

ASX / MEDIA ANNOUNCEMENT
19 February 2015

DECMIL DELIVERS H1FY15 RESULT

- **Revenue up 48.0% to \$389.8m**
- **EBITDA¹ down 7.4% to \$38.4m**
- **NPAT¹ down 4.9% to \$24.3m**
- **Earnings per share¹ at 14.41 cents (H1FY14: 15.14cps)**
- **Cash on hand of \$58.4m (no core senior debt – net cash position)**
- **Interim dividend of 4.5c per share**

Despite challenging conditions in its traditional markets, Decmil Group Limited (ASX: DCG) (“Decmil” or “Company”) has delivered a strong financial result, today reporting a 48.0% increase in revenue to \$389.8 million for the six months ended 31 December 2014. Lower construction margins saw EBITDA¹ and NPAT¹ decline by 7.4% and 4.9% respectively.

Key features of the result include:

- Ongoing work on key contracts with the Department of Immigration and Border Protection (“DIBP”), Roy Hill, QGC and Rio Tinto;
- Reducing overhead by 12.1%² on the same period last year; and
- Strong occupancy levels at Homeground Gladstone, which has now established itself as the premier workforce accommodation facility in the greater Gladstone region.

The result reflects the execution of Decmil’s strategy to diversify its earnings through a broadening of its services by geography and capability.

	H1FY13	H1FY14	H1FY15	Change
Revenue	\$332.9M	\$263.4M	\$389.8M	48.0%
EBITDA¹	\$36.0M	\$41.4M	\$38.4M	(7.4%)
NPAT¹	\$23.3M	\$25.5M	\$24.3M	(4.9%)
Earnings per share¹	13.88cps	15.14cps	14.41cps	(4.9%)
Cash on hand	\$96.3M	\$56.5M	\$58.4M	3.4%

Decmil CEO Scott Criddle said:

“Despite a challenging environment for resource sector related construction, Decmil has continued to deliver on its portfolio of projects for the DIBP, Roy Hill and Rio Tinto and build on these relationships. We have also won work for new clients such as Defence and now moved into the operational phase of CSG through mechanical services we provide for QGC and Origin.

“Our Homeground accommodation village in Gladstone was also a significant contributor to the Group’s result, with high occupancy experienced as a result of construction activity in the region,” Mr Criddle said.

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

2 – Excluding abnormal expenses

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Net Assets and Cash Position

The Company maintained a strong net cash position, with cash on hand of \$58.4 million at the end of the period (\$59.3 million at 30 June 2014).

The Group remains free of core senior debt and recently renegotiated its principal banking facilities, retaining significant undrawn access to debt funding as required.

Dividend

The Company is pleased to announce it will pay shareholders an interim dividend of 4.5 cents per share, fully franked. The dividend will be paid on 24 March 2015, with a record date of 3 March 2015.

Strategy and Outlook

Decmil's traditional clients in the iron ore and LNG sector continue to face difficult macroeconomic conditions with depressed commodity prices having an impact on major capital expenditure. At the same time, the Australian iron ore and LNG industries are in the process of transiting from an unprecedented phase of construction into the operational phase of the major projects. Fiscal challenges have also slowed the level of new infrastructure investment by State and Federal Government.

Notwithstanding the challenging environment, Decmil continues to seek opportunities in its existing construction and engineering business via a focussed approach on those sectors the Company anticipates growth in, as well as expansion of the engineering services the Group offer to the operational phase of major iron ore and LNG projects. The Group has made strides as a significant contractor to Government on infrastructure projects such as roads and bridges as well as education, health and defence facilities.

"We expect to continue to see challenges for contractors in the natural resources sector with margins reducing following the construction boom of recent years. However, Decmil has continued to evolve its client base and capabilities and will seek construction and engineering work in new markets where there is opportunity. We are also evolving the engineering services we provide to the operational phase of the major resource projects including a variety of mechanical, maintenance and logistical services," 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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