



Decmil Group Limited

2013

UBS EMERGING COMPANIES CONFERENCE

HY 2013 HIGHLIGHTS

Financial

- Sales revenue up 58% to \$332.9m
- EBITDA* up 84% to \$36.0m
- Net profit* up 79% to \$23.3m
- Earnings per share* up 36% to 13.88c
- Cash on hand of \$96.3m

Corporate and Operations

- \$150m in new contracts/extensions
- Continued strong focus on safety performance
- Staff numbers maintained
- Increased focus on productivity to achieve increased margins

Strategy

- Maintained leadership position in core market through core asset
- Active tendering for multiple \$100m+ contracts in core market
- Platform in place for diversified earnings – current year and beyond
- Well advanced in positioning the business for the next phase of growth

* Excludes gain arising from business combination

FINANCIAL PERFORMANCE



FINANCIAL HIGHLIGHTS

		HY 13*	HY 12	Change
Revenue	\$m	332.9	210.9	58%
EBITDA ¹	\$m	36.0	19.5	85%
Net Profit after Tax	\$m	23.3	13.0	79%
NPAT Margin	%	7.0	6.2	13%
Operating Cash Flow	\$m	37.1	29.6	25%
Earnings per share	cps	13.88	10.17	36%
Interim Dividend	cps	4.0	2.5	60%

1. EBITDA reconciliation located on slide 29
 * Excludes gain arising from business combination

STRONG CASH POSITION

			HY 13	HY 12	Change
Gross Cash		\$m	96.3	107.7	-11%
Debt ¹		\$m	33.9	16.8	102%
Net Cash Position		\$m	62.4	90.9	-31%
Bank Guarantees & Performance Bonds	Utilised	\$m	82.9	57.1	45%
	Available	\$m	122.1	107.9	13%
CAPEX ²		\$m	54.1	10.9	396%

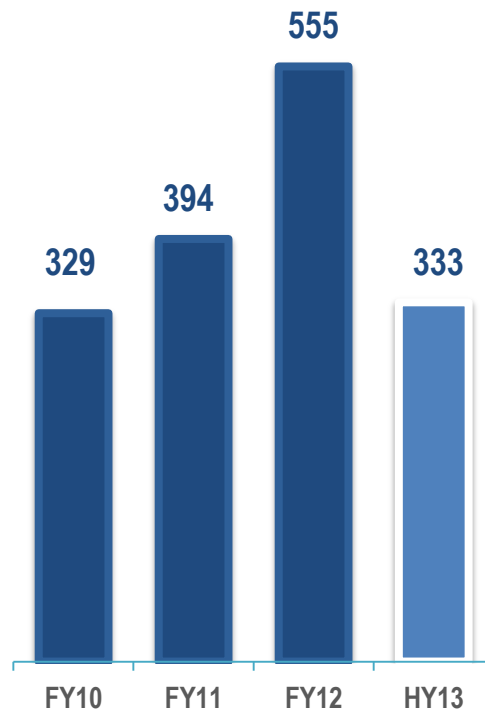
- Cash position remains strong – allows for future growth
- Low level of debt
- Bonding facilities increased to \$205m to support future growth strategy
- Operating business requires minimal capex

