



Financial Results

For the year ended 30 June 2018.



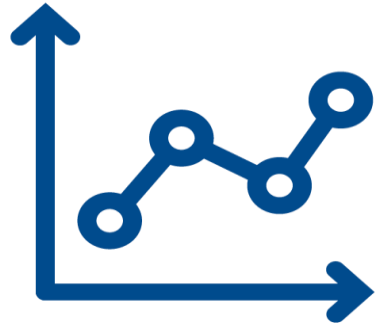
INFRASTRUCTURE | RENEWABLES | RESOURCES

Celebrating 40 Years



FY18 Group Highlights

FINANCIAL



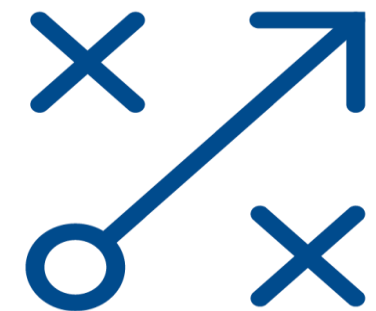
- Construction & Engineering (C&E) revenue up 28% year on year and 42% H1FY18 vs H2FY18
- C&E EBITDA of \$5.5 million and Group EBITDA of \$4.7 million
- Pre-tax operating cash flow of \$2.1 million
- \$17 million net cash position

OPERATIONS



- Project for BHP at South Flank project and for Fortescue in relation to its Port Hedland tug harbor
- Expansion of the Decmil business in NZ including the award of a combined NZ\$185+ million Corrections project
- The award to Decmil's Victorian business unit of ~ \$100 million of new transport infrastructure construction work
- Completion of the Gullen solar project and secured an MOU for Sunraysia Solar Farm project

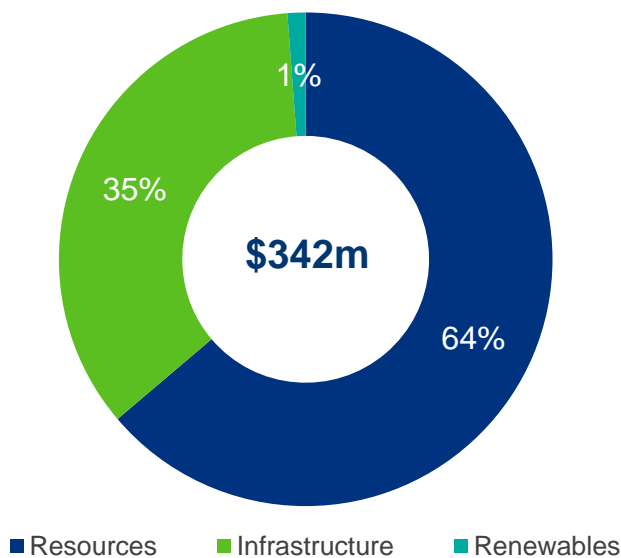
OUTLOOK



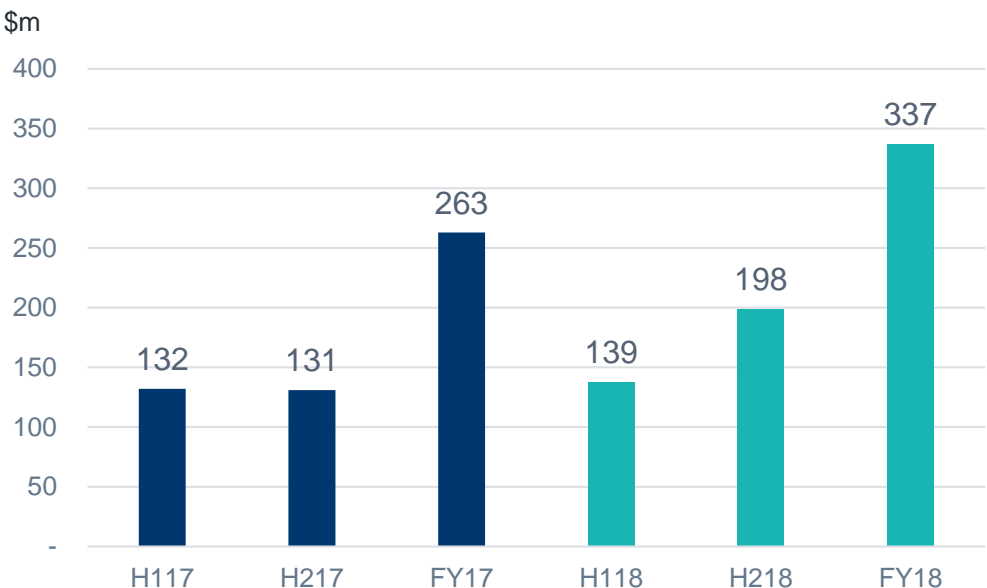
- Focus on the Resources, Infrastructure and Renewable Energy sectors
- Strong market conditions across these sectors
- FY19 revenue expected to exceed \$500 million based on order book and tender pipeline
- Work in hand for FY19 at ~\$400 million
- Cyclical trend in infrastructure supports growth beyond FY19

