

DECMIL GROUP LIMITED
ABN 35 111 210 390

Preliminary final report
For the year ended 30 June 2018

Appendix 4E

Reporting period & previous corresponding period

The current reporting period is for the year ended 30 June 2018.
The prior reporting period is for the year ended 30 June 2017.

Results for announcement to the market

				\$'000
Revenue from ordinary activities	Up	14.5%	to	349,255
(Loss)/profit after tax attributable to members*	Down	78.4%	to	(6,131)
Net (loss)/profit for the period attributable to members*	Down	78.4%	to	(6,131)

* FY17 includes a fair value adjustment of \$13.1m (net of tax) and an impairment charge of \$10.7m

Dividends	Amount per security	Franked amount per security
<u>Financial Year Ended 30 June 2018</u>		
Final dividend [#]	-	-
Interim dividend [#]	-	-
<u>Financial Year Ended 30 June 2017</u>		
Final dividend [#]	-	-
Interim dividend	2.0¢	2.0¢

[#] No dividend was paid, declared or recommended for payment

Dividend payments

Date the 2018 final dividend is payable

Not applicable

Record date to determine entitlements

Not applicable

Date final dividend was declared

Not applicable

Total dividends per security (interim plus final)

	2018	2017
Ordinary Securities [#]	-	2.0¢

No dividend was paid, declared or recommended for payment in 2018

Total dividends paid on all securities

	2018 \$'000	2017 \$'000
Ordinary Securities	-	3,435
Total	-	3,435

Management discussion and analysis

Revenue from continuing operations of \$341.6 million for the twelve months ended 30 June 2018 grew by 23.3% from \$277.0 million as the Company secured a number of new and larger contracts in the later part of the 2017 calendar year.

Gross margin percentage for the twelve months ended 30 June 2018 was 10.4%. As part of the Group's focus on the Infrastructure, Resources and Renewable Energy sectors it permanently exited non-core operations in the telecommunications and design consulting sectors, resulting in a total loss on discontinued operations of \$6 million.

At 30 June 2018 the Group's balance sheet reflected an overall net cash position of \$16.8 million, no drawn core senior secured debt and net tangible assets of \$131 million.

In FY18 the Group has also expanded working capital and bonding capacity to \$272 million of facilities to fund expected growth in its operations going into FY19.

During the financial year the business consolidated its focus on the Infrastructure, Resources and Renewable Energy sectors across Australia and New Zealand and is experiencing strong market conditions across these sectors.

Based on the Company's current tender pipeline and work in hand, and as at the date of this report, Decmil still expects FY19 revenue to exceed \$500 million.

Work in hand (comprised of contracted and preferred contracts) for FY19 stands at ~\$400 million comprised primarily of attributable forward revenue from Decmil's NZ Corrections and Schools, BHP South Flank, QGC and various VicRoads transport infrastructure projects.

Net tangible assets

Net tangible asset backing per ordinary security

30 June 2018 Cents per share	30 June 2017 Cents per share
75.27 cents	78.33 cents

Control gained or lost over entities having material effect

Not applicable.

Details of associates and joint arrangements

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 Construction NZ Limited, a controlled entity of Decmil Group Limited, has a 50% participation interest in the Stanley Decmil Joint Venture with joint venture partner Stanley Construction Limited to construct the Thames Indoor Sports Facility for the Thames Coromandel District Council located in Thames, New Zealand valued at NZD\$3.4m.

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 50% 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

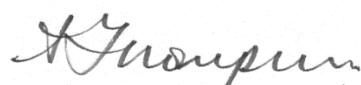
Not applicable.

Annual meeting

The annual general meeting will be held as follows:

Place	Decmil Perth Office 20 Parkland Road Osborne Park WA 6017
Date	TBA
Time	TBA

This report is based on accounts which have been audited.



Alison Thompson
Company Secretary

Date: 1st August 2018