



August 2014

Disclaimer



This presentation contains a summary of information of Decmil Group Limited and is dated August 2014. The information in this presentation does not purport to be complete or comprehensive and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Decmil's other periodic and continuous disclosure announcements and you should conduct your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

This presentation is not a disclosure document and should not be considered as an offer or invitation to subscribe for, or purchase any securities in Decmil or as an inducement to make an offer or invitation with respect to those securities. The information contained in this presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Those individual objectives, circumstances and needs should be considered, with professional advice, when deciding whether an investment is appropriate.

This presentation contains forward looking statements. Such forward looking statements are not guarantees of future performance and are subject to known and unknown risk factors associated with the Company and its operations. While the Company considers the assumptions on which these statements are based to be reasonable, whether circumstances actually occur in accordance with these statements may be affected by a variety of factors. These include, but are not limited to, levels of actual demand, currency fluctuations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. These could cause actual trends or results to differ from the forward looking statements in this presentation. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward looking statements and subject to any continuing obligation under applicable law, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this presentation to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date of this presentation. To the maximum extent permitted by applicable laws, the Company makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for, the accuracy, suitability or completeness of or any errors in or omission, from any information, statement or opinion contained in this presentation.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. References to "Decmil", "the Company", "the Group" or "the Decmil Group" may be references to Decmil Group Ltd or its subsidiaries.

FY14 Highlights



Financial

- Revenue up 17% to \$617.7m
- EBITDA¹ up 10% to \$78.2m
- NPAT¹ 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)



Operations

- FY14 revenue 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 roads and bridges) and sectors (Government)
- Strong occupancy at Homeground Gladstone (FY14 avg: 79%)



Strategy + Outlook

- High degree of revenue visibility with c.\$400m work in hand for FY15 and strong tender pipeline
- Diversification of Construction and Engineering revenue remains a key focus
- Construction margins returning to long term average levels
- Pursue opportunities with Government, civils, upstream coal seam gas and infrastructure ownership (BOO & PPP)

Note:

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

Company Profile

Decmil offers a diversified range of services to the mining, oil & gas, infrastructure and government sectors in Australia and overseas.

Established in 1979, Decmil has over 35 years' experience delivering integrated solutions to its blue-chip clients.

Companies within the Group specialise in design, civil engineering, construction, accommodation services, mechanical fabrication and maintenance, particularly in regional and remote locations.

Listed on the Australian Securities Exchange (ASX Code: DCG) Decmil's goal is to maximise returns from our operations to deliver value to our clients, shareholders and other stakeholders.



Decmil Group Limited



Group Capability

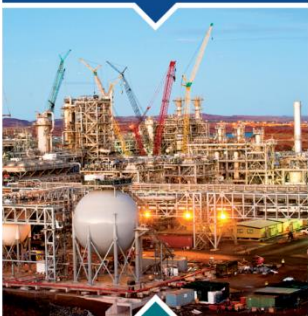
Existing Capabilities

Civil Construction

Small and Large-scale
Brownfield Greenfield
Civil Works

Natural Resources

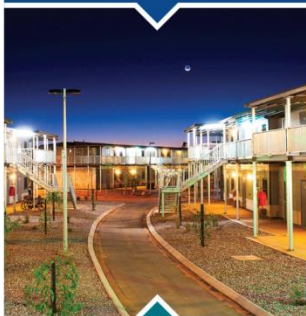
Government



Building Construction

Non-Process &
Accommodation

Industrial
Fly camps
Villages
Defence
Regional and
Sustaining Development



Village Ownership

Build-Own-Operate
Accommodation
Villages



Specialist Engineering Services

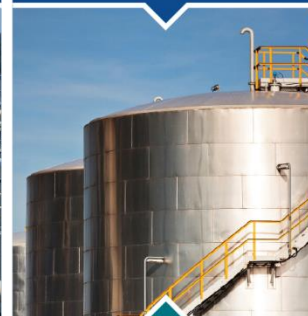
High Pressure
Piping and Tanking

Oil & Gas



Infrastructure Ownership

Design and Construct



Growth Diversification Strategy

Civil Infrastructure Services

Resources
Oil & Gas
Government
Utility Providers
SMP
Engineering Contractor

Government Infrastructure

Water, Rail & Power

Build-Own-Operate

Assisting Resource
Companies with Balance
Sheet and
Operating Efficiencies

Electrical & Instrumentation (Oil & Gas)

Mine Infrastructure
Maintenance

Asset Based Recurring
Revenue Businesses

Build-Own-Operate

Public Private
Partnerships

Long Term
Contracted Revenue

Group Financial Snapshot



\$m	FY12	FY13	FY14	13-14 Mvmt (%)
Revenue	550.3	526.5	617.7	17%
EBITDA ¹	55.7	71.0	78.2	10%
NPAT ¹	39.1	45.2	49.7	10%
NPAT margin % ¹	7.1%	8.6%	8.0%	(0.6pp)
Operating cash flow	80.0	32.5	66.1	103%
Earnings per share (cps) ¹	26.51	26.94	29.50	2.56cps
Final dividend (cps)	7.5	8.0	8.5	0.5cps
Full year dividend (cps) ²	10.0	12.0	13.0	1.0cps
Dividend payout ratio	38%	45%	44%	(1pp)

Note:

1 – Excludes gains arising from business combinations from FY13 and FY14 reporting periods

2 – Includes the interim dividend and final dividend for each financial year

Group Financial Position



\$m	Jun12	Jun13	Jun14	13-14 Mvmt (%)
Gross cash	141.4	43.7	59.3	36%
Debt ¹	15.9	22.7	2.0	(91%)
Book equity	225.5	271.2	302.8	12%
Gearing ratio ²	7%	8%	1%	(7pp)
Net cash position	125.5	21.0	57.3	173%
Bank guarantees & surety bonds:				
- Utilised	86.8	88.7	103.4	17%
- Available	78.2	116.3	121.6	5%
Capex ³	6.3	67.1	7.5	(89%)

Note:

1 – Debt as at Jun14 relates to hire purchase funding arrangements (largely vehicle related)

