CUBIC

First Quarter Fiscal Year 2019 Results

February 6, 2019

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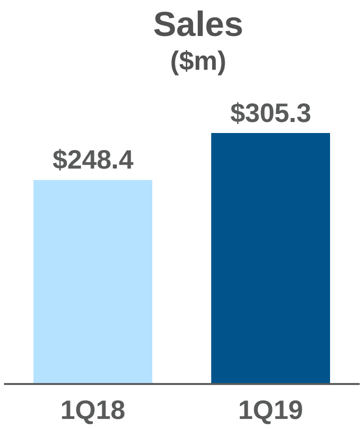
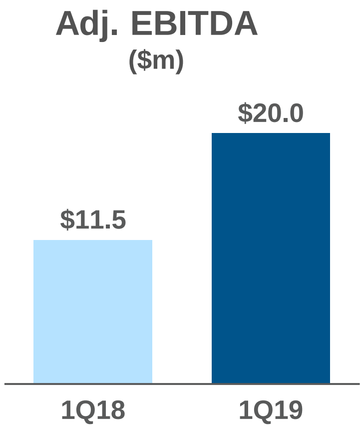
Because the risk factors referred to above could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

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. Cubic has not provided a reconciliation of forward-looking financial measures such as Adjusted EBITDA to the most directly comparable financial measures prepared in accordance with GAAP because Cubic is unable to quantify certain amounts that would be required to be included in the GAAP measures without unreasonable efforts, and Cubic believes such reconciliations would imply a degree of precision that would be confusing or misleading to investors.

1Q Fiscal 2019 - Solid Start to the Year





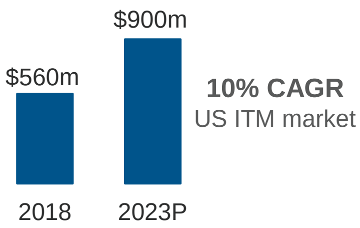
- 1Q19 Sales increased 23%[1], Adj. EBITDA increased 74%[1] year-over-year
- Results reflect strong organic growth, adoption of ASC 606 and acquisition of Trafficware
- Major projects on track – laser focused on upcoming milestones
- Acquisitions create leadership position in U.S. urban intelligent intersection management market and advance NextCity vision of optimizing travel

1) Sales and Adj. EBITDA increased $28.4 million and $3.3 million, respectively, due to the impact of the adoption of new revenue recognition guidance (ASC 606) at the beginning of fiscal 2019. Sales generated by businesses acquired during 2019 and 2018 totaled $10.7 million for the three-month period ended December 31, 2018, and had no sales in the three-month period ended December 31, 2017. Additionally, FX headwinds negatively impacted Sales by $5.5 million and Adj. EBITDA by $0.7 million. See appendix for reconciliations of non-GAAP financial measures.

Significant Advancement on Operations & Analytics Pillar of Cubic's NextCity strategy

Why WINNING THE CUSTOMER

Cities need smart infrastructure solutions to manage congestion, improve safety on the road, and to prepare for a more complex, connected world



Demand for intelligent solutions and concerted effort to connect vehicles to intersections

✓ Detection

✓ Adaptive Traffic Mgmt.

✓ Traffic Planning

The most advanced solution for intersection traffic detection and response

Vertical integration of intersection management enables Cubic to optimize arterial intersections and roads based on broader inbound regional traffic from highways and to give priority to shared modes

CUBIC

- Regional / highways coordination and congestion management
- First of its kind ICMP (Sydney)

Cubic brings:

✓ NextCity vision

✓ Global footprint

✓ Large city presence

✓ Broader transportation portfolio

✓ Regional transportation and congestion management platform

Trafficware

- Fully integrated suite of intelligent intersection technology
- Most advanced offering
- Smart infrastructure for smart cars

Trafficware brings:

✓ Fills technology gaps (e.g. PODs, adaptive signal control, Infrastructure-2-Vehicle)

✓ Diverse U.S. customer base (access to small/mid market)

✓ Vertically integrates Cubic into intersections and arterial roads management

GRIDSMART

- Intersection video detection
- Unmatched algorithm accuracy
- Tracks vehicles and cyclists through the intersection

GRIDSMART brings:

✓ Fills technology gaps (e.g. computer vision, traffic analytics)

