



Financial Results

For the year ended 30 June 2018.



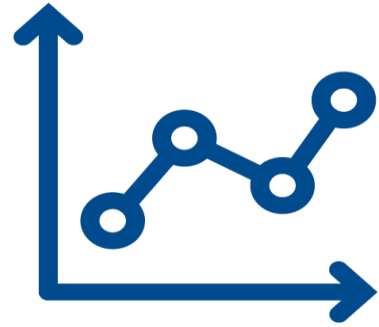
INFRASTRUCTURE | RENEWABLES | RESOURCES

Celebrating 40 Years



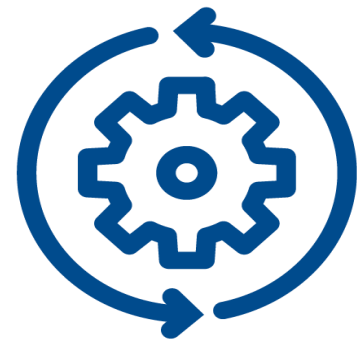
FY18 Group Highlights

FINANCIAL



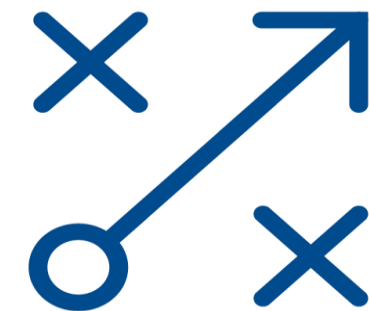
- Construction & Engineering (C&E) revenue up 28% year on year and 42% H1FY18 vs H2FY18
- C&E EBITDA of \$5.5 million and Group EBITDA of \$4.7 million
- Pre-tax operating cash flow of \$2.1 million
- \$17 million net cash position

OPERATIONS



- Project for BHP at South Flank project and for Fortescue in relation to its Port Hedland tug harbor
- Expansion of the Decmil business in NZ including the award of a combined NZ\$185+ million Corrections project
- The award to Decmil's Victorian business unit of ~ \$100 million of new transport infrastructure construction work
- Completion of the Gullen solar project and secured an MOU for Sunraysia Solar Farm project