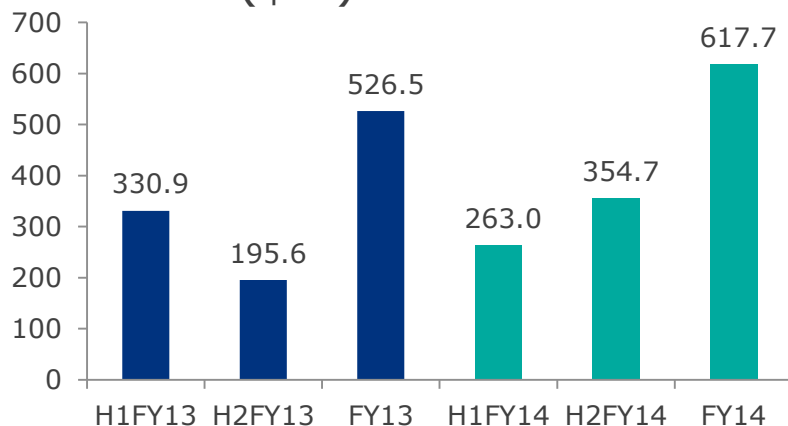
2 – Excluding cash

3 – FY13 Capex predominantly relates to the Homeground Gladstone Village

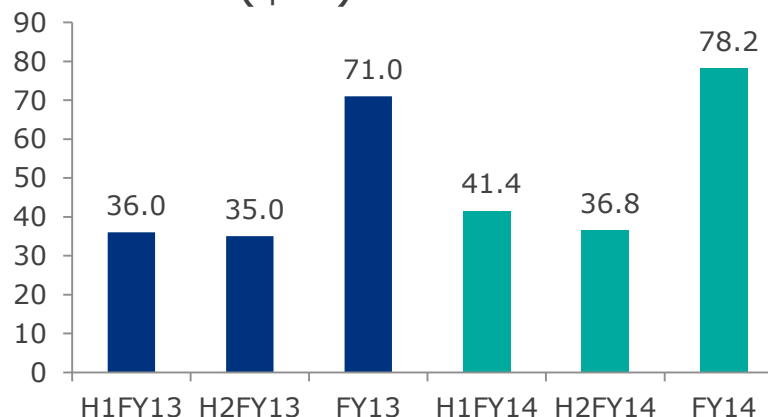
Group Half Year Comparison



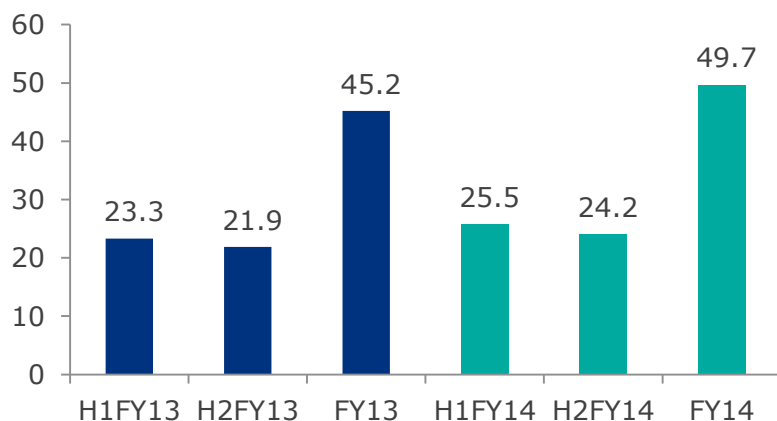
Revenue (\$m)



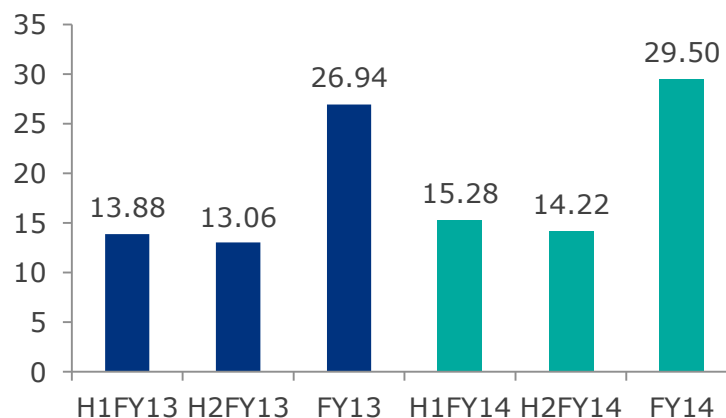
EBITDA¹ (\$m)



NPAT¹ (\$m)



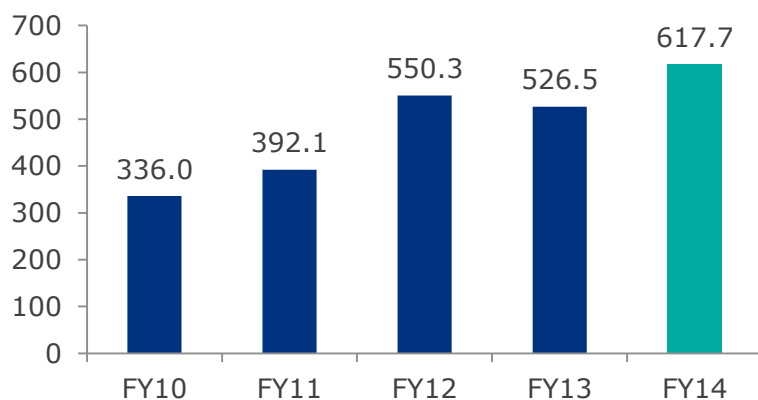
EPS¹ (cents per share)



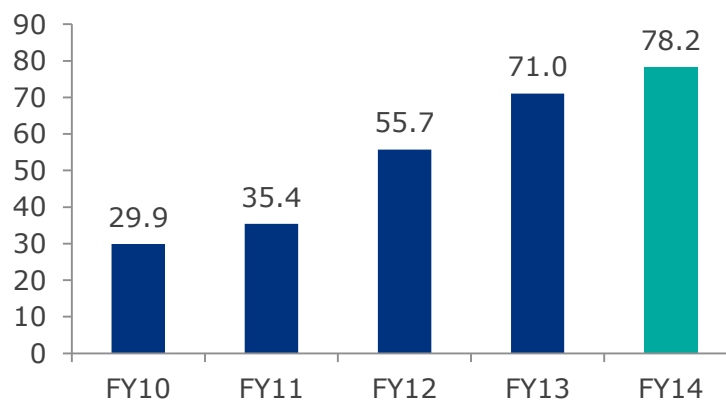
Group Five Year Trend



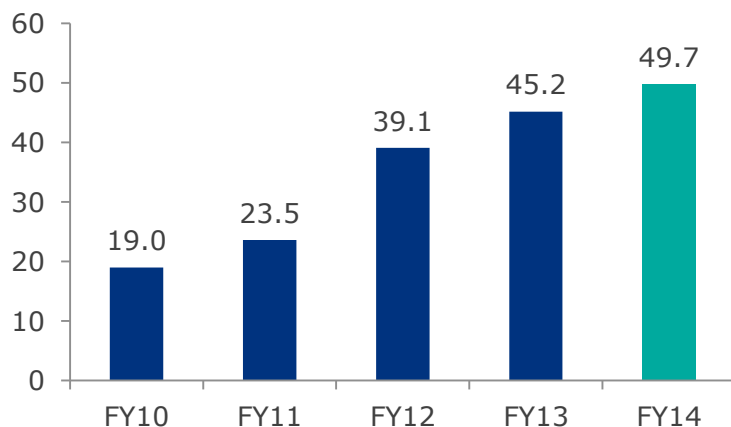
Revenue (\$m)



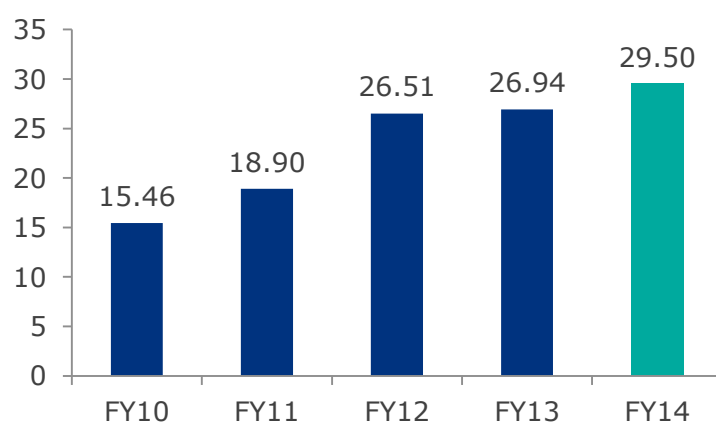
EBITDA¹ (\$m)