✓ Best-of-breed for out-of-pavement detection

✓ Unique customers

✓ International capability

Growth synergies across up-selling, cross-selling and international expansion in a global ITS market of ~$10 billion with a CAGR >20%

Major Transportation Implementation Milestones

Why
WINNING THE CUSTOMER

New York MTA

FY18
- Conceptual Design Review (Complete)
- Preliminary Design Review (Complete)
- Final Design Review (Complete)

FY19
- Factory Acceptance Testing (Complete)

UPCOMING:
- Field and pilot testing leading into initial public launch – *May 2019*
- Progressive installation leading to full system contactless acceptance – *October 2020*

Boston MBTA

FY18
- Conceptual Design Review (Complete)

UPCOMING:
- Preliminary Design Review – *April 2019*
- Initial vehicle installation leading to pilot – *December 2019*
- Transition to the new system commences – *mid-2020*

Strategy Update

- 2018 Business App of the Year Award (Transportation)
- Command Post strategy is winning customers
- National Training and Simulation Training Award for Air Live, Virtual & Constructive (LVC) system

Significant Progress Across Growth Initiatives

What

BUILDING NEXTCITY GLOBALLY

- Expansion of contactless payment to Sydney rail
- Mobile app projects including Chicago, D.C. and Los Angeles on track
- Mid-market expansion with NextBus opportunities and Trafficware / GRIDSMART integration

What

BUILDING NEXTMISSION GLOBALLY

- Increased awards for Airborne ISR Systems and Deployments ($7.8m)
- Additional delivery order for T2C2 ($36.5m)
- Awarded New Zealand Defense Force 10-year IDIQ for SATCOM Systems
- Delivered 1,000+ Vocality Radio over Internet Protocol units to AT&T dealers

What

BUILDING NEXTTRAINING GLOBALLY

- Won additional instrumentation work for Canadian Combat Training Center ($8m)
- Awarded DARPA work on Adapting Cross-domain Kill-webs ($6m) and PROTEUS (Prototype Resilient Operations Testbed for Expeditionary Urban Operations) ULTRA programs ($4m)
- Completed delivery of L118, Artillery Simulation System, for British Army

Strong Q1 Results, Slightly Ahead of Our Expectations

- Sales of $305.3m (+25% $YoY_{\text{constant FX}}$)
- Adjusted EBITDA of $20.0m (+80% $YoY_{\text{constant FX}}$) up from $11.5m in 1Q18
- ASC 606 adoption increased Sales by $28.4m and Adj. EBITDA by $3.3m
- Free Cash Flow -$73.2m; Adjusted FCF without Boston consolidation impact -$67.4m[1]; driven by timing of milestone payments on New York and Boston projects
- Continued strong capital allocation decisions
  - Acquired Trafficware for $238m and GRIDSMART[2] for $87m (both expected to be cash EPS accretive year 1)
  - Raised $228m gross proceeds in public offering
  - Further steps to optimize real estate
- Total Debt $264.5m; Debt-to-LTM Adj. EBITDA[3] 2.34 (1.67 Net Debt)

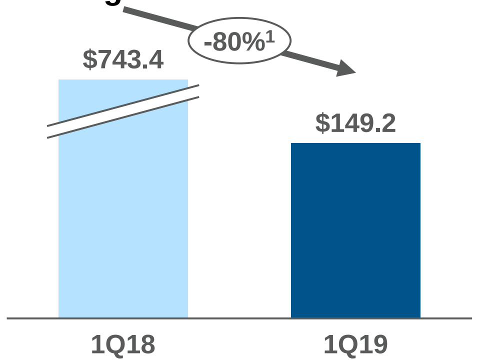
1) Free Cash Flow, a non-GAAP financial measure, is defined as Net cash provided by (used in) continuing operating activities minus capital expenditures. Adjusted Free Cash Flow is Free Cash Flow minus operating cash flow associated with the Boston SPV. See appendix for reconciliation.
2) The acquisition of GRIDSMART was announced in Q2 Fiscal Year 2019 on January 2, 2019.
3) LTM = Last Twelve Months. LTM Adjusted EBITDA = $113.1m (see appendix). Total Debt of $264.5m = $64.5m short term borrowings + $200m long-term debt. Net Debt reflects cash and equivalents of $75.2m.

