



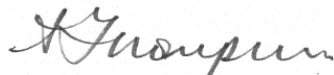
6 November 2019

ASX Company Announcements  
Australian Securities Exchange (ASX)  
Level 40, Central Park  
152-158 St George's Terrace  
PERTH WA 6000

**Chairman's Address, Managing Director's Address and Presentation**

Attached are the Chairman's address, the Managing Director's address and a presentation to be delivered at Decmil Group Limited's (ASX: DCG) Annual General Meeting scheduled to commence at 10.00am WST this morning.

Yours faithfully,



**Alison Thompson**  
Company Secretary



# Chairman's Address

**DECMIL GROUP LIMITED**

**2019 ANNUAL GENERAL MEETING**

**6 NOVEMBER 2019**

**DAVID SAXELBY**

---

Good morning ladies and gentlemen. Welcome to the 2019 Decmil Annual General Meeting. My name is David Saxelby and I am the Chair of the Board of Directors of Decmil Group Limited. On behalf of my colleagues, I would like to welcome you to our office to give you an overview of the key highlights of FY19.

As it is now 10am and a quorum is present, I declare this meeting open. I propose to take the Notice of Meeting as read.

At today's meeting we have four resolutions to consider which will be put to a poll.

However, before we commence the formal part of the meeting, I would like to take this opportunity to introduce my fellow non-executive directors; Bill Healy and Don Argent.

I would also like to introduce you to the Executive Leadership Team which includes;

- Scott Criddle – our Managing Director and CEO,
- Craig Amos – our Chief Financial Officer,
- Dickie Dique – who is an Executive Director as well as an EGM of our Western and Northern Regions, and
- Damian Kelliher – our Executive Manager of Commercial and Risk.

Unfortunately, our EGM for People, Kate Strack, and our EGM for our Southern Region, Michael Learmonth, are unable to join us today and send their apologies.

I will now give a brief overview of the Company's highlights over the past year, and will then invite our Managing Director, Scott Criddle, to give you an update on projects which are currently underway and our progress against our FY20 business plan.

At the conclusion of formal proceedings, we would welcome you to stay on for light refreshments and discuss any matters regarding the Company with the directors and executive leadership team members present today.

I now turn to the Group Highlights of FY19. In the 2019 financial year Decmil's core Construction & Engineering business grew by 96% year on year as the Company secured several new and larger contracts. With strong top line revenue growth and managed overheads, the business generated EBITDA of \$24.1 million.

Our financial position remained sound with a year-end balance sheet reflecting an overall net cash position of \$83.5 million. I am also pleased to report that following this strong performance, the Decmil Board returned to paying dividends, with a 1 cent interim and 2 cent final dividend paid to shareholders.

Key operational highlights during the year included:

- the award of over \$316 million of new transport infrastructure work over the past 18 months;
- growth in New Zealand including a \$185 million multi-site Corrections project;
- extension of a project for BHP at its South Flank mine to approximately \$150 million;
- extension of the relationship with QGC with a new \$150 million three year framework agreement for upstream maintenance works;
- the award and construction of a \$277m EPC contract in relation to the Sunraysia solar PV project; and
- entering the wind sector as a balance of plant contractor with two projects worth \$151m at the Warradarge and Yandin wind farms in WA with leading wind company Vestas.

The aforementioned awards have assisted Decmil in achieving a record order book of \$900 million, on a contracted and preferred basis, as at the date of this meeting.

The financial highlights for FY19 include substantial top line revenue growth, a return to profitability and the payment of dividends to our shareholders. FY19 saw a healthy split of work across our sectors of resources, renewables and infrastructure and also across our geographic locations.

Our business plan remains consistent with prior years, with a focus on the resources, renewables and infrastructure sectors. These sectors are all experiencing positive market conditions particularly in new road and bridge infrastructure across Australia, the Iron Ore sector in WA and renewed upcoming activity in the onshore LNG sector.