NPAT¹ (\$m)



EPS¹ (cents per share)





2 Construction & Engineering



Construction & Engineering Highlights



Financial

- Revenue has increased by \$71.2m (15%) to \$560.5m
- Margins reducing post resource sector construction boom and as more work undertaken for Government in infrastructure and civil works



Operations

- Manus Island contracts for DIBP commenced and progressing
- Successful integration of EDE and VDM into broader Decmil
- Expanded civil capability including roads and bridges
- A number of non process infrastructure contracts awarded with Tier 1 resources clients



Strategy + Outlook

- High degree of revenue visibility with c.\$400m of FY15 revenue work in hand
- Diversification of revenue streams remains a key focus
- Continue to pursue opportunities with Government, civils and upstream LNG sector in QLD
- Expect margins to return to long term sustainable levels

Constr. & Eng. Financial Snapshot



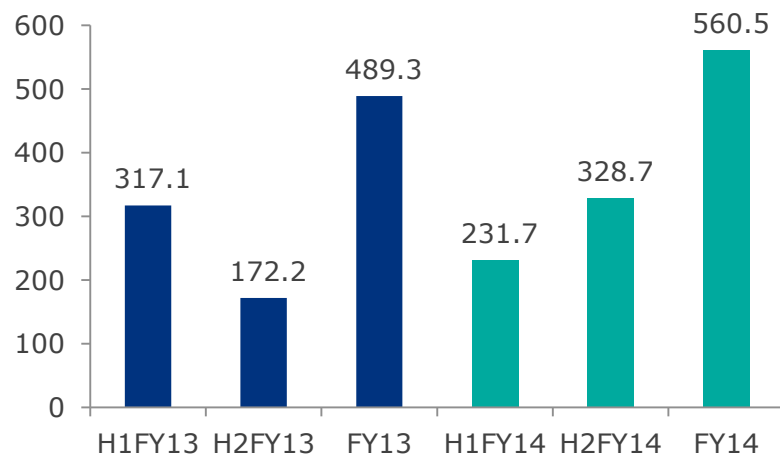
\$m	FY12	FY13	FY14	13-14 Mvmt (%)
Revenue	550.0	489.3	560.5	15%
Gross profit	83.7	92.7	86.1	(7%)
EBITDA	56.5	56.4	48.4	(14%)
<u>Margins</u>				
Gross margin %	15.2%	18.9%	15.4%	(3.5pp)
EBITDA margin %	10.3%	11.5%	8.6%	(2.9pp)



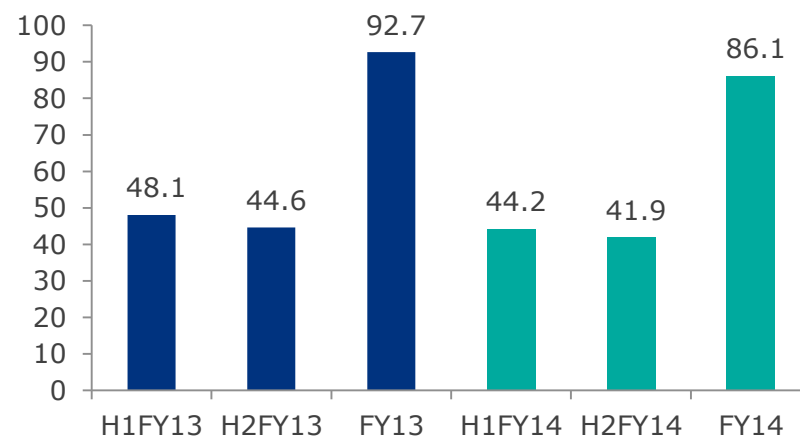
Constr. & Eng. Half Year Comparison



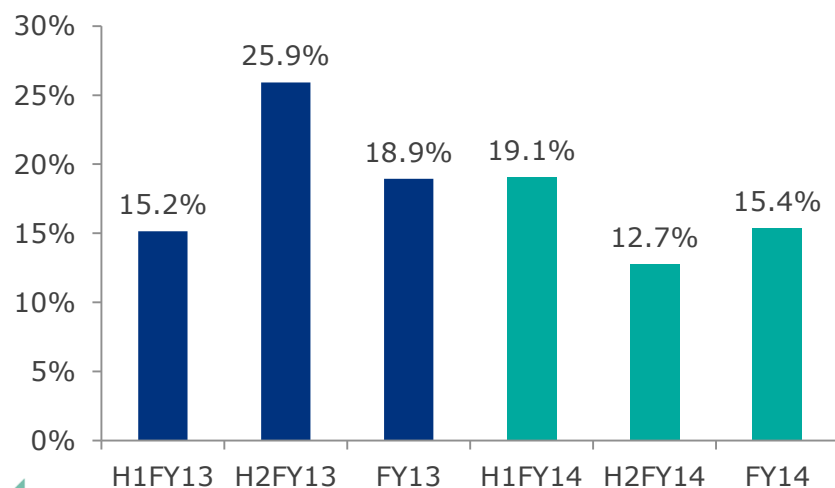
Revenue (\$m)



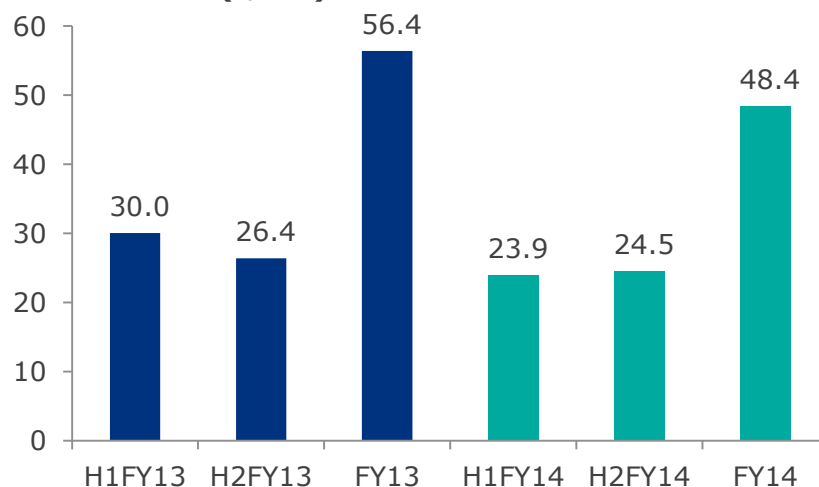
Gross profit (\$m)



Gross margin (%)



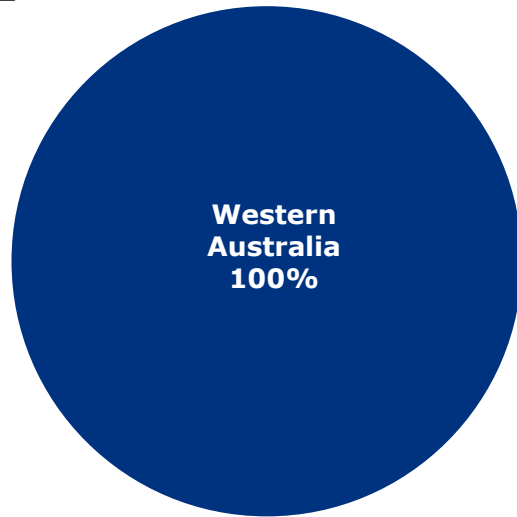
EBITDA (\$m)