1. Increase in debt relates to HomeGround Gladstone borrowings

2. Capex is predominantly capital expenditure for HomeGround Gladstone

STRONG REVENUE

Sales Revenue \$m

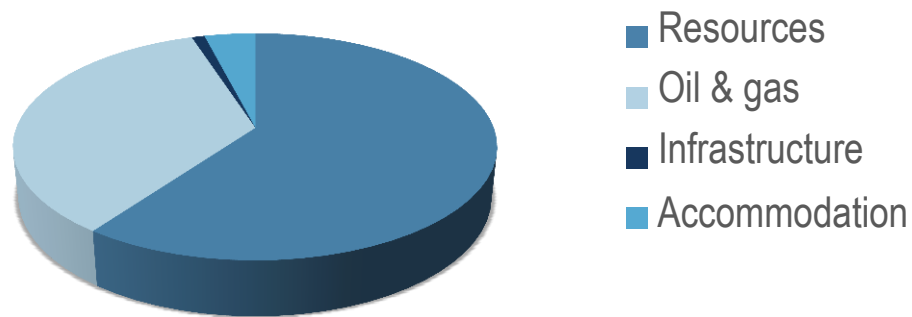


*FY figures relate to continuing operations

- Continuing **strong financial performance**
- **Strong revenues** of \$332.9 million for the half year
- **Diversification of earnings**
- **Healthy pipeline** with significant tender opportunities
- Excellent project **execution & delivery**

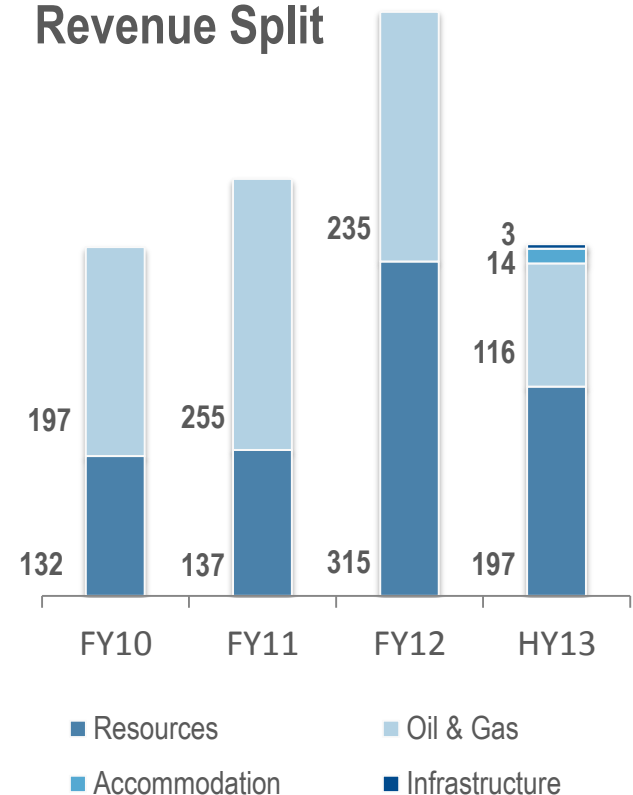
BUILDING DIVERSIFIED REVENUE STREAMS

Industry



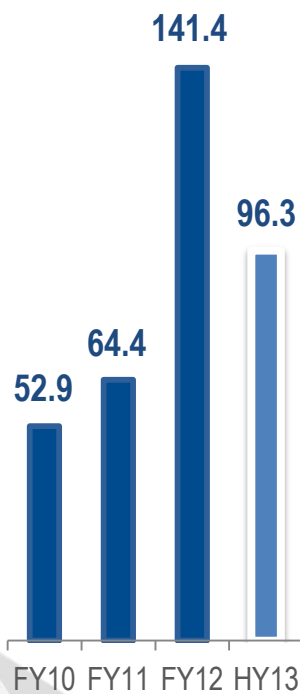
- Innovative approach to diversifying revenue base
- Building recurring revenue streams:
 - HomeGround Gladstone
- Increasing exposure to oil & gas industry
- Expanding the depth of our service offering with current clients

