

H1 FY24

Results Presentation



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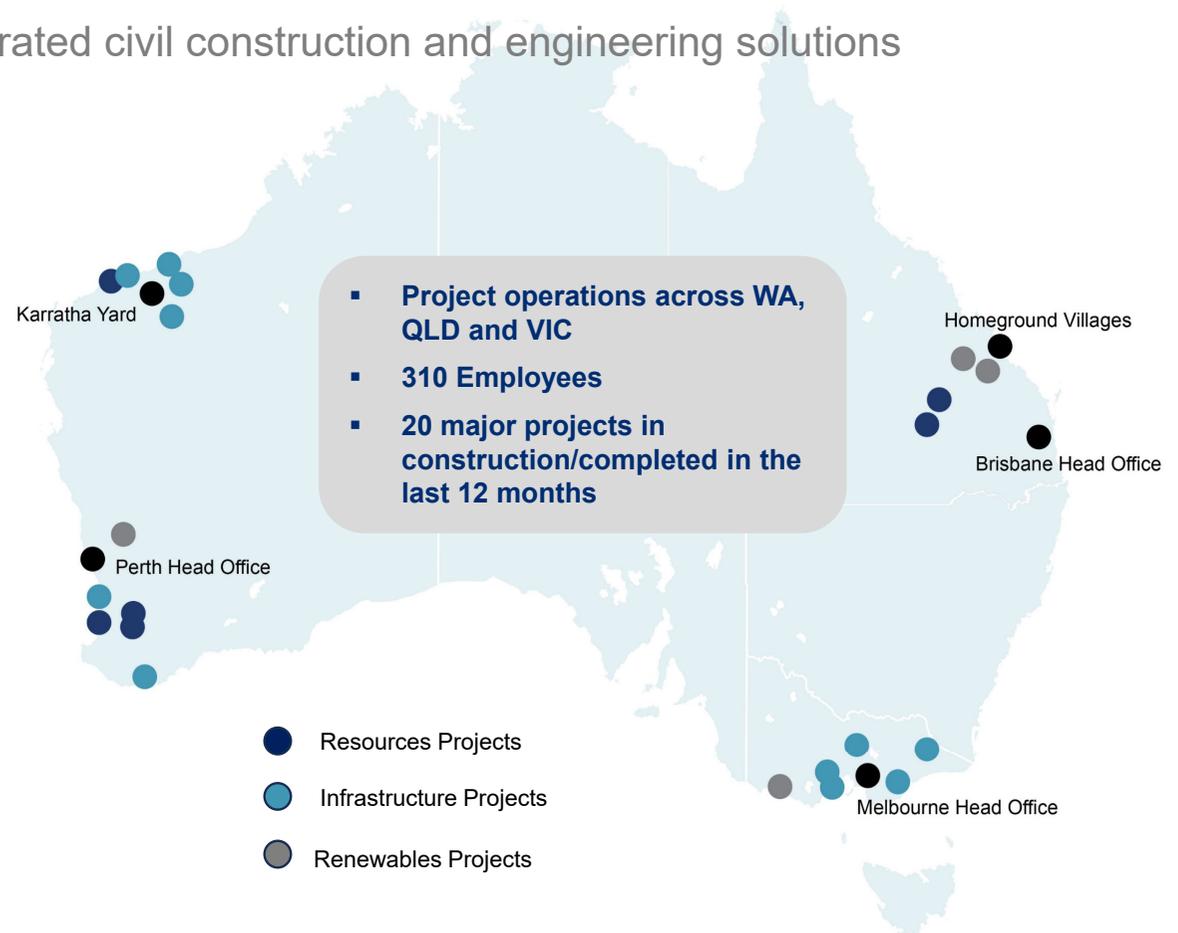
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Business Overview



Australian-owned company delivering integrated civil construction and engineering solutions

- Established in 1978, national presence with offices in VIC, QLD and WA
- Civil construction capability, with focus across three industry sectors:
 - Resources
 - Infrastructure
 - Renewable energy
- Highest possible Aust Roads Prequalification
 - R5 / B4 / F150+
- Homeground Village
 - 4-star premium accommodation village with 1,392 rooms located in Gladstone QLD.





