

ASX Announcement



12 November 2020

2020 BAIRD INVESTOR PRESENTATION

Attached is the presentation that Cardno Limited Managing Director and CEO Susan Reisbord will be making to the Baird 2020 Global Industrial Conference on Thursday 12th November, US time.

This announcement has been authorised by Peter Barker, Joint Company Secretary.

- ENDS -

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About Cardno: Cardno is a global provider of integrated professional services which enrich the physical and social environment for the communities in which we live and work. Our team of multidisciplinary specialists around the world has over 75 years' experience in designing, developing and delivering sustainable projects and community advancement programs. Cardno is listed on the Australian Securities Exchange (ASX:CDD). www.cardno.com.



75
YEARS
Making a
difference.

Presenter:
Susan Reisbord, CEO & Managing Director

12 November 2020

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Cardno CEO and CFO



CEO & MD

Susan Reisbord

Joined Cardno in 2015
Located Philadelphia, PA

- > Susan has more than 35 years experience in the global consulting engineering and construction industry.
- > Susan originally joined Cardno as the General Manager of Strategic Business Development and Business Planning. In 2016 she was appointed the President of the newly created Science & Environment Division.
- > In 2018 Susan was promoted to the role of CEO of the America's Region and in November 2019 Susan was appointed to the Group CEO role.
- > Prior to joining Cardno in September 2015, Susan was the Co-Chairman of the North America Executive Committee for GHD, and prior to that spent more than 15 years in senior management at MWH.
- > Susan holds a Master of Physical Science (Geochemistry) from the University of Chicago (Illinois) and a Bachelor of Science (Geology) from the University of Cincinnati (Ohio.)



CFO

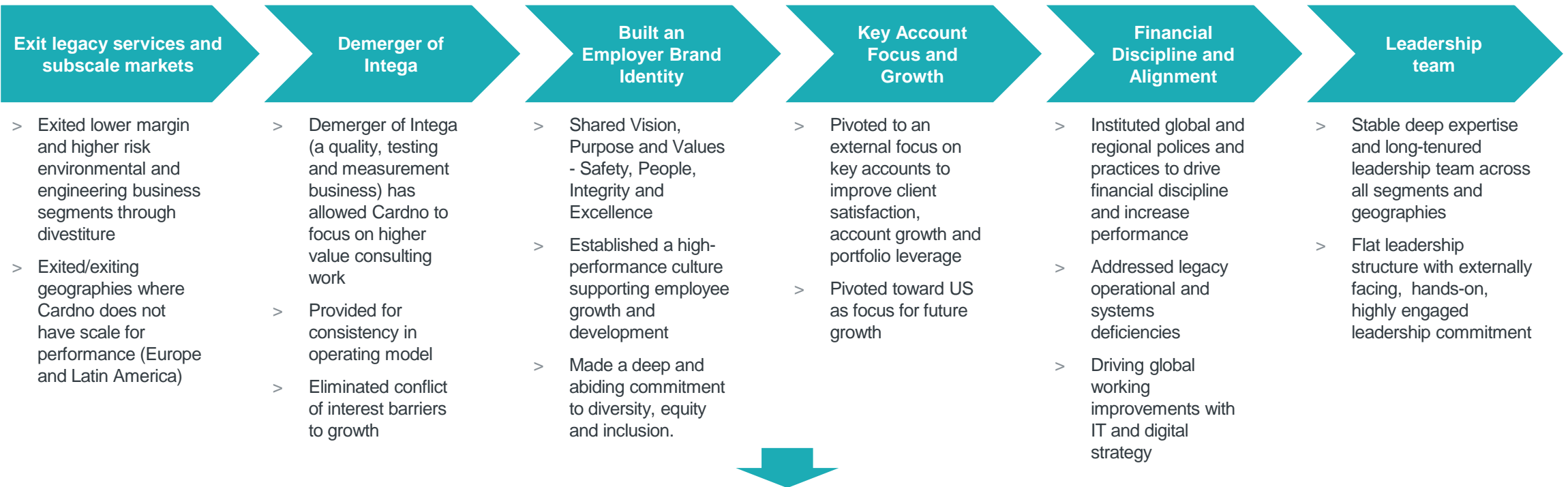
Peter Barker

Joined Cardno in 2016
Located Brisbane, AUS

- > Peter has 30 years of domestic and international experience in the services, technology and mining fields.
- > Prior to joining Cardno in January 2016, Peter held senior financial management positions across a range of industries, such as information technology, professional services, telecommunications, and mining and resources.
- > He was previously CFO of Computershare Ltd, and his career has seen him live and work in multiple countries, including Australia, Hong Kong, Singapore, the Netherlands, Ireland, the United Kingdom and the United States.
- > Peter holds a Bachelor of Commerce from the University of Queensland, a Master of Business Administration from Heriot-Watt University, is a Fellow of CPA Australia and has completed the Advanced Management Program at The Wharton School (U.Penn). Peter is also a Board Member and Honorary Treasurer at mental health not-for-profit Grow Australia.

Cardno Evolution

In the past four years, Cardno has become a multi-disciplinary scientific, engineering and development consulting firm focussed on key accounts in higher growth markets that demand deep technical knowledge.



