



TECHNOLOGY-DRIVEN
MARKET-LEADING



2018 ANNUAL REPORT



Cubic at a glance

Our teams innovate to make a positive difference in people's lives. We simplify their daily journeys. We promote mission success and safety for those who serve their nation.



2018 REVENUE

\$1.2B



% SALES BY SERVICE

41



% SALES BY PRODUCT

59



EMPLOYEES

~5,600



CONTINENTS

5



PRIME CONTRACTOR (% OF SALES)

>90

A Letter from the CEO



DEAR SHAREHOLDERS, CUSTOMERS, PARTNERS AND EMPLOYEES,

Fiscal 2018 was a record-breaking year for Cubic Corporation. We delivered excellent financial results and continued our mission to transform Cubic into a technology-driven, market-leading company. In fiscal year 2018, we grew sales by 9% to \$1.2 billion – a company record for continuing operations.

Adjusted EBITDA grew 20% to \$104.6 million. We secured future growth by achieving record bookings and finished the year with a backlog of \$4.1 billion – the highest in the history of Cubic. Additionally, the ceiling on our Transportable Tactical Command Communications (T2C2) contract doubled from \$440 million to over \$960 million. At the end of fiscal 2018, the value of our funded backlog plus the unfunded T2C2 contract, increased to nearly \$5 billion (4x 2018 sales) from approximately \$3 billion at the end of 2017. As a result, Cubic's stock price performed well, delivering a one-year total shareholder return of 44%.

Over the last few years, we transformed the company through disciplined investments to drive growth, accelerate innovation, improve our cost structure and facilitate better collaboration across the enterprise. We have sharpened our focus on providing innovative technologies and strengthened our portfolio across both transportation and defense. In 2018, our strategic review process led to our decision to divest the Cubic Global Defense Services (CGD Services) business. This transaction marked an important milestone for Cubic, enabling the company to better concentrate resources on opportunities aligned with our long-term focus, building technology-driven, market-leading businesses.

While growing the company, we remained focused on living our values and fulfilling our purpose. ***Our teams innovate to make a positive difference in people's lives. We simplify their daily journeys. We promote mission success and safety for those who serve their nation.*** In Transportation, we're passionate about developing solutions that improve the way we move throughout cities. In Defense, Cubic is proud to provide mission critical information through technology-driven solutions to improve

operational mission effectiveness and readiness of U.S. and partner nation militaries, security forces and first responders worldwide. This year, our systems and services helped first responders in emergency situations such as Hurricane Florence.

Our 2018 performance validates our ongoing transformative investments and strategic imperatives, specifically our company-wide commitment to *Winning the Customer*. We chose to pursue the higher objective of creating long-term value for our customers, our shareholders and our talented employees rather than settling for higher short-term profits through cuts in infrastructure and research. As we enter the fourth year of our Five-Year Strategic Plan, Goal 2020, we're excited to start delivering on the promises we made to our customers. I am convinced that this is the beginning of many years of strong performance and I am honored to serve Cubic's mission alongside our dedicated employees.

Our progress this year has also been reflected by the increased confidence of the equity research analyst community. As of the date of this publication, not only did Cubic enjoy a "Buy" rating from all publishing analysts, but two of them named Cubic as a "top pick" designation for 2019. Management has been working to establish a constructive dialogue with the financial community and we greatly appreciate the honest feedback we have received from the research analysts and our investors.

ADJUSTED EBITDA

20% growth

HIGHEST IN COMPANY HISTORY

\$4.1B backlog

ONE YEAR TOTAL

44% shareholder return

A COMPANY RECORD

9% growth in sales





MAJOR WINS AND CUSTOMER-CENTRIC INVESTMENTS

*We have consistently communicated Cubic's **six major catalysts** to drive growth and margin improvement. I am pleased to say that our team achieved all six of those catalysts in fiscal 2018. These awards are valued at \$1.8 billion and we expect to also achieve approximately \$2 billion in follow-on business from these contracts.*

1
2
3
4

We won four major transportation opportunities: the **New York Metropolitan Transportation Authority** (MTA), the **Massachusetts Bay Transportation Authority** (MBTA), the **Queensland Department of Transport & Main Roads** (DTMR) and the **San Francisco Bay Area's Metropolitan Transportation Commission** (MTC).

These wins reinforce Cubic's position as the industry leader in advanced transportation payment and information systems, while establishing a core of major transportation hubs that leverage common digital infrastructure of technology and solutions.

In particular, the One Account platform with real-time communications and data analytics, provides an account-based architecture which is an enabler of a variety of new potential partnerships between transit, bike share, ride share, car share, parking and other vertical transportation services falling under NextCity®, our Mobility-as-a-Service (MaaS) strategy.

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On the defense side, we successfully transitioned Cubic's **GATR satellite antenna systems to Full Rate Production** (FRP) for the U.S. Army's Transportable Tactical Command Communications (T2C2) program. Additionally, the government doubled the ceiling of the contract. We are proud to work with the U.S. Army on the T2C2 program to ensure its mission readiness for years to come. Our GATR solution delivers a significant Size, Weight and Power (SWaP) and mobility advantage compared to any competing technology enabling the military to save significant airlift dollars.

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Internally, we have streamlined our processes with **a global rollout of our Enterprise Resource Planning (ERP) system** – an important *One Cubic* initiative. Our ERP system, coupled with our ongoing efforts to optimize business processes and take cost out of the supply chain and selling, general and administrative (SG&A) expenses, will be transformative as we continue to grow.

While growing Cubic's backlog to a record level, we also made technology-driven investments that will further propel our market leadership position. Over the last few years, we strategically acquired a number of businesses in connection with Cubic's plan to build a focused C4ISR offering, which today provides integrated best-of-breed, mission capabilities to solve our customers' most challenging problems. This year, we made two acquisitions to further strengthen our C4ISR offering. MotionDSP, a Silicon Valley-based computer vision and deep learning company, enhances our TeraLogics' full motion video platform to provide real-time video enhancements and analytics. Also, through our acquisition of Shield Aviation, Cubic will offer ISR-as-a-Service missions to satisfy the increasing requirements for Intelligence, Surveillance and Reconnaissance (ISR).

