

ASX Announcement



25 February 2021

Cardno Announces HY21 Results

Professional infrastructure and environmental services consultancy Cardno Limited (ASX:CDD) today announced pre-AASB16 HY21 EBITDAI of \$24.7M (up from \$22.5M HY20). FY2021 EBITDAI (pre AASB16) expectations upgraded from \$40M to \$45M to \$45M to \$50M. Interim dividend announced of 1.5 cents per share.

| Half Year to 31 December 2020 | HY2021 (A\$m) | HY2020* (A\$m) | Change % |
|---|------------------|-------------------|--------------|
| Gross Revenue | 433.6 | 486.6 | (10.9%) |
| Fee Revenue | 309.5 | 338.3 | (8.5%) |
| Underlying EBITDAI¹ (pre AASB 16) | 24.7 | 22.5 | 9.8% |
| Underlying EBITDAI¹ (inc AASB 16) | 39.0 | 37.4 | 4.3% |
| Underlying NOPAT³ | 14.7 | 11.2 | 31.3% |
| Net profit after tax | 20.9 | 61.5 | (66.0%) |
| Operating cash flow² | 11.8 | 10.1 | 16.8% |
| EPS from continuing operations – basic (cents) | 4.84 | (13.19) | 136.7% |
| Dividend declared (cents per share) | 1.5 | - | - |

*Comparative information has been re-presented due to discontinued operations.

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

² 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.

³ NOPAT = NPAT from continuing operations plus underlying adjustments and tax effected impairment losses

Key financial highlights include:

- On a constant currency basis, the APAC and Americas consulting divisions had gross revenue decline of 2.2% to \$301M despite issues related to COVID-19 affecting revenue in the Americas;
- Group EBITDAI (pre-AASB16) of \$24.7M (up from \$22.5M in prior year). Group EBITDAI (post-AASB16) of \$39.0M (up from \$37.4M in prior year). Earnings growth driven by operational improvements and positive momentum in the APAC and ID divisions and strong earnings performance of the Americas consulting division;

- Strong balance sheet maintained, with Net Debt of \$8.3M (0.2x EBITDA) and \$125M of debt capacity available;
- Upgrade in FY21 expectations with increased guidance for pre-AASB16 EBITDAI from \$40M to \$45M to \$45M to \$50M (FY2020: \$43M)
- Restart of Cardno dividend program, with expectation of ongoing dividend of 50% to 70% of underlying NOPAT. FY2021 interim dividend announced of 1.5 cents per share (franked to 60%)

Cardno Chairman Michael Alscher said:

"Post demerger, Cardno has returned to its roots as a multi-disciplinary scientific, engineering and development consulting firm. In particular, Cardno is focused on facilitating sustainable economic growth through science, engineering and sound policy based solutions and supporting clients with their ESG needs. This focus has allowed the business to grow 1HY21 underlying EBITDAI by 9.8% year on year."

"With strong backlog and 'tailwinds' in a number of Cardno's markets, the company believes there is a solid basis for revenue and EBITDA growth both in the short and medium term. **While the impact of COVID-19 and various business specific factors is hard to predict (including FX rates and weather events), based on the company's first half results and outlook, Cardno currently expects that it will achieve FY2021 EBITDAI (pre AASB16) of \$45M to \$50M (up on previous guidance of \$40M to \$45M and FY2020 prior year of \$43M).**"

Cardno declared an interim dividend of 1.5 cents per share (60% franked) to be paid to shareholders on the register at 15 March 2021 via direct credit to the shareholder's nominated bank account on 6 April 2021. Accordingly, Cardno encourages all shareholders to update their bank details by 15 March 2021 via:
<https://www.computershare.com.au/easyupdate/CDD>.

This announcement has been authorised by Cardno's Board of Directors.

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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 with 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.