Revenue Split

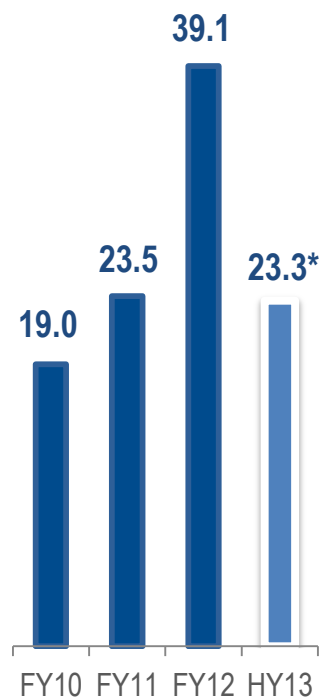


EXCEPTIONAL PERFORMANCE

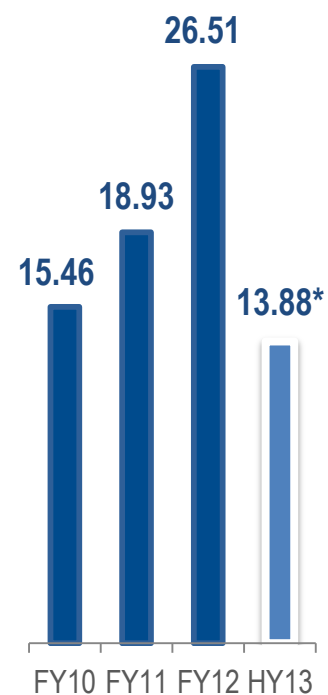
Cash on Hand \$m



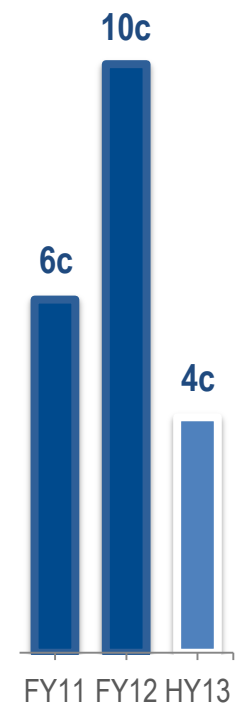
NPAT \$m



EPS cents per share



Dividends



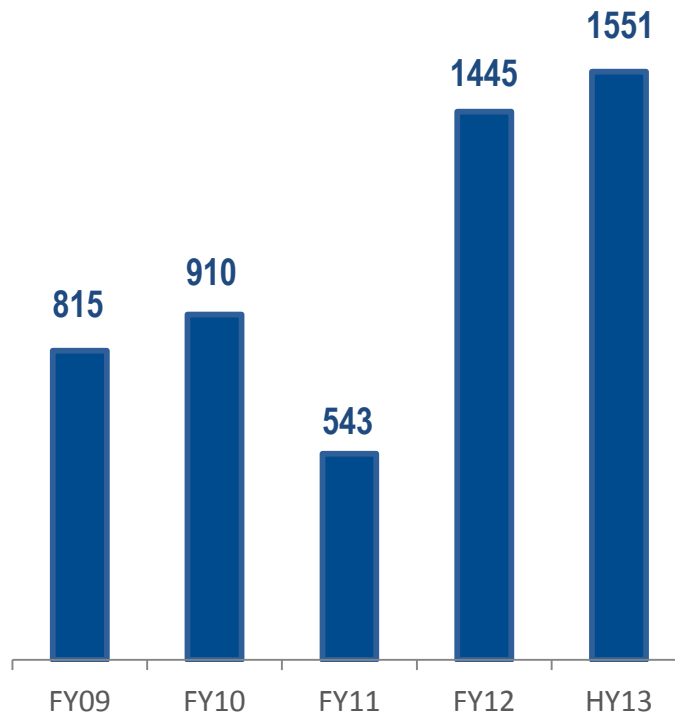
* Excludes gain arising from business combination