In our transportation business, one of Cubic's growth initiatives is to expand from the large fare collection market into the small- and mid-market segments. In 2018, we made a minority investment in Delerrok, an automated fare collection company focused on these markets. By combining Delerrok's platform with the Cubic NextBus solution, we can offer an integrated vehicle information, operations and payments solution through a subscription-based service at an affordable price point for these new customers. Shortly after the fiscal year end, we acquired Trafficware, another leading provider of intelligent transportation solutions. Trafficware's innovative, data-

rich intersection management technology combined with Cubic's existing transportation capabilities enhances our ability to offer compelling solutions to reduce urban congestion. This transaction follows our recently awarded Intelligent Congestion Management Program contract by Transport for New South Wales to provide Sydney, Australia with one of the world's most advanced transport management systems. Our win in Sydney and the acquisition of Trafficware put us at the forefront of predictive traffic management and will create opportunities for Cubic in the emerging artificial intelligence and machine learning market, enabling our customers to further reduce congestion and its associated costs to the economy and the environment. These strategic initiatives, together with the four major contracts, and our advancements in Cubic's mobile solution, where we now enjoy 61% share of the U.S. market, represent tremendous progress against our NextCity strategy in fiscal 2018.

Subsequent to the acquisition of Trafficware, Cubic completed an underwritten public offering of 3,795,000 shares of common stock with gross proceeds of \$228 million. The proceeds were used to de-lever the balance sheet, which provides us with increased financial flexibility to pursue our growth strategy.

Our Common Technologies

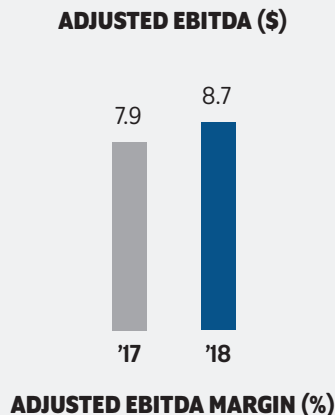
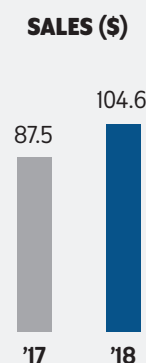
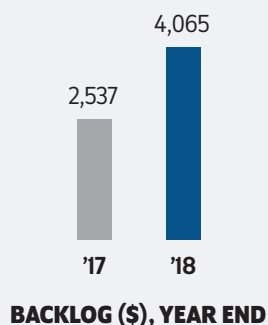


POWER MANAGEMENT

Cubic is a technology-driven, market-leading global provider of innovative, mission-critical solutions that reduce congestion and increase operational readiness and effectiveness through increased situational understanding.

Financial Highlights

DOLLARS ARE IN MILLIONS



FISCAL 2019: THE YEAR OF MEETING OUR COMMITMENTS

While we celebrate our recent wins and solid financial performance, our teams recognize that we still have much work to do. Cubic is in a fortunate position because our sizable backlog and program of record visibility is beginning to drive strong growth for the company. We have been entrusted by our customers to deliver complex, superior solutions and we must focus on exceptional customer service to strengthen our reputation and credibility. We will deliver efficiently and effectively, while continuing to improve our operations. We will invest in our talent, focusing on measuring and improving employee engagement and fostering a culture of being “All-In.” To ensure focus, we have declared fiscal 2019: *The Year of Meeting Our Commitments*.

In Transportation, our priority is to deliver on the promises we made to customers including New York, Boston, Sydney, Brisbane and the Bay Area and keeping on track with our mobile application release schedule. We will also focus on securing future growth through our customer relationships, expanding our geographic footprint, growing NextBus and expanding into road user charging and surface transport management market adjacencies.

In Command, Control, Computers and Communications, Intelligence, Surveillance and Reconnaissance (C4ISR), our near-term focus is to continue to successfully field T2C2 in full-rate production and deliver FirstNet for AT&T. FirstNet is our Radio over Internet Protocol (RoIP) solution that will allow first responders across the U.S. to use radios with cell phones over the mandated FirstNet network.

In Defense Training, we will continue to develop our synthetic virtual and live multi-domain training environment solution as part of the armed forces’ modernization priorities. We recently completed an Advanced Technology Demonstration in partnership with the U.S. Air Force Research Lab at Nellis Air Force Base. We conducted a large, joint air combat maneuvering instrumentation exercise putting live, virtual and constructive (LVC) entities in both U.S. Air Force and U.S. Navy cockpits for the first time in history. The result is that fighter pilots will be better prepared for the high-end fight at greatly reduced cost. We believe this LVC capability will revolutionize fighter pilot training and lead to a significant program of record.

We remain focused on Cubic’s five key strategic priorities: *Winning the Customer*, *Building NextCity Globally*, *Building NextMission Globally* and *Building NextTraining Globally* – all supported by the leveraging of Cubic’s resources by *Living One Cubic*. Our strategic priorities have been extensively reviewed with Cubic’s management team and Board of Directors, communicated across all of Cubic and translated into performance goals for each employee. I welcome you to read more about these initiatives in the Strategic Priorities section of this report.

I am excited about the opportunities ahead. I couldn't be happier with the progress of Cubic's transformation, but our journey continues. The world is more complex and connected than ever before and across our markets we are seeing rapid advances in technology influencing customer expectations. This rise of transformative digital technologies and the need for enhanced situational understanding has the potential to expand our addressable markets and is top of mind as we position Cubic for the next wave of value creation.

