

23 February 2012

Companies Announcement Office  
Australian Securities Exchange  
Level 3, 20 Bridge Street  
SYDNEY NSW 2000

*By ASX Online*

## **Decmil Group Limited 2012 Interim Results Presentation**

Attached is a copy of the 2012 Interim Results Presentation issued today by Decmil Group Limited as part of the company's half year 2012 results release.

Yours faithfully,  
DECMIL GROUP LIMITED



Justine Campbell  
**Company Secretary**

20 Parkland Road  
Osborne Park, Western Australia 6017

T: +61 8 9368 8877

F: +61 8 9368 8878

Postal Address  
PO Box 1233, Osborne Park WA 6916  
[enquiries@decmil.com.au](mailto:enquiries@decmil.com.au)  
[www.decmilgroup.com.au](http://www.decmilgroup.com.au)

ASX DCG  
ABN 35 111 210 390



# 2012

## INVESTOR PRESENTATION

DELIVERING ON STRATEGIC GROWTH PLAN

# DISCLAIMER



This presentation should not be relied on as a representation of any matter that a potential investor or their adviser should consider in evaluating the Company. Potential investors must make their own independent assessment and investigation of the matter contained herein and should not rely on any statement or the adequacy or accuracy of the information provided.

The Company and its related bodies corporate or any its Directors, agents, officers or employees do not make any representation or warranty, express or implied, as to or endorsement of the Company, the accuracy or completeness of any information, statements or representations contained in the presentation, and they do not accept any liability whatsoever (including in negligence) for any information, representation or statement made in or omitted from this presentation.

This document contains certain forward looking statements which involve known and unknown risks, delays and uncertainties not under the Company's control which may cause actual results performance or Company s results, achievements of the Company to be materially different from the results, performance or expectations implied by these forward looking statements. The Company makes no representation or warranty, express or implied, as to or endorsement of the accuracy or completeness of any information, statements or representations contained in this presentation with respect to the Company.

# HY 2012 – GROUP HIGHLIGHTS



## Financial

- Sales Revenue **\$210.9 million**
- EBITDA **\$19.5 million**
- Net Profit after Tax **\$13.0 million**
- Earnings per share **10.17 cps**
- Cash on Hand **\$107.7 million**

## Corporate & Operations

- **\$280m in new contracts/contract extensions awarded**
- **Consolidation of Queensland operation** through first Build-Own-Operate venture
- **Significant improvement in safety performance**, TRIFR down 143%<sup>1</sup> to 2.17
- **Total order book approx. \$500m** (at February 2012)

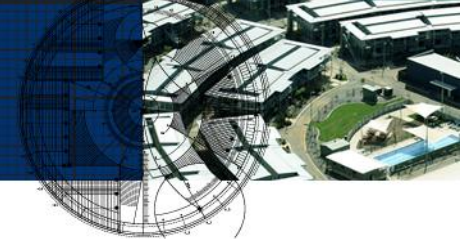
## Strategy

- **Maintain leadership position in core market through core asset**
- **Active tendering for \$100m+ contracts** in core markets
- **Leveraged diversification** via extension of services to Resources and Oil & Gas projects
- Continued focus on **employee attraction and retention** programs
- Substantial progress in development of infrastructure business



## FINANCIAL PERFORMANCE

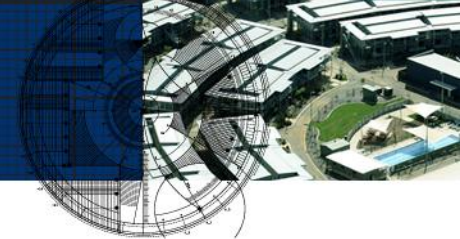
# FINANCIAL HIGHLIGHTS



		HY 12	HY 11	Change
<b>Revenue</b> <sup>1</sup>	\$m	210.9	233.7	-9.8%
EBITDA	\$m	19.5	21.2	-7.9%
<b>NPAT</b>	\$m	13.0	14.2	-7.9%
NPAT Margin	%	6.2	6.0	3.3%
<b>Operating Cash Flow</b>	\$m	29.6	22.9	29.1%
EPS (Basic) <sup>2</sup>	cps	10.17	11.43	-11.0%
<b>Interim Dividend</b>	cps	2.5	NA	

1. Revenue lower for HY 2012 compared with previous corresponding period due to the delay in contract awards
2. EPS calculation reflects weighted average number of shares on issue increase as a result of additional 41.4M shares issued during the rights issue to fund the MDJV transaction

# STRONG CASH POSITION

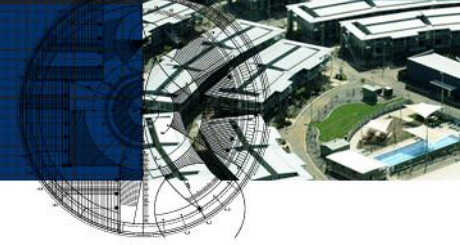


			HY 12	HY 11	Change
<b>Gross Cash <sup>1</sup></b>		\$m	<b>107.7</b>	62.9	71.2%
Debt <sup>2</sup>		\$m	<b>16.8</b>	6.1	175.4%
<b>Net Cash Position</b>		\$m	<b>90.9</b>	56.8	60.0%
Bank Guarantees & Performance Bonds	Utilised	\$m	<b>57.1</b>	70.3	-18.8%
	Available	\$m	<b>107.9</b>	50.7	112.8%
<b>CAPEX <sup>3</sup></b>		\$m	<b>10.9</b>	2.4	354.2%

