

DECMIL GROUP LIMITED

Investor Update

HALF YEAR RESULTS – FY23H1

24 Feb 2023

**Together, we're
the difference.**

Delivering integrated
construction and
engineering solutions

Company stabilised

- Legacy claims disputes resolved (SCEE, Schneider, Sunraysia)
- Strong book of submitted tenders
- Loss-making jobs completed
- Excellent safety performance with TRIFR of 1.3 / LIFR of 0.0
- New CEO – Rod Heale
- New CFO – Peter Thomas
- New EGM East – Simon Barnes
- New EGM West – Deon Baddock.

Improved Financial Result

- Demonstrating operations profitability
- FY23H1 Revenue of \$256m
- FY23H1 EBITDA of \$3.3m
- Loyal support from lenders
- Revenue on target to hit >\$500m for FY23
- Revenue and EBITDA ahead of budget
- Homeground in sale process with Colliers.

Buoyant project outlook

- \$100bn+ in mining projects in next 5 years
- \$75bn of government roads/rail infrastructure in next 5 years
- Tidal wave of Decarbonisation investment projects in wind farms, renewables, batteries and transmission reconfiguration.

FY23 P&L A\$m	Q1	Q2	H1
Revenue	\$118m	\$138m	\$256m
Gross Profit	7.0m	9.8m	16.8m
GP %	5.9%	7.1%	6.6%
EBITDA	0.6m	2.7m	3.3m
EBITDA %	0.5%	2.0%	1.3%
PAT	(2.0m)	(0.5m)	(2.5m)
PAT %	(1.7%)	(0.4%)	(1.0%)

P&L to 31 Dec 2022 (audited)

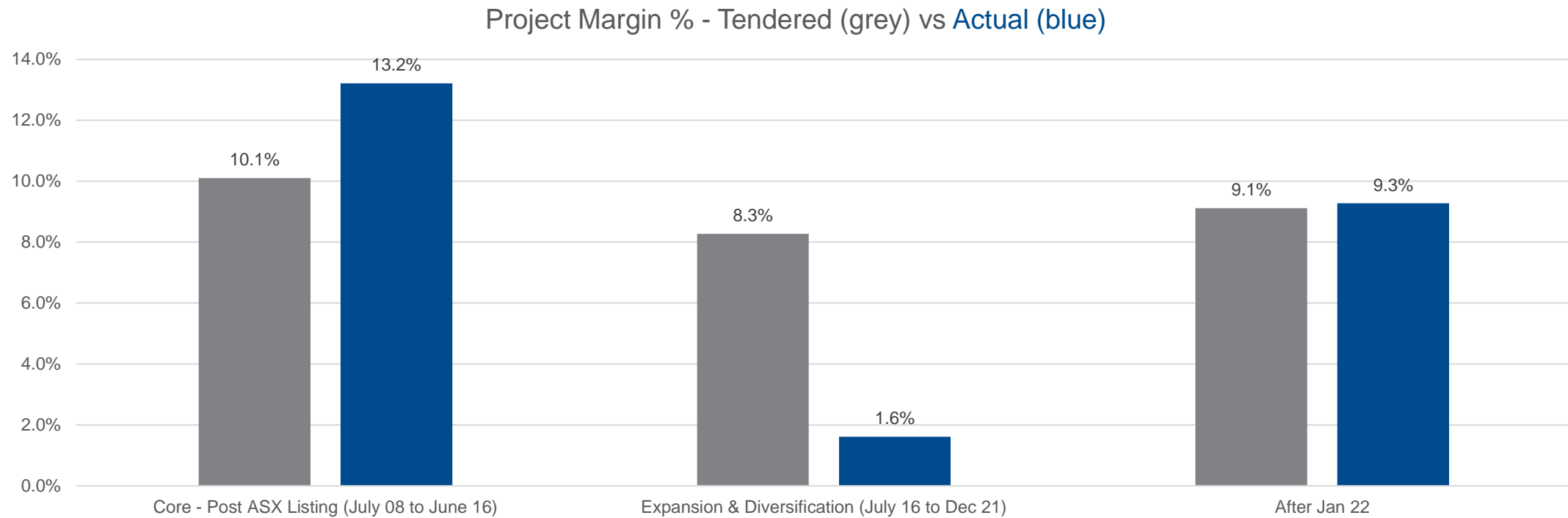
- Dec 22 YTD Revenue of \$256m
- Dec 22 YTD EBITDA of \$3.3m
- Dec 22 YTD net loss of (\$2.5m)

\$ in millions	Dec'22
Cash	10.8
Receivables	35.7
Contract assets	31.5
Asset held for sale	57.0
Other	8.2
Current Assets	143.2
PPE	6.5
Right-of-use assets	9.7
Goodwill	50.0
Non-Current Assets	66.3
Total Assets	209.5
Payables	84.8
Contract liabilities	39.4
Borrowings	2.2
Lease liabilities	3.8
Provisions	4.0
Current Liabilities	134.3
Non-current payables	9.7
Borrowings	18.5
Lease liabilities	10.9
Provisions	0.5
Non-Current Liabilities	39.7
Total Liabilities	173.9
Net Assets	35.5