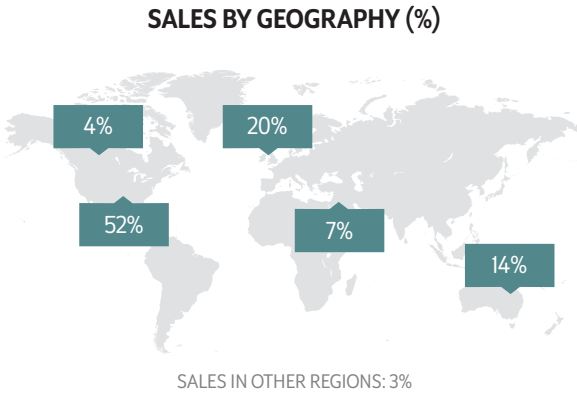
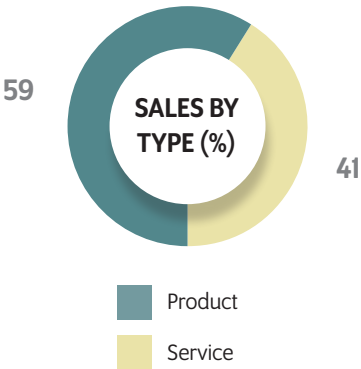
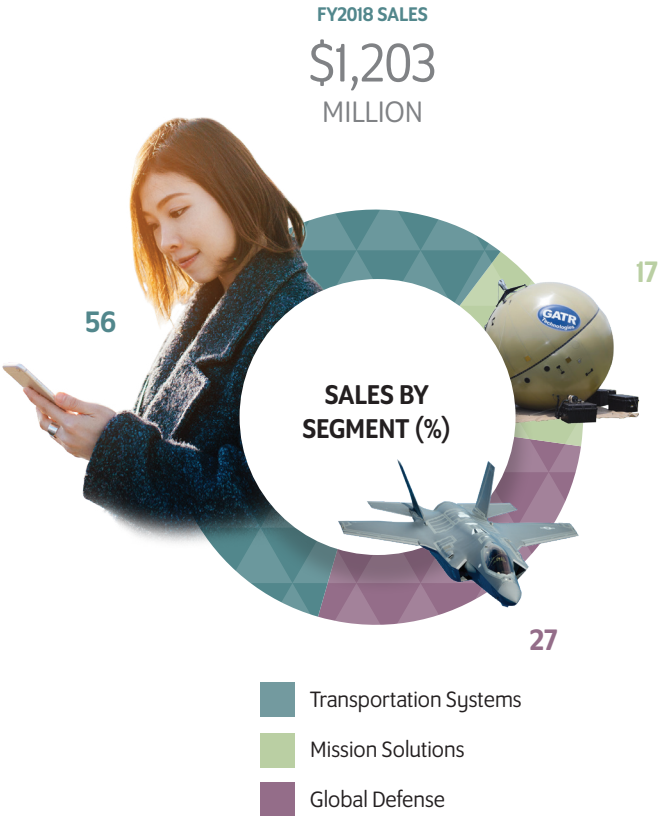
We see powerful opportunities to enrich our products and services by infusing them with information and analytics to provide keener insights to our customers. In the future, we expect to deliver digital platforms, help our customers make data-driven decisions and generate new recurring revenue streams for Cubic. In Transportation, we will digitize travel to be more predictive, personalized, actionable and adaptable. In Defense, we will deliver mission-critical capabilities to the edge of the battlefield and in complex emergency situations and we will synthesize virtual and live training for tomorrow's multi-domain missions. To accelerate these efforts, we are in the process of hiring a Chief Digital Officer.

CLOSING

It is my great honor to serve as the Chairman, President and CEO of Cubic. I would like to thank my fellow Board members for their high level of engagement, counsel and support. This year, we had the pleasure of welcoming two new members to Cubic's Board of Directors: David F. Melcher and Prith Banerjee. Lieutenant General (Ret.) David Melcher, former CEO of Aerospace Industry Association and Excelis, brings to Cubic an extensive background in executive management, the defense industry, strategy and finance, in addition to his experience working closely with key military and government leaders. Prith Banerjee, the current Chief Technology Officer of ANSYS, brings to Cubic a strong background in academia, engineering, disruptive technology and research and development. I look forward to their leadership and insight as we continue to work towards expanding in strategically adjacent markets and applications and pursue the digitization of Cubic's solutions.

In closing, I'd like to thank our customers for allowing us to be trusted contributors to their success, our partners for supporting us in meeting our commitments and our 5,600+ employees working around the world for their dedication to Cubic. And to our shareholders, thank you for your continued support as we make progress on our strategic initiatives and accelerate our growth.

Bradley H. Feldmann
Chairman, President and CEO
December 18, 2018



MARKET BACKDROP

In the transportation segment, population expansion and urbanization are outgrowing transportation and mobility infrastructure. Cities are experiencing ever-increasing congestion that needs to be relieved with effective and efficient transportation systems. Additionally, more and more cities are starting to explore the integration of public and private transportation networks. Shifts on the urban, technological and social layers continue to change our cities and our ideas about transportation.

In defense, the world, the enemy and the battleground – including land, air, sea, space and cyberspace – are more complex than ever. The rise of hybrid threats, a sophisticated blend of state and non-state hostile actions, place a premium on agile and performance-based communications and training solutions. The importance of C4ISR continues to increase and U.S. DoD spending remains robust in this area to thwart various enemies. Additionally, geo-political instability requires militaries to increase levels of readiness of their forces, leading to increases in training demand. These factors result in a shift from live training to a combination of live, virtual, constructive and game-based training to accommodate spending constraints, limit time spent training away from home base and increase the realistic nature and flexibility of the training regimen.



SALE PRICE OF Common Shares And Dividends

Q1

	HIGH		LOW	DIVIDENDS
2018	\$63.00	/	\$51.90	—
2017	\$50.40	/	\$40.03	—

Q2

	HIGH		LOW	DIVIDENDS
2018	\$65.65	/	\$54.05	0.14
2017	\$55.25	/	\$46.45	0.14

Q3

	HIGH		LOW	DIVIDENDS
2018	\$71.85	/	\$59.80	—
2017	\$53.15	/	\$44.25	—

Q4

	HIGH		LOW	DIVIDENDS
2018	\$76.85	/	\$65.90	0.14
2017	\$51.95	/	\$40.20	0.14

Financial and Operating Highlights

CONTINUING OPERATIONS

(Amounts in thousands, except per share data)	2018	2017	2016
Bookings	\$ 2,779,782	\$ 1,234,013	\$ 1,023,407
Backlog	4,064,451	2,536,499	2,370,093
Sales	\$ 1,202,898	\$ 1,107,709	\$ 1,070,601
Sales growth %	9%	3%	4%
Sales growth %, constant currency basis ⁽¹⁾	8%	5%	7%
Research & development	52,398	52,652	31,976
Operating income (loss)	24,382	2,628	(11,649)
Adjusted EBITDA ⁽²⁾	104,561	87,470	93,429
Net income (loss) per share continuing operations attributable to Cubic	0.29	(0.95)	(0.45)
Cash dividend per share	0.27	0.27	0.27
Long-term debt, inclusive of current portion	199,793	199,761	200,741

(1) Constant currency revenue is calculated by translating current period local currency revenue to U.S. dollars based on prior period average exchange rates. The amount is compared to prior period GAAP revenue to derive constant currency revenue growth (expressed as a percentage).

