

ASX ANNOUNCEMENT

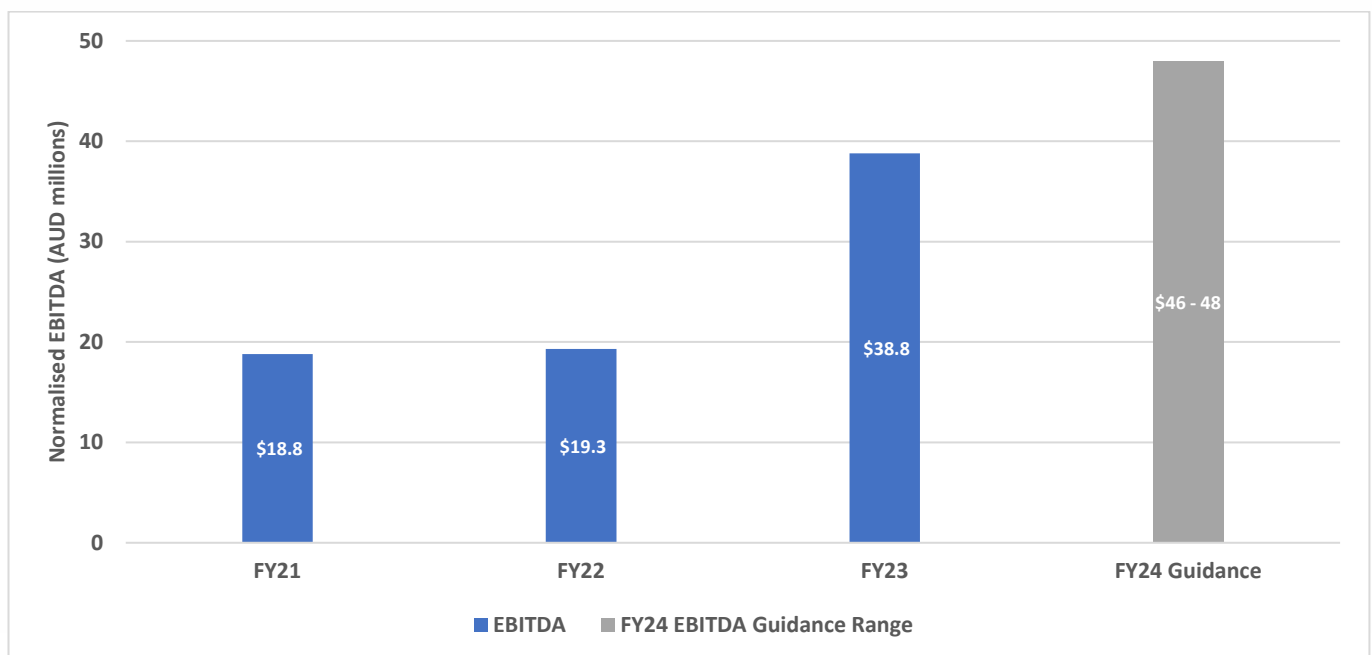
20 May 2024

DURATEC REVISED GUIDANCE FOR FY24 AND BUSINESS UPDATE

- **FY24 EBITDA guidance range narrowed to \$46 - 48m**
- **Expected EBITDA margins now at higher end of previous guidance, with revised FY24 revenue guidance range of \$550 - 565m due to delays in expected project awards**
- **Order book maintained with quality tender opportunities continuing to grow**
- **Strong tender activity has driven a 40% increase since the release of 1H FY24 results to \$1.47bn**

Australian engineering, construction, and remediation contractor Duratec Limited (**Duratec** or the **Company**) (ASX: **DUR**) has revised its guidance for revenue and normalised EBITDA for FY24. Revenue guidance has been reduced to a range of \$550 - \$565m from \$570 - \$610m as a result of delays in expected project awards. EBITDA guidance has been tightened to a range of \$46 - \$48m from \$45 - \$52m previously.

The Company's 2H FY24 performance has been solid to date with EBITDA margins increasing due to strong project performance across all sectors. Early Contractor Involvement (ECI) projects continue to contribute to Duratec delivering stronger project results. The reduction in revenue guidance reflects the delay in expected project awards across the Defence, Mining and Energy segments. These tendered opportunities remain in the Company's tender section, with the award of these tenders now expected to occur in the first half of FY25.