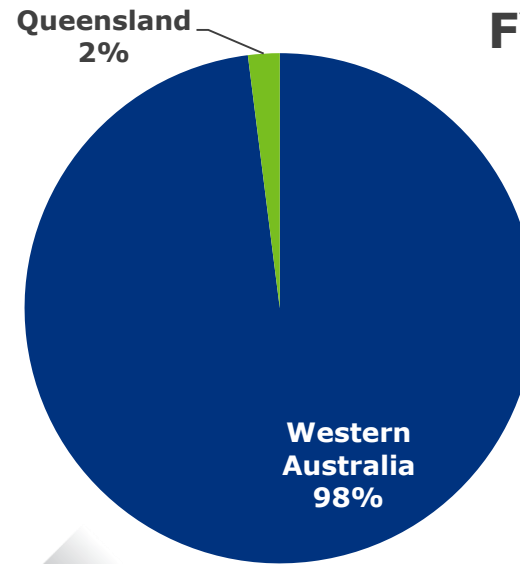
Constr. & Eng. by Geography



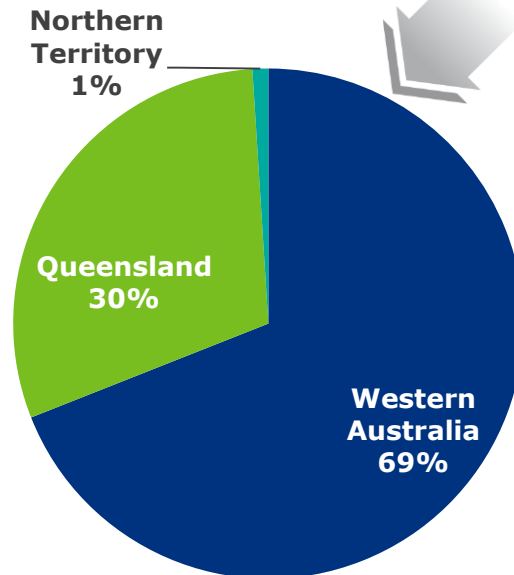
FY11



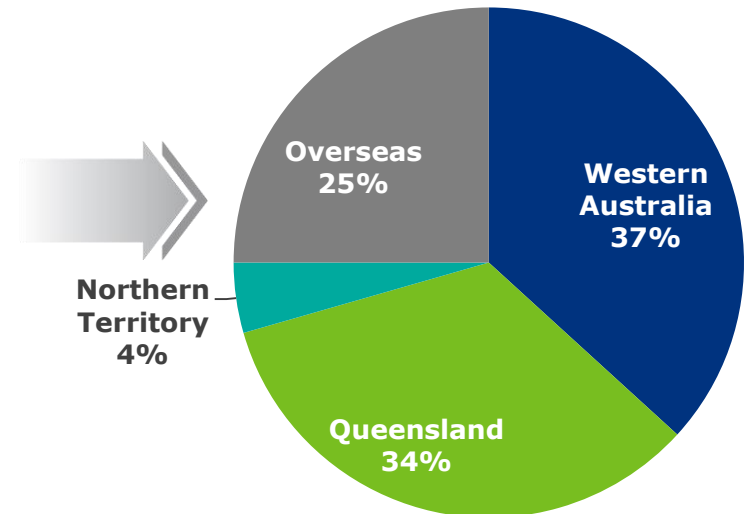
FY12



FY13



FY14

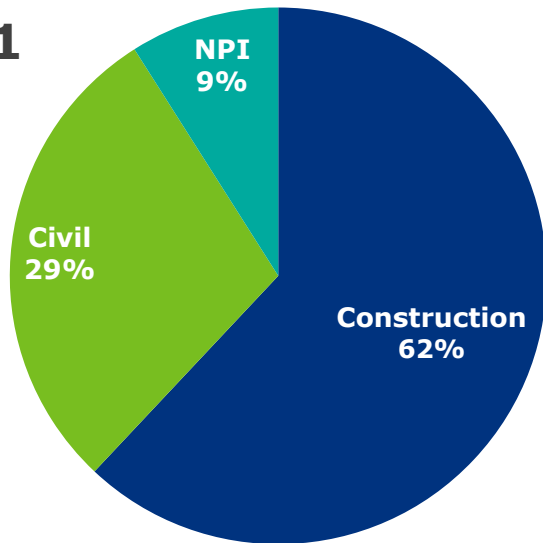


Construction and Engineering only

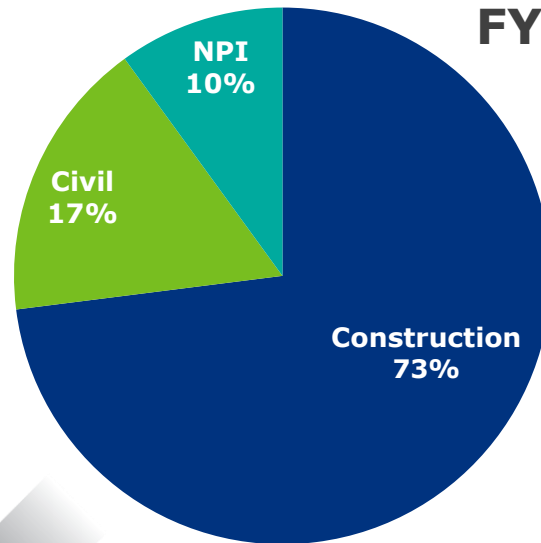
Constr. & Eng. by Capability



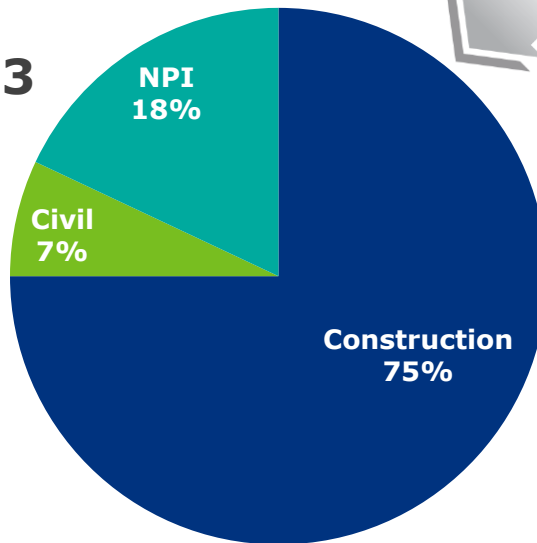
FY11



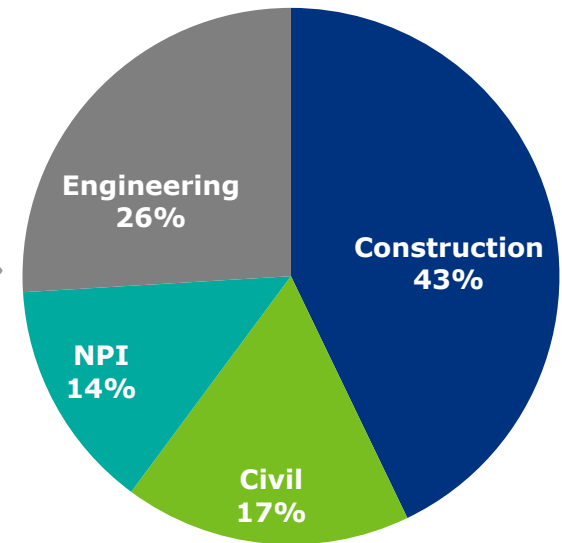
FY12



FY13



FY14

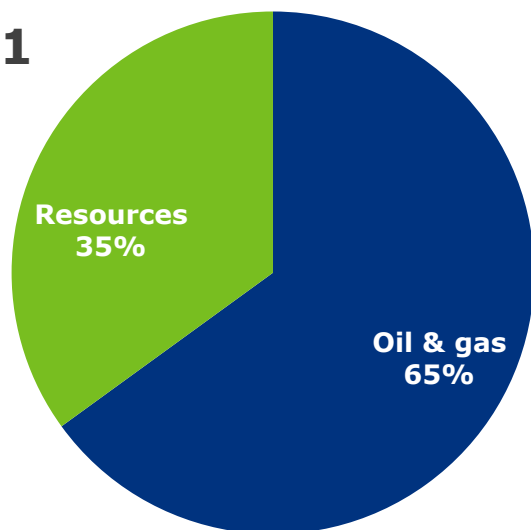


Construction and Engineering only

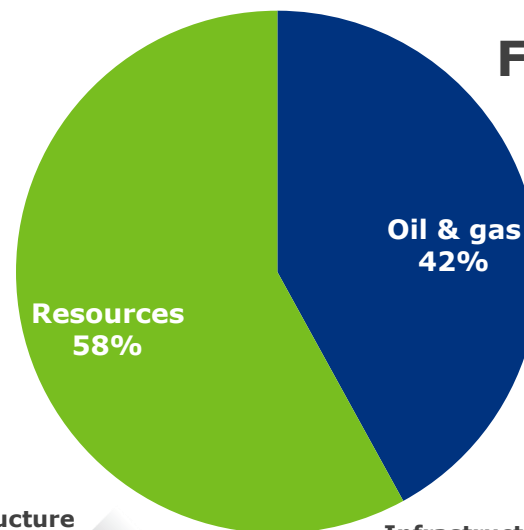
Constr. & Eng. by Sector



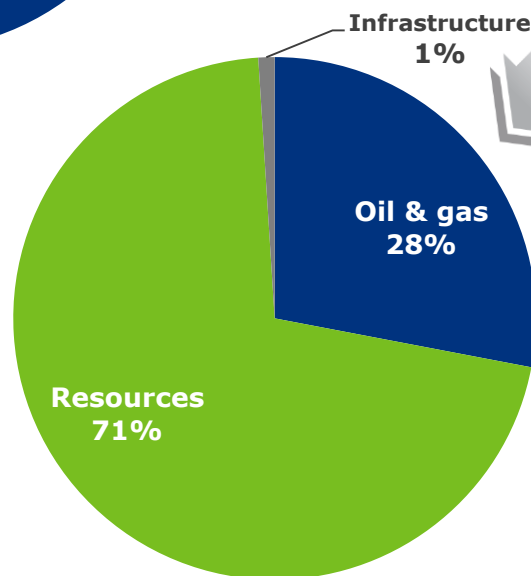
FY11



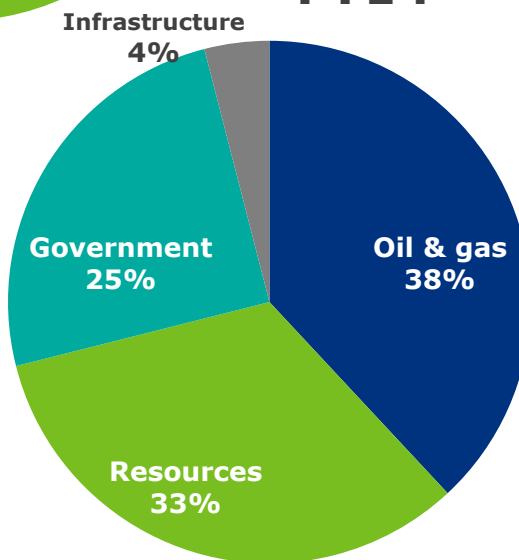
FY12



FY13



FY14



Construction and Engineering only

Key Projects

- Construction – Current Projects
- Engineering – Current Projects



CONSTRUCTION PROJECTS

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>01 BHP Billiton Mitsubishi Alliance Bueff Park Conversion</p> <p>02 Department of Defence Replacement Demountables Port Hedland</p> <p>03 Department of Immigration and Border Protection Manus Offshore Processing Centre – Lombrum and Lorengau</p> | <p>04 Roy Hill Fuel and Lube, Port and Rail Non-Process Infrastructure Buildings and Associated Services</p> <p>05 Shell Prelude FLNG Facility – Darwin Onshore Supply Base</p> <p>06 Rio Tinto West Angelas and Cape Lambert</p> |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

ENGINEERING PROJECTS

- | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>01 Atlas Mt Webber Road Works</p> <p>02 BHP Billiton Overpass Tunnel MAC P1E</p> <p>03 Decmil Australia Roy Hill Infrastructure Mine Tanks</p> <p>04 Department of Transport and Main Roads QLD Bruce Highway – Sandy Corner to Collinsons Lagoon (Ayr)</p> | <p>05 DTMR Nettle Creek Bridge</p> <p>06 