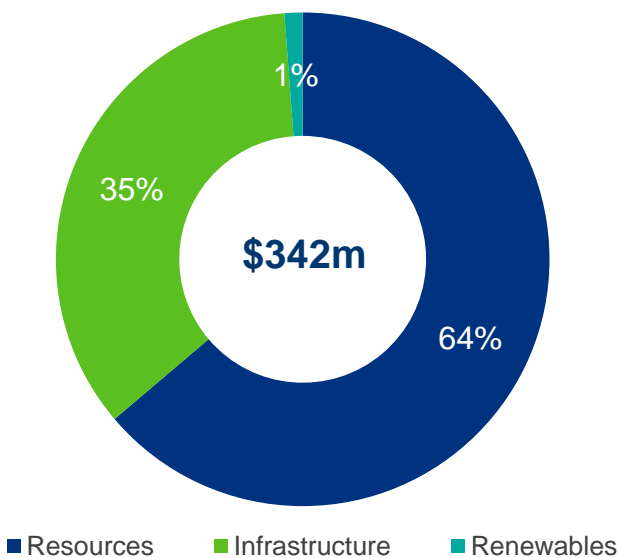
OUTLOOK



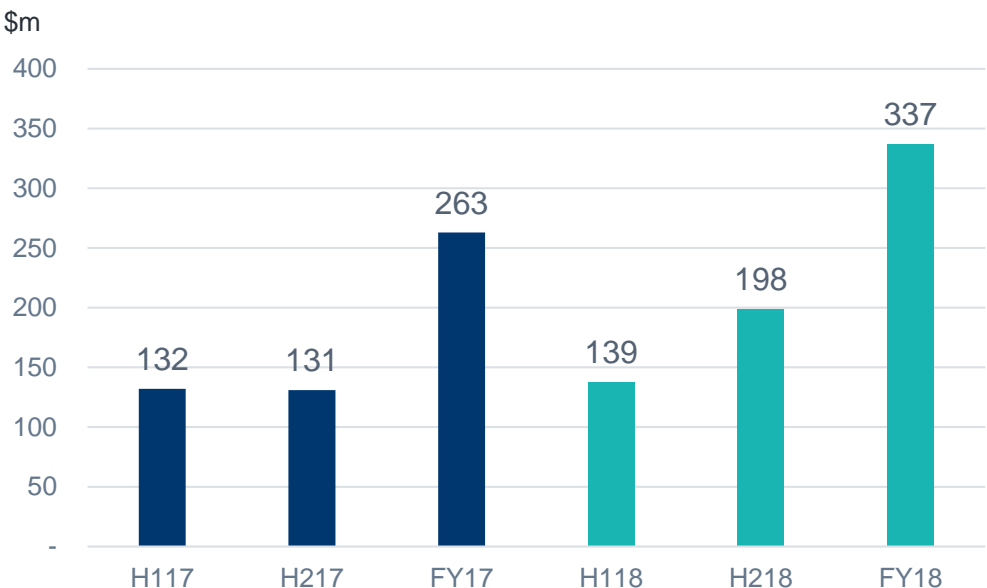
- Focus on the Resources, Infrastructure and Renewable Energy sectors
- Strong market conditions across these sectors
- FY19 revenue expected to exceed \$500 million based on order book and tender pipeline
- Work in hand for FY19 at ~\$400 million
- Cyclical trend in infrastructure supports growth beyond FY19

FY18 Financial Highlights

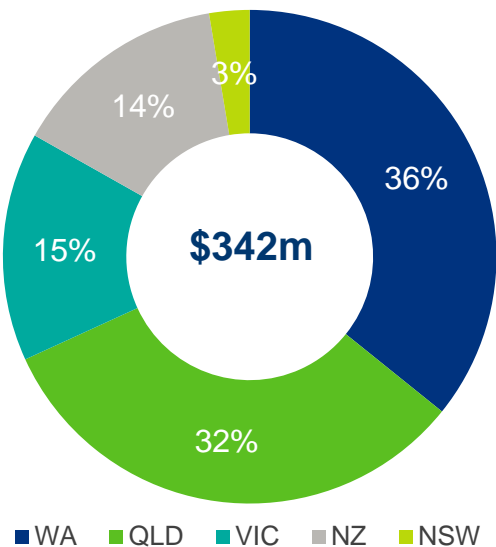
FY18 revenue by sector



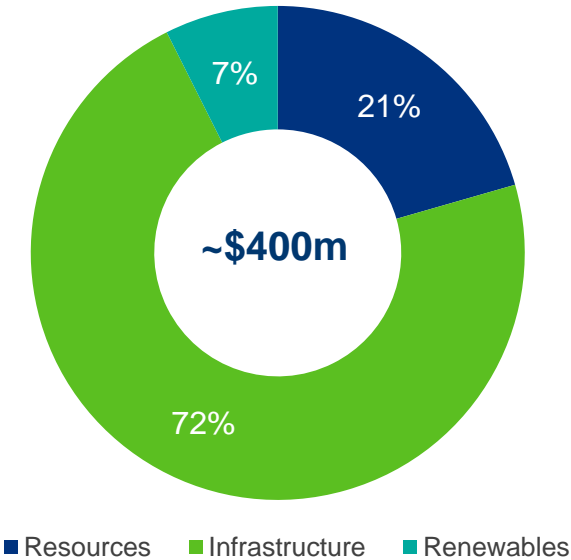
FY17 & FY18 C&E half-on-half



FY18 revenue by geography



FY19 order book¹ by sector



Note 1: order book includes contracted work in hand and visible revenue at 30 June 2018, but does not include amounts in connection with Sunraysia Solar Farm

FY18 Financial Highlights

C&E revenue growth of 28% year on year

- C&E revenue from continuing operations up 28% year on year and 42% H1FY18 vs H2FY18
- FY18 gross margin percentage of 10.4%
- FY18 core overhead costs of \$28.0 million (FY17:\$26.3 million) – similar level expected in FY19 despite revenue growth anticipated
- C&E EBITDA of \$5.5 million
- Group EBITDA from continuing operations of \$4.7 million
- Pre-tax operating cash flow of \$2.1 million
- NTA of \$131 million and \$17 million net cash position – no core debt
- Positive market conditions in core sectors – bigger projects being bid and won
- Infrastructure increasingly a major focus for Decmil – dominates WIH for FY19
- Revenue growth and reset overheads set the platform for step change earnings growth in FY19 and beyond