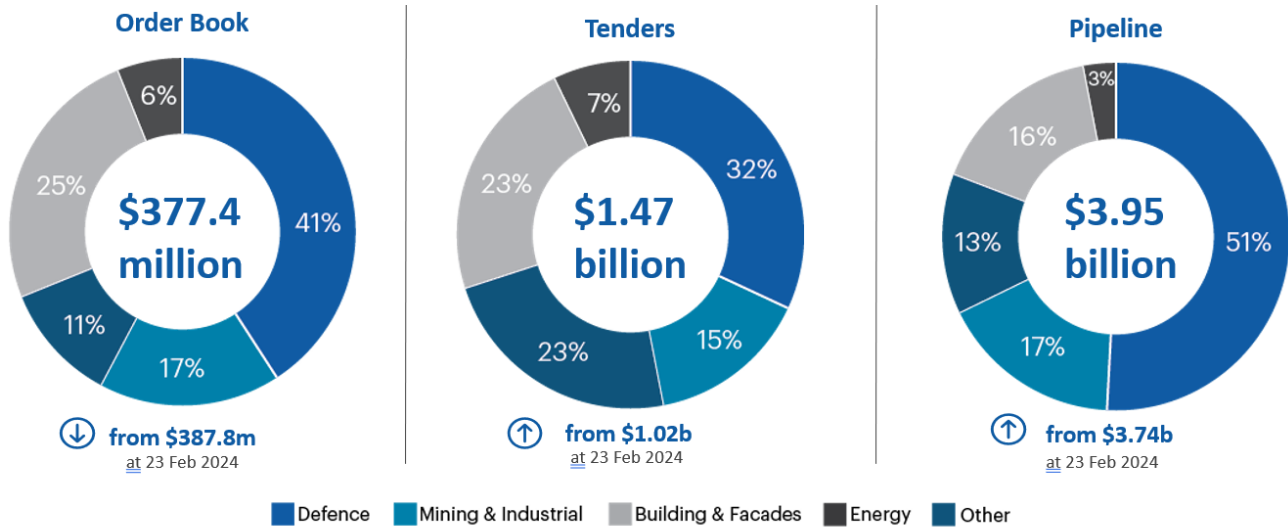


HEAD OFFICE

108 Motivation Drive, Wangara WA 6065
 08 6206 6900
 investor.relations@duratec.com.au
 duratec.com.au

Duratec Limited
 ABN 94 141 614 075
 ASX code: DUR

PIPELINE OF WORK



1. Figures include 49% share of DDR Australia Pty Ltd Revenue.
2. Tenders includes submitted and currently being tendered opportunities.
3. Pipeline represents tangible opportunities identified in the market by the Duratec group of companies.

Duratec maintains a healthy orderbook of \$377m with the Company continuing to secure small to medium contracts as well as annuity style projects in line with historical win rates. The Pre-Contracts team continue to strengthen Duratec’s pipeline of work and these efforts have contributed to a 40% increase in tendered work to \$1.47b and a \$200m increase in the pipeline to \$3.95b. Along with strong project performance, improved margins and increased tenders and pipeline, the Company’s cash generation continues to improve due to the receipt of a number of contract milestone payments and bonding facilities have increased in line with award expectations to ensure further headroom.

Duratec’s Managing Director, Chris Oates, commented:

“Our team has performed very well across the group and whilst revenue growth has slowed in 2H FY24, profitability has improved and we have maintained a strong order book. The increased tender and pipeline position provides us with confidence that we will continue to deliver profitable growth into FY25 and beyond.”

“I am pleased to see our operations team delivering projects successfully across all of our sectors, which is contributing to an increase in our overall margin. Our pre-contracts team has built a strong platform for growth, as evidenced by the amount of tendered works and the increase in our pipeline.”

SECTOR UPDATE

Duratec provides the following brief update on its key market sectors:

- **Defence** – Delays in contract awards have impacted the Defence sector in 2H FY24, however, the Company’s pipeline of Defence work is at all-time highs, with further ECI procurement packages expected to be secured as they come to market.
- Duratec Ertech Joint Venture (DEJV) recently submitted \$450m+ of tenders for potential works on Garden Island, WA (not including Parkes Wharf). The Duratec portion of these tenders is 50% of these figures.