Main Roads Seventh Avenue Bridge</p> <p>07 Origin Energy Spring Gully PAU</p> <p>08 QGC Wellhead Installation Services</p> <p>09 Shell Australia Juhi Aviation Virgin Fuel Lines</p> <p>10 South Pacific Oil Honiara Terminal Upgrade</p> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Key Projects – DIBP



Lombrum (Manus Island, PNG)

Value: \$147 Million

Start – Completion: Jul 2013 – Apr 2015



- Offshore processing centre
- Managing contractor role for design and construct
- Scope includes civil works, accommodation, health, processing and support facilities
- Logistics management
- Post commissioning maintenance

Lorengau (Manus Island, PNG)

Value: \$137 Million

Start – Completion: Jul 2013 – Oct 2014



- Offshore settlement centre for staff and transferees
- Managing contractor role for design and construct
- Scope includes civil works, accommodation and support facilities

Key Projects – Roy Hill



Fuel Tanks (Pilbara, WA)

Value: \$37.5 Million

Start – Completion:
Nov 2013 – Mar 2015



- Fuel & oil infrastructure
- Horizontal tank constructed at the 'go line' and mine services area
- Large diameter fuel storage tanks at the rail and mine sites
- Associated electrical and instrumentation works

Port Buildings (Pilbara, WA)

Value: \$15 Million

Start – Completion:
Apr 2013 – Oct 2015



- Non-process infrastructure
- Civil works, building construction and fit out
- Maintenance and belt splice workshops
- Administration buildings

Rail Buildings (Pilbara, WA)

Value: \$58 Million

Start – Completion:
Jun 2013 – May 2015



- Non-process infrastructure
- Civil works, building construction and fit out
- Rolling stock workshop
- Wheel lathe, warehouse and administration buildings
- Semi-automated rail workshop

Key Projects – Rio Tinto



West Angelas (Pilbara, WA)

