



Welcome to Cubic's
2016 Shareholders' Meeting

2016 SHAREHOLDERS' MEETING

Expanding into high growth and higher margin markets

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Safe Harbor

This presentation contains forward-looking statements within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended, that are subject to the “safe harbor” created by those sections. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or our future financial and/or operating performance are not historical and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “may,” “will,” “anticipate,” “estimate,” “plan,” “project,” “continuing,” “ongoing,” “expect,” “believe,” “intend,” “predict,” “potential,” “opportunity” and similar words or phrases or the negatives of these words or phrases. These statements involve estimates, assumptions and uncertainties, including those discussed in “Risk Factors” in the Company’s annual report on Form 10-K for the year ended September 30, 2015, and throughout this presentation that could cause actual results to differ materially from those expressed in these statements.

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Our Business Segments



Transportation Systems

Leading integrator of payment and information technology and services for intelligent travel solutions worldwide

Intelligent Travel

- 38 million travelers use Cubic's technology each day
- 24 billion transactions per year
- 7 billion passengers annually
- \$18 billion in revenues collected annually
- Over 130,000 devices installed



Global Defense

Leading provider of defense training solutions and communications technologies

Defense Training

- Installed/delivered/fielded hundreds of thousands of pieces of training and instrumentation kits worldwide
- Emerging market leader for immersive game-based training
- Leading provider of highly specialized support services for military and security forces of the U.S. and allied nations

Expeditionary Communications

- Key supplier of
 - Communications and signal intelligence equipment
 - Data links
 - Search and rescue avionics
 - Ruggedized networks
 - Inflatable satellite communications antennas
 - Full motion video



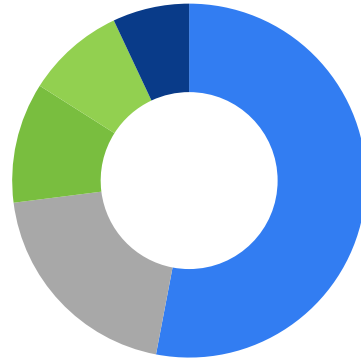
Sales Mix

FY15 Consolidated Sales \$1.431 Billion



Business Segment

Transportation Systems	40%
Defense Systems	32%
Mission Support Services	28%



Customer Location

United States	53%
United Kingdom	20%
Australia	11%
Far East/Middle East	9%
Other	7%



Products and Services

Services	58%
Products	42%



Contract Type

Fixed Price	82%
Other	18%

FY16 Guidance and Q1 Results

	Outlook for FY16	Quarter Ended December 31, 2015
Total Sales	\$1.450 to \$1.500 billion	\$313.8 million
EBITDA	\$85 to \$100 million	\$.871 million
Adjusted EBITDA	\$125 to \$140 million	\$11.2 million
GAAP Diluted EPS	\$1.30 to \$1.55	\$(0.20)
Adjusted EBITDA Margin	8% to 9%	4%

- FY16 performance will be weighted toward the second half of the year due to increased shipments in defense systems and transportation systems

On our Q2FY16 conference call, we will update FY16 guidance to reflect the recent acquisition of GATR Technologies

Strategy/Update

- **Goal 2020:** Focus on higher growth and higher margin business areas in NextCity, C4ISR, and NextTraining markets while improving productivity and efficiency
- **Winning the Customer** vision spurred by innovation to deliver superior solutions
- **Targeting 10%+** annual growth rate consistent with Cubic's historical performance

Build NextCity Globally

Grow C4ISR Business

Build NextTraining Globally

One Cubic

- Expand into adjacent markets beyond fare collection such as toll, intelligent transportation, parking and mobile
- **New Hampshire Toll win, Chicago mobile success, Melbourne and NYC expansion, ITS North America expansion, other North America AFC opportunities (Boston, Seattle, Honolulu) and ME opportunities (Abu Dhabi)**
- Expand from secure communications to network solutions and SATCOM
- **Expeditionary communications with high growth, higher margins with acquisitions**
- Innovative, integrated LVC-G solutions for air, ground, sea and cyber
- **Adding full spectrum modes (social media, cyber, etc.) to Combat Training Centers, immersive courseware expansion, working future MILES opportunities**
- Streamline operations to improve operating margins by 200-250 basis points by 2018
- **ERP implementation on-track, progress with supply chain rationalization, signed performance / savings contracts with department heads**

Acquisition Strategy

Goal: Grow 10% per year

Acquisitions  Organic

	CY	Company	Capability	Geography	Strategic Rationale
Transportation	1996	Acquired 50% of subsidiary Westinghouse Cubic Ltd	x		Automated fare collection
	1997	Thorn Transit System Intl	x	x	Automated fare collection
	2009	ERG Assets	x	x	NextCity: Customer call center support services
	2012	NextBus	x		NextCity: Real time passenger information
	2013	Serco UK Transport Solutions Business	x	x	NextCity: Traffic management /monitoring of road networks
	Defense Systems and Services	1994	Titan Applications/Services	x	
2008		Omega Training Group	x	x	Logistics support services
2010		Abraxas	x		National security
2012		NEK Special Programs Group	x		Training for Special Operations Forces
2000		Applied Data Technology Inc.	x		Air combat and defense –related technologies
2000		Oscmar International	x	x	Laser engagement simulation systems
2003		ECC International	x	x	Virtual training systems
2013		PS Management Consultants		x	Expand presence in Australia
2013		AIS	x	x	Live-fire target technology
2014		Intific	x		Game-based training solutions, modeling/simulation
2014		DTECH Labs	x		C4SIR: ruggedized networks
2015		TeraLogics LLC	x		C4ISR: full motion video
2016		GATR Technologies	x	x	C4ISR: inflatable SATCOM antennas
2016		H4 Global	x	x	Specialized software for ground combat training /ISR

Key Acquisitions Update

Transactions

- Acquired TeraLogics, LLC on December 21, 2015 and GATR Technologies, Inc. on February 3, 2016

Purchase Price

GATR Technologies, Inc.