31 Dec 2022 Balance Sheet (audited)

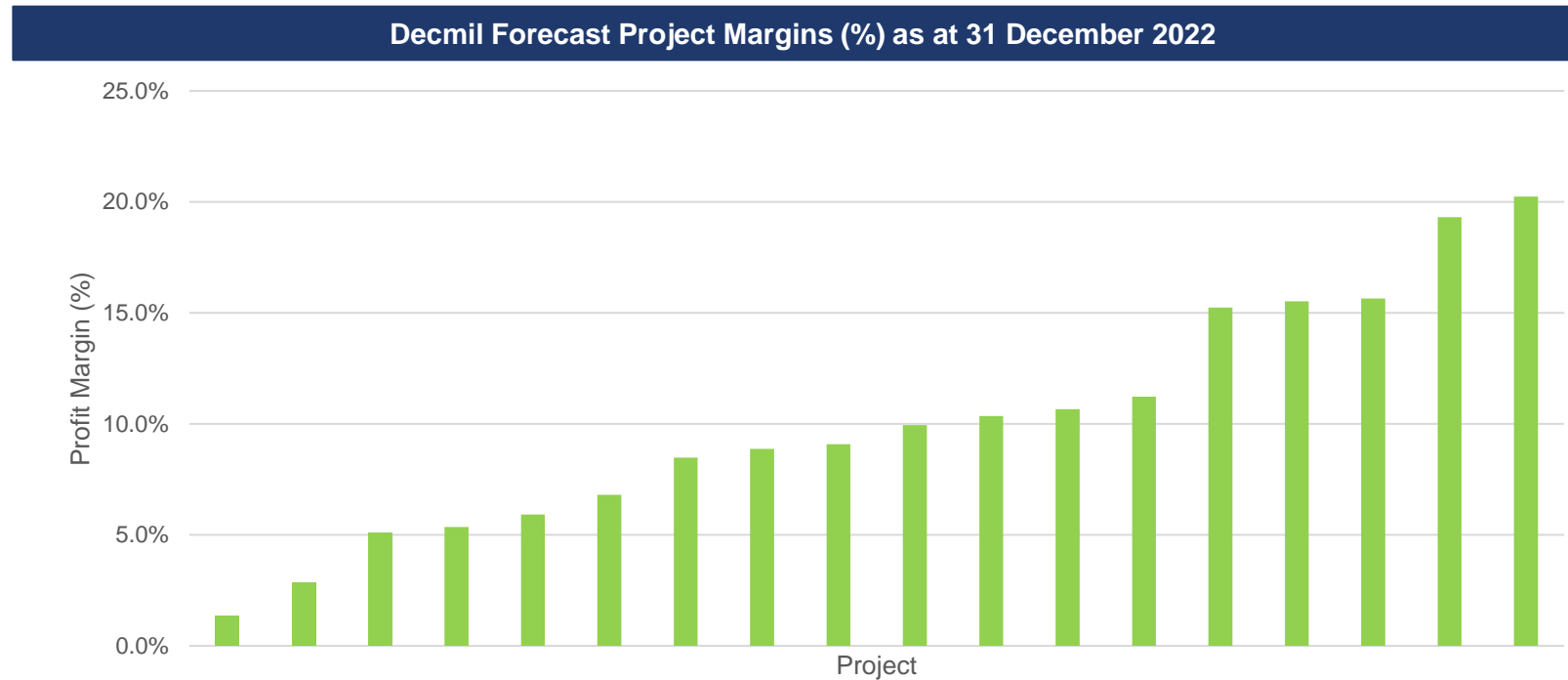
- Cash at bank of \$10.8 million
- NAB \$40 million multi-option facility with \$nil drawn in overdraft with NAB
- \$20 million subordinated debt facility
- Homeground remains available for sale – sale process with Colliers.

Business Performance Improved



Project Profit Margins

- Continuing projects are all demonstrating positive gross profit margins.