(2) Non-GAAP Financial Measure. For a reconciliation of non-GAAP financial measures to the most directly comparable GAAP financial measures, please visit www.cubic.com/investor-relations/financials.

ADVANCES IN TECHNOLOGY ARE INFLUENCING CUSTOMER EXPECTATIONS

Transportation

In transportation, travelers expect predictive, personalized, real-time and actionable information regarding their optimal transportation options to allow them to make informed decisions and payments from their mobile devices. Government and public agencies are facing financial and infrastructure constraints and are looking to “smart” technologies to reduce the impact of congestion and excess demand.

Advances in communications, networking and security technologies are enabling the interoperability of multiple modes of transportation and multiple transportation operators within a single networked system. As such, there is a growing trend for regional payment systems, usually built around a large agency and including neighboring operators – all sharing a common regional payment platform. Recent procurements for account-based and open payment systems will further extend the acceptance of payment media from smart cards, to contactless bank cards, Near Field Communication (NFC) enabled smart phones and other digital wallets. There is also an emerging trend for other applications to be added to these regional systems to expand the utility of the payment media and back-office system, offering higher value and incentives to the end users, and lowering costs and creating new revenue streams through the integration of multi-modal and multi-operator systems for the regional system operators.

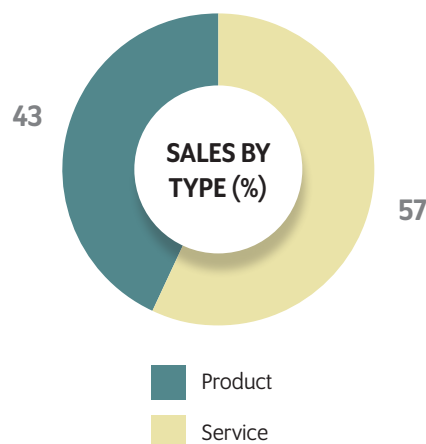
Under our NextCity strategy, Cubic is leveraging our One Account solution to lead the integration of non-transit modes such as tolling, road user charging and other private non-transit modes to create a single mobility payment account and enable Mobility-as-a-Service (MaaS) solutions. We expect to lead customer experience innovation through our mobile solutions, Check-In, Be-Out (CiBo), Virtual Ticket Agent and intelligent gateline developments. We will also enable cities and regions to optimize the flow of goods and people through our Surface Transport Management, NextBus and Trafficware businesses.

BACKLOG (\$)
\$3,544.9

SALES (\$)
\$670.7

ADJ EBITDA (\$)
\$73.3

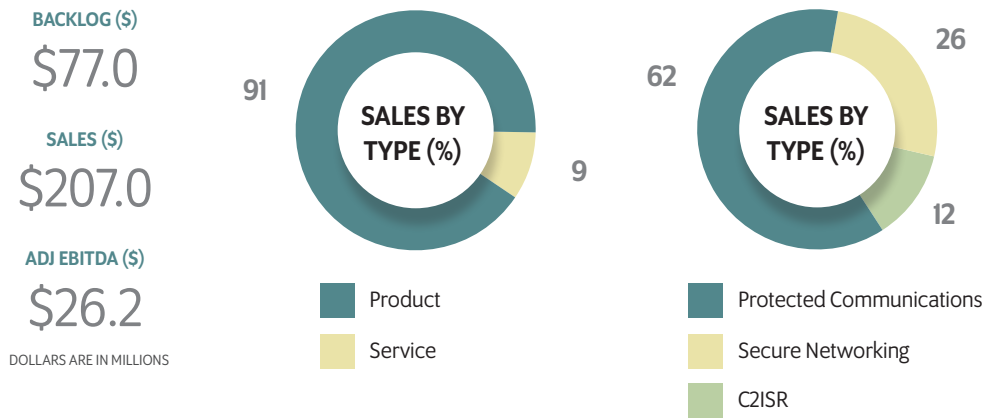
DOLLARS ARE IN MILLIONS



C4ISR

In the C4ISR market, information systems must have secure, agile, resilient and adaptable networks and communication nodes on and off the battlefield. Customer demand for reduced Size, Weight and Power (SWaP) and increased capability has become a common trend. Operators require enhanced situational awareness to keep ahead of adversaries in accelerated and asymmetric operational environments. We are seeing increasing requirements for higher resolution and for embedded artificial intelligence and machine learning capabilities. In this complex security environment, continuing worldwide engagements require networked wide-band communication capabilities to allow operators at the edge to leverage their command and control systems to enhance their decision-making and actions. Forces must be able to share and receive data securely and turn information into actionable knowledge, quickly and effectively.

