

ASX / MEDIA ANNOUNCEMENT
26 August 2015

FY15 FINANCIAL RESULTS

- **Revenue¹ up 7.9% to \$666.2m**
- **EBITDA² down 19.8% to \$62.7m**
- **NPAT² down 18.9% to \$40.3m**
- **Earnings per share¹ at 23.91 cents (FY14: 29.50cps)**
- **Cash on hand of \$59.5m (no core senior debt – net cash position)**
- **Final dividend of 8.5c per share**

Decmil Group Limited (ASX: DCG) (“Decmil” or “Company”) has delivered a record revenue result of \$666.2 million, up 7.9% on the financial year ended 30 June 2014.

Key FY15 highlights:

- Landmark contracts for Department of Immigration and Border Protection at Manus Island nearing successful completion;
- New Defence work secured across Australia including fuel infrastructure works, building refurbishment projects and the construction of new specialist infrastructure;
- Strong performance on QGC’s wellhead installation programme and new work for Origin Energy, AGL and new opportunities with other prominent companies in the gas sector;
- Further work secured at the Roy Hill project and increasingly doing larger and more complex mechanical projects; and
- Consistent occupancy at Homeground Gladstone.

Excluding the contribution of business combinations amounts, net profit after tax declined by 18.9%, primarily due to a subdued natural resources construction sector and greater proportion of Government work at lower margins that that realised during the resources and construction boom of recent years.

	FY 2013	FY 2014	FY 2015	Change
Revenue¹	\$526.5M	\$617.7M	\$666.2M	+7.9%
EBITDA²	\$71.0M	\$78.2M	\$62.7M	-19.8%
NPAT²	\$45.2M	\$49.7M	\$40.3M	-18.9%
Earnings per share²	26.94cps	29.50cps	23.91cps	-5.59cps
Cash on hand	\$43.7M	\$59.3M	\$59.5M	+0.3%

Decmil CEO Scott Criddle said “Despite a challenging year for the construction and engineering sector, it has been another busy and productive year at Decmil. Through a much wider geographic, customer and industry base the Group’s revenue grew to a record level of \$666.2 million.

“During FY15 Decmil experienced a big shift in focus from private to public sector expenditure and this is likely to remain a feature of the business over the next couple of years.”

1 – Excluding interest revenue

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

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Financial Position

The group maintained a strong net cash position, with cash on hand of \$59.5m at the end of the period (\$59.3m at 30 June 2014). During the period, net assets increased to \$319.4m from \$302.8m at 30 June 2014.

Whilst the Group has access to substantial senior debt and bonding facilities, it ended the year with no drawn senior 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 25 September 2015, with a record date of 4 September 2015.

Combined with the 4.5 cents per share interim dividend, this represents a total dividend of 13.0 cents per share for the 2015 financial year, which is consistent with the dividend paid for the 2014 financial year. The total dividend distribution represents a 54% payout ratio, an increase on the 44% payout last year.

The Board is focussed on ensuring the business continues to maximise the dividend opportunity for shareholders and, subject to trading in conditions and investment opportunities, continues to pay an appropriate level of dividend.

Strategy and Outlook

Much of the construction and engineering industry will continue to face significant headwinds in the 2016 financial year as the resources industry in Australia continues to transition from construction to operational phase. Decmil is not immune to these challenges.

There are however a few basic principles Decmil continues to follow:

- Preserving balance sheet strength and strong net cash position;
- Growing market share in public sector infrastructure with a focus on immigration; defence, health, education, bridges and main roads;
- Sustainable diversification into new capabilities and geographies;
- Sensible investment in people and capability; and
- A focus on costs at every level in the business.

During the 2015 financial year the business continued to successfully diversify and grow its capability with new work in the Defence sector, its first project in New Zealand and performing large scale structural mechanical work at Roy Hill. We now also have a telecommunication infrastructure capability in the Group through the acquisition of SAS Telecom. Decmil's ability to deliver on its diversification strategy has been one of its key strengths.

"Our strategy is simple and based on our overall ambition to build a diverse and strong construction and engineering business capable of competing with Tier 1 contractors in Australia and abroad in the LNG, mining and public infrastructure sectors." said Mr Criddle.





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; maintenance; and telecommunications. 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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