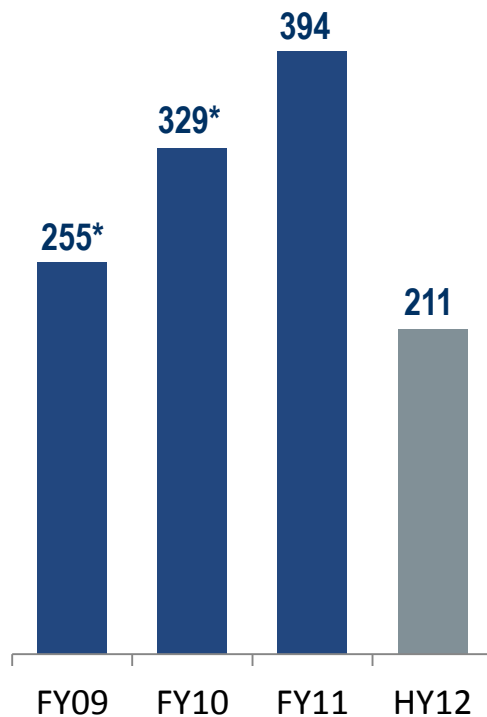
- Healthy cash levels maintained to fund future growth
- Minimal debt levels
- Bonding facilities increased to \$165 million to support future growth strategy
- Operating business requires minimal capex

1. Includes balance of capital raising proceeds of \$30M yet to be employed in the continued construction of the MDJV accommodation village  
 2. Increase in debt relates to the Office Building purchase  
 3. Capex includes office building and fit-out costs

# SOLID REVENUE



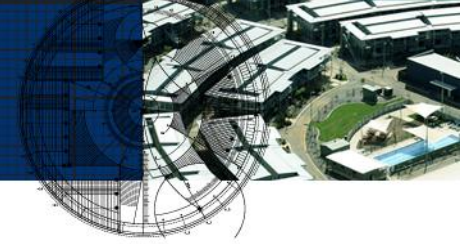
## Sales Revenue \$m



\*FY figures relate to continuing operations

- **Strong revenues** of \$210.9 million for the half year
- **One of Australia's fastest growing building and construction companies**
- **\$280 million in new contracts and contract extensions on existing projects.**
- **Disciplined approach** to maintaining economic margins on tenders
- **Strong pipeline of future tenders**

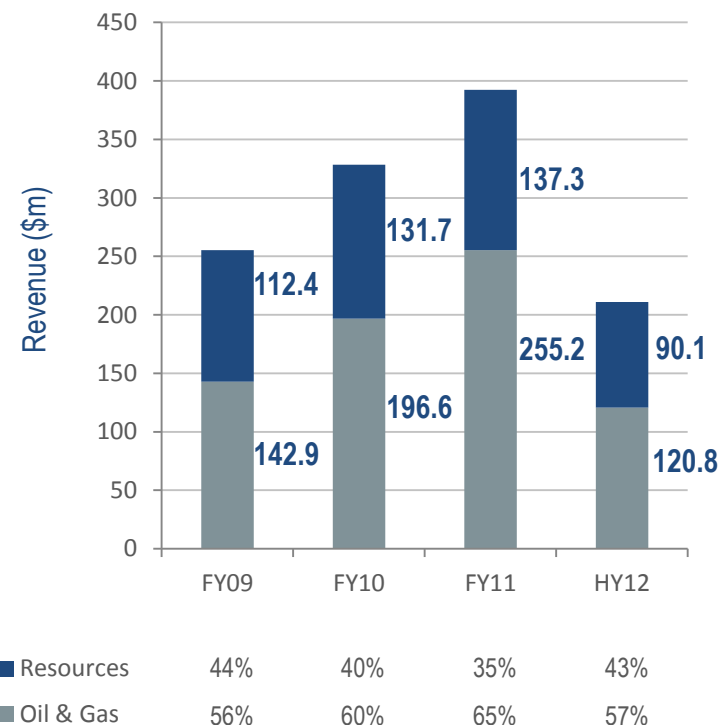
# REVENUE DIVERSIFICATION



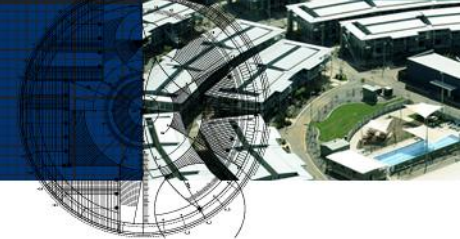
- **Oil & Gas sector key strategic target area**
- **Generated increasing revenues** over last 3 years
- Oil & Gas project capex “locked-in” post FID – hence **less susceptible to commodity cycle fluctuations** than Resources projects
- **Decmil has successfully worked on all WA’s major Oil & Gas projects including:**
  - **Gorgon** (\$43 billion project) for Chevron (\$200+ million work to date)
  - **Pluto** (\$13 billion project) for Woodside (\$400+ million work to date)
  - **North West Shelf** for Woodside (\$30+ million)
  - **Wheatstone** (\$29 billion project) for Chevron (\$64m Fly Camp awarded October 2011)