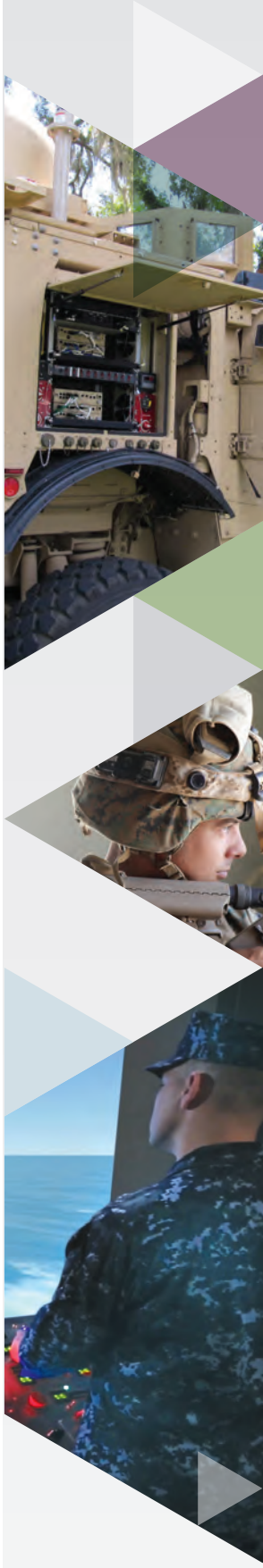
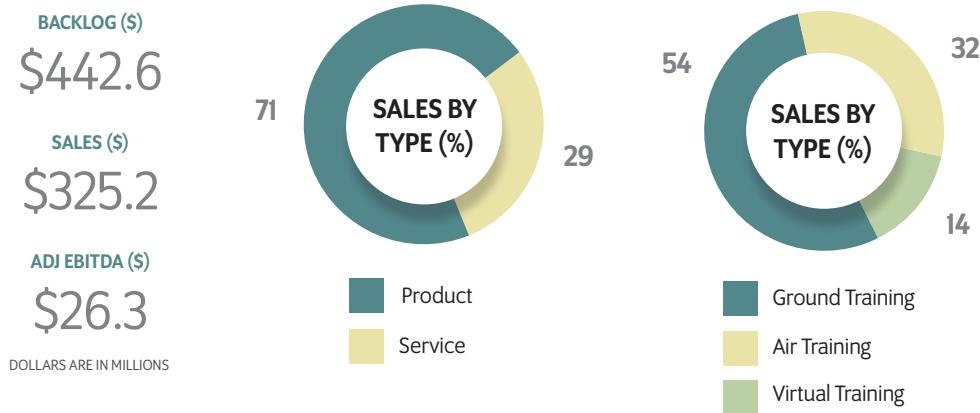
Today, as a leading C4ISR innovator, Cubic provides integrated mission capabilities to solve our customers' most challenging problems in secure communications, secure networking and command, control, intelligence, surveillance and reconnaissance (C2ISR). The decreased SWaP of Cubic's satellite solutions enable us to deliver 4x+ improved performance when compared to similar sized antennas.



Defense Training

Our customers' hierarchy of needs for training is centered around achieving operational readiness for any mission set at lower cost and within their required timeframes, combined with greater effectiveness on the battlefield. There is increased demand for "leapfrog" technologies in the shift from live to live, virtual, constructive – gaming (LVC-G) training environments to allow warfighters to cost-effectively "train as they fight" in realistic, threat-representative, high-fidelity and secure environments.

We are well positioned to lead the increasing trend to fully integrated solutions that connect LVC-G training environments. Cubic is under contract with the Air Force Research Lab for a program known as SLATE ATD (Secure Live Virtual Constructive Advanced Training Environment, Advanced Technology Demonstration). We recently led a successful joint U.S. Air Force and Navy demonstration of this next-generation LVC air combat training technology at a large force flight exercise at Nellis Air Force Base.





OUR STRATEGIC PRIORITIES & GOAL 2020

We provide our global customers with innovative, mission-critical solutions to reduce congestion and increase militaries' operational readiness and effectiveness through superior situational understanding. In transportation, we provide essential information and payments capabilities to allow agencies, operators and consumers to enhance efficiency and reduce congestion. In defense, we provide mission-critical information, training and technology to improve operational mission readiness and robust connectivity of U.S. and partner nation militaries worldwide.

Goal 2020 reflects our vision of Cubic's continued growth path to help generate superior returns for our shareholders. Our goal is to reach \$1.5B+ in revenue with 11% to 12.5% Adjusted EBITDA margins by fiscal year 2020. We believe our growth will be fueled by enhancing customer value through innovative solutions and maintaining our leadership position in our markets, accelerated with accretive strategic acquisitions and led by our talented employees. We will enhance value creation by providing our global customers with technology-driven, market-leading solutions. To achieve Goal 2020, we are focused on our five key priorities: **Winning the Customer, Building NextCity Globally, Building Next-Mission Globally, Building NextTraining Globally** and **Living One Cubic**.

Winning the Customer

We will continue to accelerate our growth by being innovative, responsive, connected and, ultimately, indispensable to our customers. We will be continuously engaged with our customers by aligning our innovation processes and technology roadmaps with what our customers need now and in the future.

Building NextCity Globally

Through our NextCity strategic priority, Cubic continues to define the future of transportation. NextCity envisions One Account that integrates all forms of mobility, predictive and personalized individual journey management, together with overall network management and optimization applications and analytics.

In Building NextCity Globally, we will create transportation payment and information solutions in cities globally to help our customers increase efficiency and reduce congestion. We will focus on integrating transportation payments more efficiently and leveraging transportation data more effectively than anyone else. We will put distance between us and the competition by: increasing our product reusability, innovating faster, using our superior global footprint to our advantage and having a competitive cost structure. We will continue to grow our portfolio beyond fare collection to include industries such as tolling, analytics, parking and traffic management and design our solutions to scale to all cities, large and small.

Building NextMission Globally

In our C4ISR business, over the past four years we acquired DTECH, GATR, TeraLogics, Vocality, MotionDSP and Shield Aviation in connection with our strategic efforts to build and expand our NextMission strategy. In Building NextMission Globally, we will become a leader in Communications-on-the-Move, Joint Aerial Layer Network and C2ISR cloud transformation markets. We will provide superb technology-leading mission solutions at optimal SWaP for our global customers' most challenging problems at market-based prices.

In fiscal 2018, Cubic's next-generation GATR satellite antenna systems proceeded to Full Rate Production (FRP) for the U.S. Army's Transportable Tactical Command Communications (T2C2) program. With the doubling of the contract ceiling, we believe that GATR has the potential to replace the Army satellite ground terminals for other networks. We will continue to innovate and mature our technologies to address our customer's mission chain needs, driving growth and margin expansion for Cubic. We continue to develop Halo, our software definable antenna technology, so that we are well positioned to capture a significant segment of the emerging joint aerial layer network for U.S. and coalition partners. We are also developing innovative business models including ISR-as-a-Service (IaaS).