FY18 Financial Highlights

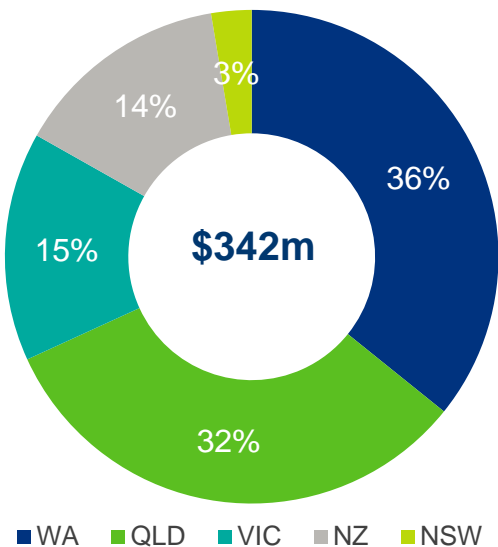
FY18 revenue by sector



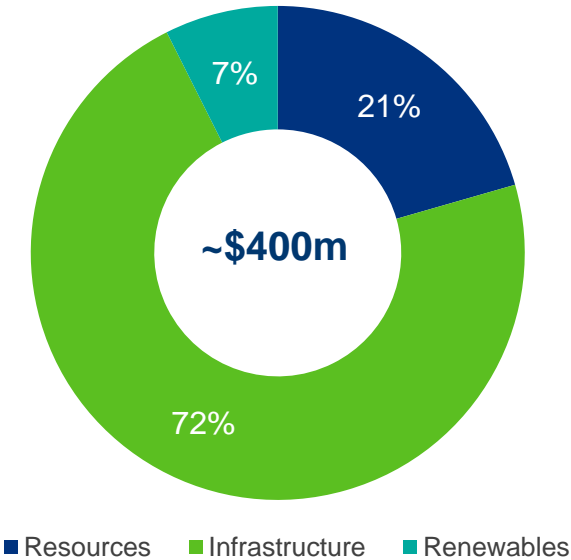
FY17 & FY18 C&E half-on-half



FY18 revenue by geography



FY19 order book¹ by sector



Note 1: order book includes contracted work in hand and visible revenue at 30 June 2018, but does not include amounts in connection with Sunraysia Solar Farm

FY18 Financial Highlights

C&E revenue growth of 28% year on year

- C&E revenue from continuing operations up 28% year on year and 42% H1FY18 vs H2FY18
- FY18 gross margin percentage of 10.4%
- FY18 core overhead costs of \$28.0 million (FY17:\$26.3 million) – similar level expected in FY19 despite revenue growth anticipated
- C&E EBITDA of \$5.5 million
- Group EBITDA from continuing operations of \$4.7 million
- Pre-tax operating cash flow of \$2.1 million
- NTA of \$131 million and \$17 million net cash position – no core debt
- Positive market conditions in core sectors – bigger projects being bid and won
- Infrastructure increasingly a major focus for Decmil – dominates WIH for FY19
- Revenue growth and reset overheads set the platform for step change earnings growth in FY19 and beyond

Group Balance Sheet

Net cash with tangible asset base

- Net assets of \$206 million
- Tangible net assets of \$131 million
- Net cash of \$17 million
- No core drawn debt