## Revenue split

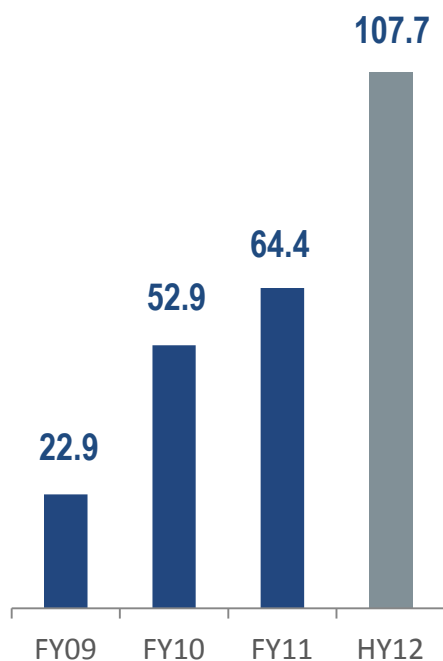
Oil & Gas vs Resources



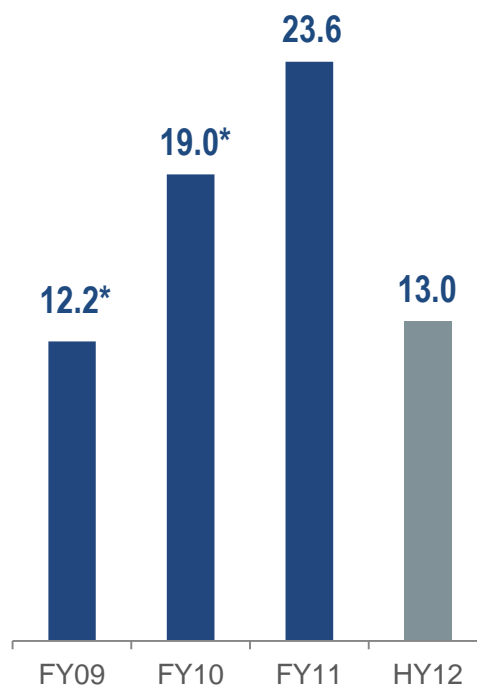
# REVENUE DIVERSIFICATION



Cash on Hand \$m

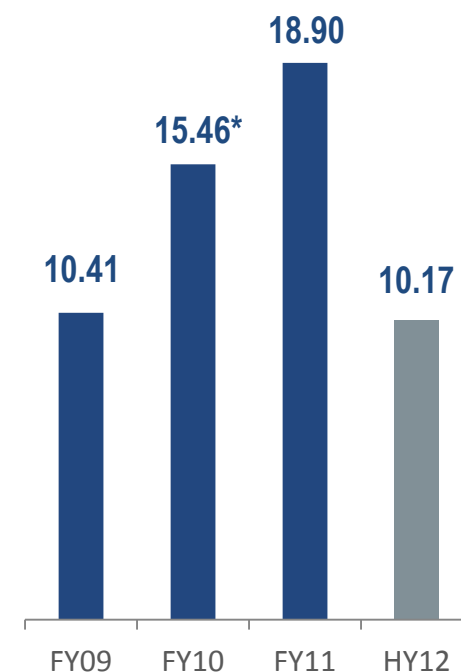


NPAT \$m



\* Normalised

EPS cents per share



\* Normalised



## DIVERSIFICATION STRATEGY

# COMPANY CAPABILITIES



Decmil Group aims to be Australia's leading **diversified construction** company, delivering **sustainable growth** through our continued **focus** on all **relationships**

## EXISTING CAPABILITIES



Gladstone

+ DIVERSIFICATION

### CIVIL CONSTRUCTION

### BUILDING CONSTRUCTION

### MAINTENANCE & OPERATIONS

### INFRASTRUCTURE

#### Non-Process

#### Accommodation

#### Recurring earnings stream



Small & large-scale  
brownfield greenfield  
civil concrete

Industrial buildings,  
plants, storage facilities  
& workshops

Design & construct  
permanent and temporary  
accommodation facilities

Build-Own-Operate  
accommodation villages

Civil infrastructure  
services

Resources  
Oil & Gas

Resources  
Oil & Gas  
Government

Resources  
Oil & Gas

Resources  
Oil & Gas  
Infrastructure  
Providers

Resources  
Oil & Gas  
Government  
Utility Providers

# GEOGRAPHIC DIVERSIFICATION



## CURRENT DECMIL PROJECTS

### WESTERN AUSTRALIA

- 1 Karntama Village (Fortescue Metals Group)
- 2 Gorgon Site Preparation (Chevron/Thiess)
- 3 Gorgon Village Accommodation (Chevron)
- 4 Pluto LNG, Civil (Woodside Energy)
- 5 Warrawandu (BHP Billiton)
- 6 Wheatstone Fly Camp 500 Person (Chevron)
- 7 Christmas Creek Airstrip (Fortescue Metals Group)

### QUEENSLAND

- 8 Calliope Village (MDJV)
- 9 Buffel Park Village (BHP Billiton Mitsubishi Alliance - BMA)