Value: \$35 Million

Start – Completion: May 2014 – Mar 2015



- Design and construct non process infrastructure
- Constructed within existing live mine site
- Mobilised to site in June 2015

Cape Lambert (Pilbara, WA)

Value: \$26 Million

Start – Completion: Jun 2014 – Feb 2015



- Design and construct non process infrastructure
- Constructed within existing live mine site
- Mobilise to site in September 2014

Key Projects – QGC and Origin Energy



QGC Wellhead Installation Services (Surat Basin, QLD)

Value: ~\$200 Million

Start – Completion: Nov 2012 – Dec 2014



- Structural, mechanical, electrical and instrumentation works for gas gathering in connection with upstream LNG
- Associated commissioning and maintenance works
- Cumulative number of wells installed for QGC to be in excess of 900

Origin Spring Gully Pre-Assembled Units (QLD)

Value: \$9.3 Million

Start – Completion: Jan 2014 – Oct 2014



- Supply, fabrication and FAT testing of 9 Pre-Assembled Units (PAUs) up to 40 tonne, Inter-connecting Pipe, stick built structural steel and associated equipment for the APLNG Spring Gully Pipeline Compression Facility (PCF)
- Includes structural, mechanical and piping works, self performed and E&I installation and pre-commissioning by subcontract
- Exposure to another upstream LNG project

Key Projects – Atlas and Main Roads



Mt Webber (Mt Webber, WA)

Value: \$38 Million

Start – Completion: Oct 2013 – Jul 2014



- Mine site haul road construction
- 57km upgrade of Marble Bar road
- Project completed July 2014
- Enhancing civil works capability

Seventh Avenue Bridge (WA)

Value: \$4.6 Million (Decmil share)

Start – Completion: May 2014 – Feb 2015



- Decmil in joint venture with OHL (Spanish-based multi-national construction company)
- First Main Roads WA contract awarded to Decmil
- Enhancing civil works capability
- Creating further opportunities in Government infrastructure



3 Accommodation Services

Accommodation Services Highlights



Financial

- Strong occupancy underpinning a solid result for FY14
- Year on year growth in both revenue and EBITDA
- EBITDA up 89% to \$30.3m



Operations

- Average occupancy of 79% for FY14
- Improved systems such as remote check-in capability
- Diversified client base including over 30 major companies operating in the Gladstone region



Strategy + Outlook

- Positioning the village to capture long term tenancy as the Curtis Island LNG and WICET projects move from the construction to operations and maintenance phases
- Organic growth opportunities based on existing capability which includes a travel and mobilisation solution for resource companies



Accom. Services Financial Snapshot



\$m	FY13 ¹	FY14	13-14 Mvmt (%)
Revenue	37.3	56.7	52%
EBITDA	16.0	30.3	89%
<u>Margins & KPIs</u>			
EBITDA margin %	42.9%	53.4%	10.5pp
Occupancy ² %	92%	79%	(13pp)

Note:

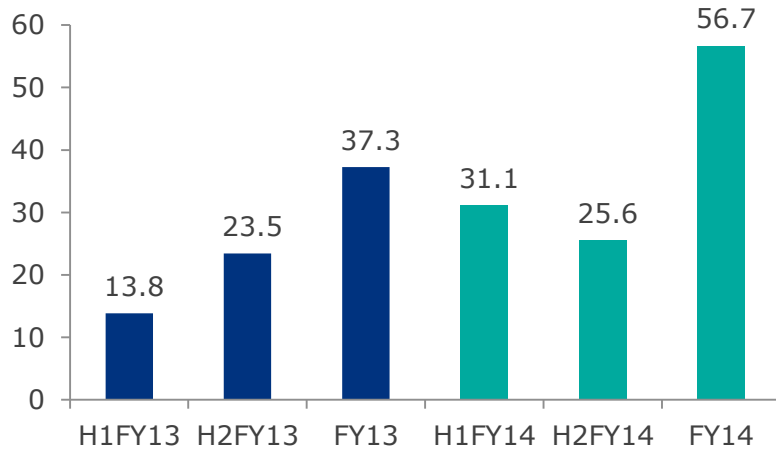
1 – Remaining 50% of Homeground acquired during August 2012 (FY13)

2 – Average number of rooms available for FY13 was 1,074 as room extensions were progressively installed throughout the period. FY14 represents 1,392 rooms available for entire period

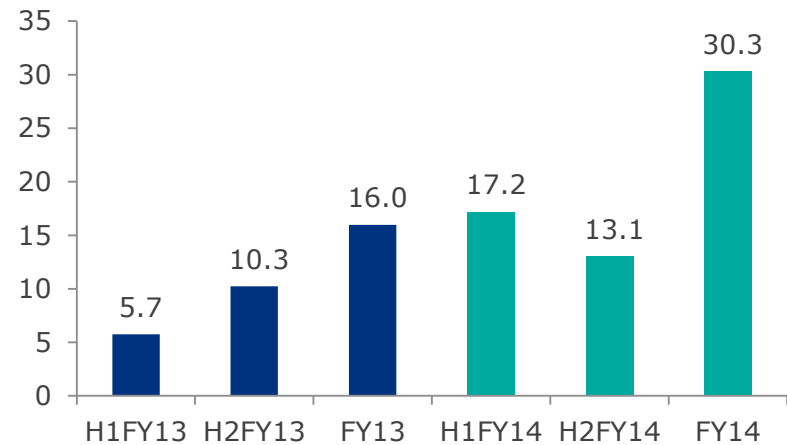
Accom. Services Half Year Comparison



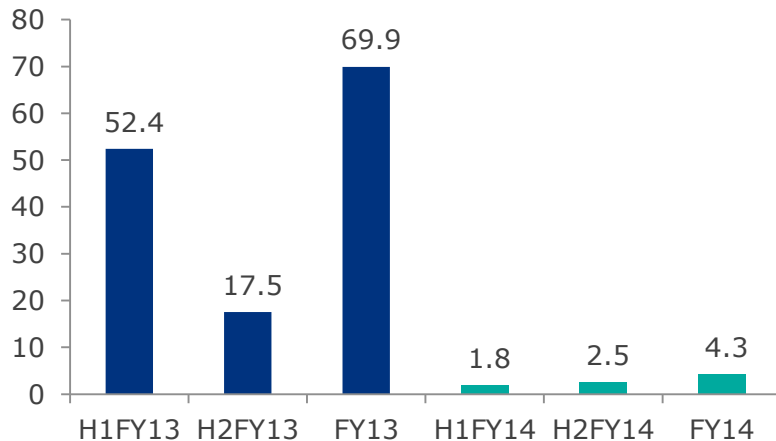
Revenue (\$m)



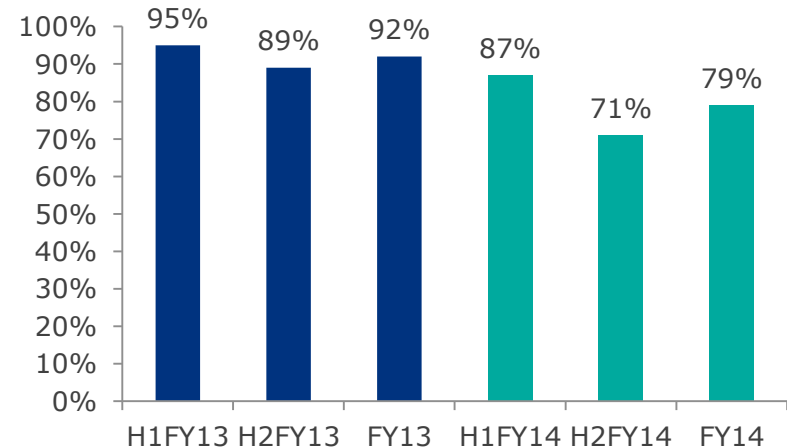
EBITDA (\$m)