Building NextTraining Globally

In defense training, we have developed our vision for NextTraining. At its core, NextTraining will identify and quickly integrate highly valued, cutting-edge technical solutions in products and services to accelerate training proficiency for our customers. We will assist our customers in defining future training requirements while leveraging market conditions to generate competitive differentiation and cost synergies. In Building NextTraining Globally, we will provide superior value, cost effective all-domain readiness solutions built on an integrated, adaptable architecture to enable performance-based customer training solutions designed to exacting operational readiness standards.

Living One Cubic

Lastly, Goal 2020 is supported by our *Living One Cubic* priority of sharing resources across the company to help achieve superior talent

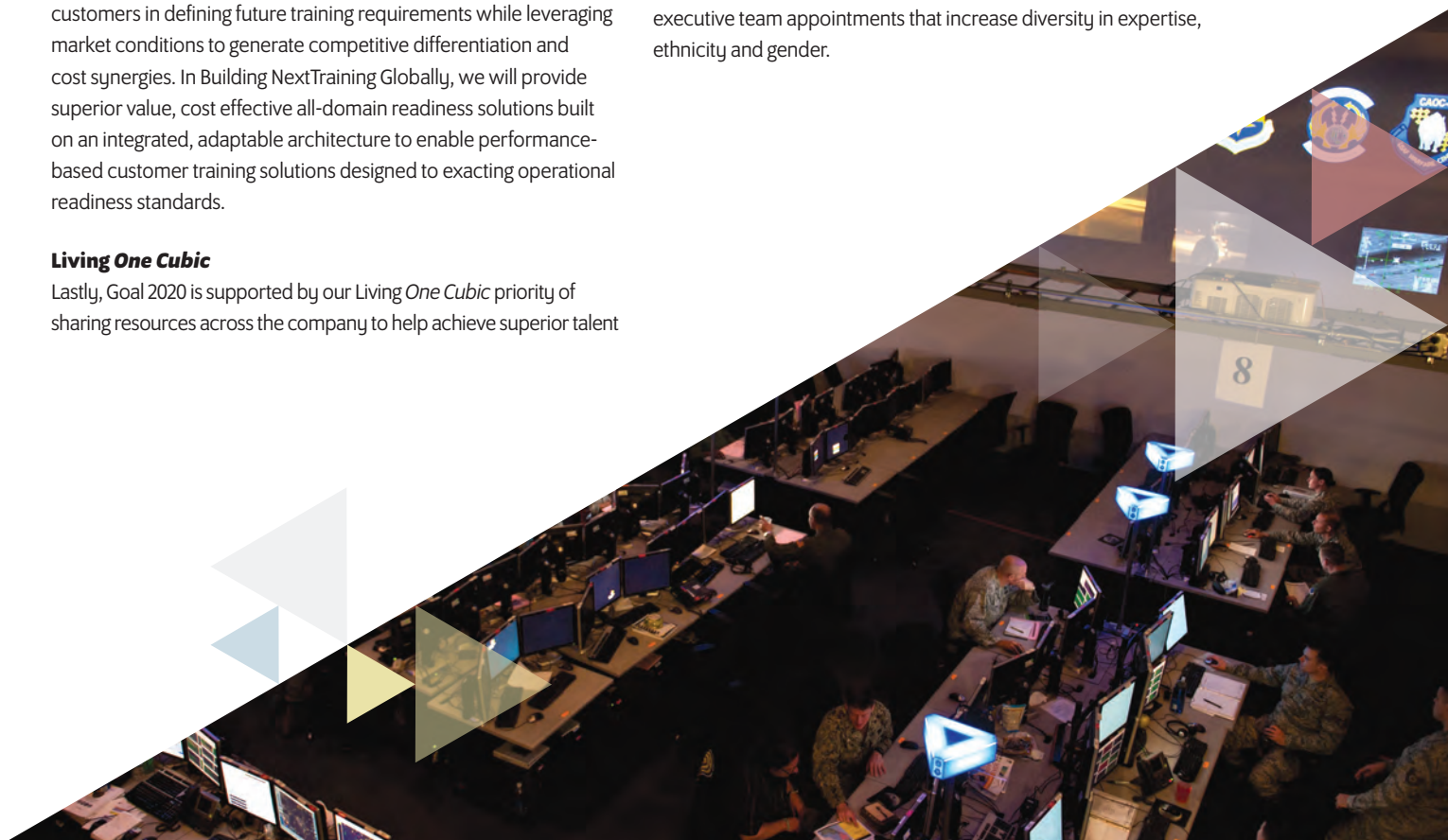
management, absolute customer focus, innovation, collaboration, cost-effective enterprise systems and impeccable ethics.

We will continue to implement our hybrid strategy of decentralized customer-facing functions to ensure speed and intimacy, supported by centralized, shared and leveraged support functions to ensure cost-effective scale.

By *Living One Cubic*, we will act as a unified, global team working together toward common goals. Ultimately, Cubic's success is dependent on our great people and their engagement. We measure the engagement of our teams on a quarterly basis so that we can continue to take the appropriate actions to improve our collaborative, "All-In" culture. Our ethics and values and the fair, respectful and inclusive treatment of our employees are consistently reported among our top strengths as a company and as drivers of engagement.

As we share a common purpose, mission, technologies and processes, there is a great opportunity to share and develop talent. We are committed to advancing the professional development of our employees and implemented Workday Learning, a best-in-class Learning Management System, this year.

We are focused on continually improving the health of our talent pipeline; both internally by supporting the growth and skills of our people, and externally, by adding to our talented workforce. In looking at our talent funnel, we focus on creating a diverse workforce that promotes breadth of thought, innovation and global collaboration. In the past two years, we have prioritized Board and executive team appointments that increase diversity in expertise, ethnicity and gender.



