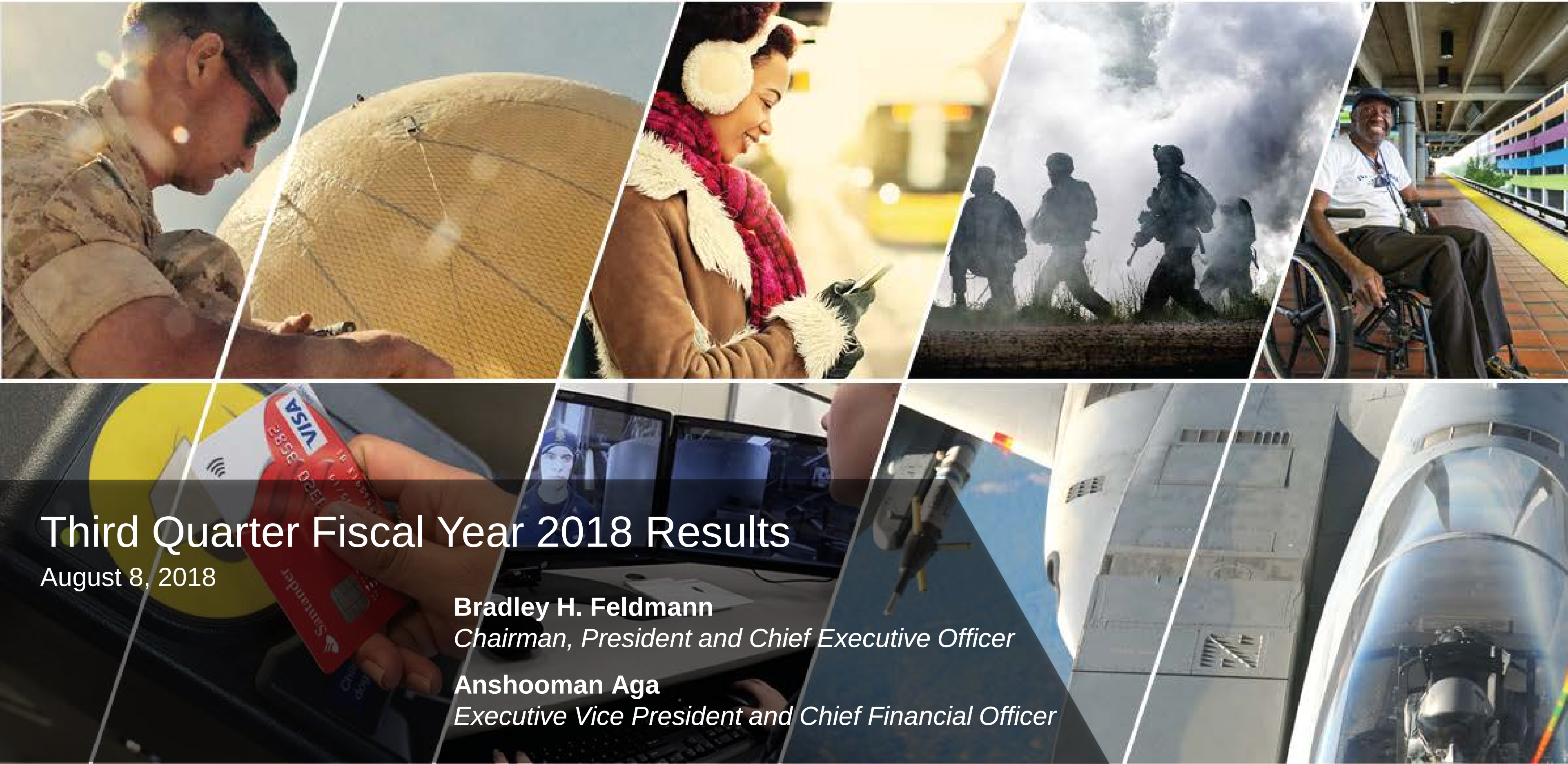
CUBIC
Global. Innovative. Trusted.