- \$232.5 million comprised of cash and earn out
- Annualized forward revenue of \$75.0 - \$85.0 million
- Valuation multiple of 12.5x - 13.0x annualized forward adj. EBITDA net of the present value of tax benefits

TeraLogics LLC

- \$39.0 million comprised of cash and earn out
- Annualized forward revenue of \$16.0 - \$18.0 million
- Valuation multiple of 6.0x – 6.5x 2016 adjusted EBITDA net of the present value of tax benefits

Financing

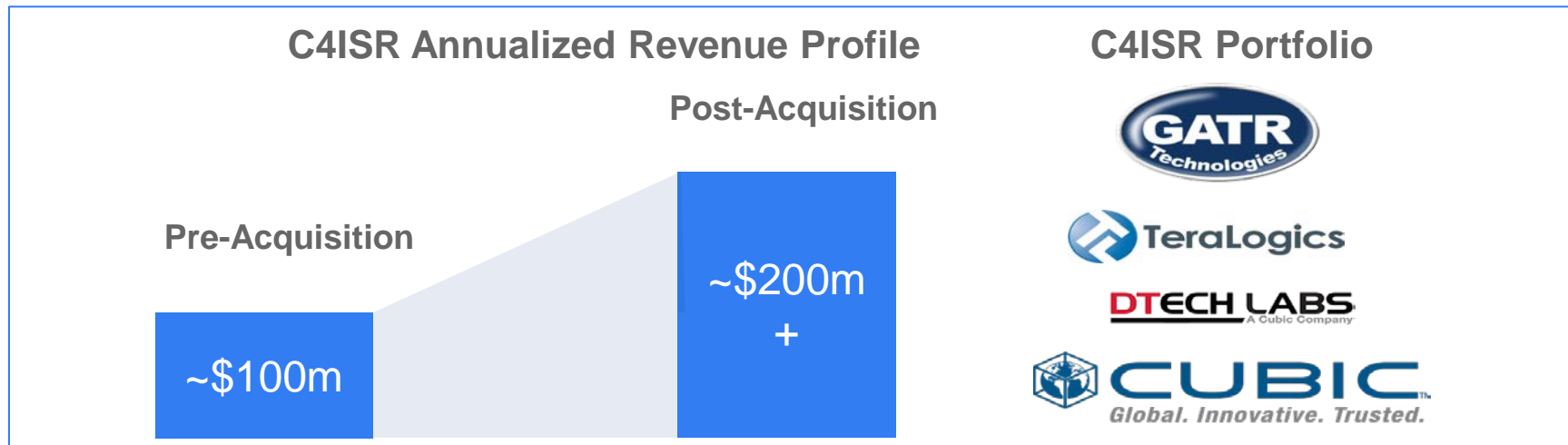
- Purchase price funded by borrowings under an amended and expanded revolving credit facility and fixed-rate long term debt
- Expected pro forma Debt / LTM adjusted EBITDA of ~4.0x

Accretion

- Cubic's investments in its C4ISR portfolio, including DTECH, GATR, and TeraLogics, are anticipated to be EPS accretive in fiscal year 2017

Accelerating Growth in C4ISR

- Achieved near-term strategic goal to build \$200 million C4ISR business
 - Critical mass achieved in C4ISR strategy
 - Synergistic C4ISR portfolio focused on leading positions in expeditionary communications and ISR dissemination



Expected adjusted EBITDA margins on the C4ISR portfolio are in the high teens.

View the Cubic Global Defense Growing C4ISR video at the following link:
<http://cubicvideopublic.vzaar.me/6064188>



Expanding Addressable Markets

Transportation Systems

Fare collection
\$1.5 - \$2.0 bn

+

NextCity
\$2.0 - \$3.0 bn

= \$5 bn

Global Defense

Mission Support Services
\$3.5 - \$6.0 bn

+

National Security
\$3.0 - \$4.0 bn

= \$10 bn

LVC Training
Training
\$2.0 - \$2.5 bn

+

Game Based
Training
\$100 - \$500 mm

+

Expeditionary
Communications
\$1.8 - \$2.0 bn

= \$5 bn

\$20+
billion
annual addressable
market

FY16 Business Segment Priorities

Transportation Systems

- Expect RFP in FY16 for New York City fare payment system upgrade
- Win Melbourne's Myki smart card ticketing system bid
- Improve margins on Chicago, Vancouver and Sydney
- Pursue fare collection and toll opportunities in the Middle East, Honolulu, Seattle, and Boston
- Expand mobile solution beyond Chicago
- Expect change orders on London contract



Defense Systems

- Continue to grow C4ISR business and expand offerings to include cross domain and SATCOM solutions
- Ensure smooth integration of TeraLogics and GATR Technologies
- Launch NextTraining initiative
- Pursue new opportunities in the training market with KC-46 Aerial Tanker trainer bid



Defense Services

- Win JRTC recompetete
- Prioritize non-LPTA work
- Expand SOF/Intel pursuits