Group Balance Sheet

Net cash with tangible asset base

- Net assets of \$206 million
- Tangible net assets of \$131 million
- Net cash of \$17 million
- No core drawn debt

Facilities Summary (\$m)

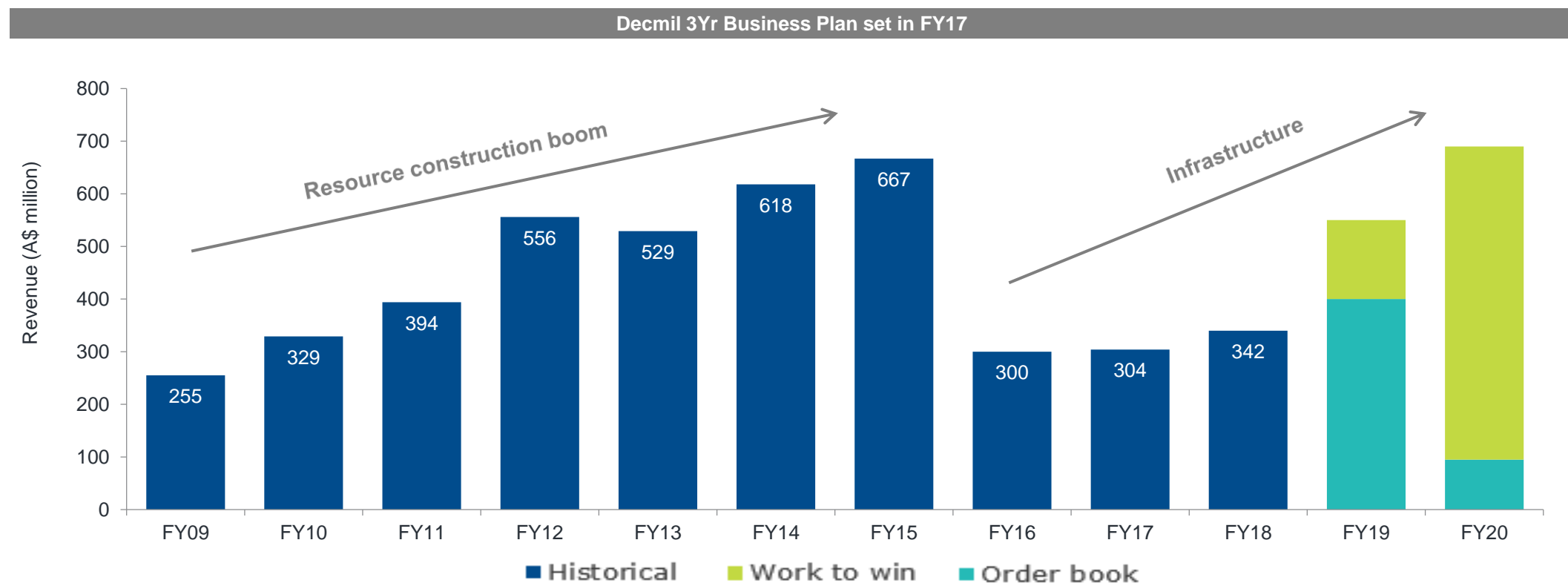
Type	Drawn	Available	Total
<u>Bonding</u>			
Surety	67.7	136.3	204.0
Bank Guarantees	1.3	13.7	15.0
Total	69.0	150.0	219.0
<u>Working Capital</u>			
Overdraft	-	25.0	25.0
Trade Finance	16.7	8.3	25.0
Corporate Markets	-	25.0	25.0



Our Business Plan

Decmil has executed its strategy to increase exposure to Infrastructure – well positioned for growth in FY19 and beyond