1Q Fiscal 2019 Consolidated Financial Highlights

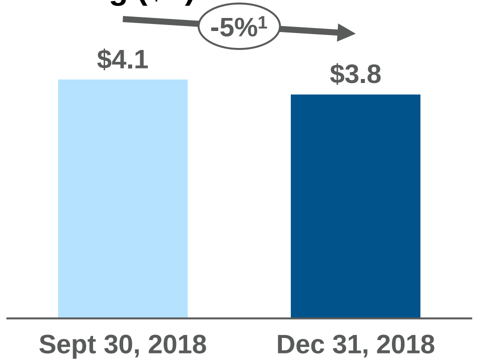
Continuing Operations

$ Millions, except backlog and EPS

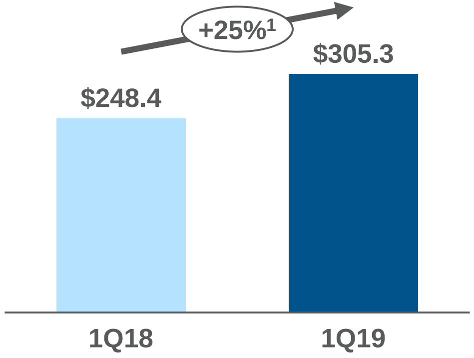
Bookings



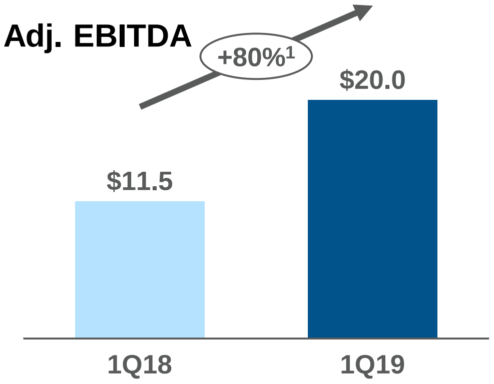
Backlog ($b)



Sales

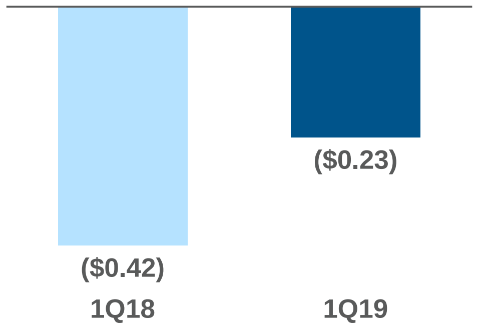


Adj. EBITDA

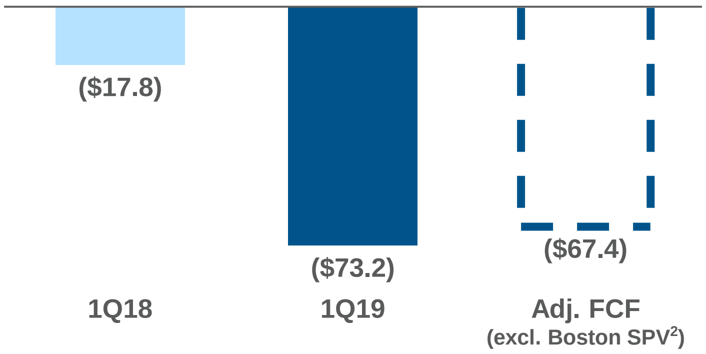


Earnings per Share

attributable to Cubic



Free Cash Flow[2]