Third Quarter Fiscal Year 2018 Results

August 8, 2018

Bradley H. Feldmann
Chairman, President and Chief Executive Officer

Anshooman Aga
Executive Vice President and Chief Financial Officer

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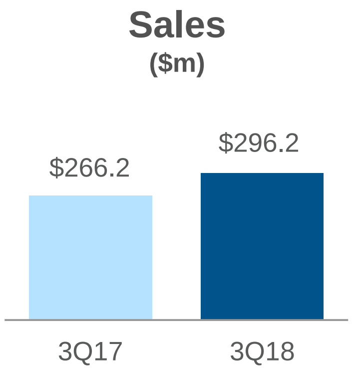
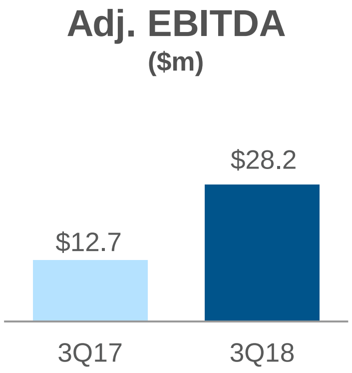
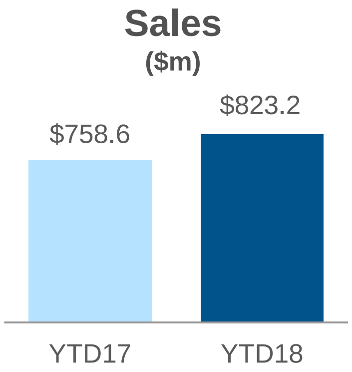
This presentation also includes non-GAAP financial measures as that term is defined in Regulation G. Non-GAAP financial measures supplement our GAAP disclosures and should not be considered an alternative to the GAAP measure. Reconciliations to the most directly comparable GAAP financial measures can be found in the Appendix to this presentation.

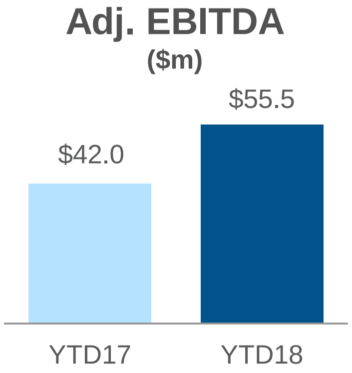
3Q18 and YTD Results

Continuing Operations[1]









Improved Sales and Adjusted EBITDA

- $3.7 billion in backlog; surpassed Q2FY18 historical backlog of $3.4 billion (up >$1 billion since 4Q17)
- 3Q18 Sales increased 11%, Adj. EBITDA increased 123% compared to 3Q17
- YTD18 Sales increased 9%, Adj. EBITDA increased 32% compared to YTD17
- Goal 2020 updated following Defense Services divestiture: $1.55 - $2.0 billion in revenue (including 10% organic growth) and 11-12.5% Adjusted EBITDA margins

See appendix for additional information regarding non-GAAP financial measures.

[1)] On May 31, 2018 Cubic sold the CGD Services business; the operating results of this business and loss on sale have been excluded from the figures above for all periods presented.

Strategy: Growth Catalysts

Investments paying off with five of six catalysts being achieved in the last nine months

Upcoming Catalysts

- Road User and Congestion Charging (Sydney, Ohio)
- AFC Opportunities (San Diego, Paris, Toronto, Montreal, etc.)
- NextBus 2.0 Mid-Market Entry
- AT&T FirstNet
- SATCOM Convergence
- Secure Mission Cloud
- Synthetic Training Environment

Strategy Update

- Completed Defense Services divestiture; deploying cash to market-leading, technology-driven strategy
- Investment in Delerrok to mid-market transportation, % of fare-based platform
- Exclusive FirstNet Radio over Internet Protocol (RoIP) interoperability provider to AT&T and Verizon
- Successful next generation, secure Live, Virtual, Constructive (LVC) Air Range flights

Cubic Acquisition of Shield Aviation Unmanned Systems

- Cubic will provide an affordable Airborne Intelligence Surveillance and Reconnaissance (ISR) capability with expanded range and payload than other systems in its class
- New ISR systems business will be part of Cubic Mission Solutions and have significant synergy with the existing businesses
- Autonomous Aerial Systems (AAS) market expected to double by 2024

Cubic will provide rapidly deployable, medium UAS which offers unique mission capabilities