In closing, I would again like to take this opportunity on behalf of the Board to thank our loyal shareholders for their ongoing support and of course our staff for their dedication to Decmil.

I would like to now hand over to Decmil's Managing Director, Scott Criddle to give you an overview of the projects we are working on in each of our key sectors.



# Managing Director's Address

**DECMIL GROUP LIMITED**

**2019 ANNUAL GENERAL MEETING**

**6 NOVEMBER 2019**

**SCOTT CRIDDLE**

---

Thank you Dave.

Good morning ladies and gentlemen and thank you for joining us today for our 2019 Annual General Meeting.

As you have heard from our Chairman, 2019 has seen significant revenue growth for the Company. I would now like to give you an update on our current projects and the outlook for FY20 and beyond.

Decmil's strategy to increase exposure to the infrastructure market has been executed over recent financial years and we are now well positioned for more project awards in this sector in FY20 and beyond.

The Group now has significant experience in this market, with contracts successfully executed for Major Road Projects Victoria, the Department of Defence, the Department of Corrections and the Ministry of Education in New Zealand.

We were recently awarded a significant new project as a 40% joint venture partner with McConnell Dowell. The project is valued at \$417 million and is for the main works for the Mordialloc Freeway project by Major Road Projects Victoria. The project will link the Mornington Peninsula Freeway to the Dingley Bypass and create one continuous freeway from Frankston to Clayton.

We hold National Roads Prequalification R5, B4, F150+ meaning we are well placed and experienced to deliver transport infrastructure projects across Australia.

In the renewables sector, Decmil now has experience in successfully delivering a range of engineering, project management and construction services for solar, wind and energy storage projects.

We are pleased to confirm that Decmil is now 99% mechanically complete on the Sunraysia Solar Farm, which is now one of Australia's largest solar farms. Cold commissioning is now complete and hot commissioning is underway and progressing well.

Our balance of plant wind projects at Warradarge and Yandin in Western Australia have also recently commenced and are on track.

In the resources sector we continue to deliver a range of accommodation, non-process, civil, transport and fuel infrastructure to our clients.

During the financial year we successfully completed the upgrade of the Mulla Mulla Village at South Flank for BHP.

We also signed a three-year extension to our Framework Agreement with Shell for works within the Surat Basin, extending our seven year relationship with QGC. This scope includes the provision of construction activities, logistics and maintenance services across a number of QGC's upstream projects.

I now turn to the outlook for FY20 and beyond.



We are currently exposed to a strong tender pipeline with continued focus on the Resources, Infrastructure and Renewable Energy sectors across Australia and New Zealand.

These sectors are experiencing strong market conditions and accordingly our pipeline extends revenue visibility into FY21 and FY22. I can confirm that the Company still expects FY20 revenue of approximately \$700 million, with a weighting to the second half of the year.

The group continues to see improvements across a number of its key sectors including:

- significant public sector infrastructure spend by State and Federal Government;
- a number of significant West Australian Iron Ore and LNG projects progressing to construction; and
- further opportunities with wind and solar renewable energy projects.

Before I conclude I would like to thank Dave, our Chairman, and our fellow directors, for your support and advice over the past year. I would also like to thank our dedicated staff and our loyal shareholders for the support afforded to the business during the past 12 months.

I will now hand back to Dave to conduct the formal business.