Facilities Summary (\$m)

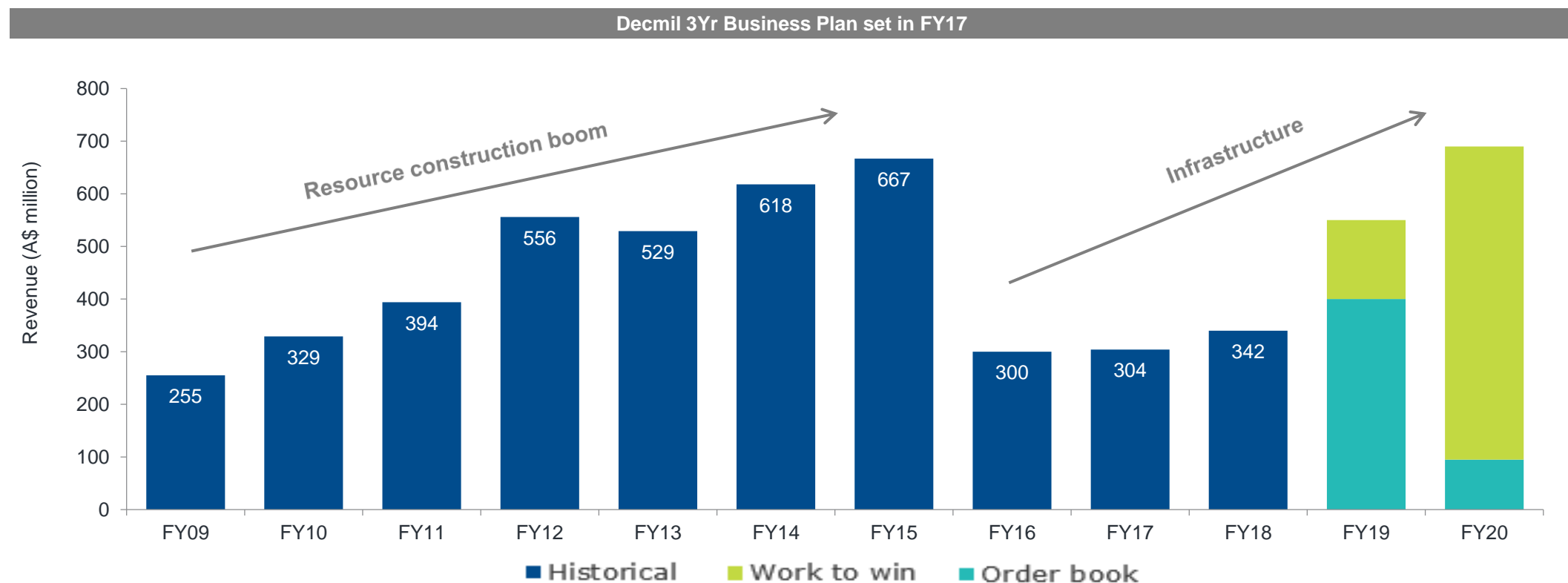
Type	Drawn	Available	Total
<u>Bonding</u>			
Surety	67.7	136.3	204.0
Bank Guarantees	1.3	13.7	15.0
Total	69.0	150.0	219.0
<u>Working Capital</u>			
Overdraft	-	25.0	25.0
Trade Finance	16.7	8.3	25.0
Corporate Markets	-	25.0	25.0