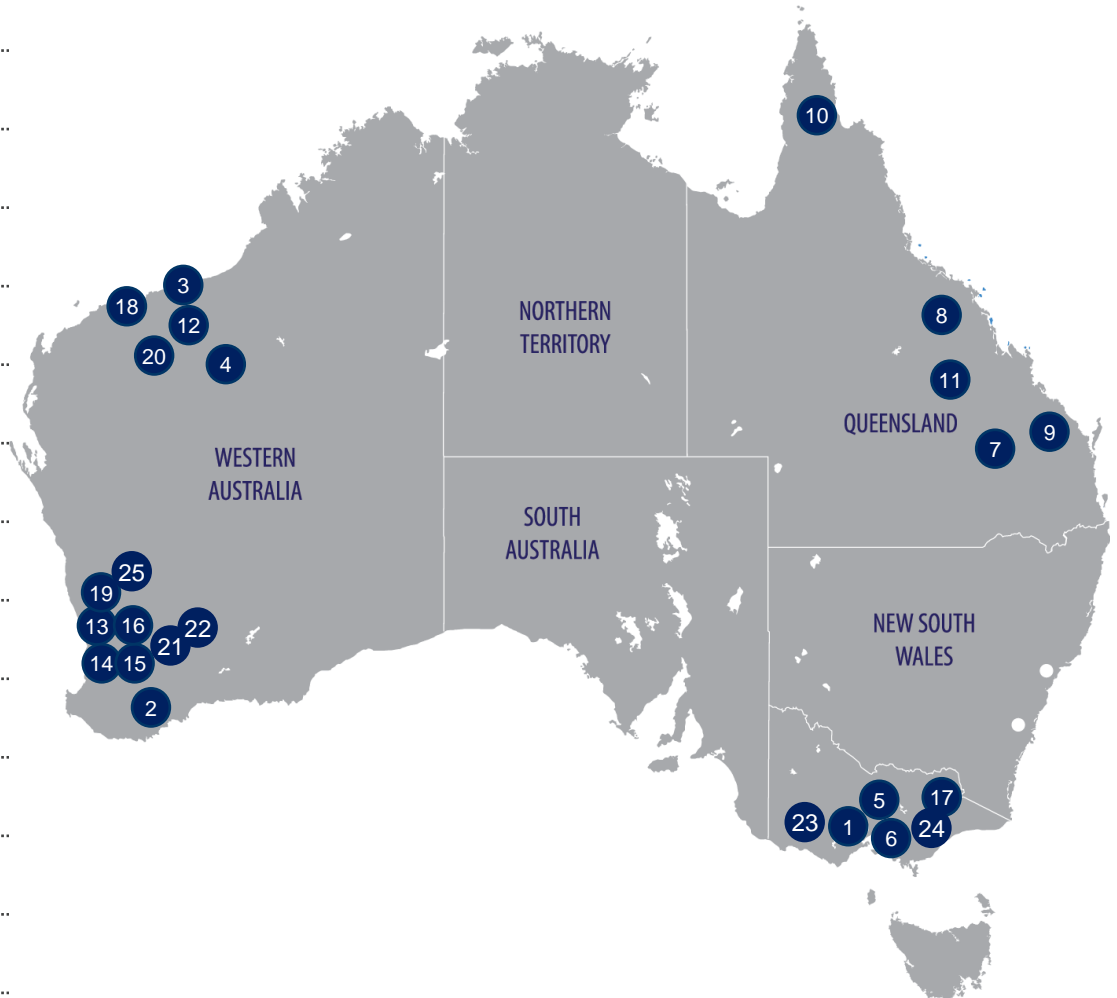
Legacy Disputes Resolved

- SCEE – Amrun project (2017) settled August 2022
- Sunraysia (downstream) – Schneider – settled October 2022
- Sunraysia (upstream) – settled February 2023
- All disputes resolved in line with accounts or marginally ahead of provisions already taken up.

Diverse Projects Across Australia



- | | |
|--|---|
| 1 Barwon Heads Road Upgrade VIC \$89M | 13 Florin Parkside WA \$37M |
| 2 Albany Ring Road Stage 2 WA \$98M | 14 Covalent Kwinana Refinery NPI Buildings WA \$21M |
| 3 Port Hedland Community Centre WA \$18M | 15 Talison MSA Project – Technical Services Building WA \$13M |
| 4 Christmas Creek Hydrogen Refuelling Station WA \$7M | 16 Mitchell Freeway Principal Shared Path WA \$23M |
| 5 Structures Rehabilitation Project, North & South East VIC \$30M | 17 Snowy District Crossings VIC \$7M |
| 6 Crossings in the Otway, Murrindindi, Ovens & Upper Murray Districts VIC \$3M | 18 Karratha Senior High School WA \$26M |
| 7 NDA Camps QLD | 19 Waddi Wind Farm WA |
| 8 Carmichael Rail Camp QLD \$40M | 20 Roy Hill Rolling Stock Maintenance Workshop Upgrade ECI WA |
| 9 Bruce Highway Gin Gin QLD \$25M | 21 Great Eastern Highway Coates Gully WA \$9m |
| 10 Archer River Road QLD \$8M | 22 Great Eastern Highway Woorloo WA \$9m |
| 11 Capricorn Highway QLD \$4.5M | 23 Ryan Corner Wind Farm VIC \$78M |
| 12 Pundulmurra TAFE WA \$38M | 24 Gippsland Line Upgrade VIC \$157M |
| | 25 Roy Hill Munjina Road Over Rail WA \$28M |