INNOVATION

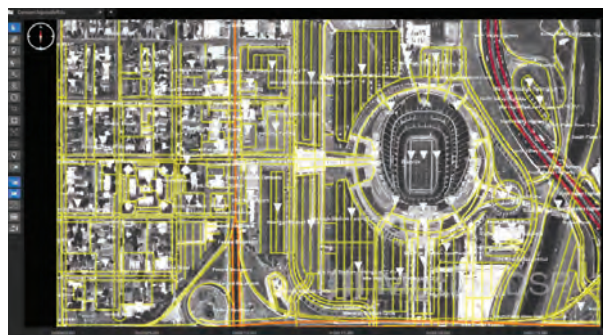
The mission of Cubic Innovation is to accelerate Cubic's strategy and growth by creating and managing a company-wide innovation process that focuses on solving our customers' most pressing needs. Global collaboration between our technology experts is enabled through Cubic's IdeaSpark ideation platform as well as our research and development ecosystem, which funds rapid experimentation to prove out prototype solutions that provide new value for our customers.

Cubic recently held its fourth annual Product-72 event where teams, comprised of internal technologists and business development leaders across Cubic's worldwide locations, connected over a 72-hour period to solve customer challenges and maximize our competitive advantage. This year's winning team enhanced the Cubic Ikena ISR product to generate a high resolution video platform that seamlessly fuses live Geographic Information

Systems (GIS) sensor data onto real-time ISR video streams, empowering First Responder user organizations to understand critical scenarios quickly and act fast.

Cubic Innovation embedded geospatial data into live video, resulting in an Augmented Reality view to provide operators with improved real-time mission situational awareness for points of interest and target. This augmented reality view saves analysts critical time and effort by eliminating the need to cross reference separate maps; **all** the data they need is in the video scene they are watching.

Innovation is at the heart of everything we do. Our goal is to unlock the full potential of Cubic's best asset – our people – and accelerate the delivery of innovative, new solutions to our customers.





CORPORATE RESPONSIBILITY & SUSTAINABILITY

Cubic has a long history of making a positive difference in the communities it lives and works in with its ethical business practices, education and environmental initiatives, socially empowering innovative technologies and through Cubic Cares, charitable giving and volunteerism by its employees.

Cubic has strategic relationships with a wide range of local and national non-profit organizations and programs that are relevant to Cubic's humanitarian interests, focused in: Health and Human Services; Veterans; and Science, Technology, Engineering and Math (STEM).

Cubic's technology assists military, nongovernmental and international humanitarian aid groups with disaster relief operations in areas struck by natural disasters. In 2018, Cubic partnered with the U.S. Army to deploy its GATR satellite communication (SATCOM) and networking systems and personnel to support disaster recovery efforts in Florida following the devastating Hurricane Michael.

Cubic's GATR SATCOM and networking systems were set up in several locations, including Panama City, Lynn Haven and Youngstown, Florida to provide communications, networking and high-bandwidth connectivity to local first responders involved in

recovery and reconstruction efforts, and the communities they were serving.

Additionally, Cubic's products and services further the company's commitment to sustainability. For example, Cubic's transportation products reduce congestion in cities and improve commute efficiency for millions of customers. In defense, Cubic's live-virtual-constructive training programs reduce the need for on-battlefield training and our efforts to improve size, weight, power and cost for our products reduce power draws in order to efficiently support our customers' missions.

Lastly, as Cubic continues to modernize and expand our facilities and operations worldwide, we seek to minimize our carbon footprint, conserve water, reduce waste, and utilize safer materials in our products. Cubic continues to find efficiency improvements in our current facilities and is embarking on a redevelopment initiative for its corporate campus which will exemplify Cubic's commitment to sustainability.

RECENT AWARDS & RECOGNITION

- Selected as Bronze-level Military Friendly Employer by VIQTORY Media
- “Transport Supplier of the Year” award at the London Transport Awards
- Best Business App for Cubic Mobile Suite – from Mobile Breakthrough Awards
- Cubic Executive Matt Cole named Mobility as a Service Influencer of the Year by Business Mobility as a Service Awards
- Forbes America’s 2018 Best Midsized Employers List for second consecutive year
- 2018 Modeling and Simulation Award in the Training/Simulation category from the National Training and Simulation Association (NTSA) for SLATE-ATD
- Cubic CEO Brad Feldmann named 2018 Director of the Year for corporate governance from the Corporate Director’s Forum
- 2018 Cigna Well-Being Award for Outstanding Culture of Well-Being



Directors

BRADLEY H. FELDMANN

CHAIRMAN OF THE BOARD

President and CEO (Classified Business Oversight Committee)

EDWIN A. GUILLES

LEAD INDEPENDENT DIRECTOR

Retired Executive Vice President of Corporate Development with Sempra Energy, Former Chairman and CEO of San Diego Gas & Electric Company and Southern California Gas Company (Audit and Compliance Committee, Executive Compensation Committee)

PRITHVIRAJ BANERJEE, PH.D.

INDEPENDENT DIRECTOR

Chief Technology Officer of ANSYS Corporation, Former Senior Client Partner at Korn Ferry (Executive Compensation Committee, Chair - Technology Strategy Committee)

BRUCE G. BLAKLEY

INDEPENDENT DIRECTOR

Retired Managing Partner in San Diego Office of PricewaterhouseCoopers (Chair - Audit and Compliance Committee, Executive Compensation Committee)

MAUREEN BREAKIRON-EVANS

INDEPENDENT DIRECTOR

Former Chief Financial Officer of Towers Perrin and Former Vice President and General Auditor of CIGNA Corporation (Audit and Compliance Committee, Nominating and Governance Committee, Technology Strategy Committee)

JANICE M. HAMBY, PH.D.

INDEPENDENT DIRECTOR

Retired U.S. Navy Rear Admiral, Former Chancellor at the College of Information and Cyberspace, National Defense University in Washington, D.C. (Chair - Classified Business Oversight Committee, Ethics and Corporate Responsibility Committee, Executive Compensation Committee, Technology Strategy Committee)

DAVID F. MELCHER

INDEPENDENT DIRECTOR

Retired U.S. Army Lieutenant General, Former President and CEO of the Aerospace Industries Association, Former President and CEO of Exelis Inc. (Executive Compensation Committee, Nominating and Governance Committee, Technology Strategy Committee, Classified Business Oversight Committee)

STEVEN J. NORRIS

INDEPENDENT DIRECTOR

Chairman of Soho Estates, President ITS UK, Former member of Parliament and Minister of Transport (Chair - Ethics and Corporate Responsibility Committee, Audit and Compliance Committee, Nominating and Governance Committee)

JOHN H. WARNER, JR., PH.D.