Our Business Plan

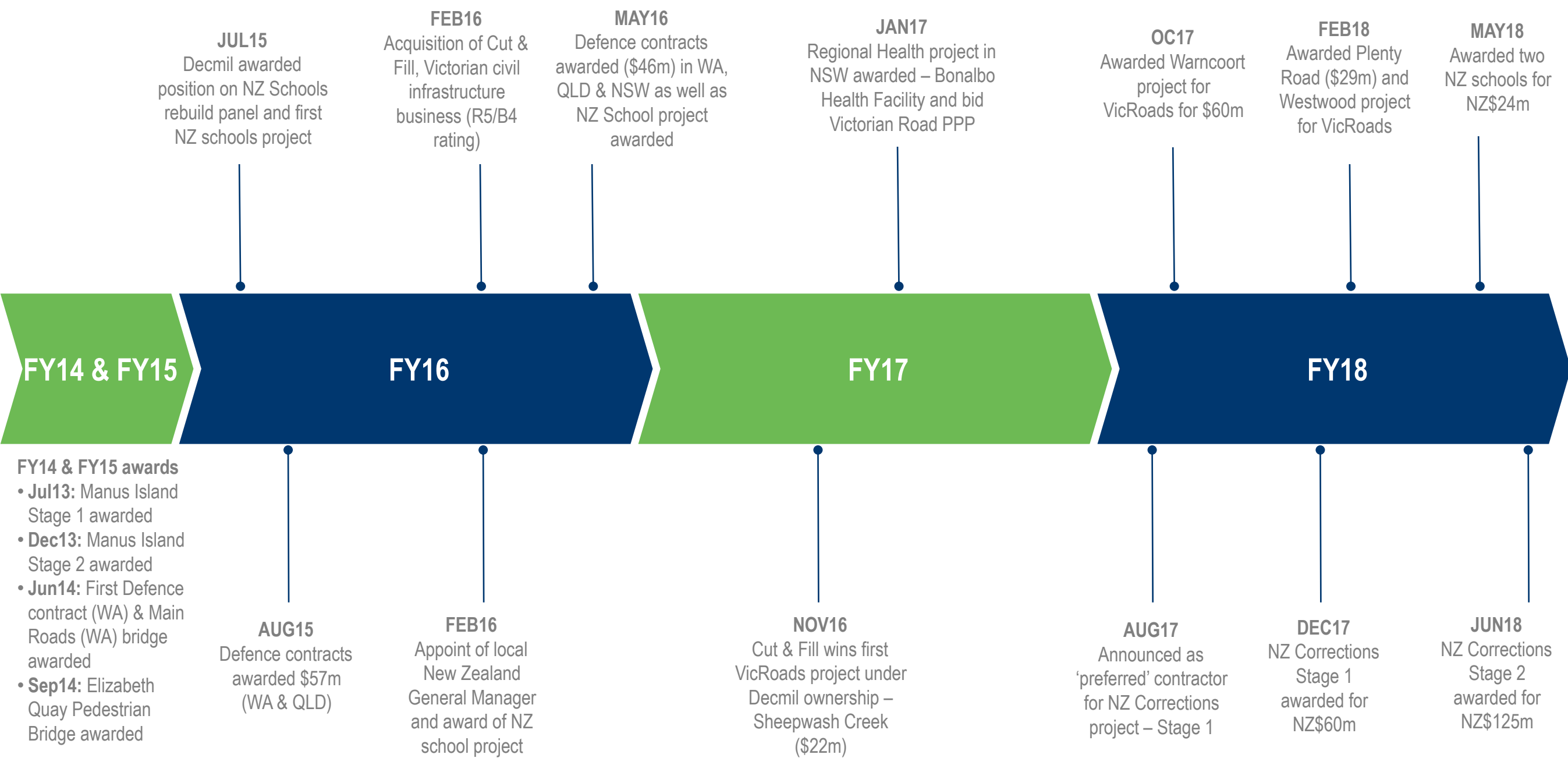
Decmil has executed its strategy to increase exposure to Infrastructure – well positioned for growth in FY19 and beyond

- Growth from FY10 to FY15 driven by the Iron Ore and LNG construction boom
- Business stabilisation and diversification achieved in FY16 and FY17 – progressive movement to infrastructure and geographic diversification
- Revenue growth from FY18 to FY20 due to shift in construction and engineering cycle to public infrastructure
- Key growth drivers will be Resources (WA Iron Ore, QLD CSG), Infrastructure (Transport, Defence, Corrections, Education) and Renewables (Solar and Wind)