# ANNUAL GENERAL MEETING

6 NOVEMBER 2019



2019



OUR SECTORS

INFRASTRUCTURE



RENEWABLES



RESOURCES

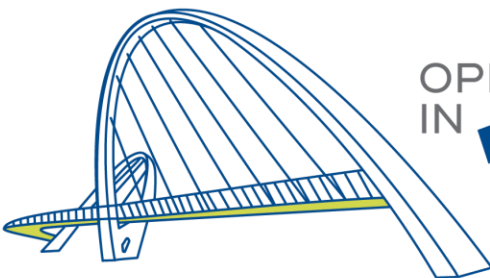


**\$200** MILLION  
MARKET CAP.  
ASX LISTED

TOTAL **2,231**  
EMPLOYEES  
INCL. STAFF & SUB-CONTRACTORS



**7** LOCATIONS  
ACROSS AUSTRALIA & NZ



OPERATING  
IN

**11** INDUSTRIES



WIH  $\approx$   
**\$900**  
MILLION\*



\*CONTRACTED AND PREFERRED

# NON-EXECUTIVE DIRECTORS



DAVID SAXELBY



BILL HEALY



DON ARGENT



# EXECUTIVE LEADERSHIP TEAM



**SCOTT CRIDDLE**  
MD & CEO



**CRAIG AMOS**  
Chief Financial Officer



**DICKIE DIQUE**  
Executive Director



**KATE STRACK**  
EGM - People



**DAMIAN KELLIHER**  
EGM - Commercial & Risk



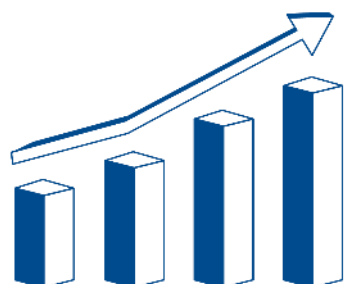
**MICHAEL LEARMONTH**  
EGM - South East

**BUSINESS HIGHLIGHTS**  
FOR YEAR ENDED 30 JUNE 2019

# FY19 GROUP HIGHLIGHTS

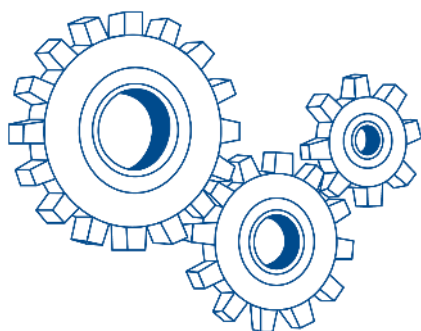


## FINANCIAL



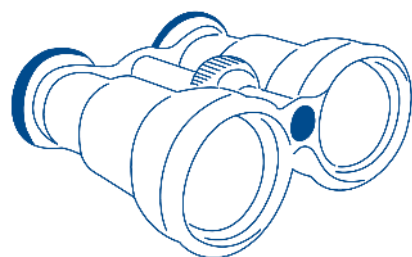
- Record Construction & Engineering (C&E) revenue of \$659.1 million (up 96% on pcp)
- C&E EBITDA of \$26.5 million (4.0% EBITDA margin)
- Group EBITDA of \$24.1 million
- Operating cash flow of \$29.1 million before interest and tax
- \$83.5 million net cash position at 30 June 2019
- 2 cent final dividend

## OPERATIONS



- \$316 million of new transport infrastructure work won in past 18 months
- Growth in New Zealand including a NZ\$185 million Corrections project
- Extension of project for BHP at South Flank to ~\$150 million
- \$150 million framework agreement with QGC for upstream maintenance works
- Award and construction of \$277 million Sunraysia solar PV project
- Balance of plant projects worth \$151 million at the Warradarge and Yandin wind farms in WA with leading Danish wind company Vestas

