

H1 FY24

Results Presentation



22/02/2024

FY24 Half Year Results

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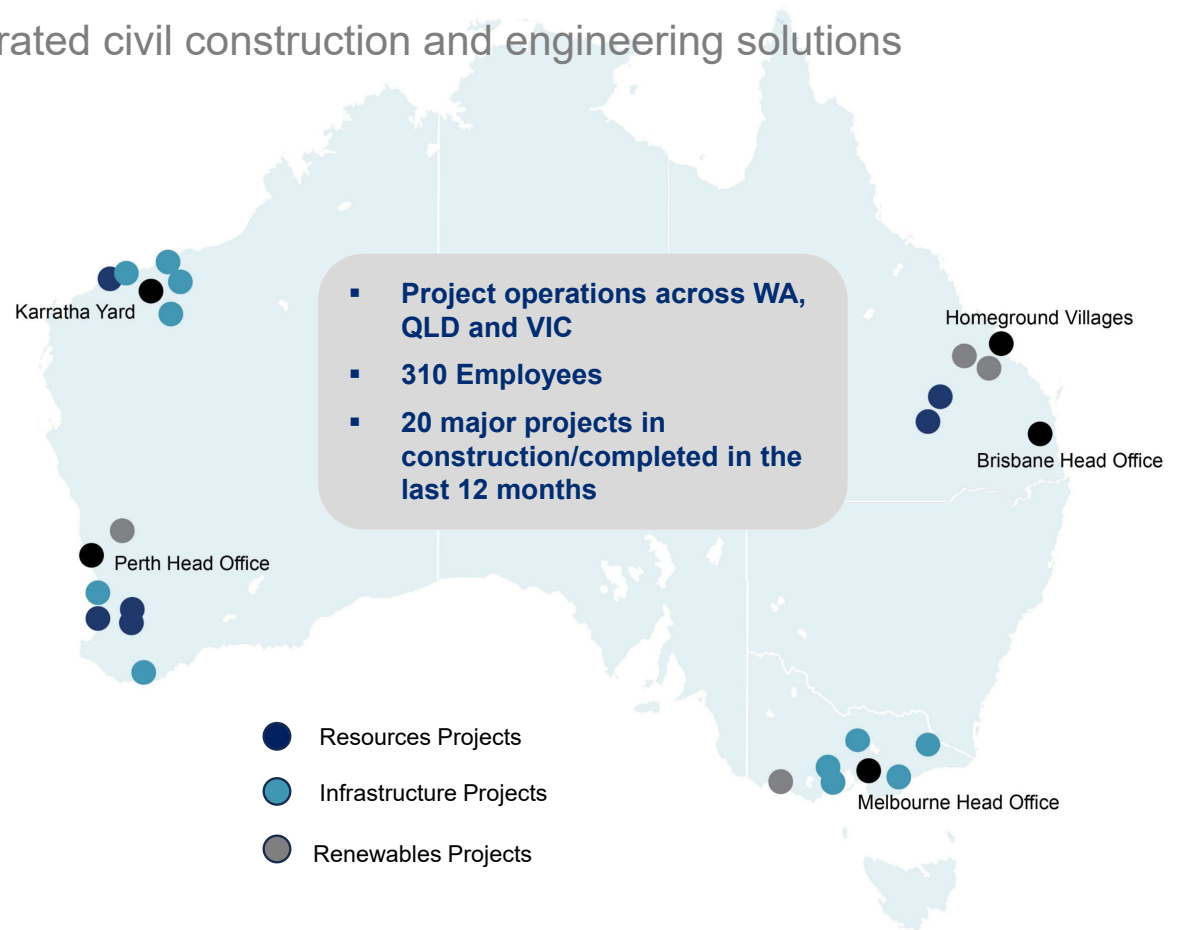
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Business Overview



Australian-owned company delivering integrated civil construction and engineering solutions

- Established in 1978, national presence with offices in VIC, QLD and WA
- Civil construction capability, with focus across three industry sectors:
 - Resources
 - Infrastructure
 - Renewable energy
- Highest possible Aust Roads Prequalification
 - R5 / B4 / F150+
- Homeground Village
 - 4-star premium accommodation village with 1,392 rooms located in Gladstone QLD.