Significant Progress Across Growth Initiatives

- Brisbane Next Generation Ticketing System award ($276m)
- Awaiting Sydney Integrated Congestion Management Program award (~$40m)
- Strong momentum on customer upgrades, e.g. Washington DC

- Expect ceiling increase in contract supporting Transportable Tactical Command Communications (T2C2), doubling the potential value to ~$1b
- Acquired assets of Shield Aviation to provide superior Intelligence, Surveillance and Reconnaissance Platform-as-a-Service capabilities
- Awarded $8m increase to enhance Global Airborne ISR dissemination

- F-35 Joint Strike Fighter Lot 12-14 order ($65m)
- Canada Urban Operations Training System award ($27m)
- Exploring Training-as-a-Service opportunities with U.S. Marine Corps

Successfully Living *One Cubic*

- Working on ERP optimization and developing analytics / dashboards
- Implementing Product Lifecycle Management (PLM)
- Tri-reader 4 and artillery simulation offerings developed by *One Cubic*
- Expect to expand profit margins in FY19 driven by supply chain and overhead cost savings

Continued Strong Execution in 3Q18

- Strong performance across all three segments
- Backlog at record high ($3.7B); another growth catalyst achieved with Brisbane award
- Execution on track for major projects
- Adjusted EBITDA of $28.2m, up significantly from $12.7m in 3Q17
- Free Cash Flow -$42.1m (adjusted without Boston Consolidation impact -$26.1m[1])
  - Free Cash Flow impacted by inventory build up and lower customer advances
- Closed sale of CGD Services
- Maintaining 2018 full year guidance
  - Sales: $1.135b - $1.185b
  - Adj. EBITDA: $90m - $116m

1) Free Cash Flow, which is a non-GAAP financial measure, is defined as Net cash provided by (used in) continuing operating activities minus capital expenditures. Adjusted Free Cash Flow is Free Cash Flow minus operating cash flow associated with the Boston SPV. See appendix for reconciliation.

MBTA Contract Overview

MBTA
- Public-Private Partnership
- $664m contract to Special Purpose Vehicle (SPV)
- Design-Build + 10 years O&M

SPV
90% John Laing
10% Cubic
- Formed to finance project
- Raises **non-recourse** debt
- Subcontract DB/O&M to Cubic

Cubic
- Receives order from SPV ($510m)
- Normal DB/O&M scope
- Receives progress payment from SPV

Consolidation

- Cubic must consolidate SPV under US GAAP
- Impacts Operating Cash Flow and Free Cash Flow
  - Payments from SPV not reflected as Operating Cash Flow
- Debt: SPV **non-recourse** debt to be consolidated
  - Not included in debt covenant calculation

Revenue Recognition

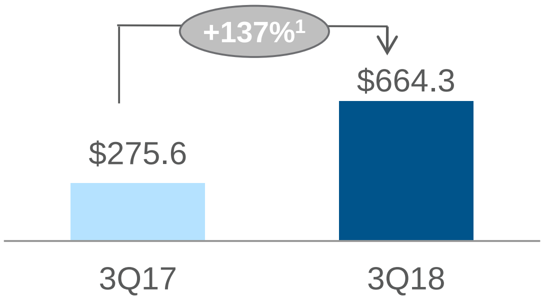
- FY 2018 – No Revenue Recognition
  - Multiple Element Arrangement Accounting
  - Project costs capitalized
- FY 2019 – Revenue to be recognized
  - Adoption of ASC 606
  - Percentage of Completion method during the design and build phase (through 2021)

