

ASX / MEDIA ANNOUNCEMENT
29 August 2019

FY19 FINANCIAL RESULTS

- **Record Construction & Engineering (C&E) revenue of \$659 million (up 96% on pcp)**
- **C&E EBITDA of \$27 million**
- **Group EBITDA of \$24 million**
- **Operating cash flow of \$29 million before interest and tax**
- **\$84 million net cash position at 30 June 2019**
- **2 cent final dividend**
- **Total order book (contracted and preferred) at record level of ~\$900 million**

Decmil Group Limited (ASX: DCG) (“Decmil” or “Company”) has today released its financial results for the 2019 financial year.

Operations

Operations reflected 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.

Operational highlights include:

- Strong safety performance with a total recordable injury frequency rate of approximately 5, with 0 for the Western region;
- Extension and expansion of a project for BHP at its South Flank mine for 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;
- Growth of the Decmil business in New Zealand including the construction of a multi-site Corrections project for rapidly deployable prisons;
- The award to Decmil’s Victorian business unit of over \$216 million of new transport infrastructure construction work;
- Award of a \$277 million EPC contract in relation to the Sunraysia solar project in New South Wales;
- Award of \$63 million of new transport infrastructure projects in Western Australia (Reid Highway) and Queensland (Warrego Highway); and
- Entering the wind sector as a balance of plant contractor with two projects worth \$151 million at the Warradarge and Yandin wind farms in WA and a developing partnership with leading Danish wind company Vestas.

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Financial Performance & Position

Revenue grew by 94% to \$663 million for the twelve months ended 30 June 2019. This was due to the Company securing several new and larger contracts in the 2018 and 2019 calendar years as market conditions improved in the Infrastructure sector.

This resulted in the Company reporting improved profit results, with earnings before interest, tax and depreciation increasing by 411% in the 2019 financial year to \$24 million.

Cashflow was also strong, with the Company generating \$29 million of operating (pre-tax and finance) cashflow for the twelve months ended 30 June 2019.

In August 2018 the Company raised \$50 million of new equity capital to fund growth associated with new and larger infrastructure projects. The capital raising and positive operating cashflow in FY19 resulted in the Group's balance sheet reflecting an overall net cash position of \$84 million at 30 June 2019, with no drawn senior secured debt and net tangible assets of \$160 million.

Strategy and Outlook

Australia and New Zealand continues to experience significant public sector infrastructure spend by State and Federal Governments. A number of significant projects in the West Australian Iron Ore and LNG sectors also continue to progress to construction.

Based on the Company's current tender pipeline and order book, Decmil expects FY20 revenue to be ~\$700 million. Total work in hand (comprised of contracted and preferred projects) currently stands at a record combined total of ~\$900 million extending to FY22.

Decmil's strategy remains to build a diverse and strong engineering construction business across Australasia.

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 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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