Our Increasing Exposure to Infrastructure

Decmil is becoming significantly experienced in Infrastructure



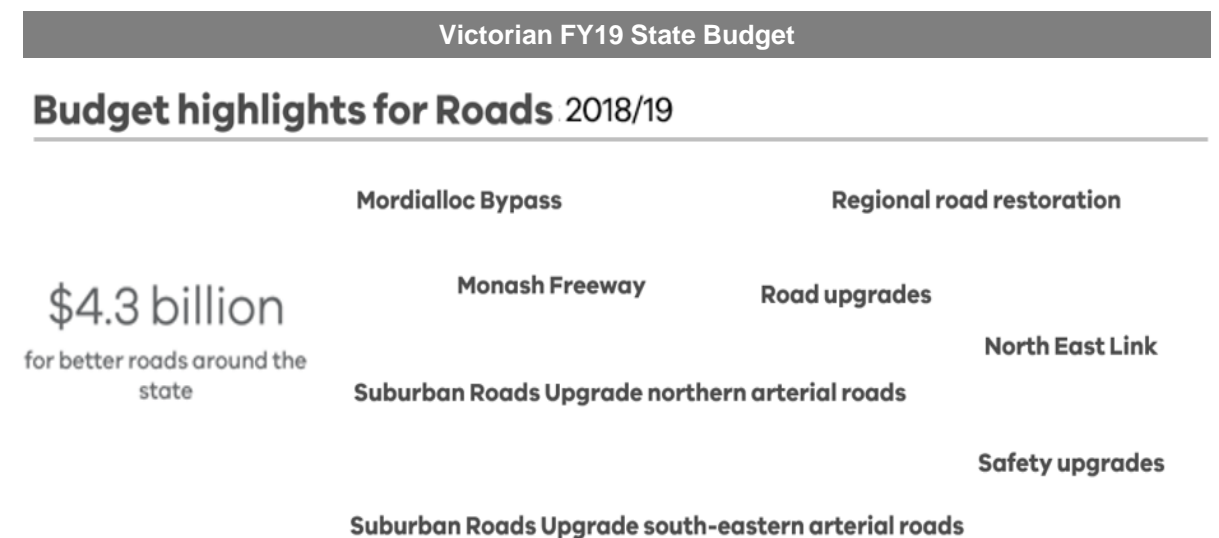
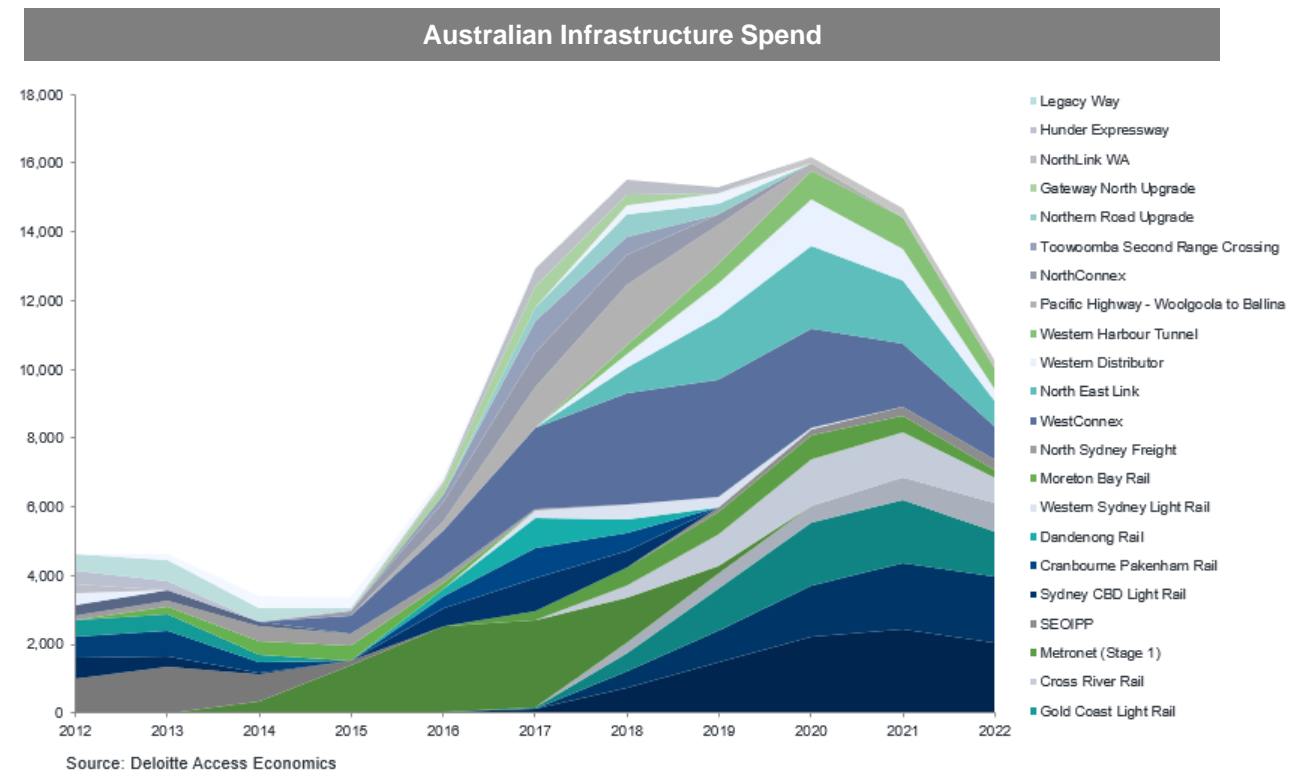
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INFRASTRUCTURE
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Road & Rail Infrastructure