## OUTLOOK

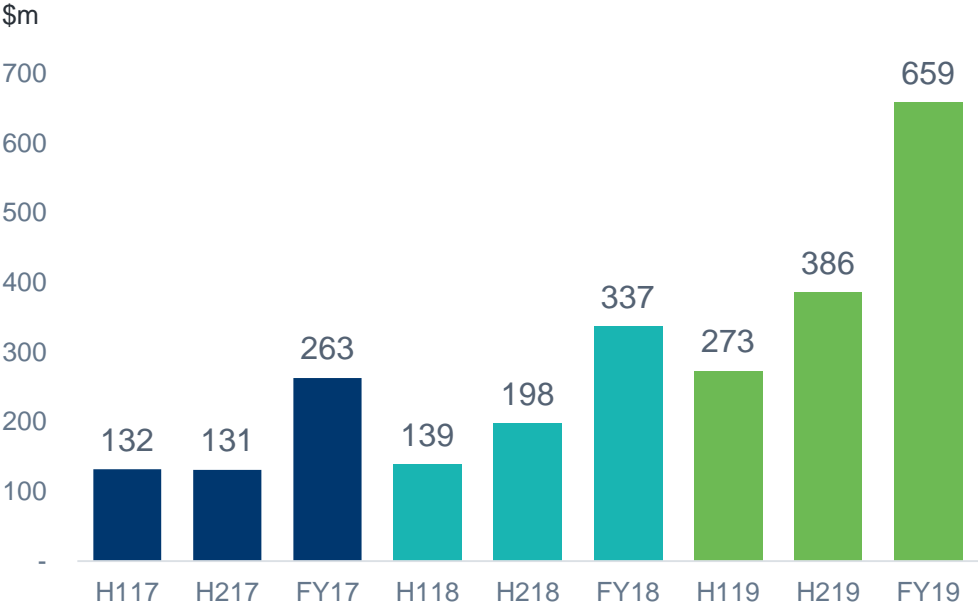


- Order book (contracted and preferred) at record level of ~\$900 million to FY22
- Continued significant public sector infrastructure spend by State and Federal Government
- West Australian Iron Ore and LNG project pipeline significantly improved
- Homeground occupancy currently ~25% for Q1FY20