OPERATING HIGHLIGHTS



PEOPLE

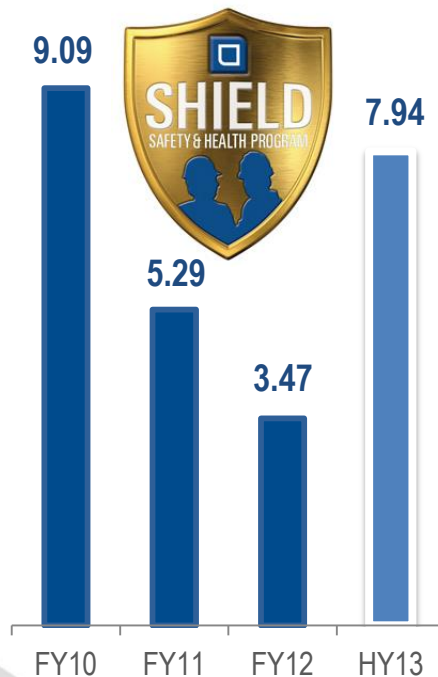
Decmil Employee Numbers



- Systems and structures in place to provide maximum workforce flexibility
- Customised programs to develop future leaders
- Diversity milestones include 30% of salaried workforce now female
- Structured career pathways to retain and develop our people

HEALTH, SAFETY AND ENVIRONMENT

Total Recordable Incident Frequency Rate (TRIFR)



Decline in safety performance across group

- Significant increase in working hours
- Corresponding increase in recordable injuries
- Positive HSE leadership throughout business to reduce TRIFR

Industry recognition

- 2012 National Safety Awards of Excellence winner in the category of Business Excellence through OHS&E

Range of initiatives to support and improve safety performance

- Mapping and improvement of HSE processes required from project award to onsite mobilisation
- Peer support training
- Motivational speakers
- Senior management focus and action planning to achieve HSE performance improvements

CORPORATE ENTERPRISE

- Deployment of human resources management system, for efficient management and tracking of all resources
- In house development of workforce planning modelling software to provide efficiency in looking at future workforce requirements based on various scenarios
- Review and improvement of commercial awareness and administration processes at all levels within project teams
- Over the next 3 months, focus on alignment sessions with our subcontract base to ensure greater understanding and compliance with Decmil's management systems, particularly health & safety, quality control and industrial relations

MAJOR PROJECTS

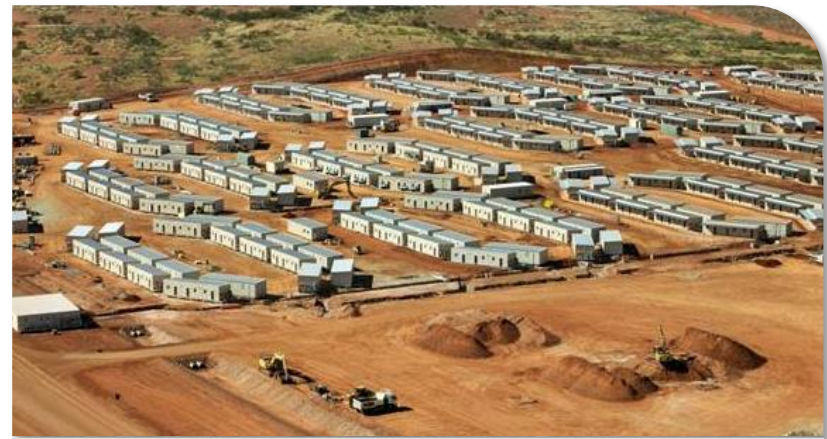


CURRENT PROJECTS



Gorgon Construction Village

Client Chevron Australia Pty Ltd
Value **\$811 million** (Decmil \$270 million)
Details Design and construct 4,006 person accommodation village on Barrow Island.



Warrawandu Village

Client BHP Billiton
Value **\$122 million**
Details Design and construct 1,320 room village and EPCM facilities.

CURRENT PROJECTS



Wheatstone LNG Project Fly Camp

Client Chevron

Value \$131 million

Details Design, procurement and construction of a 958 person Fly Camp and central facilities including kitchen and offices, installation of utilities and waste water treatment plant.



Buffel Park Construction Village

Client BHP Billiton Mitsubishi Alliance (BMA)

Value \$94 million

Details Construction and installation of infrastructure and 1,500 person accommodation facilities for the Caval Ridge Coal Project located in the Bowen Basin.