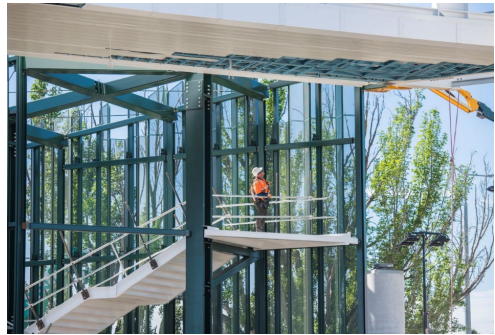


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Financial Results



22/02/2024

FY24 Half Year Results

H1 FY24 Financial Highlights



Positive EBITDA recorded for H1 and outlook for H2 indicates further improvement

Revenue

\$215m

down 16% from PCP¹

EBITDA

\$2.6m

down 23% from PCP¹

NPAT¹

(\$1.8m)

up 26% from PCP¹

Net Debt

\$17.5m

down 26% from PCP²

Order Book³

\$455m

At 31 December 2023

Cash

\$25.5m

up 591% from PCP²

FY24 Guidance

Revenue:
\$440m-\$480m

EBITDA:
\$15m-\$20m

Notes: (1) Previous Corresponding Period is H1 FY23 (2) Previous Corresponding Period is H2 FY23 (3) Includes secured and preferred

Profit & Loss



\$m	H1 FY23	H2 FY23	Q1 FY24	Q2 FY24	H1 FY24
Revenue	256	233	89	126	215
Gross profit	16.1	19.0	1.9	9.5	11.4
GP %	6.3%	8.2%	2.2%	7.5%	5.3%
EBITDA	3.3	5.7	(5.8)	8.4	2.6
EBITDA %	1.3%	2.4%	(6.6%)	6.7%	1.2%
NPAT	(2.5)	0.7	(8.4)	6.6	(1.8)
NPAT %	(1.0%)	0.3%	(9.4%)	5.5%	(0.8%)
Cash	10.8	3.7	3.3	25.5	25.5

- Decreased volume in Q1 FY24 and loss on a single project impacted H1 FY24 result
- Q2 FY24 improved significantly from Q1 FY24
- Cash position significantly stronger at 31 Dec 2023

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Key Operating Metrics



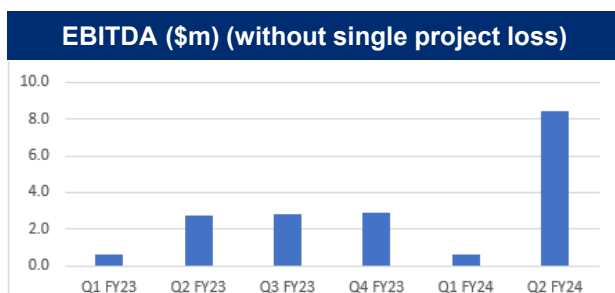
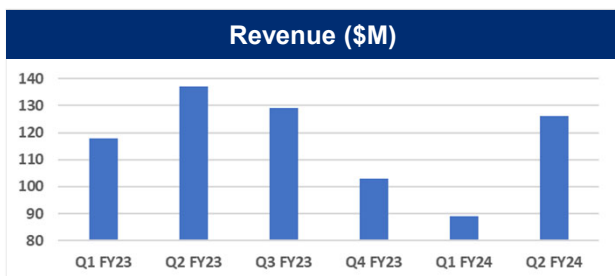
Balance Sheet metrics have improved over past 18 months

	H1 FY23	H2 FY23	H1 FY24
Earnings per share (cents)	(1.60)	0.41	(1.18)
RCPS dividend (cents)	n/a	0.45c	1.2c
Unapproved revenue (\$m)	49.5	40.5	25.7
Net debt (\$m)	9.9	23.5	17.5
Net tangible assets (\$m)	(14.5)	8.7	12.5
Securities outstanding (surety bonds and bank guarantees) (\$m)	64.3	57.2	47.0