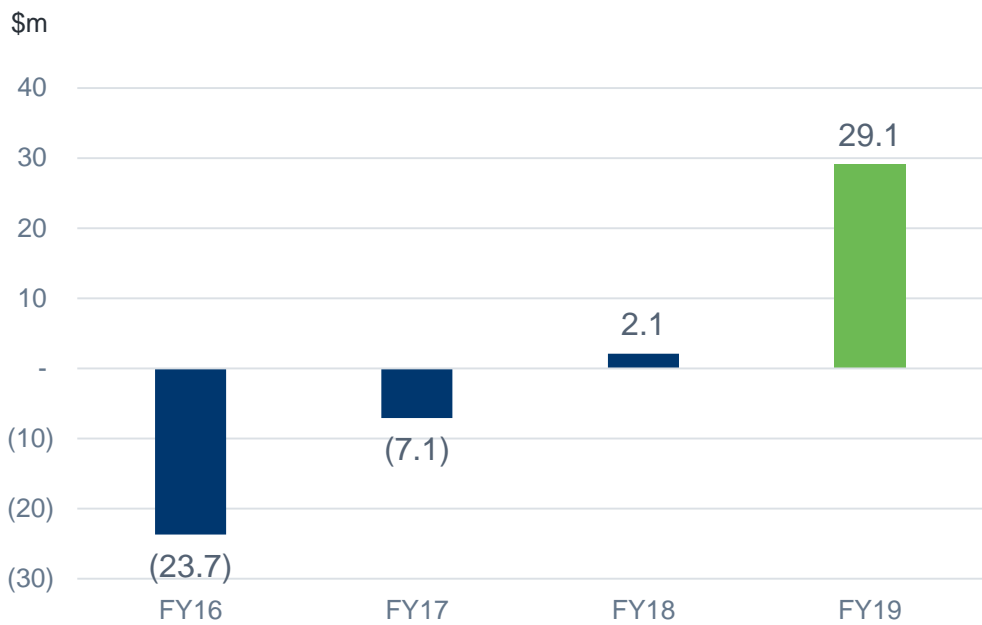
# FY19 FINANCIAL HIGHLIGHTS



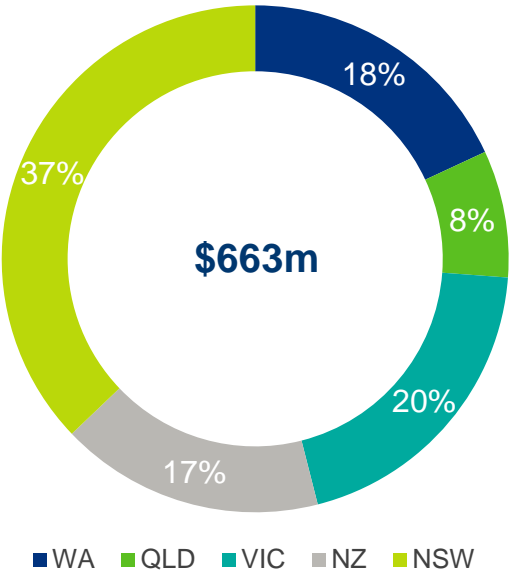
### FY17-FY19 C&E Revenue Half-on-Half



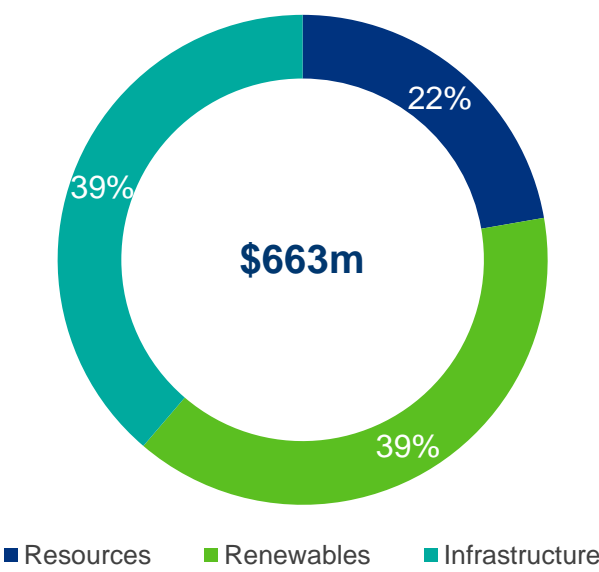
### Operating Cash Flow (pre tax and finance costs)