Transport Infrastructure market presents significant opportunities for Decmil

- Future growth in road and rail infrastructure is predominately driven investments across Victoria and NSW
- Deloitte Access Economics forecasts +\$15bn spending on infrastructure projects nationally in 2019
- The Victorian State Budget announced in May 2018 for 2018/19 included significant spend in road infrastructure across the State
- Decmil currently shortlisted post EOI or RFT on a number of major Victorian transport projects including:
 - Drysdale Bypass
 - M80 Upgrade
 - Mordialloc Bypass
- Also in consortium for the upcoming Suburban Road Upgrade packages for both the North and South East Melbourne



<https://www.budget.vic.gov.au/explore-our-priorities/roads-and-public-transport>

Social Infrastructure

Health

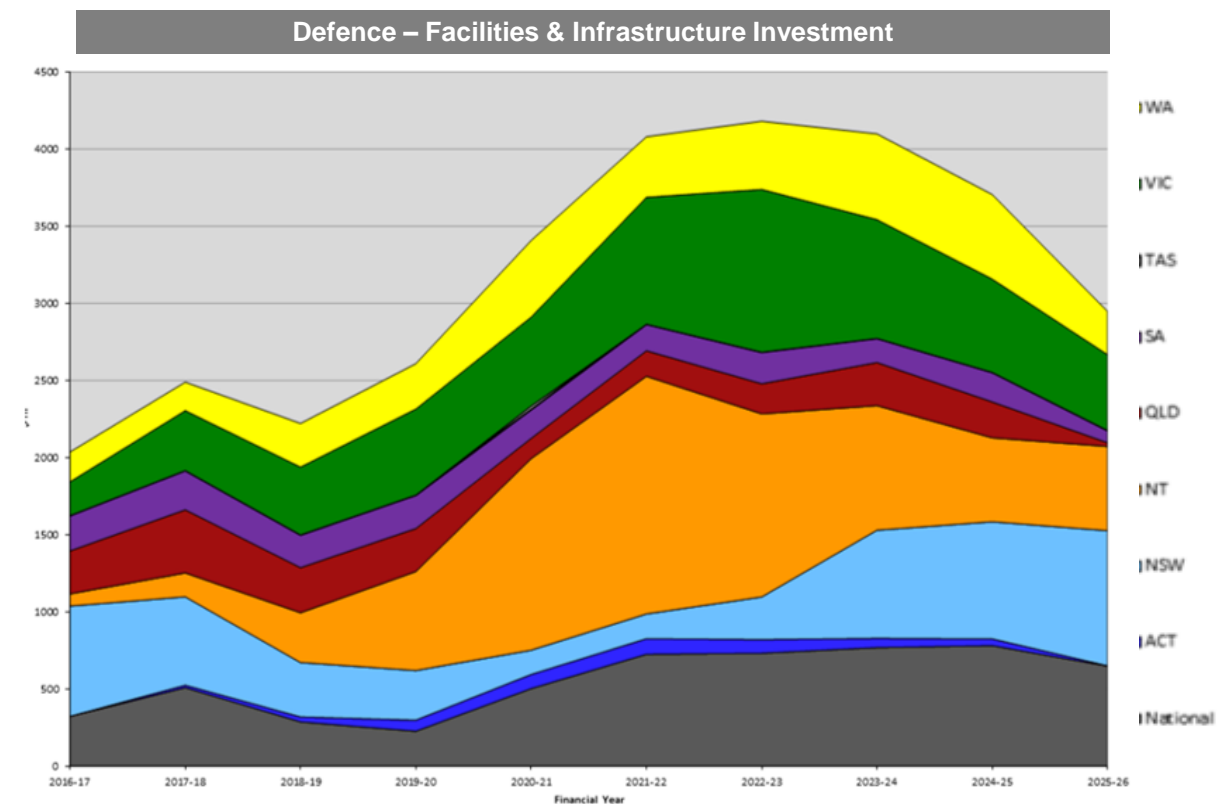
- The NSW Government is investing ~\$10bn in Health infrastructure for the period FY18 to FY21, relating to more than 70 Health projects taking place across NSW
- Projects will be both metropolitan and regional, in connection with hospital redevelopments and greenfield projects
- Decmil recently delivered the Bonalbo Health facility in northern NSW and will target further regional Health projects