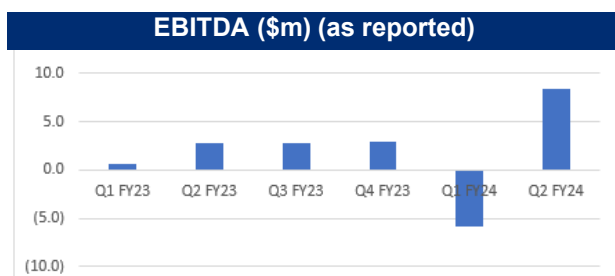
- Unapproved revenue following downward trend from FY22
- Securities outstanding (surety bonds, bank guarantees) (off balance sheet) continues to trend lower
- Net tangible assets increasing half-on-half strengthening overall balance sheet

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Revenue and EBITDA by Quarter



Margin	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Margin	0.5%	2.0%	2.2%	2.8%	0.7%	6.7%



Margin	Q1 FY23	Q2 FY23	Q3 FY23	Q4 FY23	Q1 FY24	Q2 FY24
Margin	0.5%	2.0%	2.2%	2.8%	-6.6%	6.7%

- New CEO commenced Q1 FY23 following substantial FY22 loss
- In FY23, focus was on resolving legacy claims, stabilising operations and strengthening our internal team
- Efforts invested in resetting work winning beginning to show results in FY24 with new contract awards (larger projects, better risk allocation)
- New contracts announced during Q2 FY24 – Perdaman Bulk Earthworks, Ison Road Rail Overpass and Covalent Logistics Road (LNoA)
- Q1 FY24 impacted by decreased volume and a loss on a single project
- Q2 FY24 volume improved and back on upward trajectory. Q2 FY24 EBITDA also benefiting from improvement in Homeground value

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Balance Sheet



\$ in millions	Dec-23	Jun-23
Cash and cash equivalents	25	4
Trade and other receivables	30	41
Contract assets	33	34
Non-current asset held for sale	-	57
Other assets	12	6
Current Assets	101	142
Investment property	63	-
Plant and equipment	7	9
Right-of-use assets	9	8
Intangible assets	50	50
Non-Current Assets	129	67
Total Assets	230	209
Trade and other payables	78	84
Contract liabilities	21	15
Borrowings	3	9
Hire purchase lease liabilities	1	1
Leasing liabilities	2	2
Provisions	4	3
Current Liabilities	109	115
Trade and other payables	8	7
Borrowings	40	19
Hire purchase lease liabilities	1	2
Leasing liabilities	9	8
Provisions	0	0
Non-Current Liabilities	58	36
Total Liabilities	167	150
Net Assets	63	59
Issued capital and Redeemable convertible preference shares (RCPS)	305	298
Reserves	4	4
Accumulated losses	(246)	(243)
Total Equity	63	59

- Significant actual and forecast increase in Homeground occupancy bolsters EBITDA and drives decision to retain Homeground and benefit from improving operating performance. Homeground reclassified as a non-current asset in Dec-23. Homeground valuation revalued to \$63m
- Ernst & Young independent valuation report preferred fair value of Homeground is \$110m; Ernst & Young had a high scenario range of \$154m to \$160m and a low scenario range of \$61m to \$63m. Decmil has adopted a value in the low scenario range of \$63m
- Net tangible assets has increased by \$3.8m
- Cash at 31 Dec 23 of \$25.5m
- Net debt at 31 Dec 23 of \$17.5m

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Operational Update

22/02/2024



FY24 Half Year Results



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H1 FY24 Operational Highlights



<p>Covalent Kwinana NPI</p> <p>100% complete</p> <p>Value: <\$25m</p>	<p>Port Hedland Community Centre</p> <p>100% complete</p> <p>Value: <\$25m</p>	<p>Karratha Senior High School</p> <p>100% complete</p> <p>Value: \$25-50m</p>	<p>Ryan Corner Wind Farm</p> <p>99% complete</p> <p>Value: \$100-200m</p>	<p>Albany Ring Road Stage 2</p> <p>81% complete</p> <p>Value: \$100-200m</p>	<p>Pundulmurra TAFE Expansion</p> <p>79% complete</p> <p>Value: \$25-50m</p>
<p>Florin Parkside</p> <p>72% complete</p> <p>Value: \$25-50m</p>	<p>Gippsland Line Upgrade</p> <p>71% complete</p> <p>Value: \$200-300m</p>	<p>Waddi Wind Farm Early Works</p> <p>40% complete</p> <p>Value: <\$25m</p>	<p>Perdaman Bulk Earthworks</p> <p>27% complete</p> <p>Value: \$50-100m</p>	<p>Covalent Logistics Road</p> <p>16% complete</p> <p>Value: TBC</p>	<p>Ison Road Rail Overpass</p> <p>13% complete</p> <p>Value: \$50-100m</p>