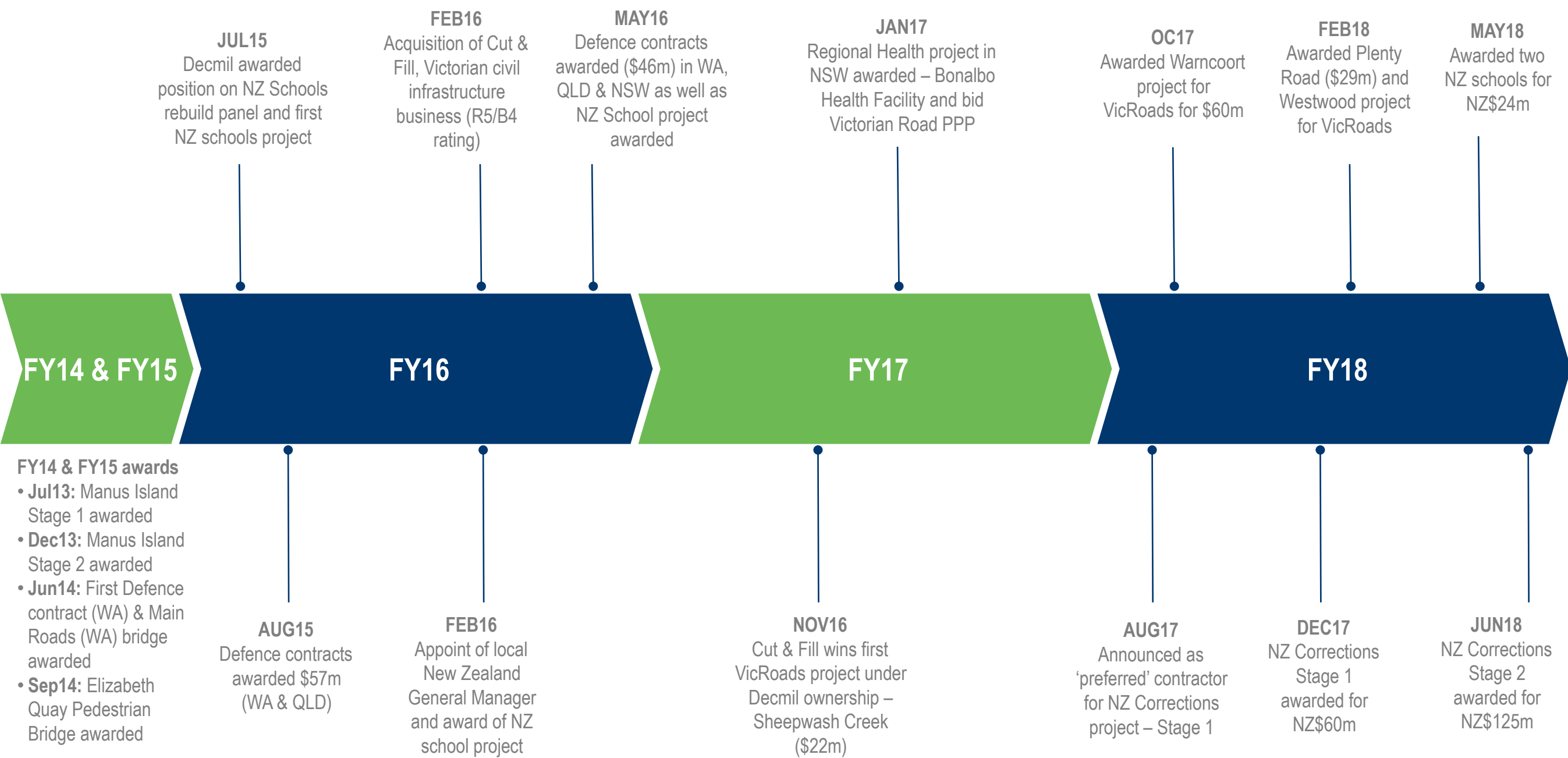
- Growth from FY10 to FY15 driven by the Iron Ore and LNG construction boom
- Business stabilisation and diversification achieved in FY16 and FY17 – progressive movement to infrastructure and geographic diversification
- Revenue growth from FY18 to FY20 due to shift in construction and engineering cycle to public infrastructure
- Key growth drivers will be Resources (WA Iron Ore, QLD CSG), Infrastructure (Transport, Defence, Corrections, Education) and Renewables (Solar and Wind)