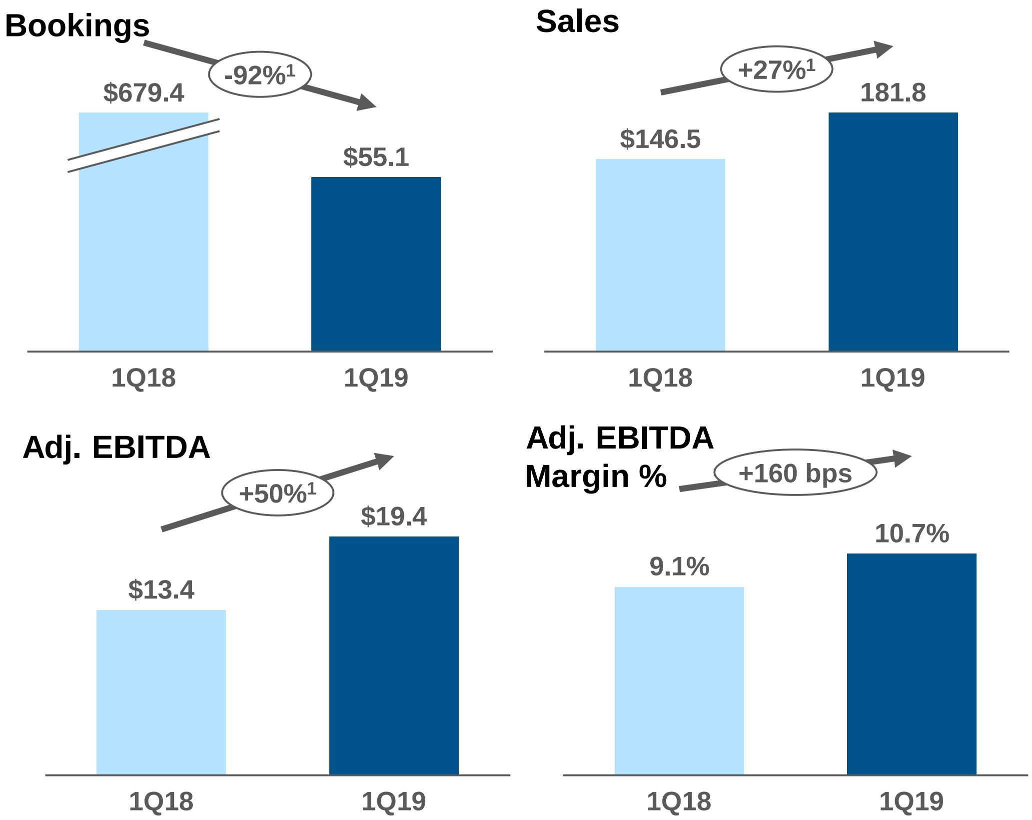


1) Growth rates reflect constant currency basis, adjusted for FX headwinds of $2.1m bookings, $5.5m sales, $0.7m Adj. EBITDA, and $32.7m backlog. Unadjusted growth rates: bookings -80%, backlog -6%, sales +23%, and Adj. EBITDA +74%.
2) Free Cash Flow, a non-GAAP financial measure, is defined as Net cash 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