Consolidated Financial Highlights

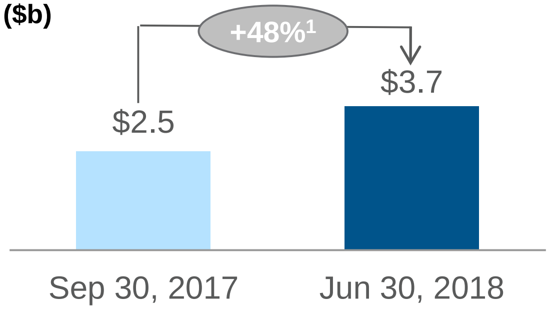
Continuing Operations

$ in millions, except backlog and EPS

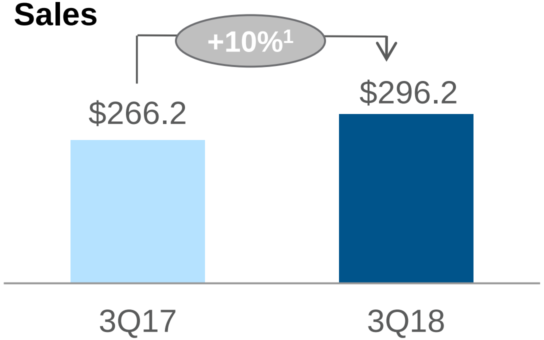
Bookings



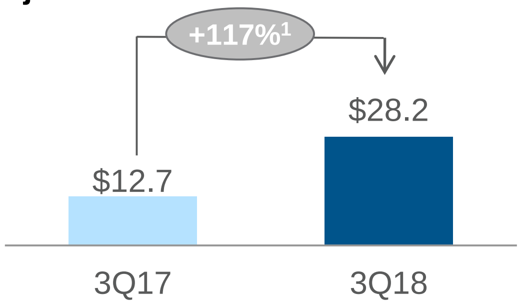
Backlog ($b)



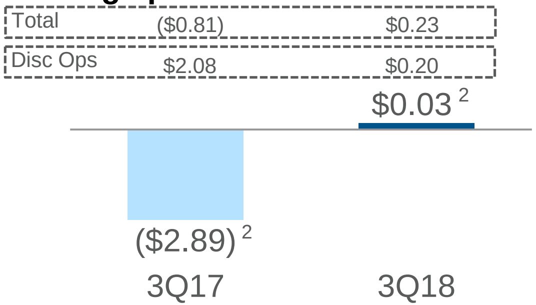
Sales



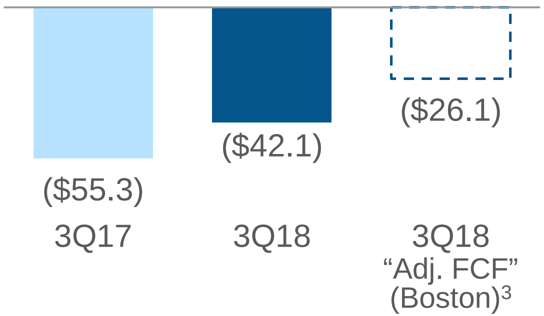
Adj. EBITDA



Earnings per Share



Free Cash Flow[3]

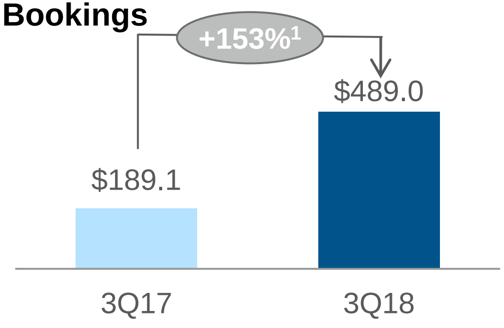


1) Growth rates reflect constant currency basis, adjusted for FX tailwinds of $11.2m bookings, $2.7m sales, and $0.7m Adj. EBITDA, and FX headwinds of $50.4m backlog. Unadjusted growth rates: bookings +141%, backlog +46%, sales +11%, and Adj. EBITDA +123%.
2) Earning per share from continuing operations attributable to Cubic.
3) Free Cash Flow, which is a non-GAAP financial measure, is defined as Net cash provided by (used in) continuing operating activities minus capital expenditures. Adjusted Free Cash Flow is Free Cash Flow minus operating cash flow associated with the Boston SPV. See appendix for reconciliation.

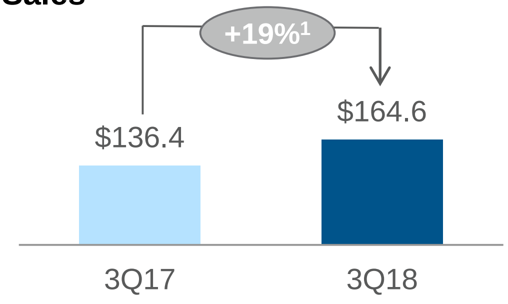
Cubic Transportation Systems Financial Highlights

Q3 Comparison ($m)