New Zealand

- Decmil is currently on the New Zealand Schools Panel and has delivered a number of school projects to-date
- Capital spend of \$334m in Education for the period ending June 2019
- Relates to investment in new schools, rebuilds, expansion work and delivering new classrooms throughout the country
- Decmil also active in the NZ Defence and Corrections sectors

Defence

- The total investment in Defence on track to meet Government's target of 2% of GDP by 2021
- Increased spend on supporting / enabling infrastructure
- The below graphs presents the committed sustaining and new capital spend to FY26
- Per the FY19 Defence budget, spend categories relevant to Decmil are Capital Facilities Program, Minors Program and Estate & Infrastructure Group Sustainment



Source: ADM Estate and Base Services Summit September 2017

NZ Corrections Project Overview

Project has a combined value of NZ\$185+ million

- Relates to the design, procurement and on-site installation of rapidly deployable modular prison cells across a number of existing prison sites in New Zealand
- Expand Decmil's business in New Zealand which is now active in the Education, Corrections, Defence and commercial building sectors
- Also adds to Decmil's established capability in the Defence and Immigration sectors across Australia and New Zealand
- Decmil starting to achieve a significant position in the New Zealand social infrastructure sector

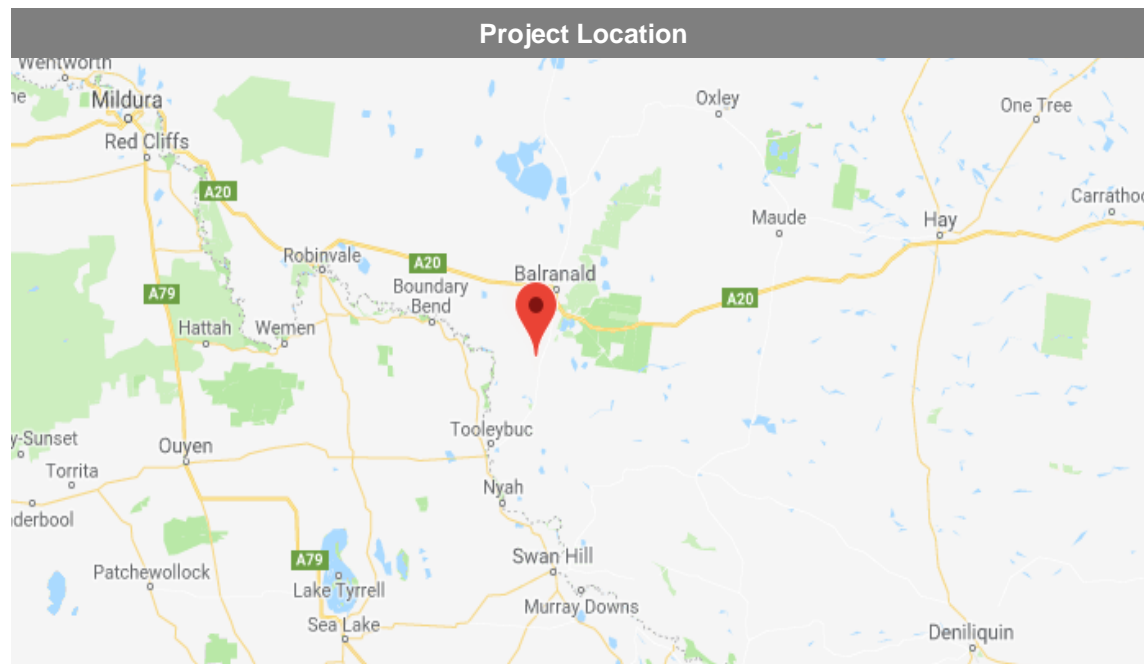


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Sunraysia Solar Farm

The Engineer, Procure and Construct (“EPC”) contract has been executed

- Preferred contractor to design and construct a 250MW solar PV project in Balranald, NSW
- EPC contract value circa \$270 - \$280 million
- EPC contract has now been executed - notice to Proceed (NTP) is still subject to the project sponsor achieving financial close on funding (expected in August 2018)
- Project has Power Purchase Agreements with AGL and University of New South Wales
- The project will significantly expand Decmil’s presence in the renewable energy market



Tender Pipeline

Pipeline visibility extends into FY20 and FY21

- Focus on the Resources, Infrastructure, and Renewable Energy sectors across Australia and New Zealand
- Strong market conditions across these sectors
- Tender pipeline extends revenue visibility to FY20 and FY21

Key Opportunities