Financial Results



H1 FY24 Financial Highlights



Positive EBITDA recorded for H1 and outlook for H2 indicates further improvement

Revenue

\$215m

down 16% from PCP¹

EBITDA

\$2.6m

down 23% from PCP¹

NPAT¹

(\$1.8m)

up 26% from PCP¹

Net Debt

\$17.5m

down 26% from PCP²

Order Book³

\$455m

At 31 December 2023

Cash

\$25.5m

up 591% from PCP²

FY24 Guidance

Revenue:
\$440m-\$480m

EBITDA:
\$15m-\$20m

Notes: (1) Previous Corresponding Period is H1 FY23 (2) Previous Corresponding Period is H2 FY23 (3) Includes secured and preferred

Profit & Loss



\$m	H1 FY23	H2 FY23	Q1 FY24	Q2 FY24	H1 FY24
Revenue	256	233	89	126	215
Gross profit	16.1	19.0	1.9	9.5	11.4
GP %	6.3%	8.2%	2.2%	7.5%	5.3%
EBITDA	3.3	5.7	(5.8)	8.4	2.6
EBITDA %	1.3%	2.4%	(6.6%)	6.7%	1.2%
NPAT	(2.5)	0.7	(8.4)	6.6	(1.8)
NPAT %	(1.0%)	0.3%	(9.4%)	5.5%	(0.8%)
Cash	10.8	3.7	3.3	25.5	25.5

- Decreased volume in Q1 FY24 and loss on a single project impacted H1 FY24 result
- Q2 FY24 improved significantly from Q1 FY24
- Cash position significantly stronger at 31 Dec 2023

Key Operating Metrics

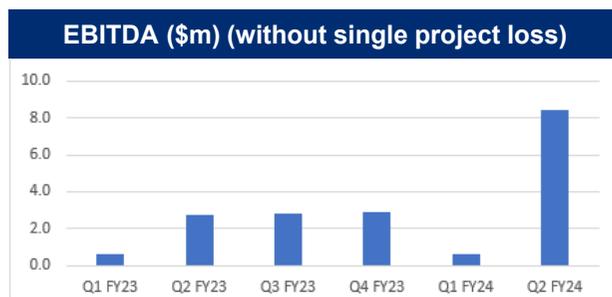
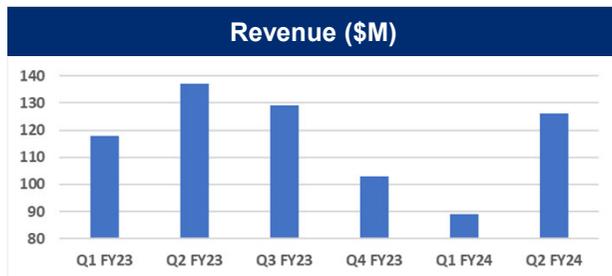


Balance Sheet metrics have improved over past 18 months

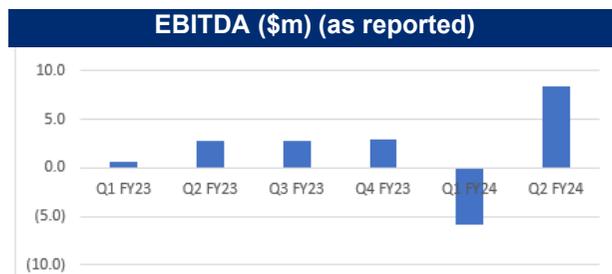
	H1 FY23	H2 FY23	H1 FY24
Earnings per share (cents)	(1.60)	0.41	(1.18)
RCPS dividend (cents)	n/a	0.45c	1.2c
Unapproved revenue (\$m)	49.5	40.5	25.7
Net debt (\$m)	9.9	23.5	17.5
Net tangible assets (\$m)	(14.5)	8.7	12.5
Securities outstanding (surety bonds and bank guarantees) (\$m)	64.3	57.2	47.0