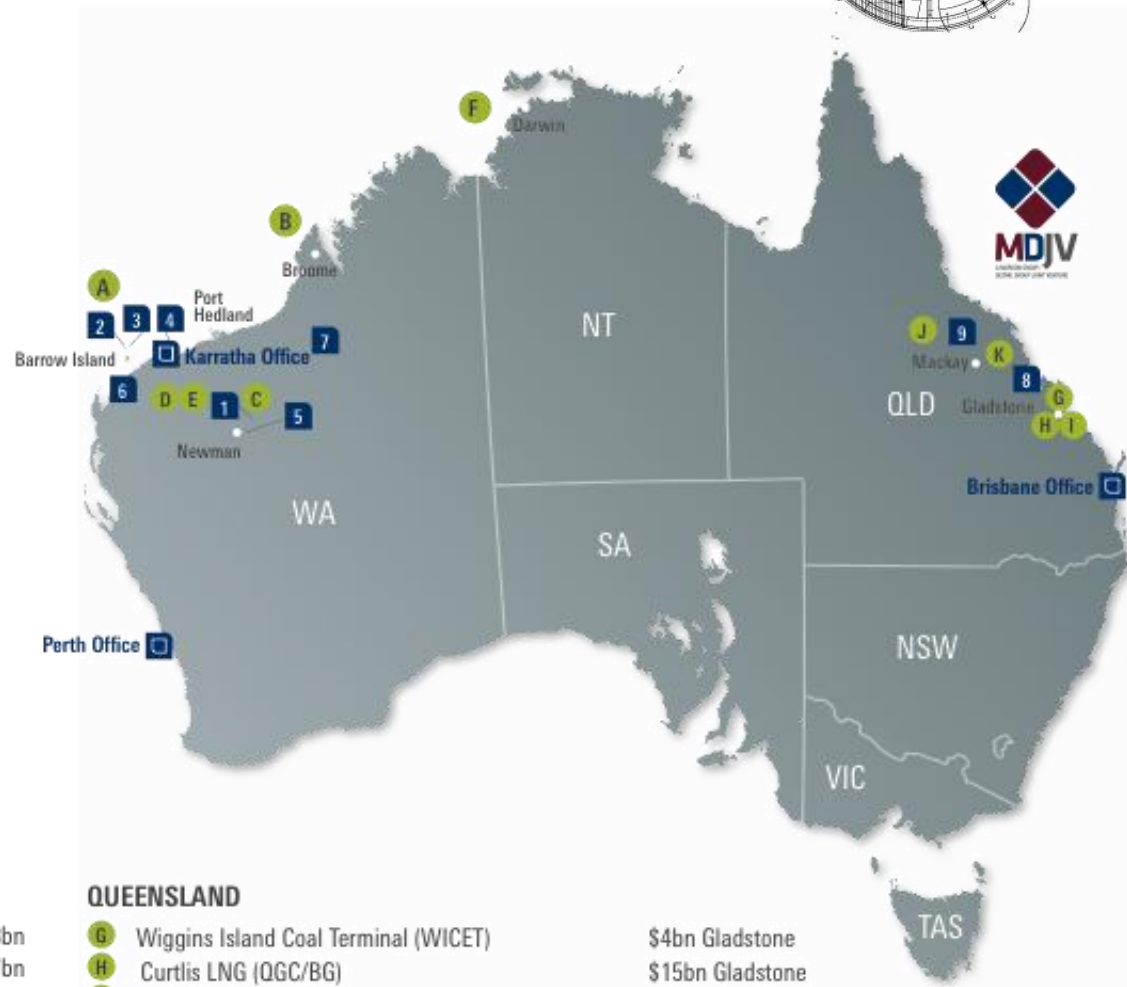
## MAJOR DEVELOPMENT AND INFRASTRUCTURE PROJECTS (current and planned)

### WESTERN AUSTRALIA

- |  |            |
|--|------------|
| <b>A</b> Wheatstone LNG (Chevron)                | \$A29bn    |
| <b>B</b> Browse LNG (Woodside)                   | \$A30bn    |
| <b>C</b> Iron Ore Expansion (BHP Billiton)       | \$US12.8bn |
| <b>D</b> 333 Expansion (Rio Tinto)               | \$US10.7bn |
| <b>E</b> Roy Hill Iron Ore (Hancock Prospecting) | \$A7.2bn   |

### NORTHERN TERRITORY

- |                                     |            |
|-------------------------------------|------------|
| <b>F</b> Ichthys LNG (Inpex Darwin) | \$A30bn NT |
|-------------------------------------|------------|



### QUEENSLAND

- |  |                              |
|--|------------------------------|
| <b>G</b> Wiggins Island Coal Terminal (WICET)  | \$4bn Gladstone              |
| <b>H</b> Curtis LNG (OGC/BG)   | \$15bn Gladstone             |
| <b>I</b> Gladstone LNG (Santos/Petronas/Total/Kogas)   | \$16bn Gladstone             |
| <b>J</b> Alpha Coal Project (Hancock Coal/GVKJV)   | \$7bn Galilee Basin          |
| <b>K</b> Dudgen Point Coal Terminals (Adani Mining and Dudgeon Point Project Management Pty Ltd) | \$10bn 38kms south of Mackay |



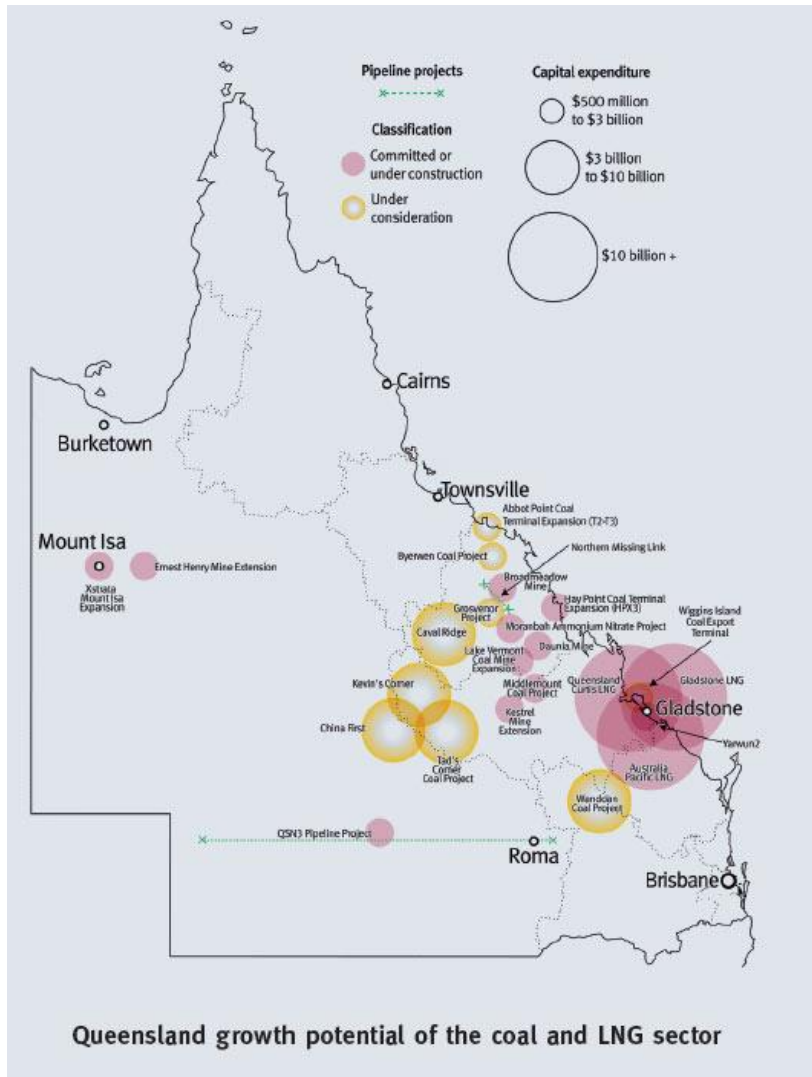
Source: ABARE April 2011 Minerals & Energy - Major Development Projects