Project Completions – FY23H1

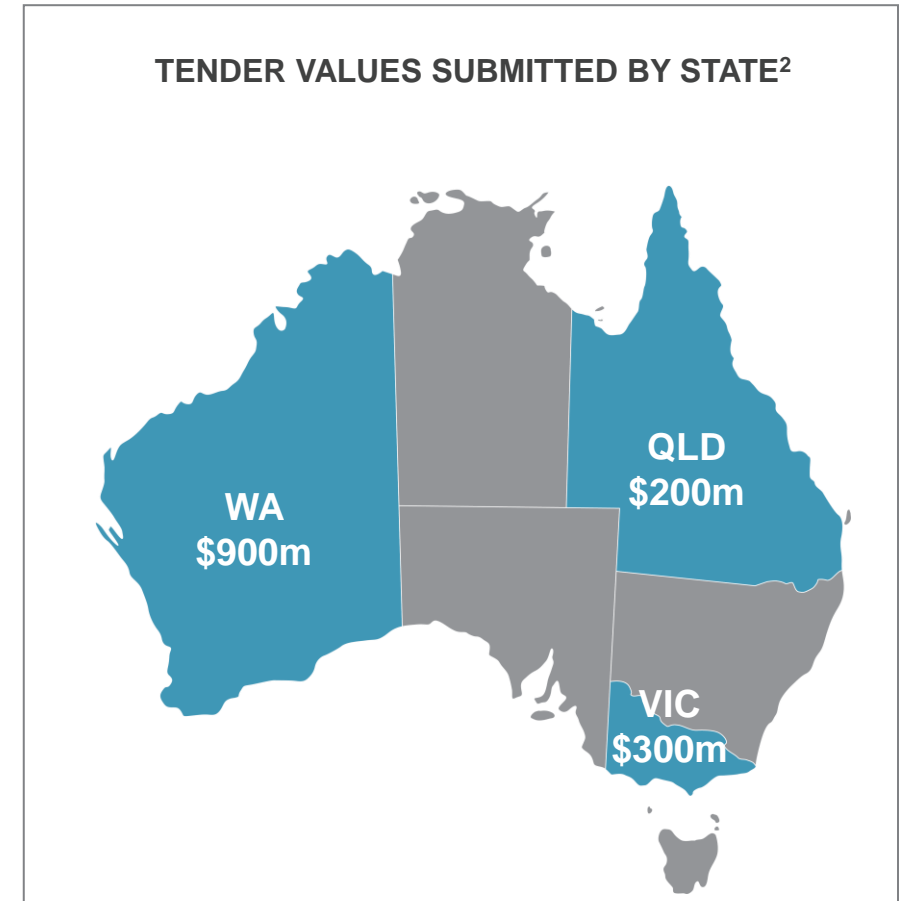
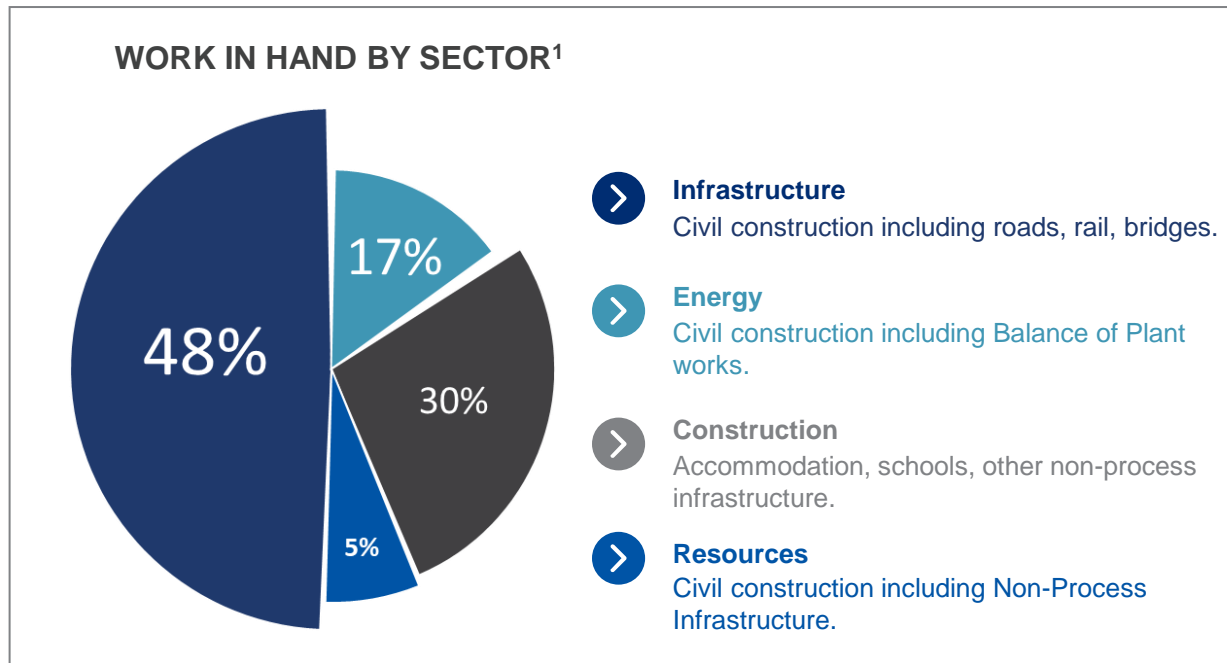


- **NORTHERN DEVELOPMENT AREA ACCOMMODATION & FACILITIES** | Client: QGC | Location: QLD | Value: \$38M
- **ALBANY RING ROAD STAGE 1** | Client: Main Roads Western Australia | Location: WA | Value: \$55M
- **CHRISTMAS CREEK HYDROGEN REFUELING STATION** | Client: FMG | Location: WA | Value: \$7M
- **GREAT EASTERN REALIGNMENT COATES GULLY** | Client: Main Roads Western Australia | Location: WA | Value: \$8M
- **MESA J HV & LV FACILITY** | Client: Rio Tinto | Location: WA | Value: \$31M
- **MESA A LABORATORY** | Client: Rio Tinto | Location: WA | Value: \$9M
- **NDA ACCOMMODATION AND OFFICE FACILITY** | Client: QGC | Location: Qld
- **ROY HILL MUNJINA ROAD OVER RAIL** | Client: Main Roads Western Australia | Location: WA | Value: \$28M