Cubic Transportation Systems

$ Millions

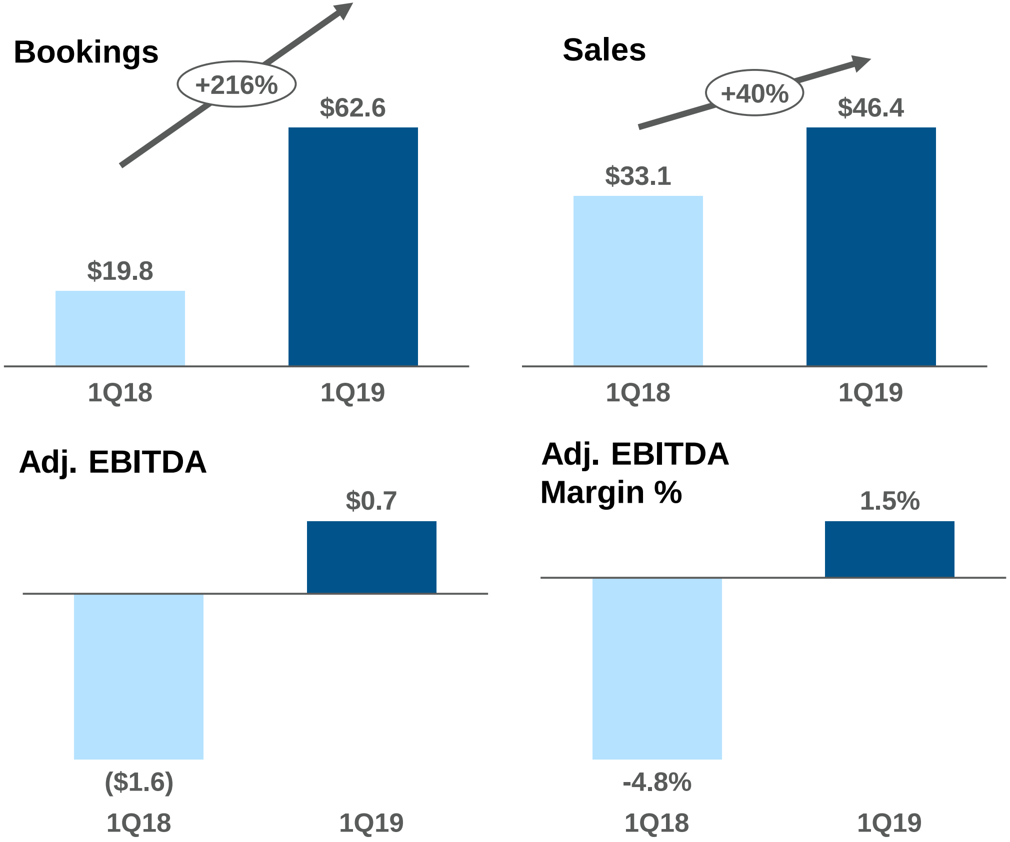


- 1Q18 bookings include the New York award ($554m)
- Sales increase driven by Boston, New York, Brisbane, the inclusion of Trafficware ($10.5m) and ASC 606
- Margin increase reflects higher sales, solid project execution and the addition of Trafficware

1) Growth rates reflect constant currency basis, adjusted for FX headwinds of $1.8m bookings, $4.8m sales and $0.7m Adj. EBITDA. Unadjusted growth rates: Bookings -92%, Sales +24% and Adj. EBITDA +45% versus 1Q18.

Cubic Mission Solutions

$ Millions

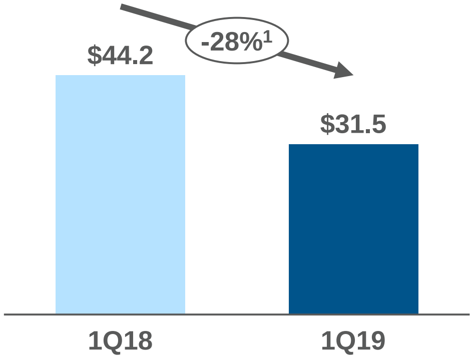


- Higher bookings across Secure Communications, Secure Networking and C2ISR
- Sales and Adj. EBITDA increase reflects higher GATR deliveries

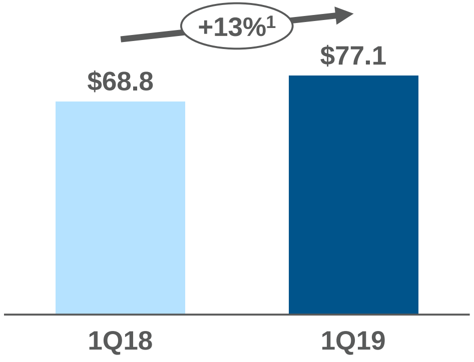
Cubic Global Defense

$ Millions

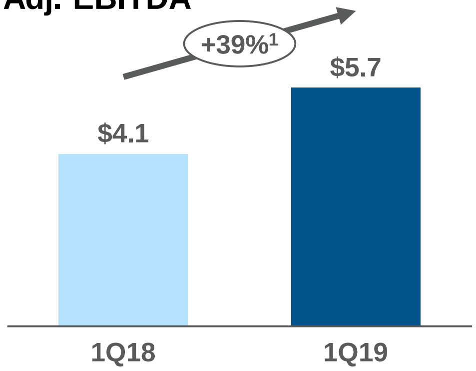
Bookings



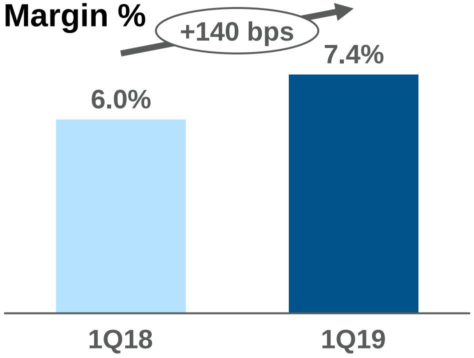
Sales



Adj. EBITDA



Adj. EBITDA Margin %



- Orders down YoY based on timing of International Order entry
- Sales increase reflects ASC 606
- Margin increase driven by operational improvement

1) Growth rates reflect constant currency basis, adjusted for FX headwinds of $0.3m bookings and $0.7m sales; no meaningful FX impact to Adj. EBITDA. Unadjusted growth rates: Bookings -29% and Sales +12% and versus 1Q18.