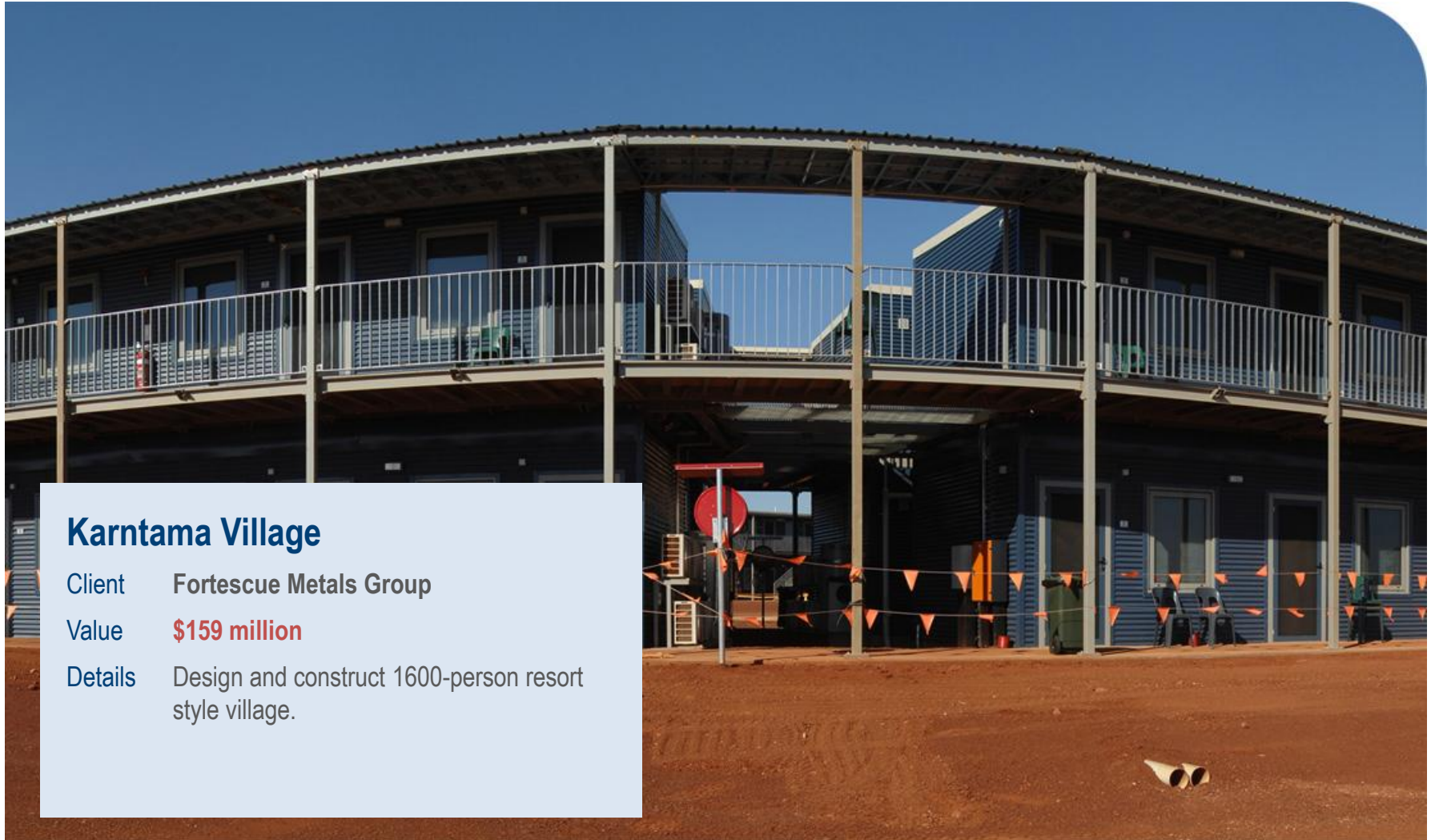
## Gladstone Region

undergoing massive infrastructure and resource project expansion

- Circa \$55 billion in major engineering projects currently under construction
- Additional projects valued at \$30 billion are proposed
- Large-scale infrastructure development to support incoming transport of resources from Bowen, Surat and Galilee Basins
- High demand for accommodation and projected to increase significantly over next 3 – 5 year period



# CURRENT PROJECTS



## Karntama Village

Client **Fortescue Metals Group**

Value **\$159 million**

Details Design and construct 1600-person resort style village.