Cardno is focused on high value consulting work in high growth areas. Cardno has established the foundation for long term growth and the success of its strategy is apparent in the double digit revenue growth and top quartile EBITDA margin in the United States.





The business has been substantially de-risked and has a strong platform for earnings growth in Asia Pacific.

The future growth of the business is centered around organic and acquisition opportunities in the United States with a US-based Group CEO.

Cardno Focus

As worldwide investors, regulators and community stakeholders are driving for more transparency and disclosure of ESG factors, Cardno is well positioned to support our clients manage the risks and expand opportunities.



 Environmental services	<ul style="list-style-type: none">> Assessment, permitting, and compliance for the energy, power and defense sectors (bases, ports, harbors, hydroelectric power dams, natural gas pipelines, solar fields, and wind farms)> Environmental restoration work to repair environmental damage and mitigate climate change impacts with an emphasis on green infrastructure solutions> Incident response management services such as for spills and fires
 Health sciences	<ul style="list-style-type: none">> Characterizing human health and environmental risks associated with exposures to chemical, pharmaceuticals, and/or radionuclides in a variety of media and environments> Science-based sustainable solutions for responsible product stewardship, employee safety, and community health support> Designing and conducting epidemiological studies in community and occupational settings, most recently with an emphasis on COVID-19
 Water, transport & urbanization	<ul style="list-style-type: none">> Asset management for efficient life cycle management of infrastructure assets, streamlining maintenance, optimizing supply chain performance and enhancing safety> Sustainable design solutions for land development, brownfield redevelopment, ports and harbors, transportation, water, and wastewater infrastructure projects> Military master planning to create, improve and sustain military communities across the global.
 Social development	<ul style="list-style-type: none">> Partnering with public and private sector clients to promote sustainable economic development and improve the well being of local communities in the areas of agricultural and rural development, climate change, education, economic growth, gendered and inclusion, governance, global health, infrastructure and environment> Modern Slavery business reporting, identification and eradication

- > Cardno is a trusted advisor, providing pragmatic ethical advice to support our client's ESG commitments and business goals
- > Cardno supports and facilitates sustainable economic growth with science-, engineering-, and sound policy-based solutions
- > Cardno is scaled to assist our largest clients and use our geographic reach to manage site specific issues: "Global and Local approach"

Cardno Global Footprint

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
- > FY20 Fee Revenue A\$278.4m, EBITDA A\$38.7m
- > 69 locations, 1,235 staff⁽²⁾

International Development

Global operations, three major geographies: Americas, EMEA (Europe, Middle East & Africa), Asia-Pacific

- > FY20 Fee Revenue A\$174.3m⁽¹⁾, EBITDA A\$6.4m⁽¹⁾
- > 15 locations (Cardno offices) 5 shared with Asia Pacific, 1,599 staff^{(1),(2),(3)}

Asia Pacific Consulting

- > Region structured as one division.
- > FY20 Fee Revenue A\$205.0m, EBITDA A\$1.0m
- > 27 locations (Cardno offices) 5 shared with International Development, 1,232 staff⁽²⁾

Note:

⁽¹⁾ Excludes Europe and East Africa




⁽²⁾ Staff numbers include permanent, part time and long-term contractors. Excludes Group Functions

⁽³⁾ Excludes Europe and East Africa of \$19.4m fee revenue, -\$3.1m EBITDA and 161 staff

Example Cardno Projects

Cardno supports our clients meet their ESG commitments, deepening client relationship and expanding services.



Project Descriptions	Key Cardno Value Add
 <p>Kaweah Hydroelectric Project Relicensing Cardno is supporting Southern California Edison Company (SCE) with its Federal Energy Regulatory Commission (FERC) relicensing of a 8.85-megawatt renewable energy resource, so that SCE can meet the energy demands of its 15 million strong customer base.</p>	<ul style="list-style-type: none">> Key to successful relicensing is a comprehensive understanding of aquatic, cultural, land, recreation and terrestrial resources in the project area, and a keen understanding of the application requirements
 <p>Blue Heron Slough Conservation and Mitigation Bank Project Cardno managed the design, engineering, certification, permitting, and construction management for the Northwest's first conservation bank. The project included a 364-acre estuary restoration site certified by the National Marine Fisheries Service (NMFS) for 10,200 Chinook salmon credits under the Endangered Species Act. In addition, the project was reviewed for 240 wetland mitigation credits under the Clean Water Act.</p>	<ul style="list-style-type: none">> Project moved from concept to construction in 18 months and mitigated the Port of Everett's full long-term plan while still having 60 percent of the credits created available for sale to third parties
 <p>Papua New Guinea Biodiversity Program Papua New Guinea's environmental biodiversity is among the world's richest and most at-risk. This rich biodiversity is fundamentally important to the long-term well-being of its population. However it is threatened by weak regulation of natural resource use and development. This program aims to curb unsustainable natural resource use and damage to terrestrial and marine ecosystems through ecological and local governance capacity assessments that will inform community engagement.</p>	<ul style="list-style-type: none">> Bringing our deep expertise in natural resource protection, planning and governance frameworks, this program presents a unique opportunity to align both conservation and development priorities
 <p>Greater Springfield Creating a new city from the ground up is a daunting task. Since 2000, the Cardno team has partnered with Springfield City Group, providing the expertise and guidance to deliver infrastructure and planning for Australia's first master-planned municipality since Canberra almost a century earlier. The vision for the new city of Greater Springfield has been designed around the essential services of employment, education, health and technology.</p>	<ul style="list-style-type: none">> Through multidisciplinary expertise Cardno has played a fundamental role in creating a best-in-class community and ensuring that essential services and infrastructure are provided to underpin the development

Differentiated Business

Cardno can provide its clients with quality scientific and technical advice and allow them to address their own ESG priorities at the same time.