INFRASTRUCTURE
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RESOURCES

Our Increasing Exposure to Infrastructure

Decmil is becoming significantly experienced in Infrastructure



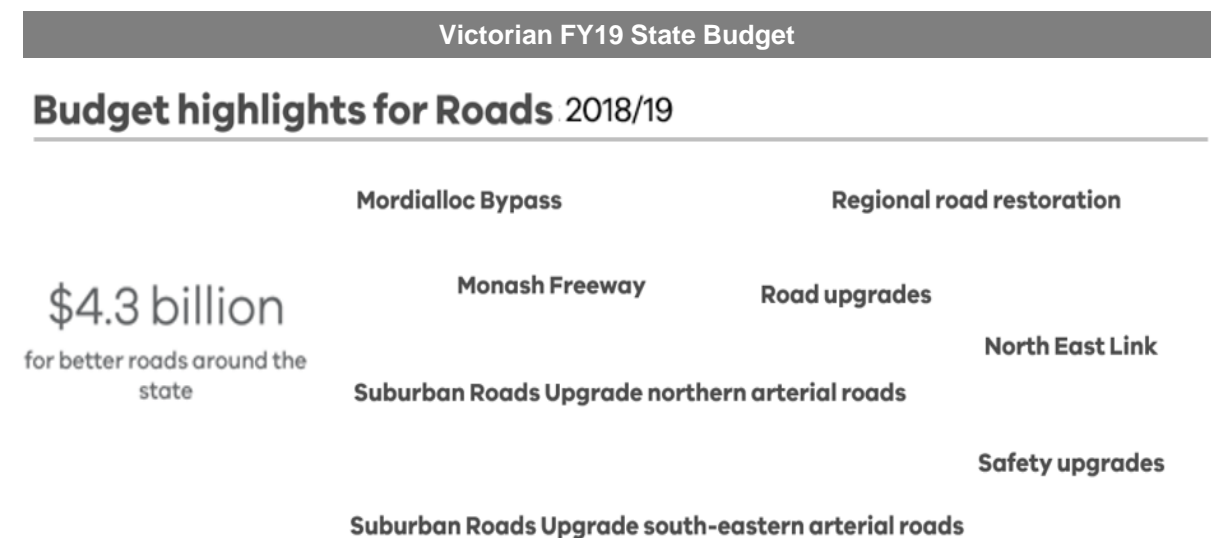
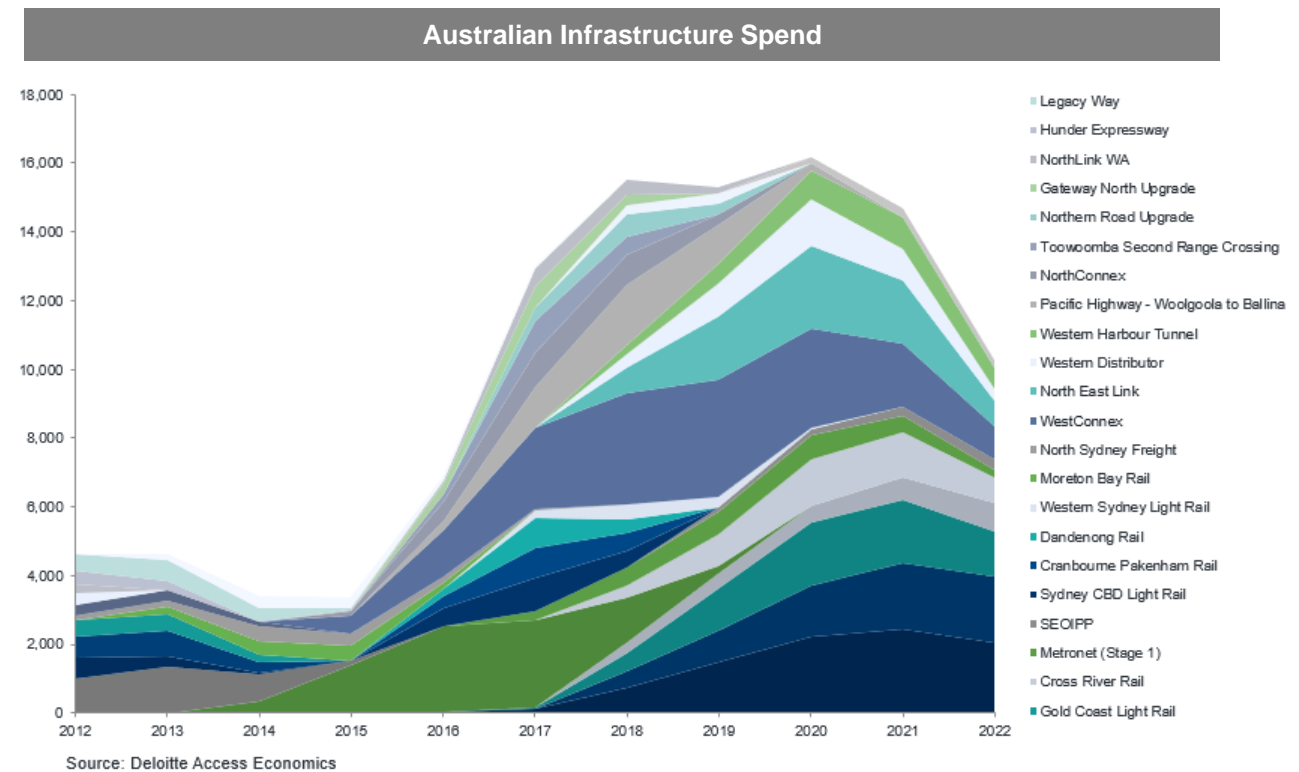
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Road & Rail Infrastructure