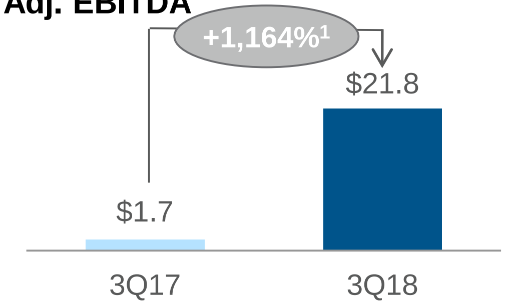
Bookings



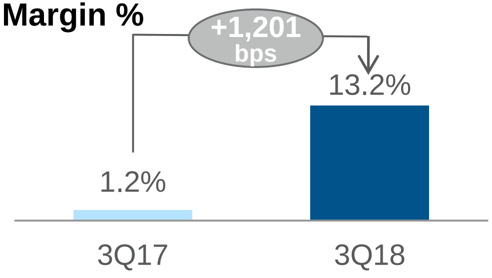
Sales



Adj. EBITDA



Adj. EBITDA Margin %



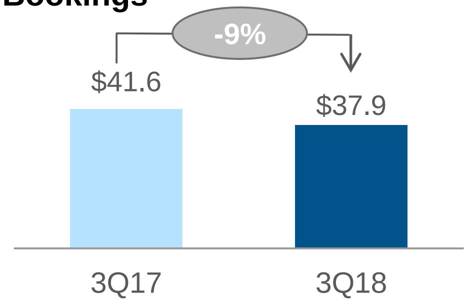
- Strong bookings driven by Brisbane NGTS award ($276m)
- Robust sales; growth in both products and services
- Margin increase reflects higher sales, lower R&D spend, and solid project execution

1) Growth rates reflect constant currency basis, adjusted for FX tailwinds of $11.2m bookings, $2.6m sales and $0.6m Adj. EBITDA. Unadjusted growth rates: Bookings +159%, Sales +21% and Adj. EBITDA +1,202% versus 3Q17.

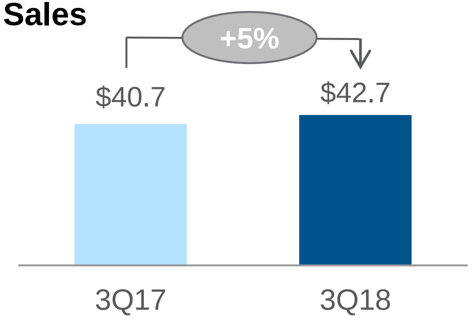
Cubic Mission Solutions Financial Highlights

Q3 Comparison ($m)