INDEPENDENT DIRECTOR

Retired Executive Vice President and Director, Science Applications International Corporation (Chair - Nominating and Governance Committee, Audit and Compliance Committee, Classified Business Oversight Committee, Ethics and Corporate Responsibility Committee)

Senior Officers

BRADLEY H. FELDMANN

CHAIRMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

ANSHOOMAN AGA

EXECUTIVE VICE PRESIDENT, CHIEF FINANCIAL OFFICER

JAMES R. EDWARDS

SENIOR VICE PRESIDENT, GENERAL COUNSEL AND SECRETARY

MARK A. HARRISON

SENIOR VICE PRESIDENT AND CORPORATE CONTROLLER (PRINCIPAL ACCOUNTING OFFICER)

MATTHEW J. COLE

SENIOR VICE PRESIDENT, PRESIDENT OF CUBIC TRANSPORTATION SYSTEMS

MICHAEL KNOWLES

SENIOR VICE PRESIDENT, PRESIDENT OF CUBIC GLOBAL DEFENSE

MICHAEL R. TWYMAN

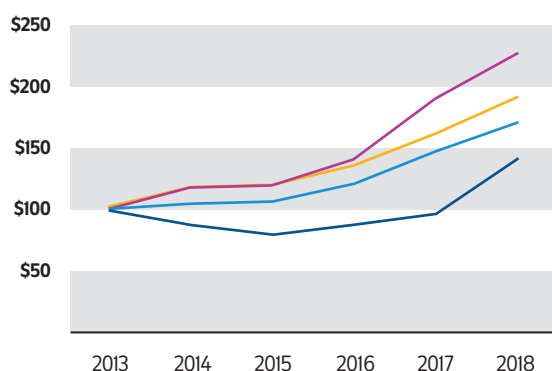
SENIOR VICE PRESIDENT, PRESIDENT OF CUBIC MISSION SOLUTIONS

GRACE LEE

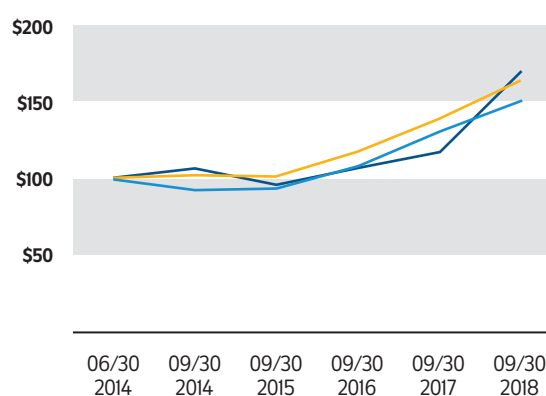
SENIOR VICE PRESIDENT, CHIEF HUMAN RESOURCES AND DIVERSITY OFFICER

Shareholder Information

STOCK PERFORMANCE GRAPH ⁽¹⁾



51 MONTH CUMULATIVE TOTAL RETURN ⁽²⁾



■ Cubic Corporation ■ SPADE Defense Index ■ S&P 500 Index ■ Russell 2000

- (1) The chart assumes that \$100 was invested on October 1, 2013 in each of Cubic Corporation, the SPADE Defense index, the S&P 500 index, and the Russell 2000 index and compares cumulative shareholder return on investment as of September 30th, of each of the following 5 years. The return on investment represents the change in the fiscal-year end stock price plus reinvested dividends. We added the Russell 2000 Index to our stock price performance chart for comparative purposes because it is representative of Cubic's current market capitalization. Going forward, we plan to remove the SPADE Defense Index as a result of changes to our business mix primarily due to the divestiture of our Cubic Global Defense Services segment in 2018.
- (2) The total shareholder return graph reflects the company's stock performance since Brad Feldmann became President and Chief Executive Officer of Cubic Corporation. The chart assumes that \$100 was invested on July 1, 2014 in each of Cubic Corporation, the Russell 2000 index and the S&P 500 index and compares cumulative shareholder return on investment. The return on investment represents the change in the stock price plus reinvested dividends.

Annual Meeting

The 2019 Annual Meeting will be held in the main conference room at Cubic's headquarters.

Location

Cubic Corporation
9333 Balboa Avenue, San Diego, California 92123

Date and Time

February 18, 2019, 11:30 a.m. Pacific Time

Shareholders of record on December 19, 2018 are being sent formal notice of the meeting, together with the proxy form and statement.

Company News

Visit www.cubic.com for a link to Securities and Exchange Commission filings, quarterly earnings reports, and other company news. Additional investor information is available at the "Investor Relations" tab of the company's website, including:

- Corporate governance information
- Company ethics policies
- Contact information
- Annual Reports
- Committee Charters

Cubic will furnish its 2018 Annual Report to shareholders, its annual SEC form 10-K [excluding exhibits], and ethics policies without charge to shareholders upon their written request by mail or e-mail.

Stock Listing

New York Stock Exchange
Ticker symbol: CUB

Shareholder Services

Shareholders with questions on account balances, dividend checks, reinvestment, or direct deposit; address changes; lost or misplaced stock certificates; or other shareholder account matters may contact Cubic's stock transfer agent, registrar, and dividend disbursing agent:

Broadridge Corporate Issuer Solutions, Inc

BY TELEPHONE
(877) 830-4936 | (720) 378-5591

BY INTERNET
www.shareholder.broadridge.com
shareholder@broadridge.com

BY REGULAR MAIL
P.O. Box 1342, Brentwood, NY 11717

Cubic Corporation

For shareholder questions on other matters related to Cubic, contact:

BY REGULAR MAIL	BY E-MAIL
Cubic Corporation	investor.relations@cubic.com
Kirsten Nielsen	
Vice President Investor Relations	BY TELEPHONE
9333 Balboa Avenue	Investor Line: (858) 505-2222
San Diego, California 92123	

Auditors

Ernst & Young LLP