Further Real Estate Optimization

Summary

- Consolidation of real estate, accommodate for growth and modernize facilities

San Diego Campus

- Consolidation of the two San Diego campuses onto one site
- Synthetic lease investor will 100% fund and own new buildings
- Cubic would be a tenant for accounting purposes and owner for tax purposes

Benefits

- Planned sale of vacated campus – frees cash tied up on balance sheet
- *One Cubic* – consolidates San Diego locations
- Accommodates for growth
- Necessary improvements to workplace environment and collaboration

Maintaining 2019 Guidance (Updated to include GRIDSMART)

Fiscal 2019 Guidance

Sales	Adj. EBITDA
$1,400m to $1,475m	$140m to $160m

Constant FX; Adoption of Accounting Standards Codification (ASC) Topic 606

- Trafficware Sales of ~$50m and Adj. EBITDA of $14m to $15m (11 months)
- GRIDSMART Sales of ~$24m and Adj. EBITDA of ~$5m (9 months)
- Profitability seasonality broadly in line with Fiscal Year 2018
- Expect 2Q Adj. EBITDA to be slightly higher YoY (2Q18 $15.8m)
  - Impacted by timing of shipments and accelerated investments in new contract awards for Airborne SATCOM and Common Datalink communication systems
- D&A ~$65m (including Trafficware and GRIDSMART)
- Adj. EBITDA add backs:
  - $10m PLM (final piece of IT roadmap)
  - $9m restructuring and business optimization
  - $6m acquisition/integration costs
- Capex ~2.5% of sales

Summary

- Strong start to fiscal 2019 with good growth
- Trafficware and GRIDSMART acquisitions provide technology-driven, market-leading Intelligent Transportation System (ITS) platform
- 2019 Focus: Meeting Our Commitments
- We continue to execute our growth strategy

Winning the Customer with technology investments driving growth

Appendix

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 phases 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-K for the year ended September 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

	Three Months Ended December 31, 2018	Three Months Ended December 31, 2017
	(in millions)	
Sales:		
Cubic Transportation Systems	$ 181.8	$ 146.5
Cubic Mission Solutions	46.4	33.1
Cubic Global Defense	77.1	68.8
Total sales	$ 305.3	$ 248.4
Operating income:		
Cubic Transportation Systems	$ 11.0	$ 9.9
Cubic Mission Solutions	(4.9)	(8.9)
Cubic Global Defense	2.9	1.4
Unallocated corporate expenses	(9.6)	(14.3)
Total operating income	$ (0.6)	$ (11.9)
Adjusted EBITDA:		
Cubic Transportation Systems	$ 19.4	$ 13.4
Cubic Mission Solutions	0.7	(1.6)
Cubic Global Defense	5.7	4.1
Unallocated corporate expenses	(5.8)	(4.4)
Total adjusted EBITDA	$ 20.0	$ 11.5

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

GAAP to Non-GAAP Adjusted EBITDA Reconciliation by Segment

Continuing Operations –Three Months Ended December 31, 2018

($ In Millions)	Three Months Ended December 31,	
Cubic Transportation Systems	**2018**	**2017**
Sales	$ 181.8	$ 146.5
Operating Income	**$ 11.0**	**$ 9.9**
Depreciation and amortization	7.7	3.3
Acquisition related expenses, excluding amortization	1.8	-
Restructuring costs	0.4	0.2
Adjusted EBITDA	**$ 19.4**	**$ 13.4**
Adjusted EBITDA margin	10.7%	9.1%

	Three Months Ended December 31,	
Cubic Mission Solutions	**2018**	**2017**
Sales	$ 46.4	$ 33.1
Operating Income (loss)	**$ (4.9)**	**$ (8.9)**
Depreciation and amortization	5.4	5.9
Acquisition related expenses, excluding amortization	0.2	1.4
Adjusted EBITDA	**$ 0.7**	**$ (1.6)**
Adjusted EBITDA margin	1.5%	-4.8%

	Three Months Ended December 31,	
Cubic Global Defense	**2018**	**2017**
Sales	$ 77.1	$ 68.8
Operating Income	**$ 2.9**	**$ 1.4**
Depreciation and amortization	2.2	2.1
Acquisition related expenses, excluding amortization	0.5	-
Restructuring costs	0.1	0.6
Adjusted EBITDA	**$ 5.7**	**$ 4.1**
Adjusted EBITDA margin	7.4%	6.0%