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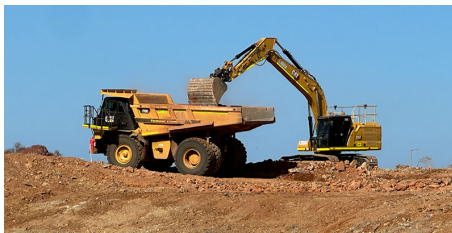
H1 FY24 Operational Highlights



20 projects in construction/completed in last 12 months

RESOURCES

- Successful commencement of major bulk earthworks at the Perdaman Project
- Successful commencement of Covalent Logistics Road
- Completion of NDA Accommodation Camp in QLD for QGC
- Several NPI projects successfully completed:
 - Non-Process Infrastructure Buildings for Covalent Lithium
 - NDA Washbay for QGC



INFRASTRUCTURE

- Award of Ison Road Rail Overpass Project in Melbourne, VIC
- Completion of the Barwon Heads Road Upgrade, VIC
- Several building projects in WA Pilbara region successfully completed or near completion:
 - Karratha Senior High School
 - Pundulmurra TAFE
 - Port Hedland Community Centre
- Albany Ring Road Stage 2 on track, WA



RENEWABLES

- Waddi Wind Farm Early Works progressed well, and conditional preferred status for BOP construction works
- Early works completed at Specimen Hill Wind Farm and Mount Hopeful Wind Farm, QLD



HOMEGROUND

- Occupancy levels continue to increase
- Average occupancy for H1 was 17.1%, which included a peak month of 28.7%
- Generated significant revenue:
 - FY22 generated \$1.4m EBITDA
 - FY23 generated \$1.3m EBITDA
 - FY24H1 generated EBITDA of \$1.4m



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Homeground – Servicing Greater Gladstone

Gladstone is the largest multi-industry port in Australia and the key energy hub for the East Coast of Australia



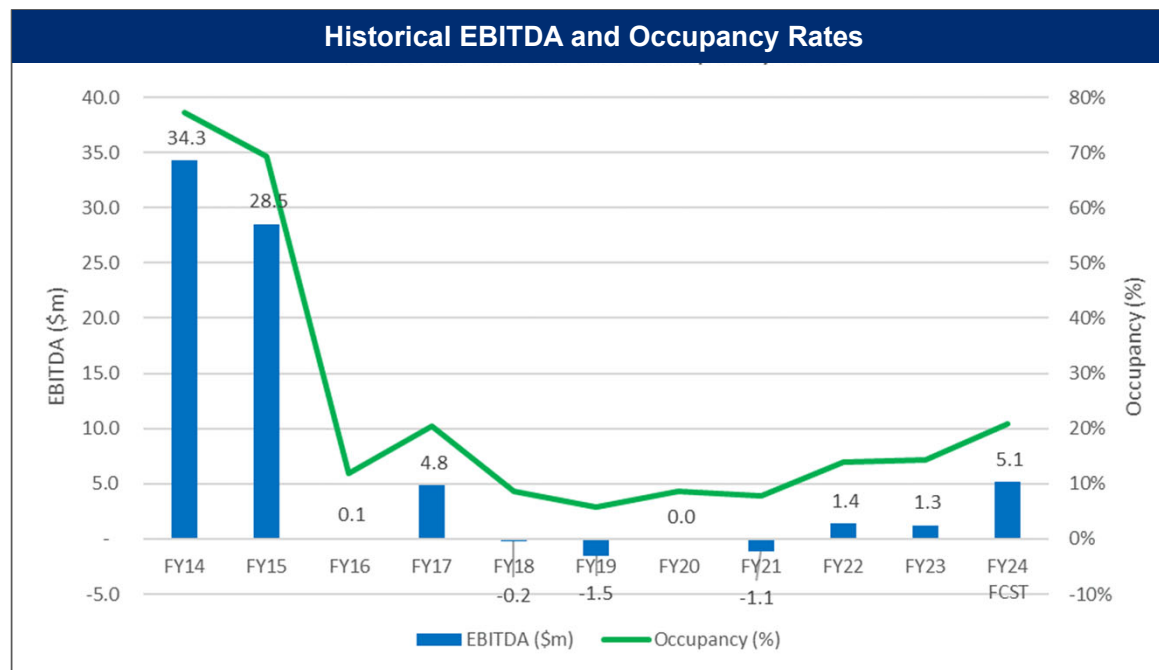
Source – Gladstone Engineering Alliance (www.gea.asn.au/gladstone/)