### FY19 Revenue by Geography

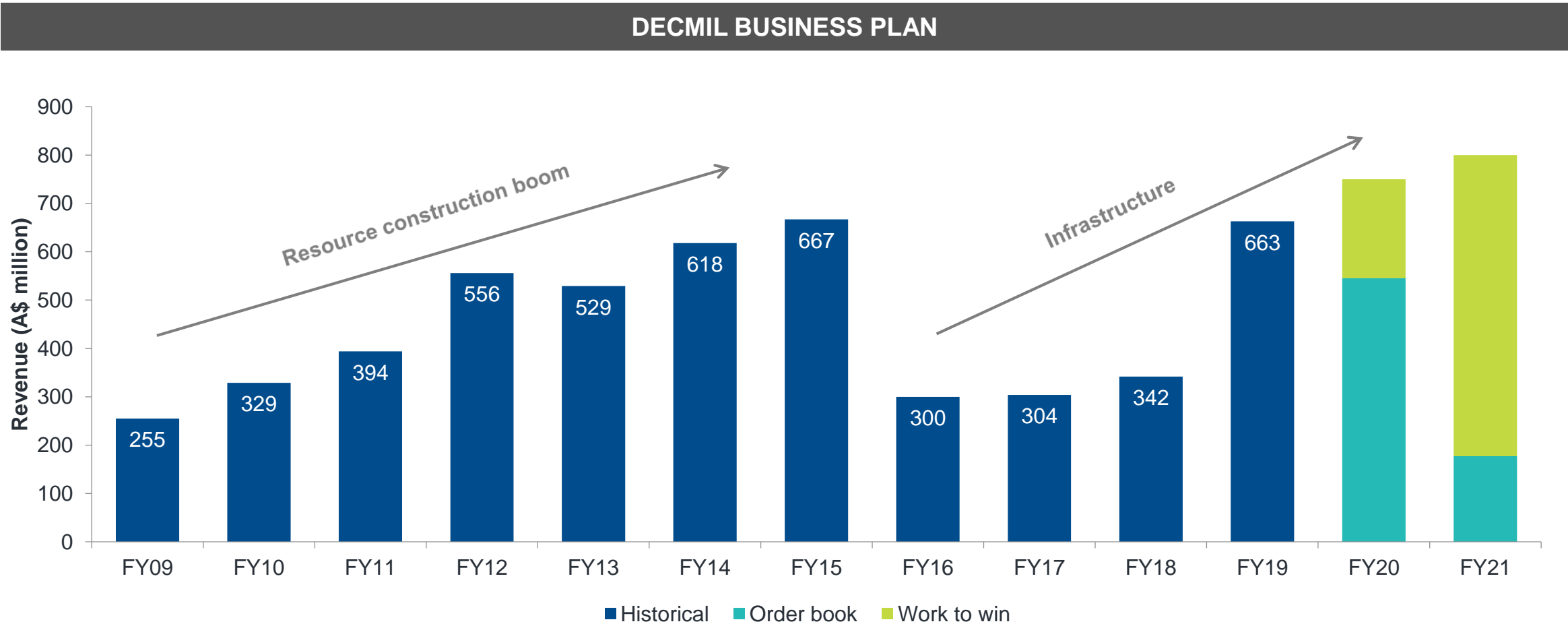


### FY19 Revenue by Sector



## DIVERSE CAPABILITY HAS LED TO SIGNIFICANT GROWTH BEING ACHIEVED IN FY19

- Growth from FY10 to FY15 driven by the WA Iron Ore and LNG construction boom
- Business stabilisation and diversification from FY16 to FY18 to setup long term success and sustainability of the Group
- Significant growth achieved in FY19
- Drivers of growth in FY20 and FY21 include Infrastructure (Transport, Defence, Corrections), Resources (Iron Ore, LNG, CSG) and Renewables (Solar & Wind)