Required to be trusted consultant



Deep technical expertise
Leading experts in key fields



Deep relationships
Utilities, Energy, Defense, Governments



Strong employer brand
with core values on
Safety People Integrity
Excellence



Stability and expertise of leadership team

Differentiated from other consultants



Leadership in the health sciences



Deep expertise in agile and adaptive solutions in emerging markets



Ability to do green and grey restoration and rehabilitation



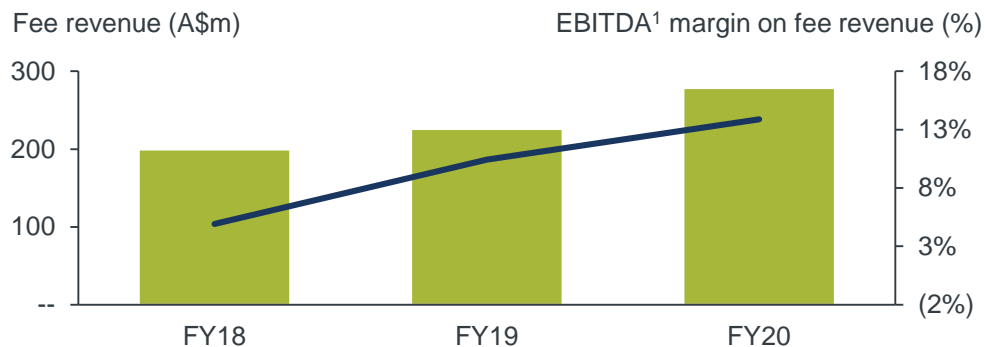
Military Master Planning, Encroachment, Airfield and Range

Cardno Financial Performance

Over the past three years, Cardno has been successfully growing its revenue and EBITDA in the US and is on track to improve performance in Asia Pacific.

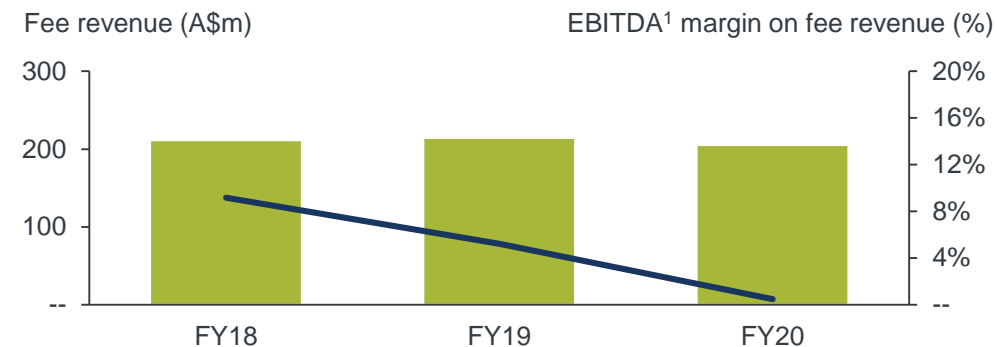


Americas Consulting



- > Fee revenue achieved 18% p.a. CAGR from FY18 to FY20
- > EBITDA margin improved to industry best practice level at 14% in FY20
- > Stable leadership, investment in business development initiatives over the past two years, and ongoing operating disciplines have driven growth in top and bottom-line results
- > Demonstrates value of ESG focused strategy implemented over past 4 years

Asia Pacific Consulting



- > Asia Pacific has maintained revenue due to strength of customer relationships and quality of technical work
- > Financial performance in the past 3 years affected by:
 - Managing roll-off of larger projects
 - Changing mix of work to better align with ESG focus
 - Restructuring workforce
- > Impact of changes will start to flow through into financial performance in next 12-18 months

Core economic drivers are Asia Pacific and US consulting.

International Development projects involve significant pass through revenue, but also provide skill development, knowledge, capability, and access for its broader businesses.

Note:

