

Appendix 4D

Half-Year Report

Period ended 31 December 2018

DECMIL GROUP LIMITED

ABN 35 111 210 390

Reporting Period & Previous Corresponding Period

The current reporting period is for the half-year ended 31 December 2018.
The prior reporting period is for the half-year ended 31 December 2017.

Results for Announcement to the Market

Amounts expressed in \$A'000

	Results	% Movement	Increase/ Decrease
Revenues from ordinary activities	275,731	86%	Increase
Profit after tax from ordinary activities attributable to members	5,805	193%	Increase
Net profit after tax for the period attributable to members	5,805	193%	Increase

Dividend Payments

Date the 2019 interim dividend is payable

27 March 2019

Record date to determine entitlements to the interim dividend

8 March 2019

Date interim dividend was declared

26 February 2019

Dividends	Amount per security	Franked amount per security	Total dividend payment \$'000
<u>Financial Year Ended 30 June 2019</u>			
Interim dividend	1.0¢	1.0¢	2,382
<u>Financial Year Ended 30 June 2018</u>			
Final dividend	N/A	N/A	N/A
Interim dividend	N/A	N/A	N/A

Explanation of Results

Operations continue to reflect the diversity of the Group, with project activity spanning public sector infrastructure projects in Australia and New Zealand, non-process infrastructure for the WA Iron Ore and LNG sectors, Queensland coal seam gas maintenance; and in recent years renewable energy.

Revenue from continuing operations of \$275.7 million for the six months ended 31 December 2018 increased by 96% on the comparative period as the Company secured several new and larger contracts in the later part of the 2018 calendar year including the Drysdale Bypass project (\$86 million), QGC framework agreement (\$150 million), Sunraysia solar farm (\$277 million) and the expansion of the BHP Mulla Mulla project (to \$153 million).

Earnings from continuing operations before interest, tax and depreciation was \$9.3 million reflecting a significant increase on the comparable to the prior period of \$1.3 million.

The Group generated operating cash flow of \$30.9 million for the six months ended 31 December 2018 (prior period \$1.7 million).

The Group's balance sheet reflected an overall net cash position, no drawn core senior secured debt and net assets of \$229 million. Cash and cash equivalents at 31 December 2018 was \$95.4 million.

Given the strong performance for the six months ended 31 December 2018 and positive outlook, the Board has resolved to recommence dividends and pay a 1 cent fully franked interim dividend. The dividend will have a record date of 8 March 2019 and a payment date of 27 March 2019.

NTA Backing	31 December 2018 Cents per share	31 December 2017 Cents per share
Net tangible asset backing per ordinary share	64.3 cents	74.7 cents

Control gained or lost over entities having material effect

In the prior comparative period, as part of the Group's refocus on its core construction and engineering business units, on 1 November 2017 the Group's telecommunications division consisting of SC Holdings Pty Ltd and its subsidiaries SC Services Pty Ltd and SC Equipment Holdings Pty Ltd and the Group's design consulting business, Scope Australia Pty Ltd, were discontinued.

Details of associates and joint venture entities

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.

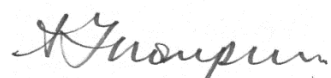
Decmil Australia Pty Ltd, a controlled entity of Decmil Group Limited, is a participant in two unincorporated joint ventures with Balance Utility Solutions Pty Ltd. The first is a 50% participation interest in the delivery of a battery energy storage system for Western Power in Perenjori, Western Australia 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.

Compliance statement

This report is based on accounts which have been subject to independent review.

A handwritten signature in dark ink, appearing to read 'A Thompson', is positioned above the typed name.

Signed by Alison Thompson, Company Secretary
28th February 2019