Transport Infrastructure market presents significant opportunities for Decmil

- Future growth in road and rail infrastructure is predominately driven investments across Victoria and NSW
- Deloitte Access Economics forecasts +\$15bn spending on infrastructure projects nationally in 2019
- The Victorian State Budget announced in May 2018 for 2018/19 included significant spend in road infrastructure across the State
- Decmil currently shortlisted post EOI or RFT on a number of major Victorian transport projects including:
 - Drysdale Bypass
 - M80 Upgrade
 - Mordialloc Bypass
- Also in consortium for the upcoming Suburban Road Upgrade packages for both the North and South East Melbourne



<https://www.budget.vic.gov.au/explore-our-priorities/roads-and-public-transport>

Social Infrastructure

Health

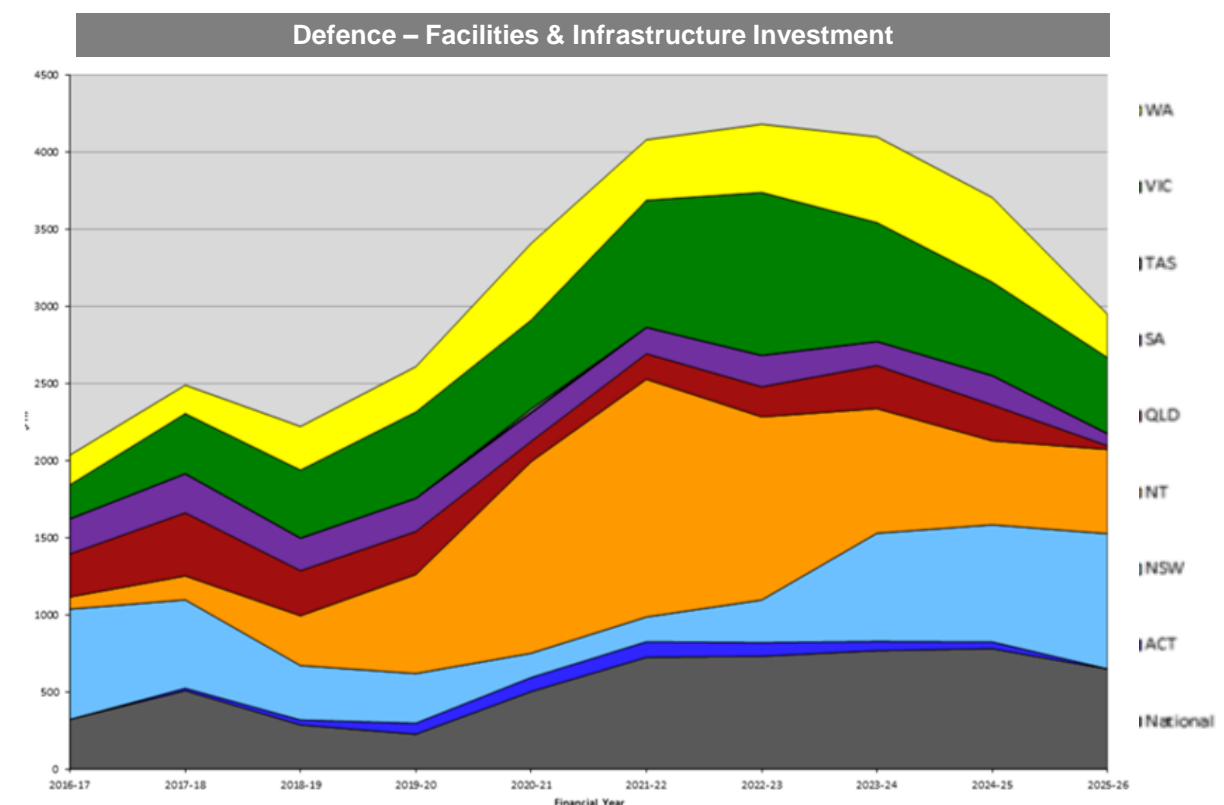
- The NSW Government is investing ~\$10bn in Health infrastructure for the period FY18 to FY21, relating to more than 70 Health projects taking place across NSW
- Projects will be both metropolitan and regional, in connection with hospital redevelopments and greenfield projects
- Decmil recently delivered the Bonalbo Health facility in northern NSW and will target further regional Health projects

