



CUBIC™

Global. Innovative. Trusted.

2017 Shareholders' Meeting Capturing Opportunities

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Cubic Corporation Overview



NYSE: CUB

Complex systems and solutions provider to the transportation and defense markets

- Public since 1959
- Market cap \$1.4 billion
- 8,500 employees in more than 26 countries
- Prime contractor on over 90% of 2016 revenue
- Globally diversified with sales in over 45 countries
- 2016 Backlog: \$2.94 billion



Transportation Systems

Leading integrator of payment systems and intelligent travel solutions



Defense Training

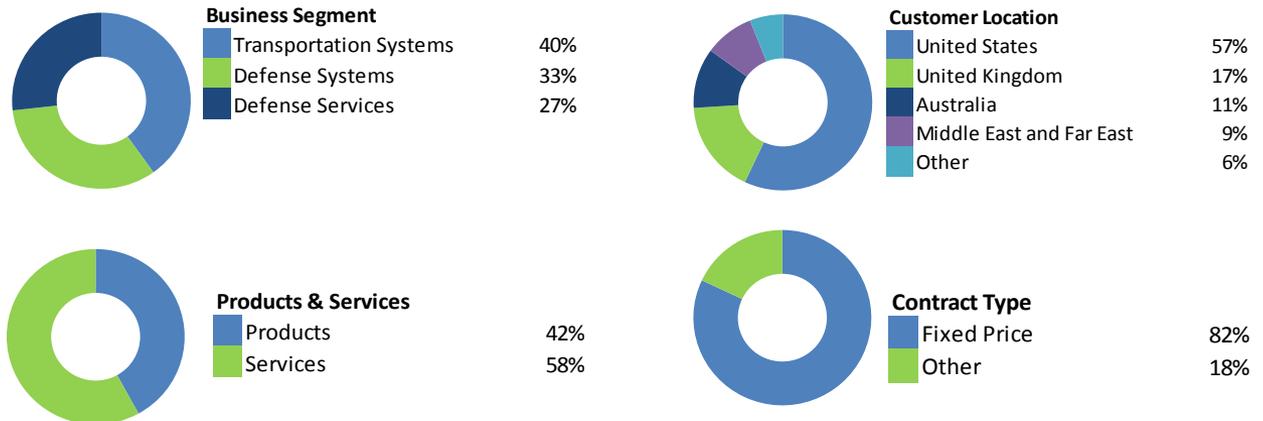
Leading provider of defense training systems and services



Mission Solutions

Leading provider of expeditionary communications solutions

Consolidated FY2016 sales of \$1.462 billion by:



Global provider of systems and solutions that meet the most demanding requirements for the transportation and defense markets

Strategic Priorities

Goal 2020

Achieve \$2 billion+ in sales with 10%+ EBITDA margin, growing 10%+ year-on-year

- Establish market leading positions in higher growth and higher margin business areas
- Improve productivity and efficiency - ERP implementation / Streamline SG&A / Optimize supply chain

WINNING THE CUSTOMER

Provide superior solutions, spurred by innovation and ultimate customer focus

BUILDING NEXTCITY GLOBALLY

Expand from mass transit fare collection to smart mobility information & payments provider

GROWING C4ISR BUSINESS

Expand from secure communications to expeditionary communications leader

BUILDING NEXTTRAINING GLOBALLY

Provide innovative, integrated LVC-G solutions to enable performance-based training

LIVING ONE CUBIC

Rebuild infrastructure that is scalable, efficient and effective; share technology, processes and people

Cubic Market Dynamics

Addressable Market

Near Term Priorities

Market Growth Profile



Transportation Systems

- \$12.0 billion

- NYC fare payment system upgrade award
 - ✓ Resulting demand across NY/NJ Region
- Adoption/upgrades to Open Account, Mobile, Open Payment and Cloud Solutions
- Focus on reusability – systems and products
- Adjacent market entry – Tolling and surface transportation management
- Re-entry into Asian markets

- 5-7% growth driven by large replacement and upgrade cycle - NYC/Boston - new payment technologies being adopted across legacy systems



Defense Training

- LVC-G Training
\$2.5 - \$3.0 billion

- NextTraining /Expand LVC-G training
- Provide higher fidelity, performance based training for readiness of U.S. forces
- Expand role on F35
- Build innovative training for increasing Navy fleet
- Prioritize non-LPTA defense services work
- U.S. Army Services contract opportunities

- Training Systems: 4-6% growth driven by higher U.S./Allied defense spending and new training platforms

