

ASX / MEDIA ANNOUNCEMENT
28 February 2019

FY19 INTERIM RESULTS

- **H1FY19 revenue of \$276m (up 96% on pcp)**
- **Group EBITDA from continuing operations of \$9.3m (up from \$1.3m in H1FY18)**
- **Strong operating cash flow and \$95m net cash position**
- **1c fully franked interim dividend**
- **FY19 full year contracted revenue currently \$650m with FY20 WIH (contracted and preferred) currently at ~\$400m**
- **Diverse sector exposure and tier 1 client base providing good revenue visibility**

Decmil Group Limited (ASX: DCG) (“Decmil” or “Company”) has today released its interim financial results for the six months ended 31 December 2018.

The Company has had a strong start to the 2019 financial year with several significant new contract wins and opportunities across its core sectors of Infrastructure, Resources and Renewables.

Operations

Operations continue to reflect the diversity of the Group, with project activity spanning public sector infrastructure projects in Australia and New Zealand, non-process infrastructure for the WA Iron Ore sector, Queensland coal seam gas maintenance; and in recent years renewable energy.

Key operational highlights for the six months ended 31 December 2018 include:

- Strong safety performance with no lost time injuries in the period and a total recordable injury frequency rate of 2.46 as at 31 December 2018;
- The award to Decmil’s Victorian business unit of new transport infrastructure construction work including an \$86 million project with the Major Road Project Authority in relation to the design and construction of the Drysdale Bypass from Jetty Road to Whitcombes Road;
- Growth of the Decmil business in New Zealand including the construction of a combined NZ\$185 million multi-site Corrections project for rapidly deployable prisons;
- Extension and expansion of a project for BHP at its South Flank mine in relation to the upgrade of the Mulla Mulla village;
- Completion of projects for Fortescue in relation to its Port Hedland tug harbor and non-process infrastructure for Rio Tinto at its Amrun mine;
- Extension of the relationship with QGC with a new three-year framework agreement for operational works across the Surat Basin; and
- Completion of the Gullen solar project near Goulburn in New South Wales and award of a \$277 million EPC contract in relation to the Sunraysia solar project.

Financial Performance and Position

Revenue of \$276 million for the six months ended 31 December 2018 increased by 96% on the comparative period as the Company secured several new and larger contracts in the later part of the 2018 calendar year including the Drysdale Bypass project (\$86 million), QGC framework agreement (\$150 million), Sunraysia solar farm (\$277 million) and the expansion of the BHP Mulla Mulla project (to \$153 million).

Earnings from continuing operations before interest, tax and depreciation was \$9.3 million reflecting a significant increase on the prior period of \$1.3 million.

The Group generated operating cash flow of \$30.9 million for the six months ended 31 December 2018 (prior period \$1.7 million).

The Group's balance sheet reflected an overall net cash position, no drawn core senior secured debt and net assets of \$229 million. Cash and cash equivalents at 31 December 2018 was \$95.5 million.

Dividend

Given the strong performance for the six months ended 31 December 2018 and positive outlook, the Board has resolved to recommence dividends and pay a 1 cent fully franked interim dividend. The dividend will have a record date of 8 March 2019 and a payment date of 27 March 2019.

Executive Appointments

Decmil has experienced significant change over the past five years, transforming from a West Australian mining services business to an international construction and engineering specialist in the Infrastructure, Resources and Renewables sectors.

The Decmil Board anticipates a positive future with strong prospects Australia and New Zealand wide and accordingly is pleased to announce the following recent executive appointments:

- Appointment of Michael Learmonth as Executive General Manager – South East. Michael joined Decmil in January 2019 as the Executive General Manager overseeing both the Southern region and New Zealand. He brings over 24 years of experience in working on and managing a variety of successful large scale, complex infrastructure projects including road, bridge, rail, telecommunications and oil and gas. Prior to joining Decmil, Michael was the General Manager of Lendlease's Victorian Engineering business overseeing projects in delivery and winning new business. He has also held a General Management position at BP in Australia managing assets, projects, engineering and maintenance.
- Appointment of Dickie Dique as Executive General Manager – North West. Dickie is currently a Non-Executive Director for Decmil and previously held the positions of Chief Operating Officer and General Manager within Decmil between 2004 and 2011. Dickie has over 25 years' industry experience covering the mining, modular, civil and residential sectors. Dickie will also continue in his capacity as a Director at Decmil, whilst also overseeing the Western and Northern Regions.

Strategy and Outlook

The business continues to focus on Infrastructure, Resources and Renewable Energy and is experiencing strong market conditions across these sectors.

As at the date of this release the Group has ~\$650 million of committed revenue for the full 2019 financial year and more than \$400 million of work in hand (contracted and preferred) for FY20.

Managing Director and CEO, Scott Criddle, said:

“Decmil has had strong revenue growth in the first half of the 2019 financial year and we expect that to continue for the rest of this financial year and into the 2020 financial year. We are seeing strong market conditions in the Infrastructure, Resources and Renewable Energy sectors with growth spread across most of our business units in Australia and New Zealand.

It is also pleasing to see that whilst we have had strong revenue growth, we have managed to maintain discipline on administration costs and focused on operating cashflow, allowing a return to dividends with a 1 cent interim payment.

Decmil’s diverse capability, national footprint and tier 1 client base is providing good forward revenue visibility and increasingly better quality of earnings”.

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 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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