⁽¹⁾ Refers to EBITDA pre AASB/IFRS 16 (new leasing standard) impact

COVID-19 Impact on Cardno

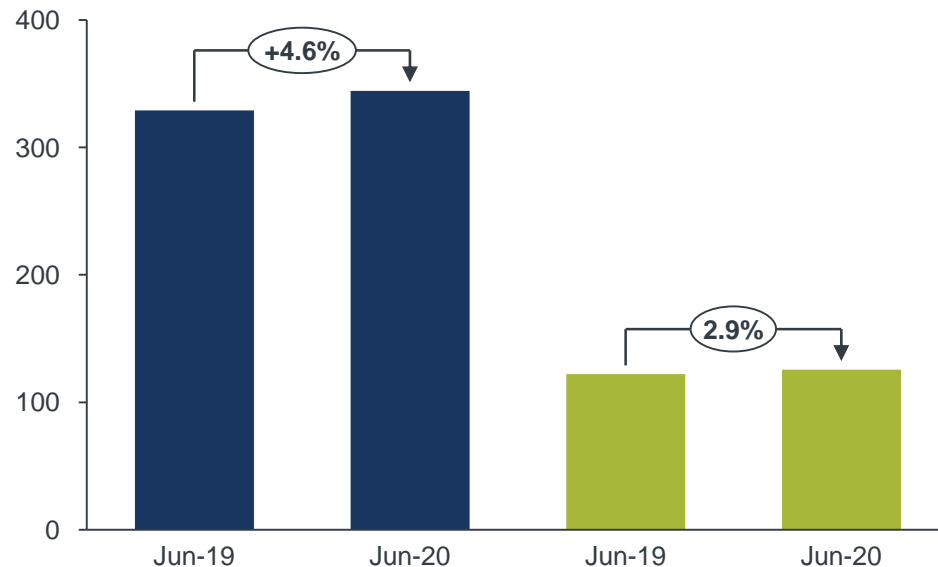
The strength of Cardno's relationships and the resilience of our business model have been tested and proven by performance in the 12 months to June 2020 despite the COVID-19 shutdowns.



Backlog

Backlog (A\$m)

Americas APAC



- > **Finished FY20 with backlog growing by 4.6% in Americas and 2.9% in Asia Pacific**, a credit to the depth of Cardno client relationships and essential nature of Cardno services
- > During FY20 fee revenue grew by 12% and EBITDA grew by 10%
- > With no net debt, Cardno has the financial flexibility to pursue various organic and acquisition growth strategies

Group Net debt (A\$m) \$93.6m \$0.6m

Group Net debt / EBITDA (x) 1.5x 0.0x

Cardno Investment Highlights

Cardno's platform makes it well positioned to continue to grow both revenue and EBITDA in the next three to five years.



- ✓ Strong technical reputation with clients, regulators and communities
- ✓ Differentiated service offering to support clients to identify and meet ESG commitments
- ✓ Broad geographical capabilities: Global firm with local delivery
- ✓ Strong segment focus: positioned towards lower risk, high growth areas
- ✓ Stable management team: leadership team in place over the past three years, with deep legacy roots
- ✓ Significant margin expansion opportunity in Asia Pacific
- ✓ Strong balance sheet: No net debt
- ✓ Significant growth opportunities: Organic and acquisitive

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

75
YEARS
Making a
difference.

Example Cardno Projects

Cardno supports our clients meet their ESG commitments, deepening client relationship and expanding services.



Project Descriptions

Key Cardno Value Add



EIS for Guam and CNMI Military Relocation

Cardno completed a high-profile Environmental Impact Statement (EIS) for the largest proposed U.S. Department of Defense (DoD) construction program in the Pacific since World War II. The EIS included analyses of the Marine Corps forces relocation, construction and sustainment of facilities and infrastructure to support training and operations on Guam and Tinian (in the CNMI), and construction and sustainment for a new deep-draft wharf and deepened entrance channel for Apra Harbor, Guam, to support transient aircraft carriers.

- > As a trust provider Cardno informed U.S. government stakeholders and the public of the environmental, cultural, biological, social and infrastructure impacts to support approximately 8,600 Marines and their 9,000 dependents that would be relocated from Okinawa



COVID-19 Support - F500 Companies to Small Businesses

Cardno ChemRisk has helped a broad range of companies create science-based solutions to safely get back to work after the emergence of COVID-19. As an example Cardno supported TV, film, and media production companies address concerns and raise awareness across several aspects of COVID-19 to provide guidance on how to best protect staff, crews, daily hires, talent, vendors, and guests as they respond to breaking news and prepare to resume production. In addition ChemRisk was acknowledged by Lawrence Slone, CEO of the American Industrial Hygiene Association (AIHA) for the tremendous leadership on AIHA's COVID-19 Open America Guidelines Task Force.

- > Using the latest scientific understanding of the virus and transmission, regulatory guidance, best practices, and union rules, Cardno created robust infection prevention and control protocols to get businesses safely back to work



Logan Water Alliance - Brisbane

Cardno has been a pivotal player in the multi-award-winning Logan Water Alliance (2009-2015) and the renewed Logan Water Infrastructure Alliance (2015-2018), a public-private enterprise responsible for delivering critical water and wastewater infrastructure across the Logan City local government area. The Logan Water Infrastructure Alliance is one of the largest water infrastructure delivery programs in Australia, capable of delivering in excess of A\$80 million capital and renewal works annually. This alliance sets the standard in public private partnerships in Australia, delivering critical water infrastructure in a timely, cost and energy efficient manner.

- > Cardno's expertise in water and wastewater systems has been integral to the planning and design of key infrastructure including reservoirs, pump stations and treatment plant upgrades, and water reticulation mains

Example Cardno Projects

Cardno supports our clients meet their ESG commitments, deepening client relationship and expanding services.