# CURRENT PROJECTS



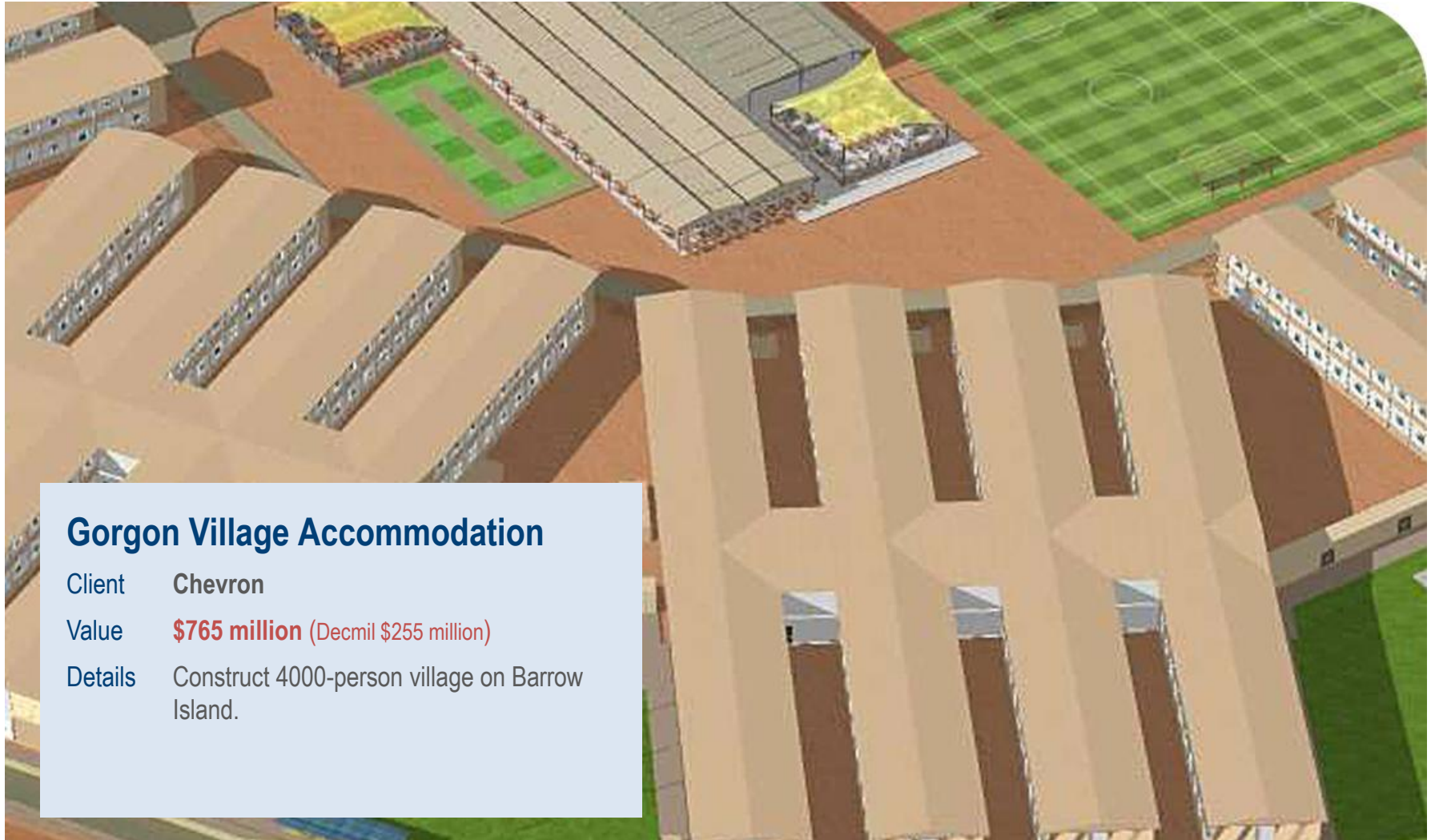
## Gorgon Site Preparation

Client **Chevron (Thiess)**

Value **\$74 million**

Details Design and construct temporary construction warehouses, transportable buildings and workshops.

# CURRENT PROJECTS



## Gorgon Village Accommodation

Client **Chevron**

Value **\$765 million** (Decmil \$255 million)

Details Construct 4000-person village on Barrow Island.

# CURRENT PROJECTS



## Pluto LNG, Civil

**Client** Woodside Energy

**Value** **\$400+ million**

**Details** Supply and install concrete foundations and pedestals, in-ground electrical & hydraulic services. Construction of temporary site facilities & misc civil works.

# CURRENT PROJECTS



## Warrawandu Village

Client **BHP Billiton**

Value **\$100 million**

Details Design and construct 1080-person village and EPCM facilities.



# CURRENT PROJECTS



## Wheatstone Fly Camp

Client **Chevron**

Value **\$64 million**

Details Design, supply and installation of a 502 room Fly Camp and central facilities including kitchen and offices, installation of utilities and waste water treatment plant.

# CURRENT PROJECTS



## Christmas Creek Airstrip

Client **Fortescue Metals Group**

Value **\$30 million**

Details Design, procurement, construction and commissioning of a CASA compliant airport facility at Christmas Creek mine situated in the Pilbara region of WA.

# CURRENT PROJECTS



## Calliope Village

Client **MDJV**

Value **\$150 million**

Details Design and construction of a 2265-person village including central facilities and amenities near Gladstone, Queensland.



# CURRENT PROJECTS



## Buffel Park Village

**Client** BHP Billiton Mitsubishi Alliance (BMA)

**Value** **\$90 million**

**Details** Construction and installation of infrastructure and 1500-person accommodation facilities for the Caval Ridge Mine located in the Bowen Basin.