## OUR SECTORS

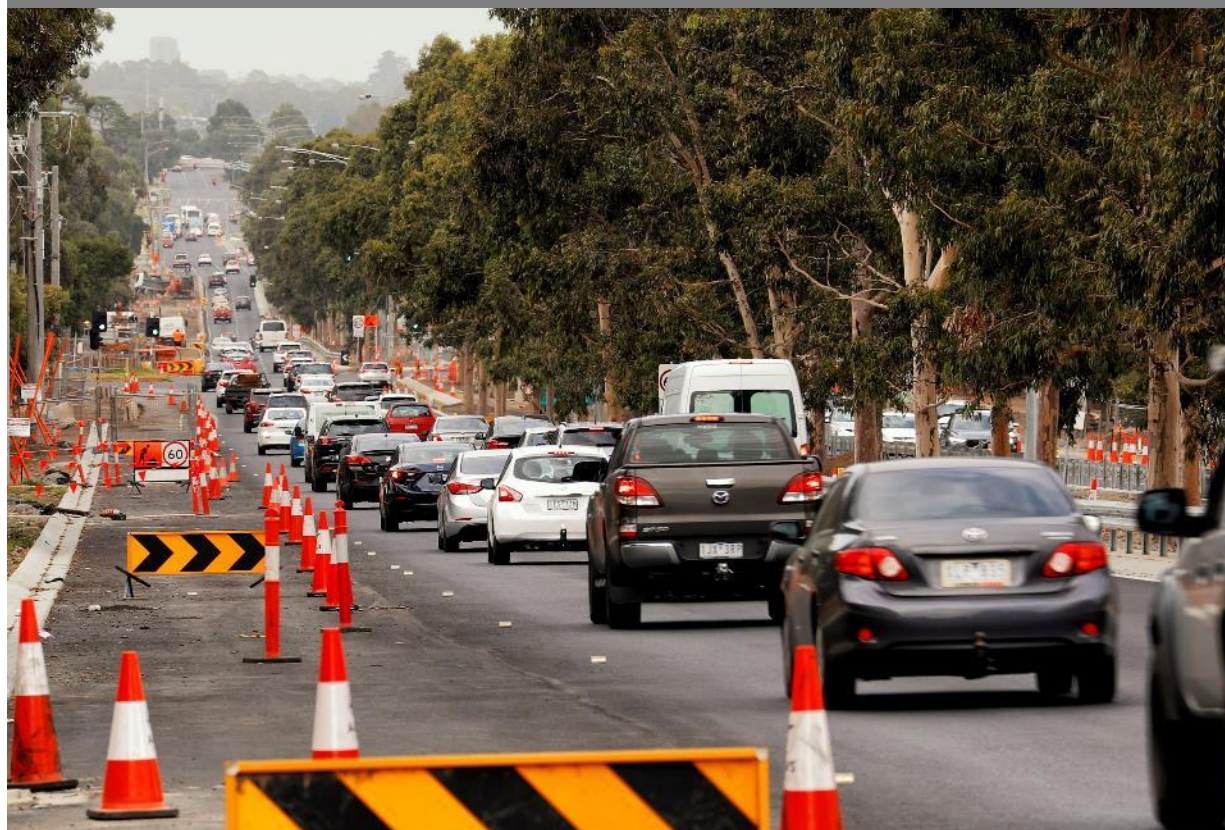


# INFRASTRUCTURE



**DECMIL HAS SECURED OVER \$316 MILLION OF NEW TRANSPORT INFRASTRUCTURE WORK IN AUSTRALIA IN THE LAST 18 MONTHS**

Plenty Road Upgrade



Drysdale Bypass





# RENEWABLES



## DECMIL CAPABILITY EXTENDS ACROSS SOLAR & WIND BALANCE OF PLANT WORKS



- Sunraysia 99% mechanically complete with cold commissioning complete and hot commissioning underway and progressing well
- Warradarge and Yandin wind Balance of Plant projects for Vestas on track



# RESOURCES



## REMOTE WORKS PERFORMED FOR BHP, QGC, RIO TINTO & FMG

BHP, Mulla Mulla



QGC, Wellsite Installation



**OUTLOOK**  
FY20 AND BEYOND

WORK IN HAND  
**~\$900M\***

\*CONTRACTED AND PREFERRED

REV. EXPECTED  
**~\$700M**

HOMEGROUND  
OCCUPANCY **~25%**

- Australia and New Zealand experiencing continued significant public sector infrastructure spend by State and Federal Government
- A number of significant West Australian Iron Ore and LNG projects progressing to construction
- Continue to selectively target appropriate wind and solar renewable energy projects
- Labour availability and cost escalation a focus for the industry as contracting sector reaches capacity
- FY20 revenue still expected to be ~\$700 million with weighting to H2FY20 as new projects commence or ramp up in late calendar 2019
- FY20 margins expected to be similar to H2FY19, but improve entering FY21 driven by current higher bidding margins
- Homeground occupancy ~25% in Q1FY20 due to Curtis Island LNG shutdown events. Updated independent fair value assessment to be obtained for carrying value reset at 31 December 2019

**ANNUAL GENERAL MEETING**  
ITEMS OF BUSINESS



# RESOLUTION 1

## ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary non-binding resolution:

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

# RESOLUTION 1



## ADOPTION OF REMUNERATION REPORT

PROXY SUMMARY	
For	157,789,605
Against	809,109
Abstain	87,192
Proxy's Discretion	329,189
Excluded	404,560
Total Votes	159,419,655
% of Shares on Issue	66.6%