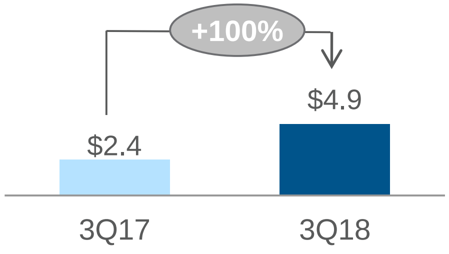
Bookings



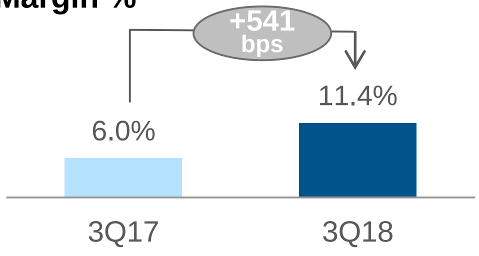
Sales



Adj. EBITDA



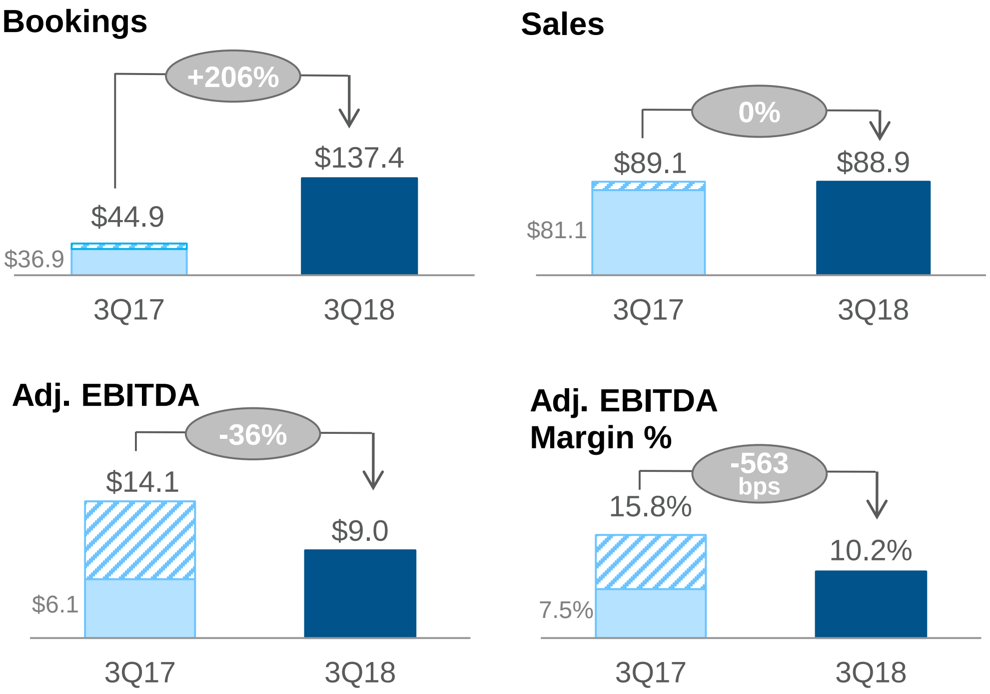
Adj. EBITDA Margin %



- Sales increase reflects higher YoY C2ISR deliveries
- Margin improvement due to sales increase and mix, despite higher YoY R&D spend
- T2C2 upcoming bookings / shipments expected to drive strong Q4 performance

Cubic Global Defense Financial Highlights

Q3 Comparison ($m)



- Higher bookings driven by F-35 JSF Lot 12-14 ($65m) and Canada Urban Operations Training System ($27m)
- Prior year favorably impacted by $8m REA
- Adj EBITDA margin % in line with our Goal 2020 expectations

Request for equitable adjustment (“REA”) impact

Note: Foreign currency did not have a meaningful impact to year-on-year growth rates

Summary

- Strong YoY sales and Adjusted EBITDA growth
- Highest backlog in the history of the company, $3.7 billion
- Recent Brisbane Next Generation Ticketing, FirstNet, and JSF awards further propel growth
- Autonomous Aerial Systems (AAS) acquisition opens up a high growth, high margin market
- Technology Focus will drive revenue growth and ERP platform will expand margins in FY19+

Winning the Customer with technology investments driving growth

Appendix

Goal 2020 Revenue and Profitability Objectives

	2017 Revenue $m	2020 Revenue $m	2020 Adj. EBITDA Margin
Transportation	$579	>$800	13% – 15%
Defense Training	$360	>$400	9% – 11%
Mission Solutions	$169	>$250	14% – 16%
Potential M&A		$100 - $550	
Consolidated	$1,108	~ $1,550 - $2,000	11% – 12.5%

Use of Non-GAAP Financial Measures

EBITDA and Adjusted EBITDA

- We believe that the presentation of Earnings before interest, taxes, depreciation, and amortization (EBITDA) and Adjusted EBITDA included in this report provides useful information to investors with which to analyze our operating trends and performance and ability to service and incur debt. Also, we believe EBITDA facilitates company-to-company operating performance comparisons by backing out potential differences caused by variations in capital structures (affecting net interest expense), taxation, variations in organic versus inorganic growth (affecting amortization expense) and the age and book depreciation of property, plant and equipment (affecting relative depreciation expense). We believe Adjusted EBITDA further facilitates company-to-company operating comparisons by backing out items that we believe are not part of our core operating performance.
- Items backed out of Adjusted EBITDA are comprised of expenses incurred in the development of our ERP system and the redesign of our supply chain which include internal labor costs and external costs of materials and services that do not qualify for capitalization, business acquisition expenses including retention bonus expenses, due diligence and consulting costs incurred in connection with the acquisitions, expenses recognized related to the change in the fair value of contingent consideration for acquisitions, restructuring costs, gains and losses on disposals of fixed assets, and income and expenses classified as other non-operating income and expenses which may vary for different companies for reasons unrelated to operating performance.
- EBITDA and Adjusted EBITDA are not measurements of financial performance under GAAP and should not be considered as measures of discretionary cash available to the company or as alternatives to net income as a measure of performance. In addition, other companies may define EBITDA and Adjusted EBITDA differently and, as a result, our measures of EBITDA and Adjusted EBITDA may not be directly comparable to EBITDA and Adjusted EBITDA of other companies. Furthermore, EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider either of them in isolation, or as a substitute for analysis of our results as reported under GAAP.
- Cubic reconciles EBITDA and Adjusted EBITDA to net income (loss), which we consider to be the most directly comparable GAAP financial measure.