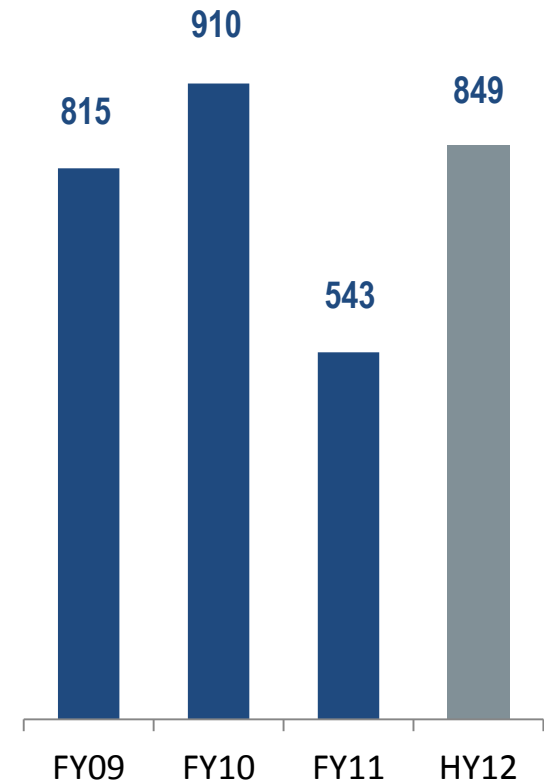


## OPERATIONAL HIGHLIGHTS



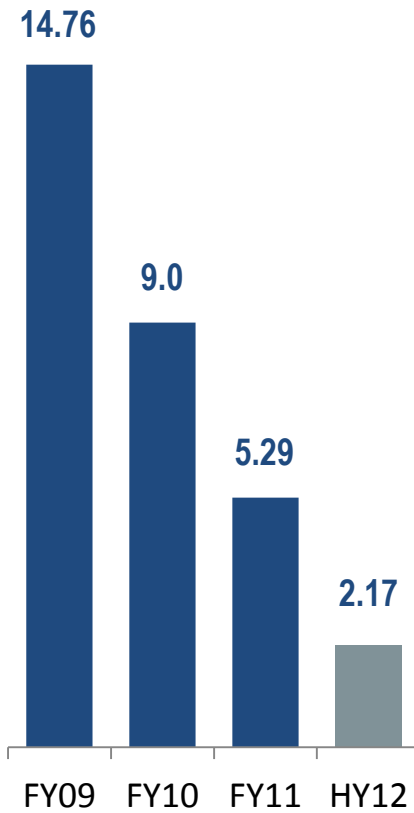
- **Employee numbers lift** in line with ramp-up in projects
- **Increase in Operational Management & Estimating Team Personnel**
- **Experienced project teams in place** for existing project delivery requirements
- **Teams established for future work contracts** sourced from experienced internal resources
- **Estimating, Operations, Engineering and Project Management** roles filled for 2012 Queensland contracts
- **Increased award of Indigenous Traineeships**
- **IR strategies in place to support national growth**
- **Continued focus on attraction and retention strategies**
  - structured leadership & employee development programs
  - active national and offshore recruitment program

**Decmil Employee Numbers**





## Total Recordable Incident Frequency Rate (TRIFR)



## Exceptional safety performance across group

- TRIFR down 143% on previous six month period
- No recordable injuries

## SHIELD program reviewed and re-launched

Key initiatives:

- Skin and hydration testing
- Fitness for work training and testing
- Peer support training
- Hand safety promotion
- Home-safe promotion



## SAI Global Certification

Decmil Australia Queensland branch to AS4801, ISO14001



## Industry recognition

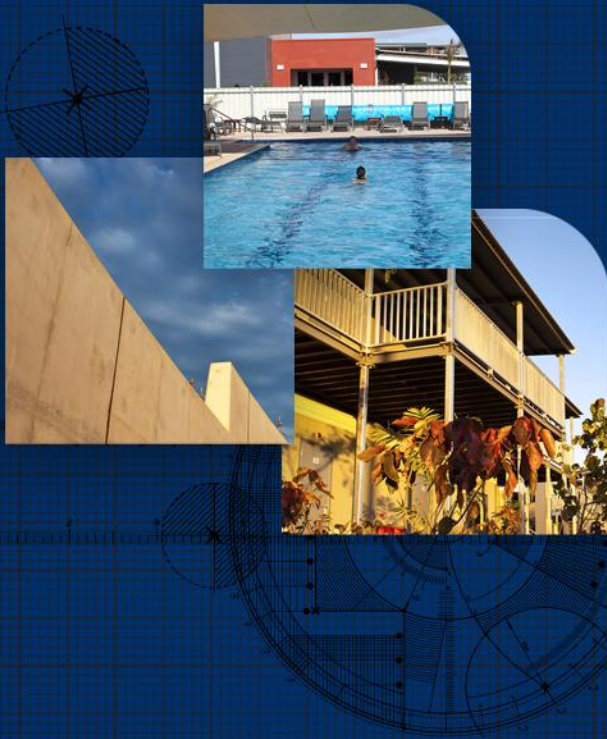
- **Work Safety WA 2011**  
Best Safety & Health Management System – Private Sector
- **Safe Work Australia Awards Finalist 2011**  
Best Safety & Health Management System – Private Sector
- **Safe Way Achiever Award – 2011 Gold Winner**
- **Skilled Innovation – 2011 Finalist**



- **Continued investment to build enterprise systems and processes** facilitate a national enterprise with consistency across multiple regional locations
- **Enhanced Risk and Opportunity identification and management during project lifecycle**
- **Streamlined document management system and process**
  - Correspondence, quotation submission, vendor communication
  - Utilise online and 'cloud' environment
- **Consolidation of automated Project Controls** integrating
  - cost, time and performance into a single software
  - "Site Diary"
- **Development of a Human Resources Integrated System**
  - linking multiple HR Systems including payroll, travel, training and performance management in a single system
- **Investment in "Internet Protocol" communication system in state offices and most remote sites**
  - including video conferencing, delivering a cost effective collaborative solution across the entire business.



