

ASX / MEDIA ANNOUNCEMENT
20 August 2014

DECMIL DELIVERS STRONG FY14 RESULT

- **Revenue¹ up 17% to \$617.7m**
- **EBITDA² up 10% to \$78.2m**
- **NPAT² up 10% to \$49.7m**
- **Earnings per share¹ at 29.50 cents (FY13: 26.94cps)**
- **Cash on hand of \$59.3m (no core senior debt – net cash position)**
- **Significant government and broader civil work contracts**
- **Revenue visibility for FY15 with ~\$400 million in work in hand**
- **Final dividend of 8.5c per share**

Decmil Group Limited (ASX: DCG) (“Decmil” or “Company”) has delivered another strong financial result today reporting a 10% increase in net profit after tax² to \$49.7 million for the full year ended 30 June 2014.

The result was underpinned by:

- Key contracts with the Department of Immigration and Border Protection, Atlas Iron, Shell, Roy Hill, QGC, Rio Tinto and Chevron;
- Contract awards in new competencies (civil works such as roads and bridges) and sectors (government); and
- Consistent occupancy at Homeground Gladstone.

This solid result reflects the successful execution of Decmil’s strategy to diversify its earnings through a broadening of its services and extending reach into new markets.

	FY 2013	FY 2014	Change
Revenue¹	\$526.5M	\$617.7M	+17%
EBITDA²	\$71.0M	\$78.2M	+10%
NPAT²	\$45.2M	\$49.7M	+10%
Earnings per share²	26.94cps	29.50cps	+2.56cps
Cash on hand	\$43.7M	\$59.3M	+36%

Decmil CEO Scott Criddle said: “It is pleasing that, despite a challenging environment for resource sector related construction, Decmil has delivered another solid financial result. This can be attributed to our strategy of diversifying our revenue sources with government infrastructure, upstream coal seam gas work and broader civil capability now strong features in the business.

“A strong financial performance by the Homeground accommodation village in Gladstone was also a significant contributor to the Group’s result, with high occupancy experienced for most of FY14”. Mr Criddle said.

1 – Excluding interest revenue

2 – Excluding business combination gains from both FY13 & FY14 reporting periods

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Net Assets and Cash Position

Operating cash flow for the year ended 30 June 2014 was \$66.1m, which was greater than FY13 by \$33.6m (103%). The Company maintained a strong net cash position, with cash on hand of \$59.3m at the end of the period (\$43.7m at 30 June 2013).

Decmil paid down all core senior debt during the financial year and is currently debt-free (excluding \$2.0m in hire purchase related debt).

Dividend

The Company is pleased to announce it will pay shareholders a final dividend of 8.5 cents per share, fully franked. The dividend will be paid on 26 September 2014, with a record date of 5 September 2014.

Strategy and Outlook

The Company has started FY15 with committed construction and engineering work in hand of ~\$400 million, providing strong revenue visibility for the financial year ahead.

Decmil continues to seek opportunities to expand its existing construction and engineering capability via a focussed approach on those sectors the Company anticipates growth in, as well as expansion into other geographical areas. Government infrastructure and civil work continues to be a focus for the Company given the success achieved during the FY14 financial year.

Decmil has the expertise to deliver complex civil construction projects, particularly in remote locations and in the key areas of immigration, main roads, defence, health and education.

"We expect to continue to see a subdued and competitive landscape for construction in the natural resources sector with margins reducing to long term levels experienced before the construction boom of recent years. However, Decmil has continued to evolve its client base and core capabilities during the financial year, and the Company continues to see significant potential in these new areas of the business to provide greater sources and diversity of revenue in the coming years." Mr Criddle said.

About Decmil

Decmil Group Limited (DGL) offers a diversified range of services to the Australian resources and infrastructure industries. Companies within the group specialise in design, civil engineering and construction; accommodation services; mechanical fabrication; and maintenance. Listed on the Australian Securities Exchange (ASX Code: DCG), Decmil's goal is to maximise returns from our operations to deliver value to our shareholders, clients and other stakeholders.

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