Capex (\$m)



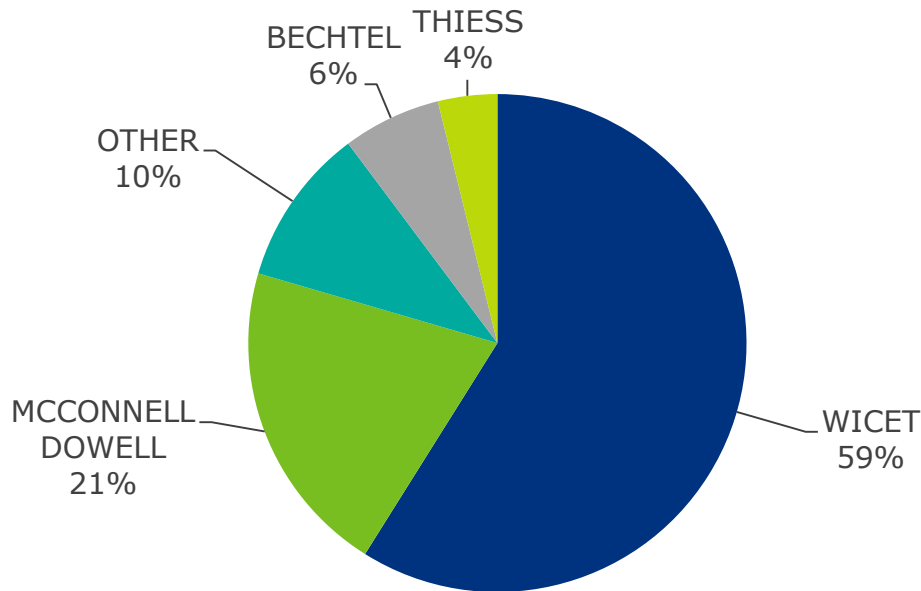
Occupancy¹ (%)



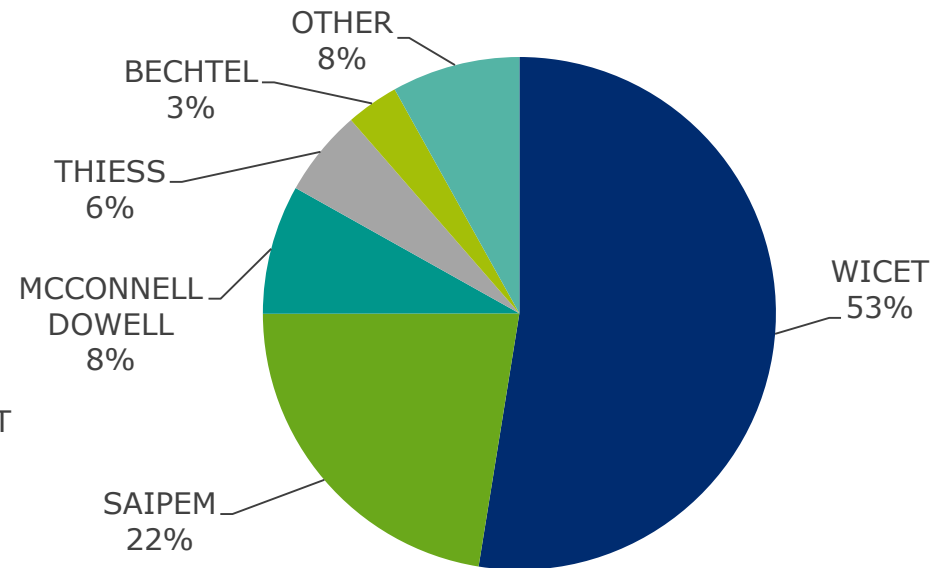
Tenancy

Current tenancy comprises of over 30 organisations operating in Gladstone in coal, LNG, port, civil and shutdown maintenance work

FY13



FY14





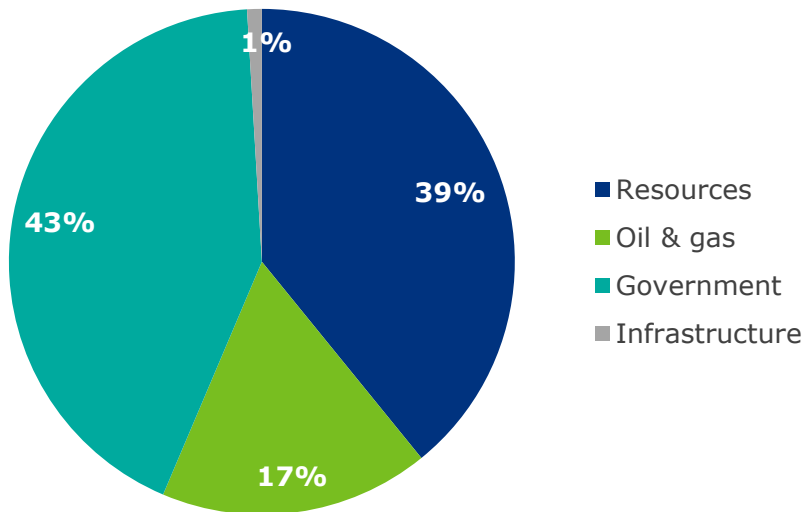
4 Strategy and Outlook

FY15 Work In Hand

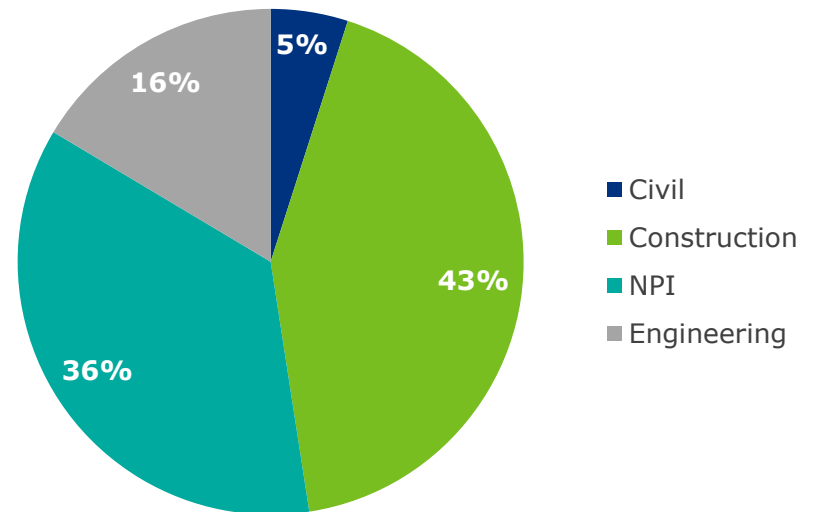


~\$400m FY15 work in hand at Jun14

FY15 WIH by sector (\$m)



FY15 WIH by capability (\$m)