- Unapproved revenue following downward trend from FY22
- Securities outstanding (surety bonds, bank guarantees) (off balance sheet) continues to trend lower
- Net tangible assets increasing half-on-half strengthening overall balance sheet

Revenue and EBITDA by Quarter



Margin	0.5%	2.0%	2.2%	2.8%	0.7%	6.7%
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Margin	0.5%	2.0%	2.2%	2.8%	-6.6%	6.7%
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- New CEO commenced Q1 FY23 following substantial FY22 loss
- In FY23, focus was on resolving legacy claims, stabilising operations and strengthening our internal team
- Efforts invested in resetting work winning beginning to show results in FY24 with new contract awards (larger projects, better risk allocation)
- New contracts announced during Q2 FY24 – Perdaman Bulk Earthworks, Ison Road Rail Overpass and Covalent Logistics Road (LNoA)
- Q1 FY24 impacted by decreased volume and a loss on a single project
- Q2 FY24 volume improved and back on upward trajectory. Q2 FY24 EBITDA also benefiting from improvement in Homeground value

Balance Sheet



\$ in millions	Dec-23	Jun-23
Cash and cash equivalents	25	4
Trade and other receivables	30	41
Contract assets	33	34
Non-current asset held for sale	-	57
Other assets	12	6
Current Assets	101	142
Investment property	63	-
Plant and equipment	7	9
Right-of-use assets	9	8
Intangible assets	50	50
Non-Current Assets	129	67
Total Assets	230	209
Trade and other payables	78	84
Contract liabilities	21	15
Borrowings	3	9
Hire purchase lease liabilities	1	1
Leasing liabilities	2	2
Provisions	4	3
Current Liabilities	109	115
Trade and other payables	8	7
Borrowings	40	19
Hire purchase lease liabilities	1	2
Leasing liabilities	9	8
Provisions	0	0
Non-Current Liabilities	58	36
Total Liabilities	167	150
Net Assets	63	59
Issued capital and Redeemable convertible preference shares (RCPS)	305	298
Reserves	4	4
Accumulated losses	(246)	(243)
Total Equity	63	59

- Significant actual and forecast increase in Homeground occupancy bolsters EBITDA and drives decision to retain Homeground and benefit from improving operating performance. Homeground reclassified as a non-current asset in Dec-23. Homeground valuation revalued to \$63m
- Ernst & Young independent valuation report preferred fair value of Homeground is \$110m; Ernst & Young had a high scenario range of \$154m to \$160m and a low scenario range of \$61m to \$63m. Decmil has adopted a value in the low scenario range of \$63m
- Net tangible assets has increased by \$3.8m
- Cash at 31 Dec 23 of \$25.5m
- Net debt at 31 Dec 23 of \$17.5m



Operational Update

22/02/2024



FY24 Half Year Results



H1 FY24 Operational Highlights



<p>Covalent Kwinana NPI</p> <p>100% complete</p> <p>Value: <\$25m</p>	<p>Port Hedland Community Centre</p> <p>100% complete</p> <p>Value: <\$25m</p>	<p>Karratha Senior High School</p> <p>100% complete</p> <p>Value: \$25-50m</p>	<p>Ryan Corner Wind Farm</p> <p>99% complete</p> <p>Value: \$100-200m</p>	<p>Albany Ring Road Stage 2</p> <p>81% complete</p> <p>Value: \$100-200m</p>	<p>Pundulmurra TAFE Expansion</p> <p>79% complete</p> <p>Value: \$25-50m</p>
<p>Florin Parkside</p> <p>72% complete</p> <p>Value: \$25-50m</p>	<p>Gippsland Line Upgrade</p> <p>71% complete</p> <p>Value: \$200-300m</p>	<p>Waddi Wind Farm Early Works</p> <p>40% complete</p> <p>Value: <\$25m</p>	<p>Perdaman Bulk Earthworks</p> <p>27% complete</p> <p>Value: \$50-100m</p>	<p>Covalent Logistics Road</p> <p>16% complete</p> <p>Value: TBC</p>	<p>Ison Road Rail Overpass</p> <p>13% complete</p> <p>Value: \$50-100m</p>