New Zealand

- Decmil is currently on the New Zealand Schools Panel and has delivered a number of school projects to-date
- Capital spend of \$334m in Education for the period ending June 2019
- Relates to investment in new schools, rebuilds, expansion work and delivering new classrooms throughout the country
- Decmil also active in the NZ Defence and Corrections sectors

Defence

- The total investment in Defence on track to meet Government's target of 2% of GDP by 2021
- Increased spend on supporting / enabling infrastructure
- The below graphs presents the committed sustaining and new capital spend to FY26
- Per the FY19 Defence budget, spend categories relevant to Decmil are Capital Facilities Program, Minors Program and Estate & Infrastructure Group Sustainment



Source: ADM Estate and Base Services Summit September 2017

NZ Corrections Project Overview

Project has a combined value of NZ\$185+ million

- Relates to the design, procurement and on-site installation of rapidly deployable modular prison cells across a number of existing prison sites in New Zealand
- Expand Decmil's business in New Zealand which is now active in the Education, Corrections, Defence and commercial building sectors
- Also adds to Decmil's established capability in the Defence and Immigration sectors across Australia and New Zealand
- Decmil starting to achieve a significant position in the New Zealand social infrastructure sector

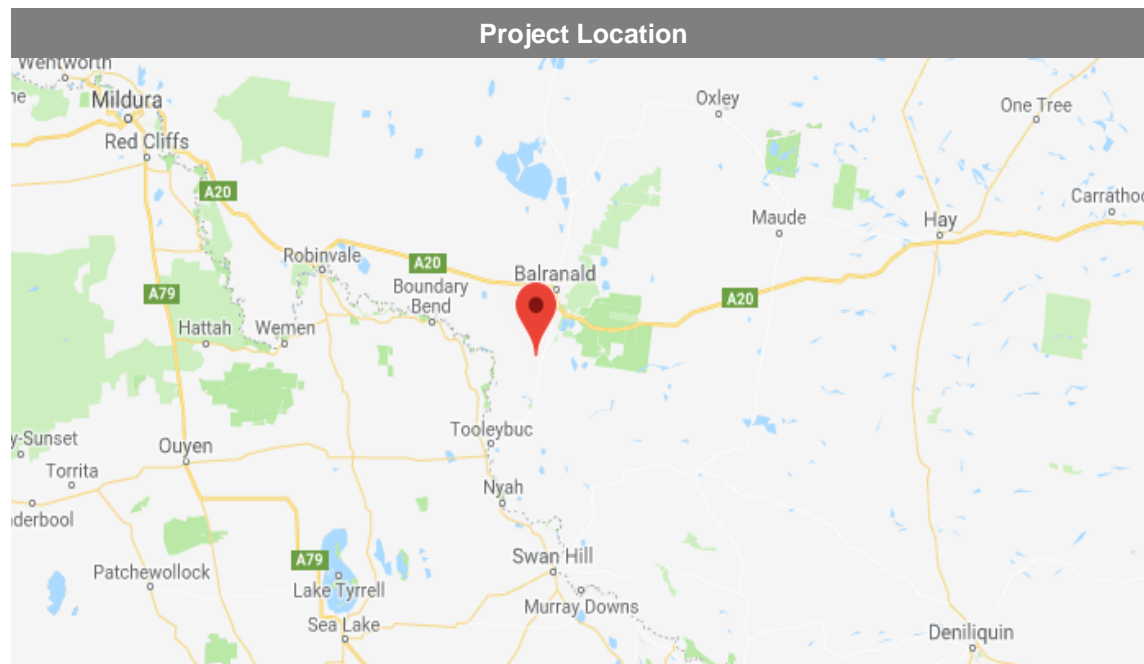


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Sunraysia Solar Farm

The Engineer, Procure and Construct (“EPC”) contract has been executed

- Preferred contractor to design and construct a 250MW solar PV project in Balranald, NSW
- EPC contract value circa \$270 - \$280 million
- EPC contract has now been executed - notice to Proceed (NTP) is still subject to the project sponsor achieving financial close on funding (expected in August 2018)
- Project has Power Purchase Agreements with AGL and University of New South Wales
- The project will significantly expand Decmil’s presence in the renewable energy market



Tender Pipeline

Pipeline visibility extends into FY20 and FY21

- Focus on the Resources, Infrastructure, and Renewable Energy sectors across Australia and New Zealand
- Strong market conditions across these sectors
- Tender pipeline extends revenue visibility to FY20 and FY21

Key Opportunities