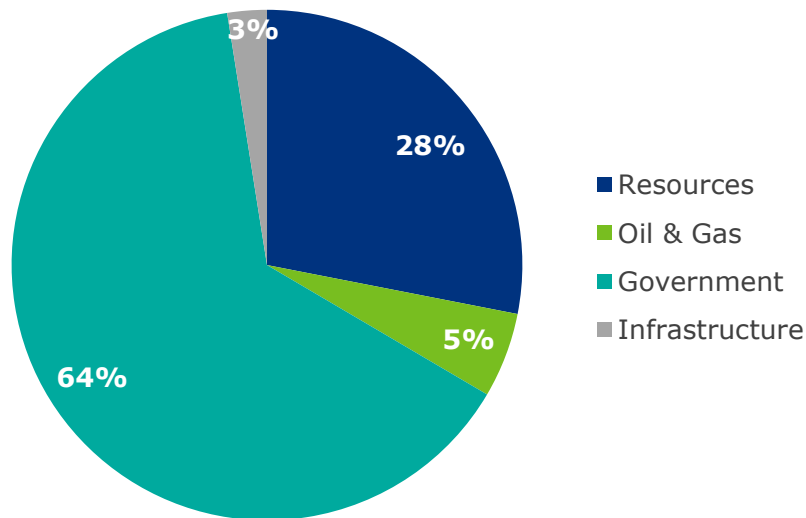


Tender Pipeline

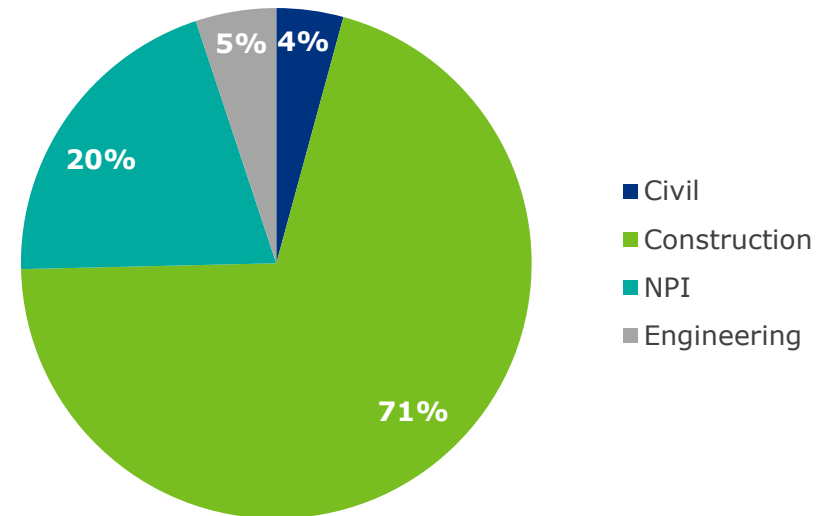


~\$3.2b in tenders and EOIs

Tender pipeline by sector (\$m)



Tender pipeline by capability (\$m)



Growth Strategy: Organic Growth



Organic growth and continued diversification

- Leverage existing core capability on a national basis
- Capitalise on strong credentials in NPI to grow business in new states
- Map opportunities in less mature markets such as fuel, CSG and small civil works
- Expand geographically by targeting further offshore opportunities in PNG, East Timor and New Zealand

Growth Strategy: Coal Seam Gas



Expanding our upstream CSG presence

- QGC wellhead program to Dec14 – incumbent service provider
- Complimentary upstream CSG service offerings such as maintenance
- Targeting wellhead opportunities with other QLD CSG consortia

Growth Strategy: Civil Works



Initial success has been achieved with civil works

- Since acquiring the R4/B2 certification as part of the VDM acquisition, the Group has achieved initial success in civil works, being awarded a number of contracts from the Department of Main Roads in Western Australia and the Department of Transport and Main Roads in Queensland
- Enhance the civil works opportunity via strategic alliances and joint venture partnerships
- Continue to leverage national prequalification in roads and bridges

Growth Strategy: Gov't & Infrastructure



Government and Infrastructure will be a key focus

- Target the increased level of infrastructure spend by the Government (both State and Federal) in relation to social infrastructure
- Establish and grow market share in Defence
- Pursue Public Private Partnership opportunities in Western Australia, Northern Territory and Queensland, in Health and Education
- Assess a number of Build Own Operate (BOO) infrastructure asset opportunities for Tier 1 resource companies (largely in fuel and NPI)



5 Appendix

Non-IFRS Financial Information



Decmil Group Limited results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore are considered non-IFRS financial measures. The non-IFRS measures should only be considered in addition to and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. EBITDA represents earnings before interest, income taxes, depreciation and amortisation. This measure is important to management when used as an additional means to evaluate the Company's performance.

EBITDA reconciliation (\$m)	FY12	FY13	FY14
NPAT	39.1	64.4	52.6
Less: Gain arising from business combination	-	(29.8)	(2.9)
Add: Income tax expense	16.9	27.8	21.4
Add: Interest expense	0.7	2.6	0.9
Less: Interest received	(5.2)	(2.3)	(0.7)
Add: Depreciation expense	4.3	6.6	6.8
Add: Amortisation expense	-	1.5	-
EBITDA	55.7	71.0	78.2

Note: The above table includes rounding differences



Segment Reconciliation – FY13 & FY14



FY14 Segment Performance (\$m)	C&E	Accom	Other	Total
Revenue	560.5	56.7	0.5	617.7
EBITDA	48.4	30.3	0.2	78.9
Depreciation & amortisation	(4.7)	(1.6)	(0.5)	(6.8)
Net interest	0.3	(0.5)	(0.1)	(0.3)
Segment result	44.1	28.2	(0.4)	71.8
Gain from business combination				2.9
Other unallocated expenses				(0.6)
Income tax expense				(21.4)
Net profit after tax				52.6

FY13 Segment Performance (\$m)	C&E	Accom	Other	Total
Revenue	489.3	37.3	-	526.5
EBITDA	56.4	16.0	(0.8)	71.6
Depreciation & amortisation	(6.2)	(1.4)	(0.5)	(8.1)
Net interest	1.1	(0.9)	(0.5)	(0.4)
Segment result	51.3	13.6	(1.8)	63.1
Gain from business combination				29.8
Other unallocated expenses				(0.6)
Income tax expense				(27.8)
Net profit after tax				64.4

Segment Reconciliation – H1 & H2 FY14



H2FY14 Segment Performance (\$m)	C&E	Accom	Other	Total
Revenue	328.8	25.5	0.5	354.8
EBITDA	24.5	13.1	(0.5)	37.1
Depreciation & amortisation	(2.4)	(0.8)	(0.3)	(3.5)
Net interest	0.1	(0.1)	-	0.1
Segment result	22.2	12.2	(0.8)	33.7
Gain from business combination				2.7
Other unallocated expenses				(0.3)
Income tax expense				(9.2)
Net profit after tax				26.9

H1FY14 Segment Performance (\$m)	C&E	Accom	Other	Total
Revenue	231.7	31.1	-	262.9
EBITDA	23.9	17.2	0.7	41.8
Depreciation & amortisation	(2.2)	(0.8)	(0.3)	(3.3)
Net interest	0.2	(0.4)	(0.1)	(0.3)
Segment result	21.9	15.9	0.3	38.1
Gain from business combination				0.2
Other unallocated expenses				(0.4)
Income tax expense				(12.2)
Net profit after tax				25.7



Thank You

14