Free Cash Flow and Adjusted Free Cash Flow

- Free Cash Flow and Adjusted Free Cash Flow are non-GAAP financial measures. Free Cash Flow is defined as Net cash provided by (used in) continuing operating activities minus capital expenditures. Management believes that Free Cash Flow is meaningful to investors because management reviews cash flows generated from operations after taking into consideration capital expenditures, which are necessary to maintain and expand Cubic's business. Adjusted Free Cash Flow is Free Cash Flow minus operating cash flow associated with the Boston Special Purpose Vehicle (SPV) where Cubic has a 10% equity stake. The SPV has contracted with Cubic for the design-build and operations and maintenance of the next generation fare collection system for the Massachusetts Bay Transit Authority (MBTA) and pays Cubic progress payments during the design-build phase of the project. These payments are primarily funded by non-recourse debt issued by the SPV. Management believes that Adjusted Free Cash Flow is meaningful to improving investors' understanding of the underlying performance of the business. Additional information regarding the company's Boston SPV can be found in Form 10-Q for the quarter ended June 30, 2018.
- It is important to note that Free Cash Flow or Adjusted Free Cash Flow does not represent the residual cash flow available for discretionary expenditures since other non-discretionary expenditures are not deducted from the measure. Cubic reconciles Free Cash Flow and Adjusted Free Cash Flow to Net cash provided by (used in) continuing operating activities.

Summary of Reportable Segment Results

	Nine Months Ended June 30, 2018	Nine Months Ended June 30, 2017	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017
	(in thousands)			
Sales:				
Cubic Transportation Systems	$ 478.1	$ 407.9	$ 164.6	$ 136.4
Cubic Global Defense Systems	233.2	247.4	88.9	89.1
Cubic Mission Solutions	111.9	103.3	42.7	40.7
Total sales	$ 823.2	$ 758.6	$ 296.2	$ 266.2
Operating income (loss):				
Cubic Transportation Systems	$ 42.7	$ 16.5	$ 18.6	$ (0.9)
Cubic Global Defense Systems	13.6	18.4	6.9	10.4
Cubic Mission Solutions	(17.2)	(14.5)	(0.5)	(1.5)
Unallocated corporate expenses	(42.4)	(39.0)	(14.7)	(14.8)
Total operating income (loss)	$ (3.3)	$ (18.6)	$ 10.3	$ (6.8)
Adjusted EBITDA:				
Cubic Transportation Systems	$ 52.4	$ 23.6	$ 21.8	$ 1.7
Cubic Global Defense Systems	20.7	26.9	9.0	14.1
Cubic Mission Solutions	1.1	3.0	4.9	2.4
Unallocated corporate expenses	(18.7)	(11.5)	(7.5)	(5.5)
Total adjusted EBITDA	$ 55.5	$ 42.0	$ 28.2	$ 12.7

Note: see following slides for GAAP to Non-GAAP reconciliations

GAAP to Non-GAAP Adjusted EBITDA Reconciliation by Segment

Continuing Operations - Nine Months and Three Months Ended June 30, 2018 and June 30, 2017

($ In Millions)	Nine Months Ended June 30,		Three Months Ended June 30,	
Cubic Transportation Systems	**2018**	**2017**	**2018**	**2017**
Sales	$ 478.1	$ 407.9	$ 164.6	$ 136.4
Operating income (loss)	**$ 42.7**	**$ 16.5**	**$ 18.6**	**$ (0.9)**
Depreciation and amortization	9.1	6.9	2.8	2.4
Acquisition related expenses, excluding amortization	-	(0.2)	-	-
Restructuring costs	0.6	0.4	0.4	0.2
Adjusted EBITDA	**$ 52.4**	**$ 23.6**	**$ 21.8**	**$ 1.7**
Adjusted EBITDA margin	11.0%	5.8%	13.2%	1.2%