- Homeground (1,392 beds) is the only large-scale worker accommodation village in Greater Gladstone
- Existing pipeline, industrial, and port infrastructure means it is best located for new energy projects
- Several large-scale renewable hydrogen projects planned and commencing in the region:
 - H2-Hub
 - Stanwell’s Central Queensland Hydrogen Project
 - Queensland Government partnership with Fortescue Future Industries (FFI) to build one of the world’s largest hydrogen-equipment manufacturing facilities
- Several large-scale renewable projects planned and commenced:
 - Acciona’s Aldoga solar farm (600MW) at Aldoga just commenced construction
 - Upper Calliope Solar Farm (1,100 MW) underwritten with PPA from Rio Tinto – construction start in 2025 or 2026
- \$1bn Fitzroy water pipeline under construction to facilitate Hydrogen projects

Homeground Villages Annual Occupancy and EBITDA



Homeground Villages occupancy trending up with increased project activity in Greater Gladstone

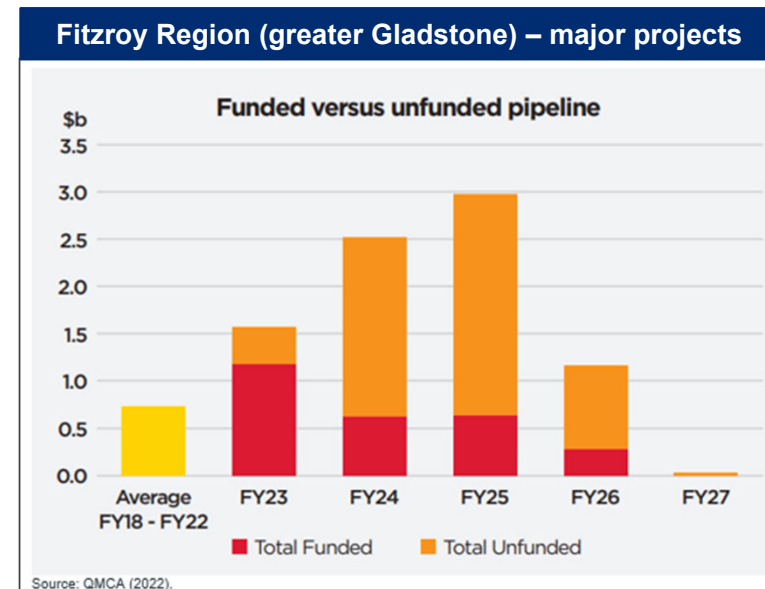
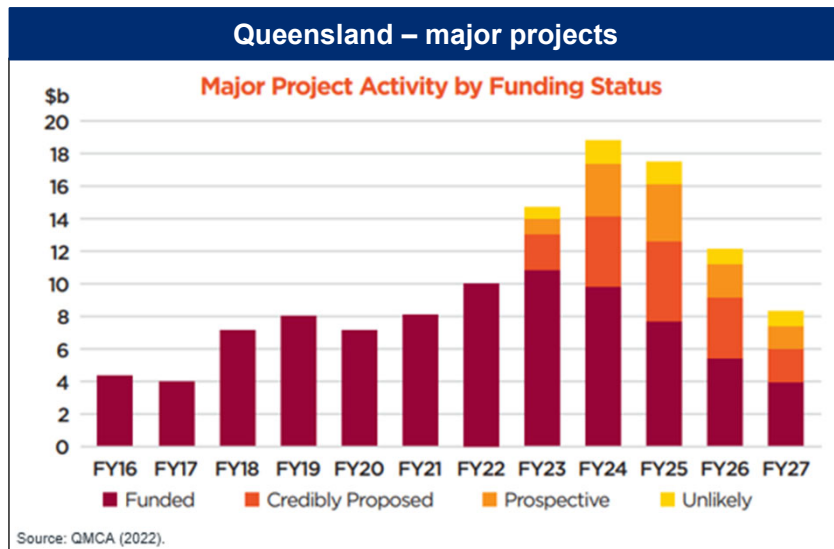