- The DEJV projects referred to above have been put out to market as ECI Head Contracts. The ECI packages are expected to be awarded separately in the first quarter of FY25, with project construction contract awards expected 6-9 months after ECI award.
- Duratec continues to complete the paid ECI phase of the Parkes Wharf extension, with the ECI and design phase now at 90% completion. The award of this contract is expected in the second quarter of FY25.
- Small to medium project awards have been slower than expected but awards remain consistent. A highlight includes the securing of the Freshwater Reticulation contract at Singleton Barricks in NSW for \$19m.
- **Mining & Industrial** – Duratec has experienced a delay in the award of some of the larger opportunities in this sector, however the Company remains confident with the tenders it has submitted. Duratec’s focus on Master Services Agreements (MSAs) and annuity contracts with key strategic clients in recent years continues to strengthen the Company’s revenue stream and its overall capability. Some highlights include:
 - Recent signing of General Wharf and Port Maintenance MSA for Roy Hill;
 - Recent commencement of new remediation works for Inpex in the Northern Territory;
 - Re-established presence at Rio Tinto’s Gove operations; and
 - Collaboration with Rio Tinto on identification of maintenance works following the completion of 3D modelling on wharf structures.
- **Buildings & Facades** – Duratec has a large value of tenders submitted in its Buildings and Facades sector, with a number of clients utilising the ECI model to perform due diligence. Some highlights include:
 - Duratec has won over \$35m of work across various states around Australia in the current half;
 - The anticipation of more government-related projects to be put to tender in the first half of FY25, following Duratec having completed ECI works on various sites; and
 - The sector outlook remains strong, particularly in the medium sized project space.
- **Energy** – While there have been some project award delays in the Energy sector, work recently commenced on a decommissioning project on the North West Shelf which will continue into FY25. The integration of A & B Welding Pty Ltd is progressing well with key WPF personnel recently relocating from WPF’s Headquarters in Perth to Darwin to run the 2,500m² fabrication workshop, which is expected to provide increased opportunities for Duratec in FY25.

DDR AUSTRALIA

DDR Australia Pty Ltd (**DDR**) is a joint venture equity accounted investment owned by Duratec (49%) and Hutcheson & Co Holdings Pty Ltd (51%).

- DDR expects to report a solid 2H FY24 with an increase in Defence revenues.
- The DDR order book has also strengthened, with multiple defence contract awards across Australia reinforcing its reputation as a leading indigenous business in the defence sector.
- The integration of RC Constructions is well advanced and the business’s order book has grown, while ECI opportunities have opened up since becoming majority indigenous owned.

Authorised for release to ASX by the Board of Duratec Limited.

- ENDS -

| | |
|---|---|
| <p style="text-align: center;"><u>Investor/Media Relations</u> Duratec Limited Ollie McKeon investor.relations@duratec.com.au</p> | <p style="text-align: center;"><u>Company Secretary</u> Duratec Limited Dennis Wilkins +61 417 945 049</p> |
|---|---|

About Duratec Limited

Duratec Limited (ASX: DUR) is a leading Australian contractor providing assessment, protection, remediation, and refurbishment services to a broad range of assets and infrastructure. The Company's multi-disciplined capabilities combine engineering experience with project delivery expertise and use a range of in-house assessment technologies, including 3D capture and modelling technology with predictive analysis tools. Headquartered in Wangara, Western Australia, Duratec has 20 branches around the country in capital cities and regional centres, delivering services across multiple sectors including Defence, Commercial Buildings & Facades, Infrastructure (Water, Transport & Marine), Mining & Industrial, Power and Energy.

Please visit www.duratec.com.au for further information.

This release contains certain forward-looking statements and forecasts, including in relation to possible or assumed future performance, costs, dividends, rates, prices, revenue, potential growth of Duratec Limited, industry growth or other trend projections. Such statements are not a guarantee of future performance and involve unknown risks and uncertainties, as well as other factors which are beyond the control of Duratec Limited. Actual results and developments may differ materially from those expressed or implied by these forward-looking statements, depending on a variety of factors.

Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, in providing this information, the Company does not undertake any obligation to publicly update or revise any of the forward-looking statements or to advise of any change in events, conditions or circumstances on which any such statement is based.