Project Descriptions	Key Cardno Value Add
 <h3 data-bbox="644 454 1574 489">Climate Change Threat and Vulnerability Risk Analysis</h3> <p data-bbox="644 496 1847 654">Cardno fielded a multi-skillset team of technical professionals and managed the five-year, three-phase project that identified and prioritized levels of risk at more than 3200 client owned properties to identify the Top Ten properties most at risk to climate change threats. The analysis used risk-based analytics and a prioritization approach that combined climate change likelihood and severity indicators to identify the level of mission-critical property risk.</p>	<ul style="list-style-type: none"><li data-bbox="1913 489 2372 611">> Integrated planning efforts resulted in site-specific facility resilience initiatives through adaptation, protection and hardening
 <h3 data-bbox="644 753 1080 789">Digital mHealth Solutions</h3> <p data-bbox="644 796 1809 953">Throughout Africa Cardno has designed and launched mobile health (mHealth) applications, developed content and messaging in coordination with health ministries, and partnered with major mobile network operators to disseminate vital and timely health messaging. Our mHealth solution delivers appointment reminders, prenatal and postnatal care information to new and expectant mothers. The same technology also delivers tailored messaging to healthcare workers and clients' supporters.</p>	<ul style="list-style-type: none"><li data-bbox="1913 746 2390 961">> Our user-centric approach improved health outcomes by creating a digital solution that was fit for purpose. This resulted in culturally appropriate and gender-responsive healthcare messages to more than two million people in Tanzania alone
 <h3 data-bbox="644 1053 1225 1089">Pinellas Gateway Expressway CEI</h3> <p data-bbox="644 1096 1814 1218">Cardno provides Florida Department of Transportation with Construction Engineering & Inspection (CEI) services for the US\$350M Gateway Expressway project, a significant transportation project in Pinellas County and a critical part of the Tampa Bay Area's growing transportation network. It will provide a faster, safer, and more convenient travel experience for drivers.</p>	<ul style="list-style-type: none"><li data-bbox="1913 1061 2384 1246">> Cardno supports our client from design review and procurement, during Design-Build team selection, through construction administration, monitoring and inspection, and stakeholder coordination

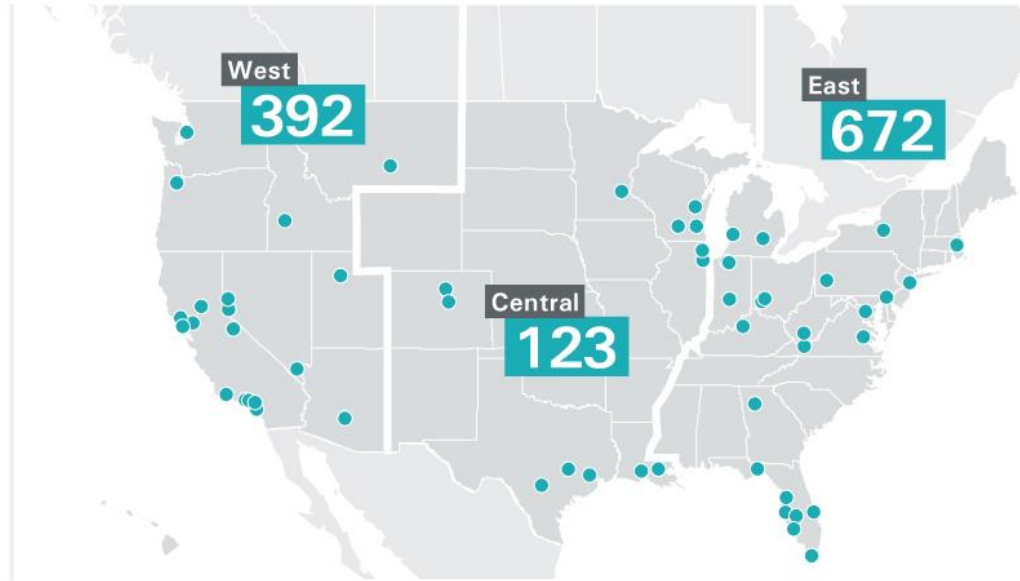
Cardno US Region

AT A GLANCE

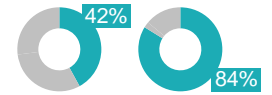
 **1,232*** STAFF

 **69** OFFICES

*Total staff numbers include an additional 45 staff located in South America.

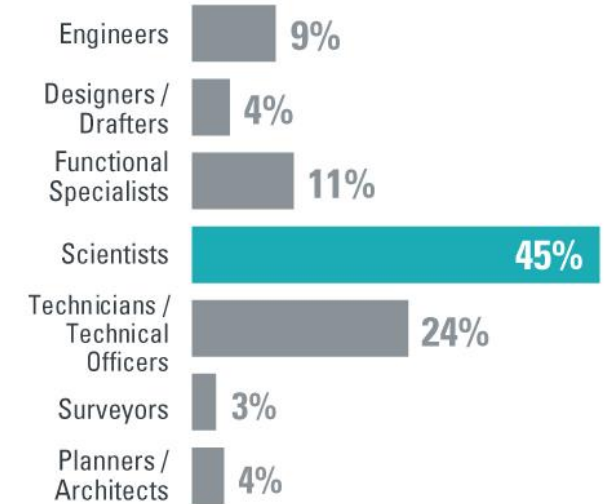


US FY20
Contribution



Fee Revenue EBITDA

CLIENT FACING STAFF



DELIVERING CLIENT SOLUTIONS ACROSS 9 SECTORS

*for the full suite of solutions and services Cardno offers across Americas and beyond please see [cardno.com](https://www.cardno.com)



