ASX / MEDIA ANNOUNCEMENT
30 August 2017

FY17 ANNUAL REPORT

- **Revenue of $304 million (FY16: $300 million)**
- **Statutory EBITDA from continuing operations broadly breakeven[1]**
- **Strong balance sheet with NTA of $135 million and $17 million net cash**
- **Good start to the 2018 financial year with new contracts and improving market conditions**

Decmil Group Limited (ASX: DCG) ("Decmil" or "Company") has today released its financial results for the financial year ended 30 June 2017.

The 2017 financial year represented a year of stabilisation for the Group following the end of the natural resources construction boom. Whilst FY17 did not deliver on initial revenue and earnings growth expectations, the Company's operations continued to diversify and place Decmil in a position to again expand over the next few years based on improving market conditions.

Operations

Operations in the 2017 financial year reflect the now well established diversity of the Group, with project activity spanning a number of sectors including WA Iron Ore works, Queensland coal seam gas upstream maintenance, Defence enabling infrastructure, road and bridge projects for State road authorities and renewable energy.

Key highlights:

- Work in the WA Iron Ore Sector including a logistics hub for BHP at Port Hedland, an airstrip and associated facilities at Cape Preston for Sino Iron and various works for Samsung C&T at the Roy Hill project. Also new projects for Fortescue, Rio Tinto at Nammuldi and Silvergrass and BHP at South Flank;
- Enabling infrastructure works at a number of the Australian Defence Force bases and facilities;
- The Group's first substantial renewable energy project, being an engineer, procure and construct (EPC) contract for a utility scale solar farm near Goulburn in New South Wales;
- Work in New Zealand for the Ministry of Education with school projects in Christchurch and Auckland and securing first projects with the New Zealand Defence Force and New Zealand Corrections; and
- A variety of road and bridge projects for VicRoads including the Sand Road Interchange, the Monash Freeway Bridge Strengthening project and the Sneydes Road Interchange.

1. Before impairments

Financial Position and Dividend

The Group ended FY17 with a strong balance sheet including an overall net cash position, no drawn core senior secured debt and net tangible assets of ~$135 million. The Group also has access to $185 million of working capital and bonding facilities to fund growth in its operations.

To preserve working capital and for new opportunities in the business in FY18, the Board has resolved to not declare a final dividend for FY17. This will be re-assessed in FY18 given market conditions and working capital requirements.

Strategy and Outlook

The business has consolidated its focus on the Infrastructure, Resources and Renewable Energy sectors.

The Company has had a strong start to the 2018 financial year with preferred contractor status on a NZ$60 million contract with New Zealand Corrections and the appointment as an early works contractor for BHP Iron Ore's new US$3.2 billion dollar South Flank mine.

The Company is also seeing an improvement in market conditions across a number of these sectors including:

- **Infrastructure:** Significant opportunity in the Transport sector in Victoria where the Group is actively pursuing new road and bridge civil projects as both head contractor and in joint ventures;
- **Resources:** Sustaining capital works and replacement volume projects starting to activate in the WA Iron Ore market; and
- **Renewable Energy:** Actively bidding a number of solar PV projects as an EPC and wind projects as a balance of plant contractor.

As at the date of this release the Group had in excess of $300 million of committed and visible work in hand for FY18. Additionally the Group is either shortlisted or a preferred contractor on a number of larger design and construct contracts across all its core sectors that will likely contribute additional revenue from H2FY18.

Managing Director and CEO, Scott Criddle, said:

"In recent months we have seen an improvement in a number of sectors and Decmil has had a strong start to the 2018 financial year with preferred contractor status on a NZ$60 million contract with New Zealand Corrections and the appointment as an early works contractor for BHP Iron Ore's new South Flank mine.

The Group enters the 2018 financial year with a diversified business, strong balance sheet and improved market conditions across a number of key sectors that should see Decmil grow revenue over the next few years".

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 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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