- After a decade of limited activity, large capital projects are once again underway:
 - Fitzroy water pipeline
 - Aldoga solar farm
 - FFI electrolyser
 - Rebuild of CS Energy's Calide Power station
- Occupancy increases as capital projects proceed in Greater Gladstone
- Nationwide accommodation shortage has driven additional bookings
- Higher occupancy drives significantly greater EBITDA

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Gladstone is Core Industrial Hub

Capital projects increasing in Greater Gladstone



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Outlook

22/02/2024

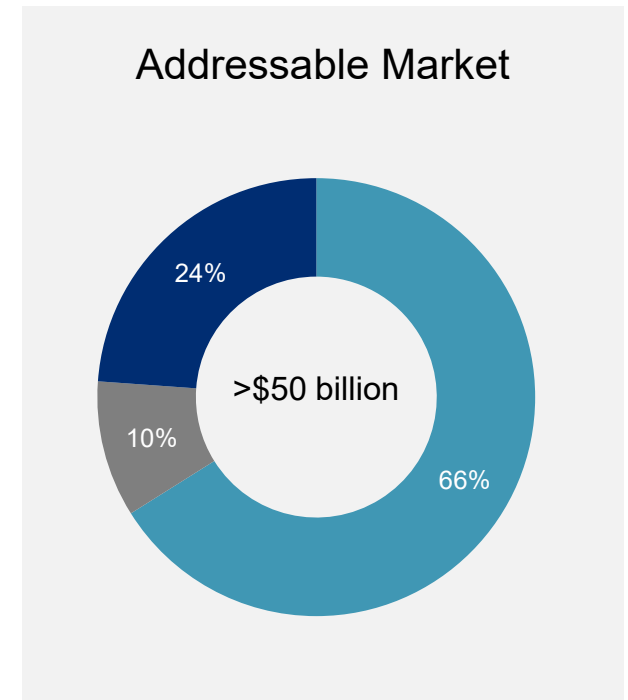
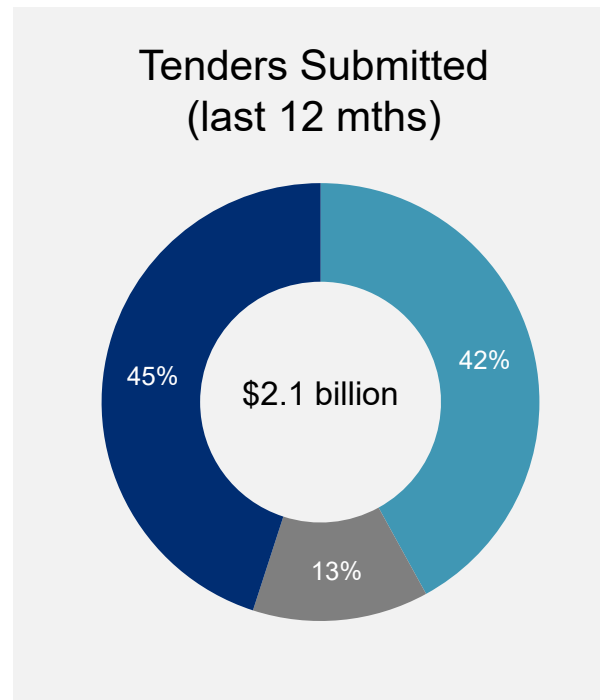
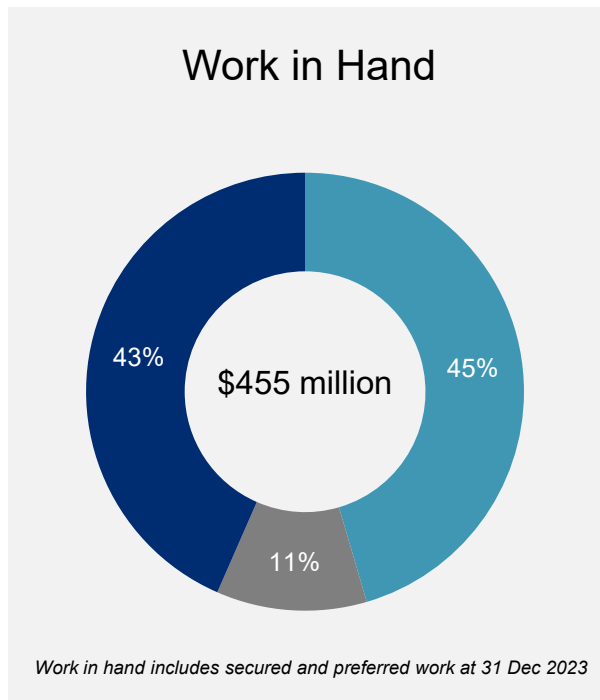