GAAP to Non-GAAP EBITDA & Adjusted EBITDA Reconciliation

Continuing Operations –Three Months Ended December 31, 2018

($ In Millions)	Three Months Ended December 31,	
Cubic Consolidated	**2018**	**2017**
Sales	$ 305.3	$ 248.4
Net loss from continuing operations attributable to Cubic	**$ (6.6)**	**$ (11.5)**
Noncontrolling interest in loss of VIE	(4.0)	-
Provision (benefit) for income taxes	2.4	(2.7)
Interest expense, net	2.8	2.3
Other non-operating expense (income), net	4.8	-
Operating Income	**(0.6)**	**(11.9)**
Depreciation and amortization	16.0	12.4
Other non-operating (expense) income, net	(4.8)	-
Noncontrolling interest in EBITDA of VIE	(1.5)	-
EBITDA	**9.1**	**0.5**
Acquisition related expenses, excluding amortization	2.5	1.4
Strategic and IT system resource planning expenses	1.6	8.0
Restructuring costs	2.0	1.6
Other non-operating expense (income), net	4.8	-
Adjusted EBITDA	**$ 20.0**	**$ 11.5**
Adjusted EBITDA margin	6.6%	4.6%

Note: The difference between consolidated amounts and segments represents Corporate.

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GAAP to Non-GAAP Reconciliation: Adjusted Free Cash Flow

Continuing Operations –Three Months Ended December 31, 2018

($ In Millions) Cubic Consolidated	Three Months Ended December 31, 2018	 2017
Net cash provided by (used in) continuing operating activities	**$ (61.2)**	**$ (11.5)**
Capital expenditures	(12.0)	(6.3)
Free Cash Flow	**(73.2)**	**(17.8)**
Less: operating cash flow associated with SPV	(5.8)	-
Adjusted Free Cash Flow	**$ (67.4)**	**$ (17.8)**

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Trailing Twelve Months Adj. EBITDA Reconciliation

Continuing Operations – Twelve Months Ending December 31, 2018

($ In Millions) Cubic Consolidated	Trailing Twelve Months Ending December 31, 2018
Net income from continuing operations attributable to Cubic	**$ 13.0**
Noncontrolling interest in loss of VIE	(4.3)
Provision for income taxes	12.2
Interest expense, net	9.3
Other non-operating expense (income), net	5.5
Operating income	**35.7**
Depreciation and amortization	50.2
Other non-operating (expense) income, net	(5.5)
Noncontrolling interest in EBITDA of VIE	(1.5)
EBITDA	**78.9**
Acquisition related expenses, excluding amortization	5.6
Strategic and IT system resource planning expenses	17.7
Restructuring costs	5.4
Other non-operating expense (income), net	5.5
Adjusted EBITDA	**$ 113.1**

Impact of New Revenue Recognition Standard By Segment

Continuing Operations –Three Months Ended December 31, 2018

We adopted ASU 606 effective October 1, 2018 using the modified retrospective transition method. In accordance with the modified retrospective transition method, the quarter ended December 31, 2018 is presented under ASC 606, while the quarter ended December 31, 2017 is presented under ASC 605. The cumulative effect of the change in accounting for periods prior to October 1, 2018 was recognized through retained earnings at the date of adoption. The table below quantifies the impact of adopting ASC 606 on net sales and operating income for the three months ended December 31, 2018:

($ in Millions)	Under ASC 605	Effect of ASC 606	As Reported under ASC 606
Sales:			
Cubic Transportation Systems	$172.7	$9.1	$181.8
Cubic Mission Solutions	45.4	1.0	46.4
Cubic Global Defense	58.8	18.3	77.1
Total sales	**$276.9**	**$28.4**	**$305.3**
Operating income (loss):			
Cubic Transportation Systems	$9.2	$1.8	$11.0
Cubic Mission Solutions	(5.1)	0.2	(4.9)
Cubic Global Defense	1.6	1.3	2.9
Unallocated corporate expenses	(9.6)	0	(9.6)
Total operating income (loss)	**$(3.9)**	**$3.3**	**$(0.6)**

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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-build phase (through 2021)