\$335 m Work In Hand

(at 31 December 2022) – 62% with Government

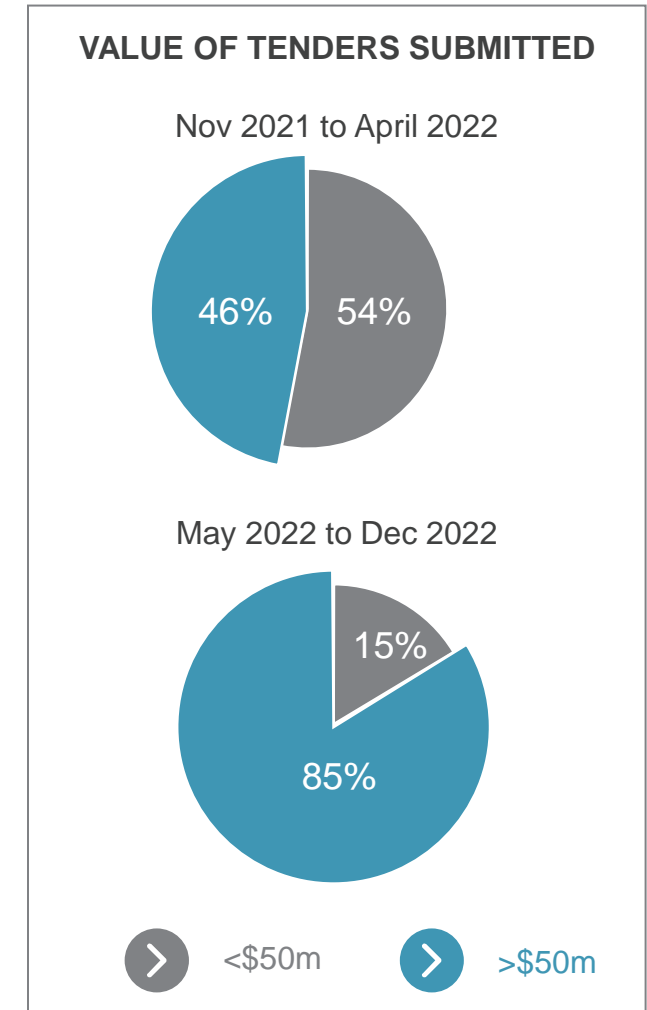
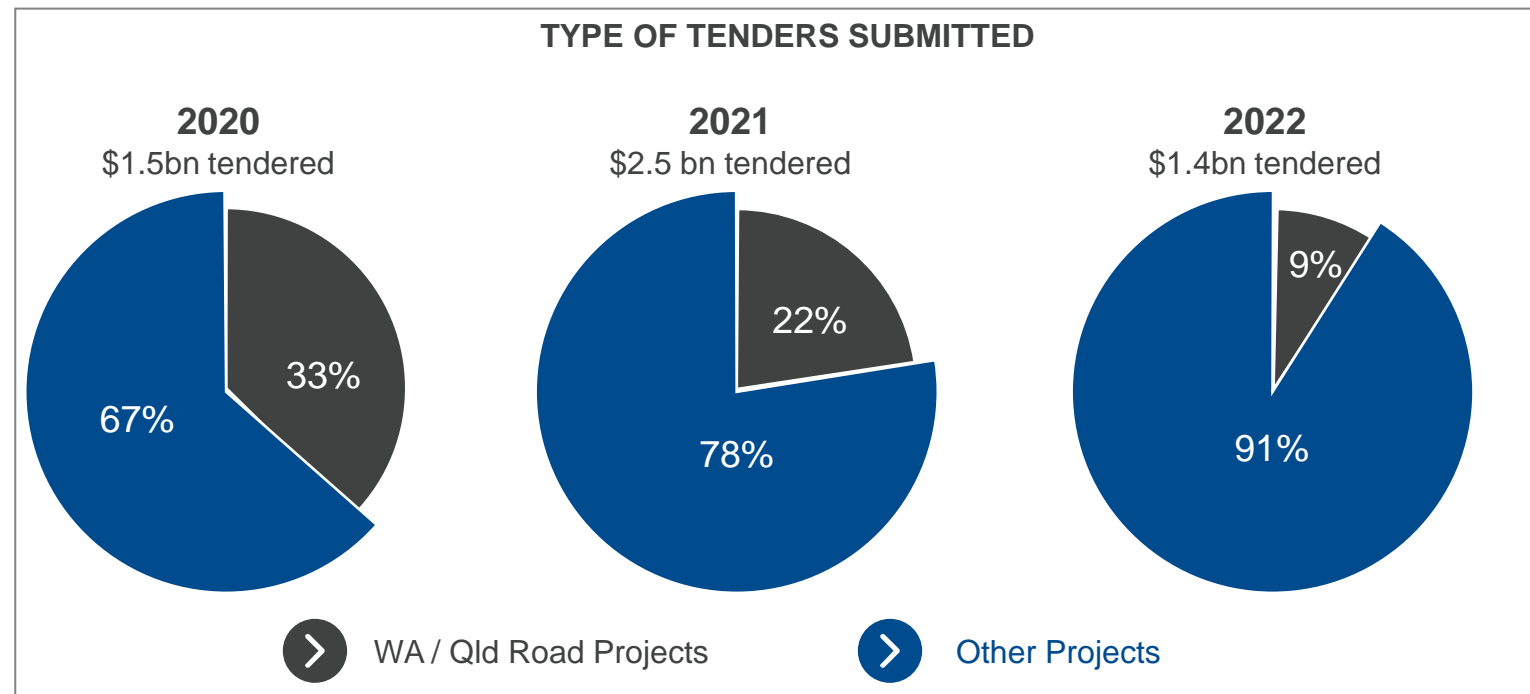
- \$335¹ million work in hand contracted to FY26
- \$490¹ million contracted for FY23 (including revenue recognised YTD¹)
- 62% of work in hand with Government



1. As at 31 December 2022
 2. 12 months to 31 December 2022

Tender Mix Shifting to Sweet Spot

- Bidding more selectively - Bidding larger projects which provide better benefits across our supply chain and enables more focused relationships with our clients and customers
- Size of average tender is increasing to Decmil's sweet spot (\$50-150m)
- Not bidding for smaller infrastructure road projects, particularly roads in regional Queensland and Western Australia
- In the current marketplace with an abundance of opportunities, contractors can bid projects with equitable risk allocation and more appropriate commercial terms.



