

ASX / MEDIA ANNOUNCEMENT
4 June 2021

DECMIL KEEPS BUILDING ORDER BOOK AND REAFFIRMS FY21 EBITDA GUIDANCE

- **Strong operational performance expected to result in improved margins and robust EBITDA of between \$6m-\$10m for FY21**
- **FY21 revenue guidance revised to \$300-320m due to delays in contract awards and commencement of projects, therefore Decmil anticipates stronger FY22 revenue**
- **Order book stands at healthy \$590m (including ~\$400m in FY22) and set to expand, positioning Decmil for the anticipated growth in FY22, with work in hand until at least FY24**
- **Matagarup Heirisson Alliance shortlisted for Swan River Causeway Bridge project**

Decmil Group Limited (ASX: DCG) (“Decmil” or “the Company”) is pleased to provide an update on its financial guidance and operational activities for the 2021 financial year (FY21).

Decmil CEO Dickie Dique said that in line with Decmil’s business revitalisation strategy, the Company had successfully progressed a phase of consolidation in FY21.

“As we continue to increase our operational efficiency and deliver on contracts for key blue-chip government clients, we will continue to capitalise on the thriving infrastructure sector in Australia and increase our order book,” Mr Dique said.

“We have been able to maintain our EBITDA guidance because our project teams are operating very efficiently, increasing the earnings margins for work performed and because we have tightly managed corporate overhead costs.

“COVID-19 related delays have shifted the estimated award of several contracts, and therefore associated revenue, into FY22. An increase in anticipated revenue for FY22, in tandem with our strengthened order book from the recent contract wins, pivots Decmil towards a very strong FY22 and beyond.

“Specifically, we are in the final stages of the tender process for several major contracts, and we anticipate that key opportunities will be awarded in the first half of the next fiscal year.”

FY21 GUIDANCE UPDATE

Decmil has delivered strong operational performance at current and completed contracts during FY21, resulting in improved margins and FY21 EBITDA guidance of between \$6 million and \$10 million, in line with original expectations.

This is despite the Company anticipating FY21 revenue of between \$300 million and \$320 million, which is below original expectations. The reduction in FY21 revenue is a result of COVID-related impacts delaying the award of numerous contracts Decmil has tendered for, until FY22. This has shifted the associated revenue from FY21 into FY22.

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Some previously delayed contract opportunities are now beginning to materialise, with the Rio Tinto Mesa J project being an example of this.

As a result, Decmil anticipates bolstering its preferred and contracted work in hand beyond its current figure of \$590 million, which will cascade through to increased revenue and EBITDA for FY22.

This aligns with Decmil's business revitalisation strategy of FY21 being a consolidation year for the Company and FY22 a year of growth.

Additionally, Decmil's enhanced focus on targeting low-risk alliance contracts within its core capabilities over the past year has built a robust long-term foundation for the Company.

Decmil has preferred and contracted work in hand of ~\$400 million for FY22.

MATAGARUP HEIRISSON ALLIANCE SHORTLISTED FOR CAUSEWAY BRIDGE CONTRACT

Decmil is part of an alliance which has been shortlisted for a contract to construct the new Swan River Causeway Bridge in Perth, Western Australia.

The Company is part of the Matagarup Heirisson Alliance, along with Arup and SRG Global.

An Alliance contract is anticipated to be awarded in late CY2021, with construction expected to commence in mid-2022.

The new Swan River Causeway Bridge will comprise two river crossings, measuring 250 metres on the Victoria Park side and 140 metres on the City of Perth side, which will be connected by a 270 metre path through Heirisson Island. The Bridge will be six metres wide, with dedicated pedestrian and cyclist lanes, providing safer access for the more than 1,400 cyclists and 1,900 pedestrians who use the path on the existing two-metre wide causeway bridge daily.

The project is jointly funded by the Federal Government and Western Australian State Government, with each committing \$25 million.

This ASX release was authorised by the Decmil Group Limited Board

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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