit the Middle East
- Operating cash flow of \$1.7 billion, no variation in factoring, 80% EBITDA cash conversion (excl. BICC)
- Operating cash flow up substantially by more than \$1.0 billion YOY pre-factoring
- Net cash of \$832 million and \$3.0 billion of undrawn facilities
- Returned \$526 million to shareholders through dividends (\$509 million) and share buyback (\$17 million)
- Solid investment grade credit ratings reaffirmed by Moody's (Baa2/Stable) and S&P (BBB/Stable/A-2) in January 2020, after the announcement to exit the Middle East
- Awarded new work of \$18.0 billion; bidding discipline maintained
- Work in hand of \$37.5 billion, equivalent to more than two years' worth of revenue, provides good visibility
- FY20 NPAT guidance in the range of \$810 million to \$850 million, subject to market conditions.

CIMIC Group Executive Chairman Marcelino Fernández Verdes said: "Our construction, mining and mineral processing, services and public private partnership operations continued to perform well during 2019, in line with our expectations.

"Our decision to exit our financial investment in the Middle East will allow us to focus our resources and capital allocation on the growth opportunities in our core markets in Australia, New Zealand and the Asia Pacific. Notwithstanding the one-off impact on our 2019 financial results, leaving the region is the appropriate long-term decision for our business and our shareholders.

“Looking forward, our prospects are positive, and we are confident about the outlook for our business and our markets, with strong work in hand of \$37.5 billion.

“In 2019 we achieved a solid operating performance. We continued to secure a strong pipeline of new work, building value for our clients through efficiency and innovation in our operations, and maintaining our focus on safety.

“Our key wins for the year included the selection of Pacific Partnerships, CPB Contractors and UGL across two packages of work for Cross River Rail in Brisbane, the largest infrastructure project to date in Queensland. These works, to be delivered through an Alliance and a PPP, provide CIMIC with \$3.6 billion in work, and are excellent examples of how the Group provides engineering-led solutions that integrate the capabilities of several of our companies.”

CIMIC Group announced several important projects during the 12-month period including:

- Pacific Partnerships, CPB Contractors and UGL were selected to deliver the Tunnel, Stations and Development PPP package of the Cross River Rail project, generating revenue of \$2.7 billion
- UGL and CPB Contractors were selected in an Alliance partnership to deliver the Rail, Integration and Systems Alliance package of the Cross River Rail project, generating revenue of \$900 million
- Pacific Partnerships, UGL and CPB Contractors, as part of a consortium, were selected to deliver the Regional Rail PPP in NSW, generating revenue of \$725 million
- UGL and Pacific Partnerships were granted an extension to the existing PPP contract at Sydney Metro, generating revenue of \$366 million
- Thiess achieved extensions to existing work at mines in Botswana and Queensland, generating revenue of \$3 billion
- CPB Contractors secured work redeveloping, expanding and building hospitals in NSW, generating revenue of close to \$1 billion, and secured a number of projects in New Zealand, generating revenue of close to \$500 million.

There is a total of \$160 billion of tenders relevant to CIMIC to be bid and/or awarded in 2020, and \$380 billion of projects are coming to the market in 2021 and beyond. This pipeline includes around \$130 billion worth of PPP opportunities identified for 2020 and beyond.

Mr Fernández Verdes said: “Looking ahead, our focus for 2020 is sustainable growth and returns. Our opportunities continue to strengthen, as governments and private clients in our markets further prioritise social and economic infrastructure projects to support the growth in urbanisation and respond to environmental challenges globally.”

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

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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 Thies 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 40,000 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 100 index, the Dow Jones Sustainability Australia Index and FTSE4Good.

¹ Excludes the one-off item in respect of the provisions and asset impairments of the Group's financial investment in BICC and exit from the Middle East region in 2019

² Year on year performance during the 12-month period to 31 December 2019 compared to the 12-month period to 31 December 2018

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

⁵ Work in hand (WIH) includes CIMIC's share of work in hand from joint ventures and associates

⁶ New work includes new contracts and contract extensions and variations including the impact of foreign exchange rate movements

⁷ Revenue excludes revenue from joint ventures and associates of \$2,506.0m (FY18: \$2,582.6m)

⁸ Operating profit is EBIT adjusted for the one-off item in respect of the provisions and asset impairment of the Group's financial investment in BICC and exit from the Middle East region

⁹ Margins are calculated on revenue which excludes revenue from joint ventures and associates. Margins excluding BICC are calculated as the net of the one-off item in respect of the provisions and asset impairments of the Group's financial investment in BICC and exit from the Middle East region