Project	Region	Client	Award Timing	Sector	Scope
Drysdale Bypass	VIC	Vic Roads	FY19	Infrastructure	D&C Road Upgrade
M80 Road Upgrade	VIC	Vic Roads	FY19	Infrastructure	D&C Road Upgrade
Echucha Moama Project	VIC	Vic Roads	FY19	Infrastructure	D&C Structure over Murray River
Mordiallic Bypass	VIC	Vic Roads	FY19	Infrastructure	D&C Road Upgrade
Gunnedah	NSW	RMS	FY19	Infrastructure	Bridge over Rail
Aviation Refuelling Facilities	National	Defence	FY19	Infrastructure	D&C Enabling Infrastructure
Medical Centres (various)	NSW	NSW Health	FY19	Infrastructure	Medical Centre
Suburban Road for the North and South East Melbourne	VIC	Vic Roads	FY20	Infrastructure	D&C Road Upgrade
Brownfield Maintenance & Services	QLD	QGC/Shell	FY19	Resources	Schedule of Rates - Maintenance
Wellhead Development	QLD	Origin	FY19	Resources	
Koodaideri NPI	WA	Rio Tinto	FY19	Resources	D&C Non Process Infrastructure
Eliwana NPI	WA	Fortescue	FY19	Resources	D&C Non Process Infrastructure
Warradarge Wind Farm	WA	Turbine OEM	FY19	Renewables	Wind Farm Balance of Plant
Utility Scale Solar Projects	National	Renewable Developers	FY19 & 20	Renewables	Multiple Solar EPC Projects

Outlook

FY19 revenue expected to exceed \$500 million

- Focus on the Resources, Infrastructure and Renewable Energy sectors across Australia and New Zealand
- Strong market conditions across these sectors
- FY19 revenue expected to exceed \$500 million (excluding revenue from the Sunraysia project)
- Revenue growth and stable overhead set the platform for step change earnings growth in FY19 and beyond
- Work in hand for FY19 ~\$400 million
- Homeground – 2018 occupancy likely to remain subdued, but possibility for improvement in 2019 as major planned maintenance cycle commences for Gladstone LNG projects
- Group continues to see strong market conditions across a number of its key sectors including:
 - **Resources:** FMG's Eliwana and Rio Tinto's Koodaideri projects coming to the contractor market in FY19 and also improved market conditions in the QLD Coal Seam Gas sector;
 - **Infrastructure:** Significant public sector infrastructure spend by State and Federal Government, in particular in the Transport sector in Victoria; and
 - **Renewable Energy:** Actively bidding a number of solar PV and wind projects as a balance of plant contractor

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Thank you.

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