# RESOLUTION 2



## RE-ELECTION OF MR DAVID SAXELBY AS DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with clause 13.2 of the Constitution and for all other purposes, Mr David Saxelby, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

# RESOLUTION 2



## RE-ELECTION OF MR DAVID SAXELBY AS DIRECTOR

PROXY SUMMARY	
For	127,728,808
Against	31,228,335
Abstain	110,687
Proxy's Discretion	351,825
Excluded	NIL
Total Votes	159,419,655
% of Shares on Issue	66.6%

# RESOLUTION 3

## RE-ELECTION OF MR BILL HEALY AS DIRECTOR

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with clause 13.2 of the Constitution and for all other purposes, Mr Bill Healy, a Director, retires by rotation, and being eligible, is re-elected as a Director."*

# RESOLUTION 3



## RE-ELECTION OF MR BILL HEALY AS DIRECTOR

PROXY SUMMARY	
For	158,559,049
Against	392,094
Abstain	100,687
Proxy's Discretion	367,825
Excluded	NIL
Total Votes	159,419,655
% of Shares on Issue	66.6%



# RESOLUTION 4



## ISSUE OF PERFORMANCE RIGHTS TO MR DICKIE DIQUE

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of Performance Rights to Mr Dickie Dique under the Plan, as set out in the Explanatory Memorandum."*

# RESOLUTION 4



## ISSUE OF PERFORMANCE RIGHTS TO MR DICKIE DIQUE

PROXY SUMMARY	
For	157,991,565
Against	1,017,685
Abstain	65,080
Proxy's Discretion	344,189
Excluded	1,136
Total Votes	159,419,655
% of Shares on Issue	66.6%

# DISCLAIMER



This presentation contains a summary of information of Decmil Group Limited and is dated November 2019. The information in this presentation does not purport to be complete or comprehensive and does not purport to summarise all information that an investor should consider when making an investment decision. It should be read in conjunction with Decmil's other periodic and continuous disclosure announcements and you should conduct your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

This presentation is not a disclosure document and should not be considered as an offer or invitation to subscribe for, or purchase any securities in Decmil or as an inducement to make an offer or invitation with respect to those securities. The information contained in this presentation is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Those individual objectives, circumstances and needs should be considered, with professional advice, when deciding whether an investment is appropriate.

This presentation contains forward looking statements. Such forward looking statements are not guarantees of future performance and are subject to known and unknown risk factors associated with the Company and its operations. While the Company considers the assumptions on which these statements are based to be reasonable, whether circumstances actually occur in accordance with these statements may be affected by a variety of factors. These include, but are not limited to, levels of actual demand, currency fluctuations, loss of market, industry competition, environmental risks, physical risks, legislative, fiscal and regulatory developments, economic and financial market conditions in various countries and regions, political risks, project delay or advancement, approvals and cost estimates. These could cause actual trends or results to differ from the forward looking statements in this presentation. There can be no assurance that actual outcomes will not differ materially from these statements. You should not place undue reliance on forward looking statements and subject to any continuing obligation under applicable law, the Company disclaims any obligation or undertaking to disseminate any updates or revisions to any forward looking statements in this presentation to reflect any change in expectations in relation to any forward looking statements or any change in events, conditions or circumstances on which any statement is based. Nothing in these materials shall under any circumstances create an implication that there has been no change in the affairs of the Company since the date of this presentation. To the maximum extent permitted by applicable laws, the Company makes no representation and can give no assurance, guarantee or warranty, express or implied, as to, and takes no responsibility and assumes no liability for, the accuracy, suitability or completeness of or any errors in or omission, from any information, statement or opinion contained in this presentation.

All references to dollars, cents or \$ in this presentation are to Australian currency, unless otherwise stated. References to "Decmil", "the Company", "the Group" or "the Decmil Group" may be references to Decmil Group Ltd or its subsidiaries.



**THANK YOU**