H1 FY24 Operational Highlights



20 projects in construction/completed in last 12 months

RESOURCES

- Successful commencement of major bulk earthworks at the Perdaman Project
- Successful commencement of Covalent Logistics Road
- Completion of NDA Accommodation Camp in QLD for QGC
- Several NPI projects successfully completed:
 - Non-Process Infrastructure Buildings for Covalent Lithium
 - NDA Washbay for QGC



INFRASTRUCTURE

- Award of Ison Road Rail Overpass Project in Melbourne, VIC
- Completion of the Barwon Heads Road Upgrade, VIC
- Several building projects in WA Pilbara region successfully completed or near completion:
 - Karratha Senior High School
 - Pundulmurra TAFE
 - Port Hedland Community Centre
- Albany Ring Road Stage 2 on track, WA



RENEWABLES

- Waddi Wind Farm Early Works progressed well, and conditional preferred status for BOP construction works
- Early works completed at Specimen Hill Wind Farm and Mount Hopeful Wind Farm, QLD



HOMEGROUND

- Occupancy levels continue to increase
- Average occupancy for H1 was 17.1%, which included a peak month of 28.7%
- Generated significant revenue:
 - FY22 generated \$1.4m EBITDA
 - FY23 generated \$1.3m EBITDA
 - FY24H1 generated EBITDA of \$1.4m



Homeground – Servicing Greater Gladstone

Gladstone is the largest multi-industry port in Australia and the key energy hub for the East Coast of Australia



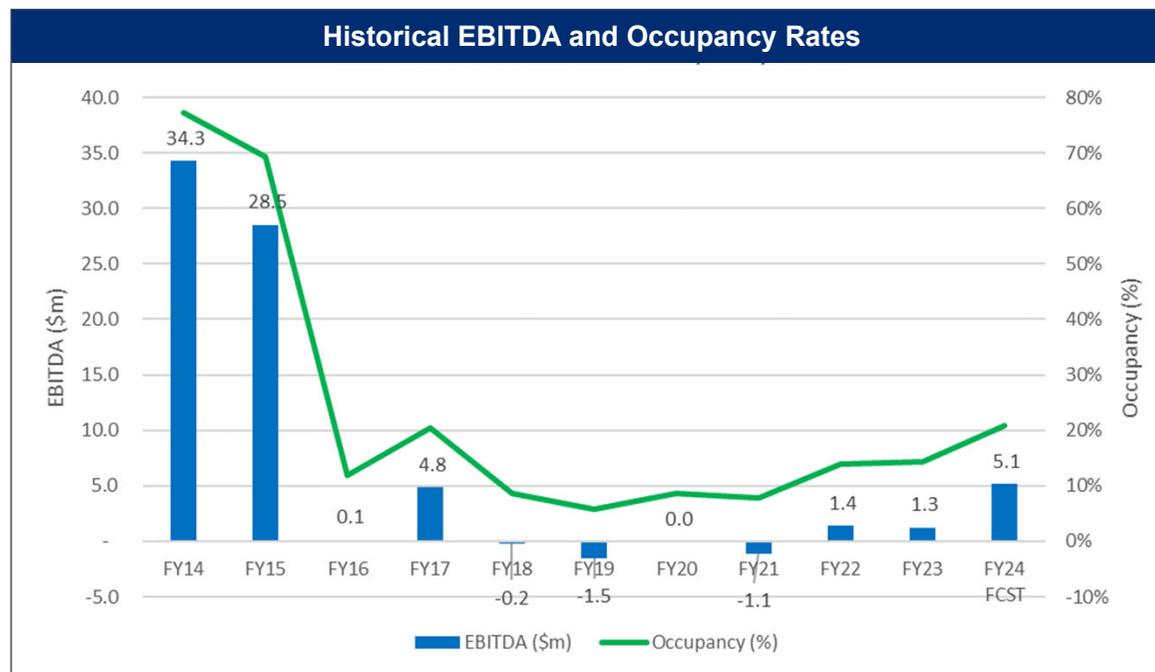
Source – Gladstone Engineering Alliance (www.gea.asn.au/gladstone/)