SITE DIARY



OUTLOOK

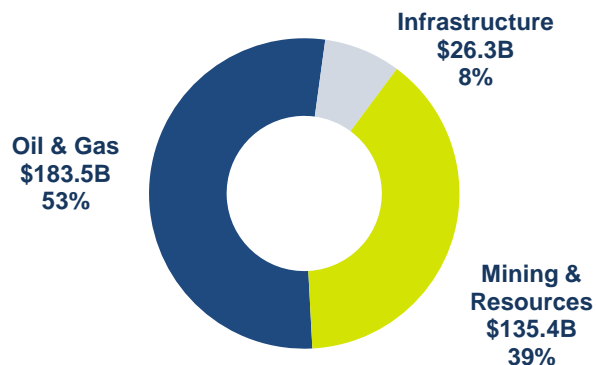
# PROJECT PIPELINE



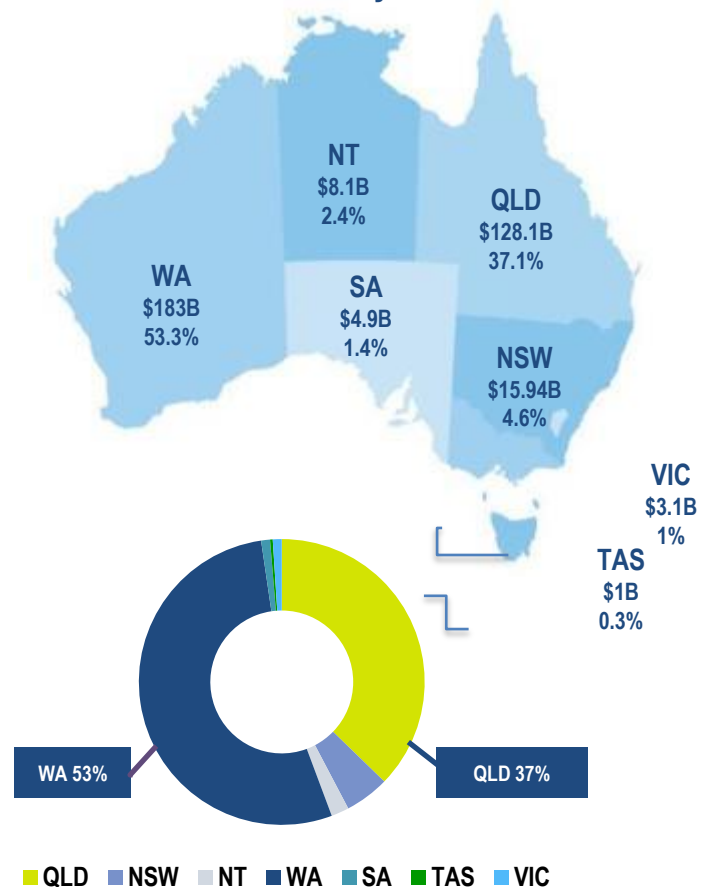
- 5 year forecast - major project capex is A\$345 billion across 267 projects
- Strength in iron ore, coal and LNG

## CAPEX Forecast Australia (2011 – 2016)

Resources	\$135.3B
Oil & Gas	\$183.5B
Infrastructure (rail, port & terminal)	\$26.3B
<b>Total CAPEX</b>	<b>\$345.1B</b>
Committed	\$129B
Not Yet Committed	\$216B

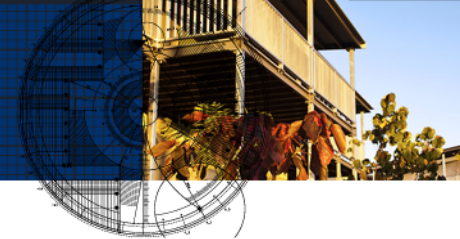


## Australian CAPEX by State



Source: ABARE April 2011 Minerals & Energy – Major Development Projects

# PROJECT PIPELINE



- **Strong near-term project pipeline** in key target sectors
- Decmil **leveraged to significant pipeline of work for LNG, iron ore and coal expansion**
- **More than \$4.0b in contracts** to be awarded

	CLIENT	PROJECT	TYPE	CONTRACT VALUE	AWARD TIMING*
WA	FMG	Expansion Projects	Village	\$150m	2012
	Chevron	Wheatstone	Civils, NPI	\$500m	Late 2012
	Rio Tinto	Expansion to 283mtpa	Civils, NPI	\$250m	2012/2013
	API JV	West Pilbara Iron Ore	Village, Civils, NPI	\$300m	2012/2013
	BHP Billiton	RPG6, RPG6A, Quantum	Village, Civils, NPI	\$1.0b	2012/2013
	Woodside	Browse	Village, Civils, NPI	\$1.5b	2013
QLD	Xstrata	Wandoan	Village	\$100m	Mid 2012
	Hancock Coal/GVKJV	Alpha Coal	Village	\$110m	Mid 2012
	BMA	Caval Ridge Mine	Civils, NPI	\$80m	2012
TOTAL				\$4.0 billion	



- **Operating Performance**

- Continue to attract, develop and retain the right people
- Sustain strong operational performance and disciplined approach to capital management
- Continuously improve management systems and processes to deliver value to clients and shareholders

- **Future Growth**

- Maintain focus on organic growth in core markets in Western Australia
- Identify and assess opportunities to leverage expertise and experience in core markets in Queensland and the Northern Territory
- Continue to develop recurring revenue stream as part of diversification strategy
- Increase focus on diversification into civil infrastructure services
  - power, water and roads

# POSITIONED FOR FURTHER GROWTH



- **DGL enters 2H 2012 well positioned for growth**
  - Record order book of \$500M (February 2012)
  - Approximately \$600M in tenders submitted, pending award
  - Significant activity on major projects with rapid mobilisation
  - Strong 2H and confident will achieve in excess of \$500M revenue for FY12
- **Strong pipeline of new projects**
  - Positive short-term outlook in core sectors
  - Decmil has identified a \$4.0 billion project pipeline
- **Focus on maintaining performance and profitability**
  - Elevated tender activity across all sectors, highly competitive environment
  - DGL will maintain a disciplined approach to new contract tenders with margins reflecting risk
  - Competition for labour expected to intensify, maintain focused programs targeting employee attraction and retention



THANK YOU