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Order Book and Pipeline

At 31 December approximately \$455 million of work in hand extending into FY27



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Outlook



Decmil well positioned to achieve growth with favourable market conditions across core sectors

RESOURCES

- Forecast strong investment in Australia's major resource and energy projects.
- As of October 2023, Australia had 86 projects worth \$77 billion at the committed stage and a further 46 projects worth \$30 billion at the advanced feasibility stage.
- Majority of projects in WA and QLD, with WA holding more than 80% of project value by committed stage.
- Decmil is well positioned to deliver bulk earthworks, civil construction and NPI works across the resources sector, particularly in WA and QLD.



INFRASTRUCTURE

- Robust demand for government infrastructure capital projects in Australia over the next 3-5 years.
- \$691 billion combined infrastructure pipeline across Australia.
- Transport infrastructure component is \$211 billion.
- Decmil prequalified to deliver government infrastructure projects across Australia (Aust Roads Prequalification R5 / B4 / F150+).



RENEWABLES

- Federal Government is targeting 82% renewable energy by 2030 – gap in approvals in last 18 months has driven pressure on Government to approve renewable projects to meet the Federal target.
- Decmil well positioned to provide feasibility and early works for Wind Farm projects.
- Decmil regarded as an experienced and reliable partner to deliver Balance of Plant services for Wind Farm projects across Australia.



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Outlook and Guidance



1 Revenue Guidance for FY24 is \$440m - \$480m

2 EBITDA Guidance for FY24 is \$15m - \$20m

3 H2 FY24 Homeground occupancy forecast to increase from H1 FY24

4 H2 FY24 construction and engineering revenue and gross profit forecast to increase from H1 FY24

5 Overheads forecast to remain in line with FY23



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Corporate Snapshot



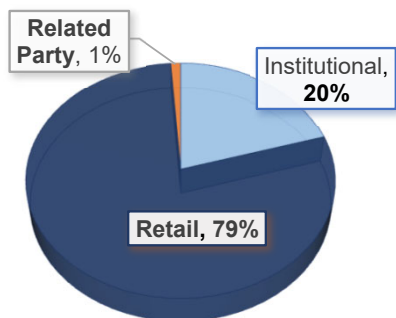
Capital structure

Ordinary shares ¹	M	155.6
Redeemable convertible preference shares (RCPS) ¹	M	131.3
Performance rights	M	38.9
Options ²	M	4.6
Warrants ³	M	50.8
Share prices (Ordinary / RCPS) ¹	A\$	0.20 / 0.21
Market capitalisation ⁶	A\$M	58.7
Cash ⁴	A\$M	25.4
Borrowings ⁴	A\$M	43.0

Board

Andrew Barclay	Independent Chair and Non-executive Director
Rod Heale	Executive Director and Chief Executive Officer
Peter Thomas	Executive Director and Chief Financial Officer
Vin Vassallo	Independent Non-executive Director
David Steele	Independent Non-executive Director
Peter Coppini	Company Secretary

Shareholder Distribution¹



Substantial Shareholders⁵

Thorney International Pty Ltd	19.99%
Franco Family Holdings	7.68%

Historical Share Price (Ordinary shares)



¹ At 19 February 2024.

² Options expire: 1.8m on 31 October 2024 Ex \$0.75, and 2.8m on 23 October 2026 Ex \$0.252.

³ Warrants shown as converted amount. Warrants expire on 31 August 2026.

⁴ At 31 December 2023. Current borrowings \$2.5m, non-current borrowings \$40.5m.

⁵ As per latest substantial holding notices.

⁶ At 19 February 2024 and includes DCG and DCGPA (RCPS, as converted).