

1 June 2022

DECMIL GROWS ORDER BOOK TO \$620M WITH \$137M OF NEW CONTRACT AWARDS AND AFFIRMS FY22 EBITDA GUIDANCE

- Decmil wins three new contracts in Western Australia combined worth more than \$100m
- The WA awards signify Decmil's enhanced strategic progression into regional infrastructure and selective construction markets which are higher margin market segments of the broader construction sector
- Decmil also secures two new contracts in Victoria combined worth approximately \$37m
- The Victorian awards highlight Decmil's growing repeat revenue base with blue chip clients
- Revenue and earnings from new contracts to be reflected in FY23 financial results
- FY22 EBITDA guidance retained, while FY22 revenue guidance revised, after Ryan Corner and Crookwell wind farm project commencements delayed into FY23

Decmil Group Limited is pleased to announce it has secured five new contracts in Western Australia and Victoria totalling approximately \$137 million.

Decmil interim CEO Vin Vassallo said the contract awards marked an important step for the business which increased its exposure to higher margin market segments and repeat revenue within its core capabilities and geographic expertise.

"The South Hedland TAFE and Karratha Senior High School contracts follow our award earlier in the year to construct the new Port Hedland Community Centre, which illustrates the increasingly strong track record we are building in the construction of non-process infrastructure for the local Pilbara community." Mr Vassallo said.

"Our contract to deliver an apartment complex for highly-regarded property developer Stirling Capital has followed a lengthy Early Contractor Involvement (ECI) relationship and provides a prudent and strategic opportunity in the specialised luxury apartment construction market that also provides robust margin opportunities while utilising the construction skills that Decmil possesses."

"Additionally, our relationship with the Victorian Government is going from strength to strength and the works we have secured in the state stem from our inclusion in contractor panels, which is conducive to sustainable long-term growth."

The award of these contracts takes Decmil's order book to approximately \$620 million at 31 May 2022 including contracted and preferred, with \$218 million of new contracts won to date this calendar year.

Pundulmurra TAFE

The WA Department of Finance has awarded Decmil a \$38 million contract to construct new training workshops at the Pundulmurra TAFE campus in South Hedland.

The new training workshops encompass three new buildings; an industry-aligned heavy plant training facility, an engineering trades training facility, and a new commercial cookery facility. The project will commence later this month with the contract scheduled to be complete in the second half of 2023.

Florin Apartments

Decmil has secured a \$37 million contract for the final design and construction of the Florin project in the Perth suburb of Jolimont. The site is located within the Parkside Walk subdivision, a planned residential community led by state government land agency DevelopmentWA, formerly Landcorp, in partnership with the Town of Cambridge.

Florin comprises 63 luxury apartments over six levels and is being developed by Stirling Capital. Decmil has been working closely with Stirling Capital under an Early Contractor Involvement (ECI) phase over the past six (6) months.

Works on site will begin next month, with the contract scheduled for completion in second half of 2023.

Karratha Senior High School

Decmil has also won a \$26 million contract from the WA Department of Finance to expand and upgrade Karratha Senior High School. The works package includes the construction of a new building consisting of workshops, classrooms, teacher's study and support services.

Additionally, the Company will undertake extensions to the existing building in order to provide new offices, meeting rooms, reprographics and student wellness rooms; as well as refurbishment and extension of the existing metal workshop. Decmil has started initial site works and the contract is scheduled to be completed in mid-2023.

Tranche 4 Structures Rehabilitation Package

Major Road Projects Victoria (MRPV) has awarded Decmil a \$30 million contract for the Tranche 4 Structures Rehabilitation Package (North and South East).

The scope of works encompasses the renewal and maintenance of 11 bridge structures across Melbourne's North and South East, which will see critical infrastructure meet the growing needs of the Melbourne road network, as well as extend the life span of current bridge assets for years to come.

This contract was previously preferred and having worked closely with MRPV over the past four months has been now contracted. Work on site will commence immediately and expected completion of the works is scheduled for the end of 2022.

ASX Announcement

This is the second project Decmil has been awarded as part of MRPV's new Program Delivery Approach, which has a strong focus on collaborative, panel-based procurement during the tender phase leading to fixed price agreements to deliver works. In September 2021, Decmil secured an \$89 million contract with Major Road Projects Victoria to upgrade Barwon Heads Road in Victoria, with the works on track to be complete in 2023.

Construction of Crossings in the Snowy District

Decmil has won a contract from the Department of Environment, Land, Water & Planning in Victoria for the design and construction of 10 crossings in the Snowy District.

This work will assist in providing safe and efficient access and egress to large tracts of public land to enhance supporting fire management activities, including the movement of critical heavy firefighting equipment whilst also improving public access. Works on this contract will start immediately with an estimated completion by the end of April 2023. The current contract value is \$6.5 million.

Updated Market Guidance

Further to the ASX announcement on 8 April 2022, projects at Ryan Corner and Crookwell have had further delays due to the Client delays in gaining project permitting and approvals. These delays are not attributable to Decmil. As a result, revenue in FY22 is now expected to be in the range of \$400m to \$425m. However, Decmil reiterates its FY22 EBITDA guidance of between \$-15m and -\$10m. Additionally, the vast majority of the revenue and earnings from the three contracts announced today will be reflected in Decmil's FY23 financial results.

This ASX release was authorised by the Decmil Group Limited Board.

About Decmil:

Decmil Group Limited (DGL) offers a diversified range of services to the Australian resources and infrastructure industries. Companies within the group specialise in engineering and construction; accommodation services; and maintenance. Listed on the Australian Securities Exchange (ASX Code: DCG), Decmil's goal is to maximise returns from our operations to deliver value to our shareholders, clients and other stakeholders.

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