Defense

- > Asset management
- > Environ permitting & compliance
- > Master planning
- > Environ restoration



Industrial

- > Litigation support
- > Product safety
- > Applied toxicology
- > Environ permitting & compliance



Land Management

- > Brownfield devel/due diligence
- > Environ permitting & compliance
- > Site & civil engineering
- > Mitigation banking/restoration



Oil & Gas

- > Assessment & remediation
- > Environ permitting & compliance
- > Incident response/NRDA
- > Decommissioning/Environ restoration



Power

- > Environ permitting & compliance
- > Cultural resources
- > Assessment & remediation
- > Mitigation banking/restoration



Property & Buildings

- > Asset management
- > Due diligence



State/Local Government

- > Constrn engineering inspection
- > Transportation engineering
- > Water/wastewater engineering
- > Mitigation banking/restoration



Transportation

- > Constrn engineering inspection
- > Site & civil engineering
- > Planning
- > Environ permitting & compliance



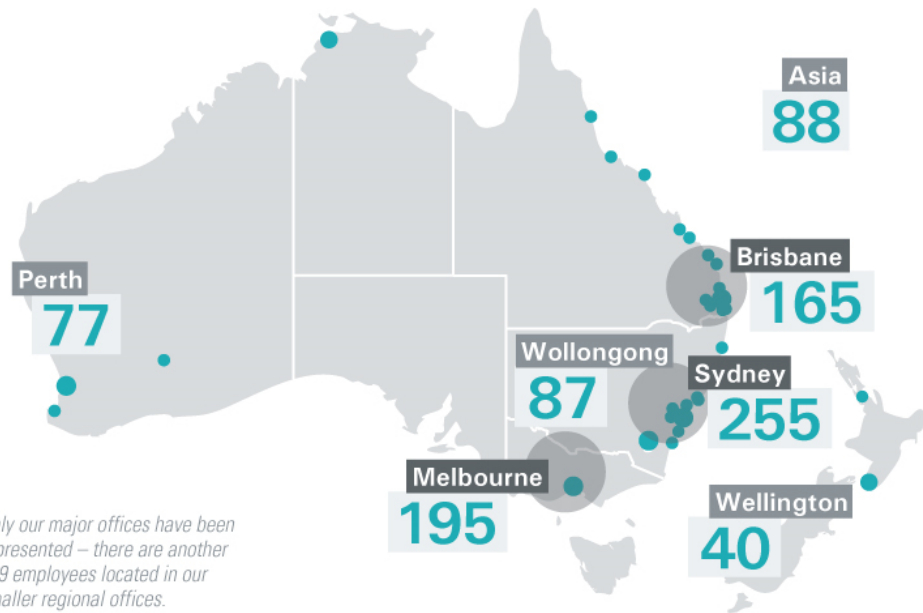
Water

- > Water resources
- > Water quality management
- > Coastal engineering
- > Computational modeling

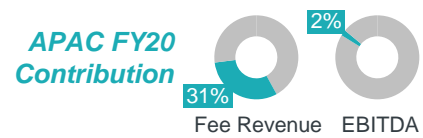
Cardno APAC Region AT A GLANCE

 **1,235** STAFF

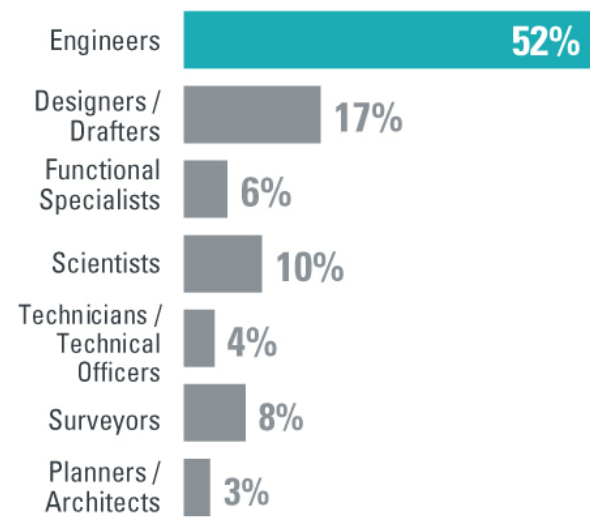
 **27** OFFICES



Only our major offices have been represented – there are another 329 employees located in our smaller regional offices.