	Nine Months Ended June 30,		Three Months Ended June 30,	
Cubic Mission Solutions	**2018**	**2017**	**2018**	**2017**
Sales	$ 111.9	$ 103.3	$ 42.7	$ 40.7
Operating loss	**$ (17.2)**	**$ (14.5)**	**$ (0.5)**	**$ (1.5)**
Depreciation and amortization	15.8	18.1	4.7	5.4
Acquisition related expenses, excluding amortization	2.5	(0.6)	0.7	(1.5)
Adjusted EBITDA	**$ 1.1**	**$ 3.0**	**$ 4.9**	**$ 2.4**
Adjusted EBITDA margin	1.0%	2.9%	11.4%	6.0%

	Nine Months Ended June 30,		Three Months Ended June 30,	
Cubic Global Defense	**2018**	**2017**	**2018**	**2017**
Sales	$ 233.2	$ 247.4	$ 88.9	$ 89.1
Operating income	**$ 13.6**	**$ 18.4**	**$ 6.9**	**$ 10.4**
Depreciation and amortization	6.1	7.3	2.0	3.5
Acquisition related expenses, excluding amortization	-	-	(0.1)	-
Restructuring costs	1.0	1.2	0.2	0.2
Adjusted EBITDA	**$ 20.7**	**$ 26.9**	**$ 9.0**	**$ 14.1**
Adjusted EBITDA margin	8.9%	10.9%	10.2%	15.8%

GAAP to Non-GAAP EBITDA & Adjusted EBITDA Reconciliation

Continuing Operations - Nine Months and Three Months Ended June 30, 2018 and June 30, 2017

($ In Millions)	Nine Months Ended June 30,		Three Months Ended June 30,	
Cubic Consolidated	**2018**	**2017**	**2018**	**2017**
Sales	$ 823.2	$ 758.6	$ 296.2	$ 266.2
Net income (loss) from continuing operations attributable to Cubic	$ (13.9)	$ (35.3)	$ 0.9	$ (78.2)
Noncontrolling interest in loss of VIE	(1.9)	-	(1.9)	-
Provision for income taxes	4.3	5.9	5.6	68.9
Interest expense (income), net	6.3	11.5	1.8	4.1
Other non-operating expense (income), net	1.9	(0.7)	3.9	(1.6)
Operating income (loss)	**(3.3)**	**(18.6)**	**10.3**	**(6.8)**
Depreciation and amortization	34.1	35.8	10.6	11.8
Other non-operating (expense) income, net	(1.9)	0.7	(3.9)	1.6
EBITDA	**28.9**	**17.9**	**17.0**	**6.6**
Acquisition related expenses, excluding amortization	2.5	(0.8)	0.6	(1.5)
ERP/Supply chain initiatives	18.8	23.6	5.1	8.9
Restructuring costs	3.4	1.6	1.6	0.3
Loss on sale of fixed assets	-	0.4	-	-
Other non-operating expense (income), net	1.9	(0.7)	3.9	(1.6)
Adjusted EBITDA	**$ 55.5**	**$ 42.0**	**$ 28.2**	**$ 12.7**
Adjusted EBITDA margin	6.7%	5.5%	9.5%	4.8%

GAAP to Non-GAAP Reconciliation: Adjusted Free Cash Flow

Continuing Operations - Nine Months and Three Months Ended June 30, 2018 and June 30, 2017

($ In Millions) Cubic Consolidated	Nine Months Ended June 30, 2018	 2017	Three Months Ended June 30, 2018	 2017
Net cash used in continuing operating activities	**$ (31.8)**	**$ (45.3)**	**$ (32.8)**	**$ (45.0)**
Capital expenditures	(21.1)	(25.5)	(9.3)	(10.3)
Free Cash Flow	**(52.9)**	**(70.8)**	**(42.1)**	**(55.3)**
Less: operating cash flow associated with SPV	(16.0)	-	(16.0)	-
Adjusted Free Cash Flow	**$ (36.9)**	**$ (70.8)**	**$ (26.1)**	**$ (55.3)**