

Appendix 4D

Half-Year Report

Period ended 31 December 2019

DECMIL GROUP LIMITED

ABN 35 111 210 390

Reporting Period & Previous Corresponding Period

The current reporting period is for the half-year ended 31 December 2019.
 The prior reporting period is for the half-year ended 31 December 2018.

Results for Announcement to the Market

Amounts expressed in \$A'000

	Results	% Movement	Increase/ Decrease
Revenues from ordinary activities	239,323	13%	Decrease
Loss after tax from ordinary activities attributable to members	(74,865)	1,390%	Decrease
Net loss after tax for the period attributable to members	(74,865)	1,390%	Decrease

Dividend Payments

Date the 2020 interim dividend is payable

Not applicable

Record date to determine entitlements to the interim dividend

Not applicable

Date interim dividend was declared

Not applicable

Dividends	Amount per security	Franked amount per security	Total dividend payment \$'000
<u>Financial Year Ended 30 June 2020</u>			
Interim dividend	-	-	-
<u>Financial Year Ended 30 June 2019</u>			
Final dividend	2.0¢	2.0¢	4,782
Interim dividend	1.0¢	1.0¢	2,382

Explanation of Results

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 and LNG sectors, Queensland coal seam gas maintenance and balance of plant works in renewable energy.

Revenue of \$239.3 million for the six months ended 31 December 2019 was below the comparative period.

Administration expenses for the six months ended 31 December 2019 amounted to \$20.9 million, which was an increase on the prior period (\$16.1 million). In January 2020, the Company undertook a restructure which removed ~\$6.5m of overhead on an annualised basis. The costs associated with this restructure amounted to \$850k.

The loss before interest, tax, depreciation and impairment was \$63.4 million predominantly due to the termination of the Rapid Deployment Prisons project with the Department of Corrections. The result also includes a reduced reliance on the final settlement of the Mulla Mulla project given the status of negotiations with BHP. Decmil believes it has entitlement to both of these claims and will be seeking recovery of these amounts.

The Group reported an operating cash outflow of \$36.3 million for the six months ended 31 December 2019 due to the unwinding of significant advance payments from prior periods on the balance of plant wind farm projects, the delay in achieving substantial completion on the Sunraysia project and delays in receiving time and cost entitlements on the Rapid Deployment Prisons and Mulla Mulla projects.

At 31 December 2019 the Group's balance sheet reflected cash and cash equivalents of \$64.7 million, an overall net cash position of \$40 million and net assets of \$156 million.

The Group renewed its \$65 million of working capital facilities with NAB during the period and held bonding capacity of \$290 million at 31 December 2019.

Following an independent valuation, the Homeground Gladstone accommodation village was revalued from \$92.4 million to \$85.4 million as at 31 December 2019. The devaluation of the village resulted in a non-cash pre-tax charge of \$7.1 million in the period.

NTA Backing	31 December 2019 Cents per share	31 December 2018 Cents per share
Net tangible asset backing per ordinary share	26.4 cents	64.3 cents

Control gained or lost over entities having material effect

Not applicable.

Details of associates and joint venture entities

Decmil Southern Pty Ltd, a controlled entity of Decmil Group Limited, has a 40% participation interest in the Mordialloc JV with McConnell Dowell Constructors (Aust) Pty Ltd to complete a ~\$417m main works contract for the Mordialloc Freeway project. The project will link the Mornington Peninsula Freeway to the Dingley Bypass and create one continuous freeway from Frankston to Clayton.

Decmil Australia Pty Ltd, a controlled entity of Decmil Group Limited, has a 50% participation interest in the Decmil BESIX Joint Venture with joint venture partner BESIX Australia Pty Ltd to complete a ~\$21.0m contract for Fortescue Metals Group for the provision of tug infrastructure and service facilities at Anderson Point, Port Hedland in Western Australia.

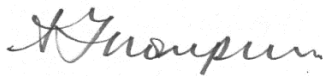
Decmil Australia Pty Ltd, a controlled entity of Decmil Group Limited, is a participant in two unincorporated joint ventures with Balance Utility Solutions Pty Ltd. The first is a 25% participation interest in the delivery of a battery energy storage system for Western Power in Perenjori, Western Australia valued at \$1.6m. The second is a 67% participation interest in the construction of a 10MW solar farm in Goulburn, New South Wales and a two year operation and maintenance contract for Gullen Solar Pty Ltd valued at \$19.2m.

Material interests in entities which are not controlled entities

Not applicable.

Compliance statement

This report is based on accounts which have been subject to independent review.



Signed by Alison Thompson, Company Secretary
27th March 2020