Resources - WA (~\$100bn in next 4 years)



Projects under construction or committed - **\$57bn**



Host of significant projects under development or at FID:

- Pluto LNG expansion and Scarborough gas
- Jansz-io compression (Chevron)
- Crux gas (Shell)
- Onslow Iron ore (Min Res)
- Western Range Iron ore (Rio)
- Mt Holland Lithium (Covalent (Wesfarmers/SQM))
- Enneaba rare earths (Iluka)
- Mardie Salt and Potash (BCI)
- Mt Weld rare earths (Lynas)
- Super pit expansion (Northern Star)
- Kathleen Valley Lithium (Liontown)
- Greenbushes expansion (Talison – Tianqi/Albermarle)

A further **\$87bn** of projects in feasibility/pre-feasibility study

Exploration spending at record levels (\$2.5bn)

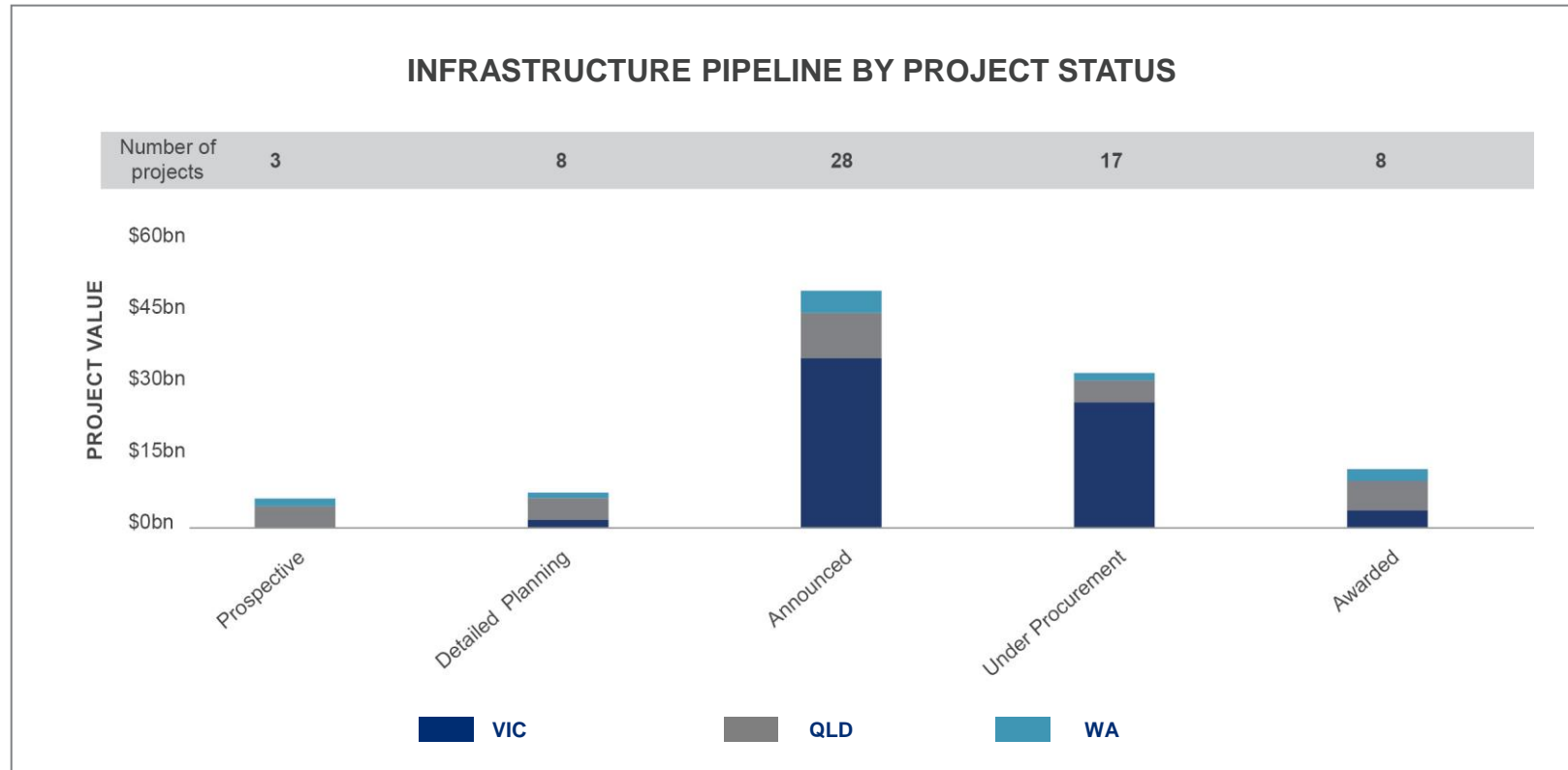
Fraser Institute has nominated Western Australia as #1 mining investment jurisdiction