CLIENT FACING STAFF




DELIVERING CLIENT SOLUTIONS ACROSS 10 SECTORS

**for the full suite of solutions and services Cardno offers across APAC and beyond please see cardno.com*




Defence

- > Asset mgmt & utility engineering
- > Infrastructure
- > Planning & advisory




Energy

- > Civil & structural engineering
- > Enviro monitoring
- > Geotech engineering




Government

- > Asset mgmt
- > Engineering services
- > Enviro compliance & planning
- > Enviro restoration & sustainability




Industrial

- > Due diligence
- > Surveying
- > Water/wastewater engineering




Land Management

- > Brownfield redevelopment
- > Contract administration
- > Feasibility assessment
- > Master planning




Mining & Resources

- > Environmental & social mgmt
- > Geotech
- > Ocean & ports




Property & Buildings

- > Commercial & retail centres
- > Stormwater services
- > Structural engineering




Transport

- > Geotech engineering
- > Road & bridge design
- > Traffic/transport planning & modelling



Utilities

- > 3D underground mapping
- > Complete utility engineering
- > Design & construction survey



Water

- > Coastal engineering
- > Environmental services
- > Modelling & modelling software
- > Water/wastewater treatment

Cardno ID Division

AT A GLANCE



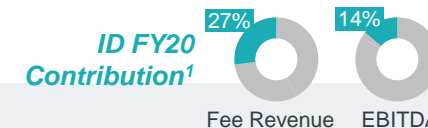
53%
of ID people
are locally
engaged



**Including contractors
and sub-consultants.*

Note:

(1) Excludes Europe and East Africa



DELIVERING INTERNATIONAL DEVELOPMENT PROJECTS FOR OVER 50 YEARS

visit cardno.com/internationaldevelopment for more



Agriculture & Rural Dev

- > Market development
- > Pro-poor growth



Climate Change

- > Disaster resilience & NRM
- > Infrastructure design & planning



Economic Growth

- > Regulatory reform & BEE
- > Financial sector development



Education

- > Curriculum devel & teacher training
- > Workforce development



Gender & Inclusion

- > Ending gender-based violence
- > Inclusion & economic empowerment



Global Health

- > Strengthened health systems & delivery
- > Health policy & reform



Infrastructure & Enviro

- > Design & construction supervision
- > Infrastructure financing & policy



Governance

- > Law & justice systems
- > Economic governance



Market Linkages & Trade

- > Trade facilitation & policy strengthening
- > Delivering market-based approaches



Public Finance Mgmt

- > Fiscal & procurement mgmt
- > Social protection & access to financial services



Post Conflict & Fragile States

- > Community-driven development
- > Post conflict mgmt & public sector reform



Social/Enviro Impact Mgmt

- > Impact assessments
- > Social safeguards

2020 Full-Year Financial Performance Highlights

Full year underlying EBITDAI (Pre AASB 16) of \$43.0m is up 11.1% year on year and up on half-year guidance of flat year on year.



- > Fee revenue was up 11.6% on prior year
- > Underlying EBITDAI (Pre AASB 16) of \$43.0M up 11.1% from \$38.7M EBITDAI in FY19
- > Underlying Net Operating Profit After Tax of \$9.4m is before abnormal items including a \$69.6m non-cash impairment charge on goodwill, refinance, demerger project, redundancy costs of \$2.2m, and a profit on demerger of \$119.1m. After these items, a statutory net profit after tax of \$56.6m was recorded
- > Operating cash flow (Pre AASB 16 impact) of \$43.5m, up 6.6%, reflects ongoing working capital management and the timing of debtor receipts and creditor payments. Debtors+WIP DSO approaching industry best practice
- > Backlog decreased 4.1%, driven by the multi year contract cycle in International Development. Consulting divisions have shown a steady backlog increase on PCP

* FY19 comparatives are shown on a pro-forma basis, excluding contribution from Intega

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

	FY20 Results A\$ million	FY20	FY19	Percent change year on year
	Gross Revenue	978.3 m	936.9 m	4.4%
➡	Fee Revenue	677.1 m	606.9 m	11.6%
	Underlying EBITDAI ¹	73.5 m	38.7 m	89.9%
➡	Underlying EBITDAI Pre AASB16 impact ²	43.0 m	38.7 m	11.1%
	Underlying NOPAT ³	9.4 m	16.3 m	42.2%
	Loss before tax from continuing operations	(49.6) m	(30.0) m	65.3%
	Profit before tax from discontinued operations	120.7 m	0.4 m	30,075.0%
	Net loss after tax from continuing operations	(67.1) m	(40.6) m	65.3%
	Net profit/(loss) after tax from discontinued operations	123.7 m	(3.8) m	3,355.3%
➡	Net profit/(loss) after tax	56.6 m	(44.5) m	227.2%
➡	Operating Cash Flow (Pre AASB 16 impact)	43.5 m	40.8 m	6.6%
	EPS from continuing operations – basic (cents)	(15.07)	(8.93)	68.8%
	EPS - basic (cents)	12.71	(9.78)	230.0%
	NOPAT EPS - basic (cents)	2.10	3.57	41.2%
➡	Backlog	1,214.3 m	1,266.3 m	4.1%

2020 Full-Year Balance Sheet

Balance Sheet disciplines (instituted with Board /CFO change in FY2016) continue.