- Mission Support & National Security Services
\$6.5 - \$11.0 billion

- Training Services: 3-5% U.S. DOD growth driven the need to improve readiness and increase in troop levels



- Expeditionary Communications
\$2.0 billion+

- Next generation C4ISR offerings in:
 - ✓ Datalinks
 - ✓ Wide-band antennas
 - ✓ Tactical networking equipment
 - ✓ Portable SATCOM solutions
 - ✓ Private Cloud FMV PED
- GATR T2C2 full rate production
- Target new UAS platforms/Comms on the move
- Expand into international market

- 10-15% growth due to adoption of next generation technologies and replacement of aging equipment



Mission Solutions

2017 positions Cubic for accelerated growth with a focus on higher-growth, higher margins in our core markets

Innovation | R&D



Cloud-based solutions



NextBus 2.0 real time passenger information systems



New York City Fare Payment System



Tolling Solutions



Antennas for satellite communications



Performance-based training and live, virtual, constructive and gaming (LVC-G) training

Idea Spark is our social environment for ideas, new product creation and collaboration that seeds innovation for new and existing customers

Acquisition Strategy

Transportation

2013 Serco

- + Traffic management systems for monitoring and control of urban road networks in Europe



2013 Nextbus

- + Real time passenger information



Mission Solutions

2017 Vocality International

- + Optimizes communication paths and consolidates DTECH supply chain

2016 GATR Technologies

- + Inflatable and ultra-portable satellite communications antenna

2015 TeraLogics

- + Full motion video for the Defense Department, intelligence community and commercial customers

2014 DTECH Labs

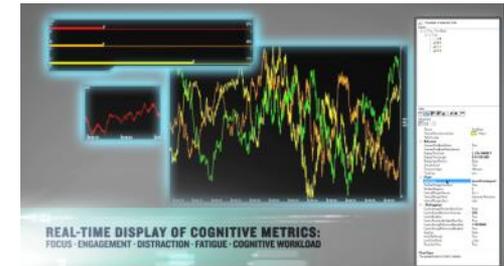
- + Ruggedized modular networking and baseband communications equipment



Defense Systems

2014 Intific

- + Software and game-based solutions in modeling and simulation, training and education, cyber warfare, and neuroscience



Our growth strategy is focused on acquisitions related to NextCity, C4ISR and NextTraining

Secular Trends & Environmental Assessment

Defense

- Expecting higher defense spending to rebuild U.S. military, improve readiness and counter traditional and nontraditional threats
- ✓ Six years of underspending has resulted in significant readiness gaps
- ✓ Increase in the size of all four services in DoD
- ✓ Resolution of budget impasse and sequester threat
- Expect allies to increase defense spending

Infrastructure

- Urbanization accelerating
- Expecting increased investment in mass-transit, toll, and surface transport management
- Emphasis on public-private investments

Tax

- Anticipate lower U.S. corporate tax rates
- Tax rate relief on repatriation of offshore profits
- Accelerated tax benefits from capital expenditures
- Monitoring cross-border tax issues

Current administration's priorities should have a positive impact for Cubic starting in FY18

FY17 Guidance

- FY17 will be a meaningful improvement over FY16
- FY17 key events:
 - Continued momentum in Mission Solutions
 - Major bookings in Transportation – NY / New fare technologies
 - ERP implementation nearly complete
 - Significant investment in R&D aligned with strategic growth drivers

	Year Ended September 30, 2016	Outlook for FY17
Total Sales	\$1.462 billion	\$1.505 to \$1.555 billion
EBITDA	\$47.7 million	\$80.0 to \$90.0 million
Adjusted EBITDA	\$118.0 million	\$120.0 to \$140.0 million
GAAP Diluted EPS	\$0.06	\$0.40 to \$0.80
Adjusted EBITDA Margin	8.1%	8.0 to 9.0%

FY17 lays foundation for positive momentum entering FY18 and beyond

Goal 2020 Revenue and Profitability Objectives



	2016 Revenue (\$M)	Expected Growth Rate	2020 Revenue (\$M)	2020 Adj. EBITDA Margin
Transportation	\$586	7.0 - 10.0%	\$800 - \$875	13.0 – 15.0%
Defense Systems Training Systems Mission Solutions	\$484	Training Systems 4.0 - 6.0% Mission Solutions 10.0 - 15.0%	\$650 - \$725	10.5 - 12.5%
Defense Services	\$391	3.0 - 5.0%	\$450 - \$500	4.0 - 5.0%
Consolidated	\$1,462	9.0 - 10.0%	\$1,900 - \$2,100	10%+