Source: DMIRS – Mineral and petroleum industry activity review 2021-22

Infrastructure Spend (\$75bn in next 4 years)

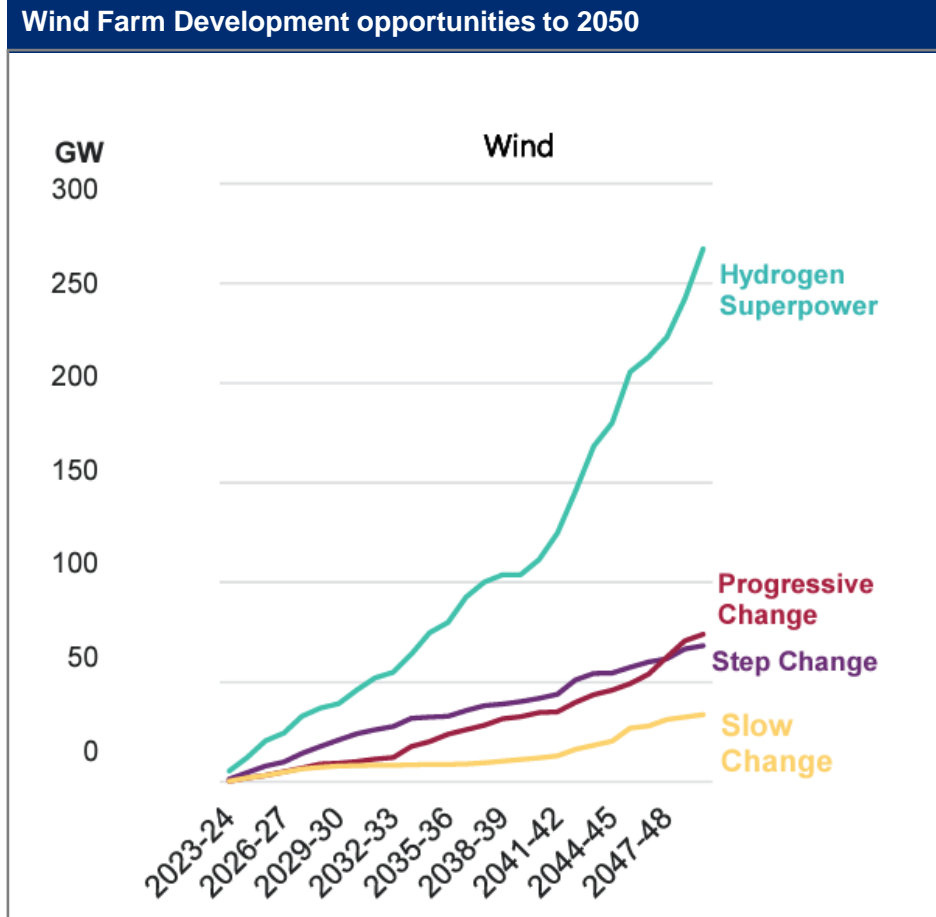


\$75bn of projects announced or under procurement in Victoria, Western Australia, Queensland in transport projects (road, rail) – Decmil’s core regions of infrastructure activity (2022-2026).



Source: Infrastructure Partnerships Australia 2022

Energy - Wind Farm Civil Balance of Plant



- Under “Step Change” scenario – AEMO projects an additional 30GW of wind farms (~\$53bn*) being built in the next 10 years
- Civil Balance of plant opportunity is 15-20% of this which is ~\$10bn.

Source: AEMO 2022 Integrated System Plan
* A\$1,755 per MW is estimated cost of onshore wind farms in 2022 from CSIRO report (AFR 27/7/2022)

Corporate Snapshot



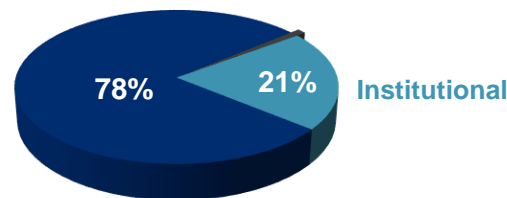
Capital structure		
Shares ¹	M	155
Performance rights, options and warrants ^{1,2}	M	85.5
Share price ¹	A\$	0.23
Market capitalisation ¹	A\$M	35.8
Cash ³	A\$M	10.8
Debt ³	A\$M	20.7

Board & Management

Andrew Barclay	Chairman
Rod Heale	Chief Executive Officer
Peter Thomas	Executive Director / Chief Financial Officer
Vin Vassallo	Non-Executive Director
David Steele	Non-Executive Director
Ian Hobson	Company Secretary

Shareholder Distribution³

Retail



Substantial Shareholders³

TIGA Trading	19.9%
Franco	7.4%

Historical Share Price



¹ As at 17 February 2023

² Warrants shown as converted amount

³ As at 31 December 2022

Thank You

Any
Questions?

Board of Directors and CEO



Andrew Barclay – Chairman

Andrew was appointed as Chairman of Decmil in July 2020. Andrew is a former partner of the Perth office of Mallesons Stephen Jacques (now King & Wood Mallesons) with over 30 years experience in major projects, mining, banking and finance and insolvency matters.

In private practice Andrew has been involved in significant Western Australian infrastructure and mining projects, and major Western Australian corporate insolvencies. More recently Andrew has acted as in-house counsel at Fortescue Metals Group and Roy Hill Holdings.