CURRENT PROJECTS



Western Turner Infrastructure

Client Hamersley Iron (Rio Tinto)

Value **\$29 million**

Details Design and construction of heavy vehicle / fixed plant workshop and associated facilities, first aid building, security gatehouse and communications facilities.



Marandoo Mine Infrastructure

Client Hamersley Iron (Rio Tinto)

Value **\$30 million**

Details Construction of heavy mobile equipment workshop infrastructure and associated facilities for the mine expansion.

CURRENT PROJECTS



Thomas Yard & Locomotive Facility

Client Fortescue Metals Group

Value **\$47 million**

Details Construction of the new Rail Car Workshop at Thomas Yard, FMG's service hub for rail operations and modifications to the existing Workshop.

COMPLETED PROJECTS



Pluto LNG, Civil

Client Woodside Energy

Value \$400+ million

Details Supply and install concrete foundations and pedestals, in-ground electrical & hydraulic services. Construction of temporary site facilities & misc civil works.



Christmas Creek Airstrip

Client Fortescue Metals Group

Value \$30 million

Details Design, procurement, construction and commissioning of a CASA compliant airport facility at Christmas Creek mine situated in the Pilbara region of WA.

COMPLETED PROJECTS



Rail Camp 25A

Client Fortescue Metals Group

Value \$67 million

Details Construction of a 714 person camp at FMG Change 25 including concrete foundation works and construction of footpaths.

HOMEGROUND VILLAGE GLADSTONE



- Continued strong demand for accommodation in Gladstone – high level of occupancy outside of WICET take-or-pay
- DGL acquired the remaining 50% of the Calliope Village in August 2012
- Village rebranded – now known as HomeGround Gladstone
- Setting the standard in quality workforce accommodation
- Facilities management operating plan to increase efficiencies and provide service excellence

**home
ground**
GLADSTONE

HOMEGROUND VILLAGE GLADSTONE



- Build out of Northern Precinct, totalling 1,392 rooms, substantially completed
- Build out of Southern Precinct dependent on take and pay contracts
- No impact from January 2013 floods

home
ground
GLADSTONE

STRENGTHENING OUR BUSINESS



GROUP CAPABILITIES

Decmil Group aims to be Australia's leading diversified construction company, delivering sustainable growth through our continued focus on all relationships

EXISTING CAPABILITIES

CIVIL CONSTRUCTION	BUILDING CONSTRUCTION		VILLAGE OWNERSHIP
Small & large-scale brownfield greenfield civil concrete	Non-Process Industrial buildings, plants, storage facilities & workshops	Accommodation Pioneer villages, fly camps, construction & operational villages	Build-Own-Operate accommodation villages
Resources, Oil & Gas	Resources, Oil & Gas Government	Resources, Oil & Gas	
			

GROWTH & DIVERSIFICATION STRATEGY

CIVIL INFRASTRUCTURE	BUILDING CONSTRUCTION	VILLAGE OWNERSHIP	SPECIALIST ENGINEERING SERVICES
Civil infrastructure services Earthworks, airstrips, roads and transport, water and wastewater, rail, power, pipelines	- Modular residential - Modular multi-storey accommodation - Sustaining capital development (resources) - Regional commercial development - Defence	Buy-Own-Operate assisting resource companies with balance sheet and operating efficiencies	- Specialist engineering services - Structural mechanical piping - Electrical - Rail maintenance - Expanding into recurring maintenance revenue
Resources, Oil & Gas, Govt Utilities (national coverage)	Resources, Oil & Gas, Govt Utilities (national & international coverage)		

DIVERSIFICATION STRATEGY

Geographic

- A focus on being able to deliver our services to our resources and oil & gas clients
- Continuing to build on our long-standing client relationships