- Homeground (1,392 beds) is the only large-scale worker accommodation village in Greater Gladstone
- Existing pipeline, industrial, and port infrastructure means it is best located for new energy projects
- Several large-scale renewable hydrogen projects planned and commencing in the region:
 - H2-Hub
 - Stanwell’s Central Queensland Hydrogen Project
 - Queensland Government partnership with Fortescue Future Industries (FFI) to build one of the world’s largest hydrogen-equipment manufacturing facilities
- Several large-scale renewable projects planned and commenced:
 - Acciona’s Aldoga solar farm (600MW) at Aldoga just commenced construction
 - Upper Calliope Solar Farm (1,100 MW) underwritten with PPA from Rio Tinto – construction start in 2025 or 2026
- \$1bn Fitzroy water pipeline under construction to facilitate Hydrogen projects

Homeground Villages Annual Occupancy and EBITDA



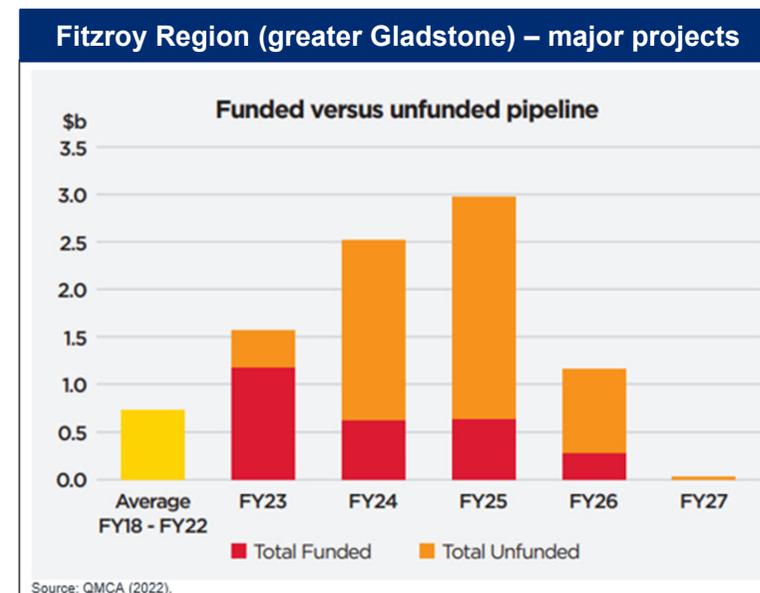
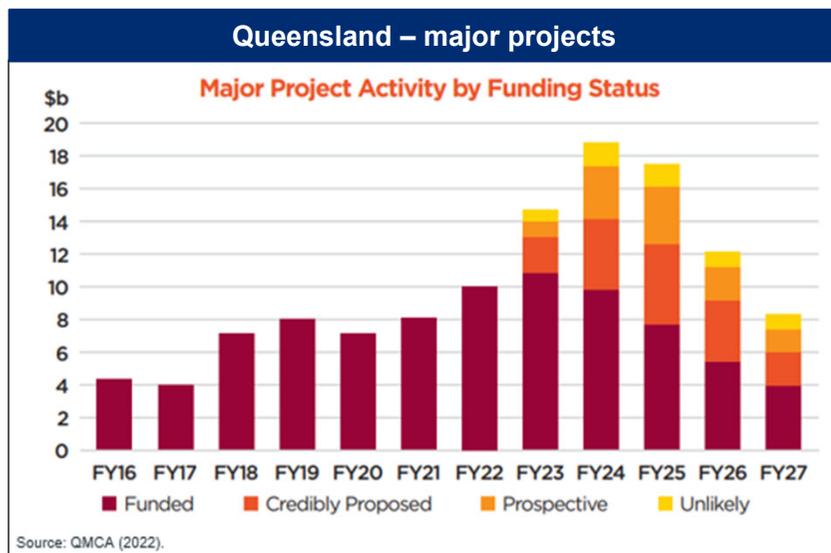
Homeground Villages occupancy trending up with increased project activity in Greater Gladstone