Andrew holds a Bachelor of Laws (Hons) and Bachelor of Economics.



Rod Heale – CEO

Rod brings more than 30 years' experience in the building, construction and infrastructure industry across Australia.

Prior to joining Decmil Rod was Chief Operating Officer for John Holland's Australia and Asia business. Prior to this, Rod served as a Regional Executive for Thiess, John Holland and CPB Contractors.

Rod holds a Bachelor of Engineering (Civil) from Monash University and a Master of Construction Law from The University of Melbourne. Rod is also a Fellow of Engineers Australia, a Fellow of the Australian Institute of Company Directors, and a Registered Builder in Victoria and Western Australia.



Peter Thomas

Peter was appointed as a Director in July 2020 and currently holds the position of Chief Financial Officer. He is an experienced executive in the construction and resources industry with a proven track record in delivering large construction projects, and leading commercial, financial and corporate affairs.

Peter's experience in the last decade includes CFO, CEO and Project Director roles with Fortescue Metals Group, Adani and Balla Balla Infrastructure (part of the New Zealand Todd Group).

Peter holds an MBA (Harvard), Bachelor of Economics (Macquarie) and Bachelor of Science (Macquarie), AIAA and GAICD.



Vin Vassallo

Vin was appointed as a Non-Executive Director in June 2021 and held the position of interim Chief Executive Officer during the period April 2022 to June 2022. Vin has over 25 years of experience in the Australian infrastructure sector, including 14 years at Transurban. Vin has previously been Executive Regional Manager for Abigroup Contractors, an Australian infrastructure contractor.

Most recently, Vin had the role of Group Executive of Development at Transurban. Vin is also an Executive Director at Olla Advisory and holds a Bachelor of Engineering, specialising in civil engineering.



David Steele

David was appointed as a Non-Executive Director in June 2021. David has over 35 years experience in the resources, energy and infrastructure sectors globally, having been with Worley for 17 years.

David has worked in Queensland, WA and overseas. He has served as the Regional Managing Director of Asia and the Middle East, and then as Group Managing Director based in Houston, USA. He holds a Bachelor of Engineering, specialising in electrical engineering.

Executive Leadership Team



Rod Heale – Chief Executive Officer

Rod brings more than 30 years' experience in the building, construction and infrastructure industry across Australia. Prior to joining Decmil Rod was Chief Operating Officer for John Holland's Australia and Asia business. Prior to this, Rod served as a Regional Executive for Thiess, John Holland and CPB Contractors. Rod holds a Bachelor of Engineering Hons (Civil) from Monash University and a Master of Construction Law from The University of Melbourne. Rod is also a Fellow of Engineers Australia, a Fellow of the Australian Institute of Company Directors, and a Registered Builder in Victoria, South Australia, Queensland and Western Australia.



Peter Thomas – Chief Financial Officer

Peter Thomas was appointed as a Director in July 2020 and currently holds the position of Chief Financial Officer. He is an experienced executive in the construction and resources industry with a proven track record in delivering large construction projects, and leading commercial, financial and corporate affairs. Peter's experience in the last decade includes CFO, CEO and Project Director roles with Fortescue Metals Group, Adani and Balla Balla Infrastructure (part of the New Zealand Todd Group). Peter holds an MBA from Harvard, Bachelor Of Economics, Bachelor of Science, AIAA and GAICD.



Deon Baddock – Executive General Manager Western

Deon joined Decmil in November 2022, and has more than 25 years' experience in the construction industry across a range of project models. Most recently Deon was Group Manager Risk and Commercial at NRW, where he has worked since 2010. At NRW he had both operational and governance roles, which included responsibility for legal and commercial, precontracts, project controls, quality management and including oversight of major projects. Prior to NRW, Deon worked at Main Roads Western Australia (MRWA). Deon is a qualified Civil Engineer and has a Postgraduate Certificate of Management.



Simon Barnes – Executive General Manager Eastern

Simon joined Decmil in November 2022 and has more than 25 years' experience in the construction industry across a range of contract models, including Alliance, Design and Construct, and Public Private Partnerships. Most recently, he was Executive Regional Manager – Southern at ACCIONA, where he has worked for 15 years including at its antecedent companies Abigroup and Lend Lease. His extensive expertise ranges from construction delivery and project governance roles, through to regional executive leadership. Simon is a qualified Civil Engineer with a Master of Business Administration.



Rob Currie – Group Manager People & Culture

Rob joined Decmil in May 2022 and has 25 years of experience in Human Resources (HR) and Industrial Relations (IR) related roles. He has experience working throughout Australia in the civil construction, building, telecommunications, and mining industries leading both corporate and project HR/IR teams for companies such as Lendlease, Leighton Contractors, Abigroup and Akron Roads. Rob leads and manages Decmil's People and Culture function and is responsible for the continued development of Decmil's organisational culture and staff engagement strategies.



Bryn Vaughan – Group HSES Manager

Bryn joined Decmil in June 2019 and has extensive experience in HSES management for project and corporate settings across the resources, construction and services industry in Australia and New Zealand. He is experienced in managing and leading HSES teams and has previously managed these functions for various companies including CPB Contractors (previously Leighton Contractors). He has worked across a range of project models including PPP, JV and Alliance projects. Bryn has a Masters Degree in Occupational Health & Safety Management.