	FY2020 '000's	FY2019 * '000's
CURRENT ASSETS		
Cash and cash equivalents	57,723	55,544
Trade and other receivables	117,132	194,084
Contract Assets	94,827	122,905
Work in progress	1,081	1,068
Other current assets	8,793	14,942
Current tax receivable	1,573	0
TOTAL CURRENT ASSETS	281,129	388,543
NON-CURRENT ASSETS		
Other financial assets	1,703	1,245
Property, plant and equipment	122,545	52,185
Deferred tax assets	74,206	97,310
Intangible assets	182,483	359,054
TOTAL NON-CURRENT ASSETS	380,937	509,794
TOTAL ASSETS	662,066	898,337

* FY19 comparatives include Intega (ie pre demerger)

	FY2020 '000's	FY2019 * '000's
CURRENT LIABILITIES		
Trade and other payables	122,645	158,768
Lease liabilities (AASB16)	25,371	2,754
Current tax liabilities	0	5,594
Employee benefits	28,539	40,079
Provisions	3,932	4,285
Contract liabilities	39,709	36,613
Other current liabilities	1,554	2,718
TOTAL CURRENT LIABILITIES	221,750	250,811
NON-CURRENT LIABILITIES		
Trade and other payables	0	14,422
Loans and borrowings	58,326	137,677
Lease liabilities (AASB16)	90,534	8,750
Deferred tax liabilities	0	1,006
Employee benefits	3,326	4,896
Other non-current liabilities	1,257	2,077
TOTAL NON-CURRENT LIABILITIES	153,443	168,828
TOTAL LIABILITIES	375,193	419,639
NET ASSETS	286,873	478,698

Cardno finished FY2020 with Debtors+WIP DSO = 80 days (industry best practice 78 days). We expect to maintain (but not improve) this discipline.

1. Movements in Property, Plant & Equipment and Lease Liabilities reflect implementation of AASB 16 in FY20 (FY19 Lease Liabilities are pre AASB 16).
2. Reduction in Intangible Assets reflect Asia Pacific impairment recognised in 1HFY20.

2020 Full-Year Balance Sheet Strength

Cardno has a resilient balance sheet with no net debt as at FY20.



	FY2020 '000's	FY2019 '000's	
Net debt ¹	603	93,637	1
Total debt facilities	AU\$172M	AU\$229M	2
Undrawn Debt	AU\$113M	AU\$90M	3
Intangible assets	182,483	359,054	
Net tangible assets	104,390	119,644	
Current assets/Current liabilities	1.3x	1.5x	
(Cash + Debtors + WIP)/(payables + debt)	1.5x	1.2x	4
(Cash + Debtors + WIP)/Debt	4.6x	2.5x	
DSO Days (Debtors + WIP)	80	87	
Net Debt/EBITDA (lending covenant <= 2.5x) ²	0.0	1.5x	5
Fixed Charge Cover Ratio (lending covenant >= 2.0x)		2.3x	
Fixed Charge Cover Ratio (lending covenant >= 1.65x) ²	2.17x		5
Net Asset Value (lending covenant >= \$425.0M)		478.7	
Net Asset Value (lending covenant >= \$270.0M) ²	287.2		5

1. Net debt of \$603K at end FY2020, as excess cash generated used to pay down debt.
2. The company refinanced its bank debt facilities in October 2019 as a result of the demerger. The new facility is a three-year multi-currency cash advance and letter of credit syndicated facility, expiring in October 2022.
3. Lender group is HSBC (Australia and USA), Investec, National Australia Bank.
4. Liquidity ratios all remain healthy.
5. Covenant ratios under the new facility agreement all comfortably met.

¹ FY19 Net Debt includes \$11.5M Lease liabilities

² FY20 Covenant calculations exclude impact of AASB 16 - Leases

2020 Full-Year Cash Flow

Cardno demonstrates ongoing operational Timesheet-> WIP-> Debtors-> Cash discipline, with net operating cash inflow for the year of \$73.5m, or \$43.5M (pre AASB 16 basis, which is 101% of EBITDA.)



	FY2020 '000's	FY2019 '000's
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts from customers	1,212,789	1,371,434
Interest received	350	416
Finance costs paid	(13,492)	(6,852)
Cash paid to suppliers and employees	(1,125,369)	(1,323,065)
Income tax paid	(801)	(1,164)
NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES	73,477	40,769
CASH FLOWS FROM INVESTING ACTIVITIES		
Disposal of discontinued operation, net of cash disposed of	(20,588)	0
Acquisition of subsidiaries net of cash acquired	(1,232)	(76,950)
Payments of deferred acquisition consideration	(492)	0
Proceeds from disposal of business assets	729	0
Proceeds from sale of property, plant and equipment & rent incentives	132	7,760
Payments for property, plant and equipment	(9,353)	(17,346)
NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES	(30,804)	(86,536)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of debt raising costs	(1,469)	(834)
Share Buy-Back	0	(21,470)
Proceeds from borrowings	241,550	224,777
Repayment of borrowings	(250,221)	(171,239)
Lease liabilities payments (2019: Finance lease payments)	(30,990)	(3,401)
NET CASH USED IN FINANCING ACTIVITIES	(41,130)	27,833
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS HELD	1,543	(17,934)
CASH AND CASH EQUIVALENTS AT 1 JULY	55,544	71,127
Effects of exchange rate changes on cash and cash equivalents at the end of year	636	2,351
CASH AND CASH EQUIVALENTS AT 30 JUNE	57,723	55,544

1. Interest costs reflect 4 months of combined operation (pre-demerger), then full year of higher spread post debt rollover in December 2018.
2. Cash to Intega at demerger.
3. Buy-back program on hold through FY20.
4. Drawdown from new post demerger bank debt facility to pay out pre demerger debt facility, then \$46.1m debt repayment in the period Nov-2019 through Jun-2020.