Project	Region	Client	Award Timing	Sector	Scope
Drysdale Bypass	VIC	Vic Roads	FY19	Infrastructure	D&C Road Upgrade
M80 Road Upgrade	VIC	Vic Roads	FY19	Infrastructure	D&C Road Upgrade
Echucha Moama Project	VIC	Vic Roads	FY19	Infrastructure	D&C Structure over Murray River
Mordiallic Bypass	VIC	Vic Roads	FY19	Infrastructure	D&C Road Upgrade
Gunnedah	NSW	RMS	FY19	Infrastructure	Bridge over Rail
Aviation Refuelling Facilities	National	Defence	FY19	Infrastructure	D&C Enabling Infrastructure
Medical Centres (various)	NSW	NSW Health	FY19	Infrastructure	Medical Centre
Suburban Road for the North and South East Melbourne	VIC	Vic Roads	FY20	Infrastructure	D&C Road Upgrade
Brownfield Maintenance & Services	QLD	QGC/Shell	FY19	Resources	Schedule of Rates - Maintenance
Wellhead Development	QLD	Origin	FY19	Resources	
Koodaideri NPI	WA	Rio Tinto	FY19	Resources	D&C Non Process Infrastructure
Eliwana NPI	WA	Fortescue	FY19	Resources	D&C Non Process Infrastructure
Warradarge Wind Farm	WA	Turbine OEM	FY19	Renewables	Wind Farm Balance of Plant
Utility Scale Solar Projects	National	Renewable Developers	FY19 & 20	Renewables	Multiple Solar EPC Projects

Outlook

FY19 revenue expected to exceed \$500 million

- Focus on the Resources, Infrastructure and Renewable Energy sectors across Australia and New Zealand
- Strong market conditions across these sectors
- FY19 revenue expected to exceed \$500 million (excluding revenue from the Sunraysia project)
- Revenue growth and stable overhead set the platform for step change earnings growth in FY19 and beyond
- Work in hand for FY19 ~\$400 million
- Homeground – 2018 occupancy likely to remain subdued, but possibility for improvement in 2019 as major planned maintenance cycle commences for Gladstone LNG projects
- Group continues to see strong market conditions across a number of its key sectors including:
 - **Resources:** FMG's Eliwana and Rio Tinto's Koodaideri projects coming to the contractor market in FY19 and also improved market conditions in the QLD Coal Seam Gas sector;
 - **Infrastructure:** Significant public sector infrastructure spend by State and Federal Government, in particular in the Transport sector in Victoria; and
 - **Renewable Energy:** Actively bidding a number of solar PV and wind projects as a balance of plant contractor

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Thank you.

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