

CIMIC GROUP LIMITED (CIM)

19 JULY 2018

RESULTS	Half Year 2018	Half Year 2017	CHANGE
Group Revenue (\$m)	8,345.3	7,661.2	+8.9%
Revenue consensus (\$m)	8,108.0		
EBIT (\$m)	535.8	461.5	+16%
EBIT consensus (\$m)	508.0		
Net Profit After Tax (NPAT) (\$m)	363.0	322.9	+12%
NPAT consensus (\$m)	347.0		
Interim Dividend (\$)	0.70	0.60	+17%

CIMIC Group Limited (CIM) infrastructure boom & mining growth lifted result

- Global infrastructure and construction firm CIMIC (CIM)** reported a better than expected half year 2018 numbers. The result was supported by the growing project demand pipeline for mining and transportation infrastructure in Australia, especially from Public Private Partnerships (PPP). CIMIC posted a half year net profit after tax of \$363 million up 12% year on year. CIMIC's revenue also outpaced expectations increasing by 10.5% over the same period to \$6.9 million. Total revenue, including Joint Venture payments totalled \$8.35 million, up 8.9%.
- The company's balance sheet is in a good shape with CIMIC's cash balance increasing by \$691.2 million since HY17, while group earnings margin growth lifted by 7.7% over the term. CIM's work in hand did fall over the period by 3.3%, but the company said it was due to disciplined bidding management and the company cited continued mining growth and a strong construction pipeline with \$34.8bn work in hand. That's equivalent to more than two years of revenue. Operating Companies' work in hand rose by \$2.1 billion or 7%, with a significant number of projects announced during the period.
- The greatest returns for the group over the period came from Mining and Minerals with revenue up 16.8% leading to a 23.7% lift in profit after tax. Helped by solid growth in business units, Thiess and Sedgman. Margins also lifted benefitting from continued focus on driving efficiencies and creating value for customers. Services profit lifted by 13.4% to \$74.3 million helped by high demand in the maintenance services market. Construction, which is now 47% of CIM's business, saw revenues lift by 9.8%, while profit increased over 10% reflecting returns from the company's large scale transport infrastructure projects.
- CIMIC management re-affirmed its earlier guidance for FY18 profit, subject to market conditions, of between \$720 million-\$780m, up 3% -11%.
- CIM said it will pay an Interim dividend of \$0.70, slightly higher than market expectations of \$0.63, on the 4 October 2018.

Note: *Standard & Poor's affirmed its strong investment grade rating of BBB and upgraded the outlook to stable.*

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