Business

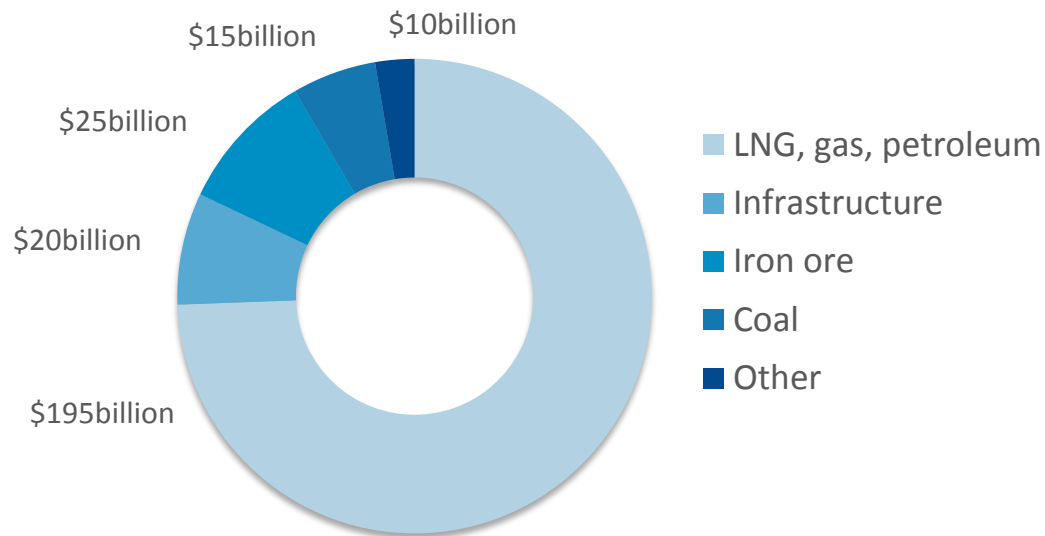
- Focus on businesses with specialist skills allowing them to dominate a niche market segment
- Utilise DGL experience in managing large scale and complex projects to cross sell specialist niche skills
- Apply DGL systems to allow niche businesses to meet demands of clients' contract management
- Utilise DGL financial capacity to allow growth in niche businesses
- Focus on businesses that can move to maintenance driven revenues
- Build portfolio of village assets across sectors and clients, including through a buy-own-operate strategy

OUTLOOK



PROJECT PIPELINE

Committed projects, by commodity



- Continued strong opportunities for Decmil within oil & gas sector
- Infrastructure identified as area for future growth

Significant projects with final decisions due 2013:

- Browse LNG \$43b
- Arrow LNG \$20b
- Sunrise LNG \$13b
- Roy Hill Iron Ore \$9.5b

SOURCE: Bureau of Resources and Energy Economics, Resources and Energy Major Projects - October 2012

POSITIONED FOR FUTURE GROWTH

- Decmil enters 2H 2013 well positioned for future growth
 - Approximately \$1.2 billion in tenders submitted
 - Strong pipeline of new projects
 - Completion of Northern Precinct (1,392 rooms) at HomeGround Gladstone
 - Strong cash flow to fund and support growth strategies
- Diversified earnings
 - Market segments that will deliver earnings diversification have been identified and opportunity set well developed
 - Further opportunities in village ownership
 - Earnings from recurring revenue increasing as a proportion of Group earnings
- Strategic growth moving from concept to execution
- Maintaining focus on return on capital employed (ROCE) and increasing shareholder returns

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EBITDA is a non-IFRS earnings measure which does not have any standardised meaning prescribed by IFRS and therefore may not be comparable to EBITDA presented by other companies. EBITDA represents earnings before interest, income taxes, depreciation and amortisation. This measure is important to management when used as an additional means to evaluate the Company's performance.

Normalised EBITDA Reconciliation	HY 13 \$000	HY 12 \$000
Net profit after tax	44,111	13,037
Less: Gain arising from business combination	(29,752)	-
Add: Income tax expense	19,236	5,945
Add: Interest expense	1,225	197
Less: Interest received	(1,959)	(1,624)
Add: Depreciation expense	3,097	1,987
Add: Amortisation expense	-	-
EBITDA	35,958	19,542



Decmil Group Limited

THANK YOU