- After a decade of limited activity, large capital projects are once again underway:
 - Fitzroy water pipeline
 - Aldoga solar farm
 - FFI electrolyser
 - Rebuild of CS Energy's Calide Power station
- Occupancy increases as capital projects proceed in Greater Gladstone
- Nationwide accommodation shortage has driven additional bookings
- Higher occupancy drives significantly greater EBITDA

Gladstone is Core Industrial Hub

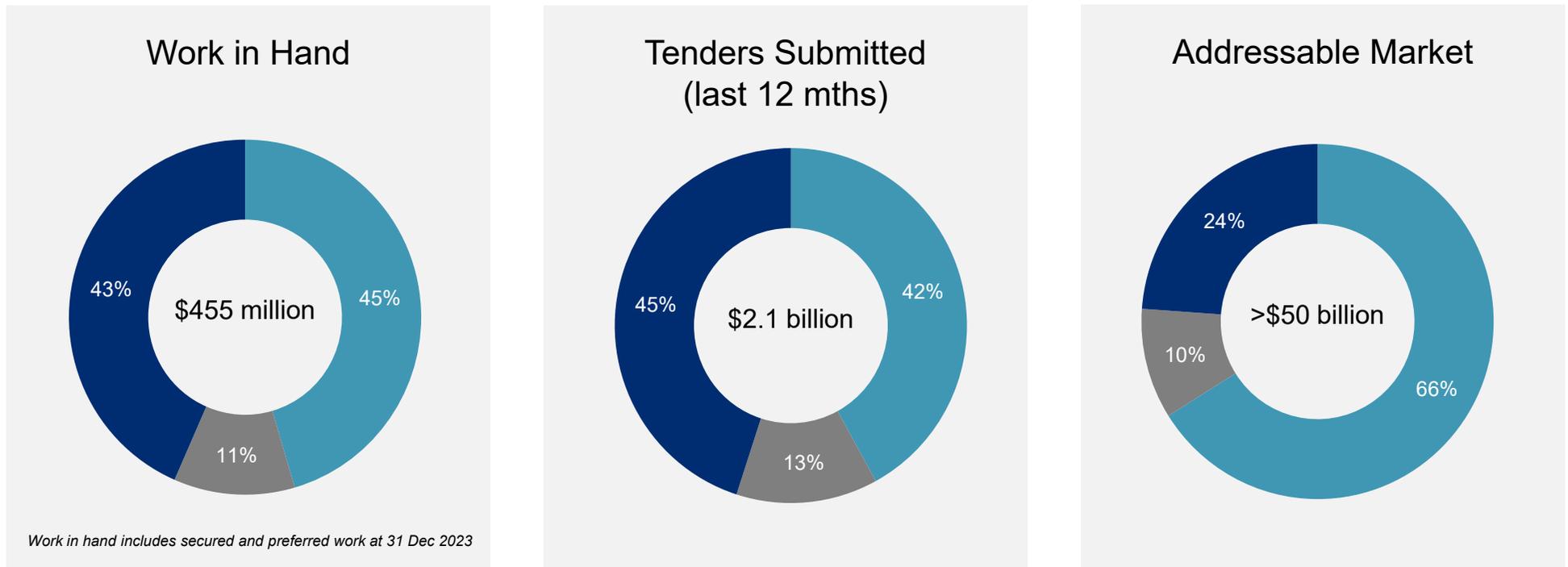
Capital projects increasing in Greater Gladstone





Order Book and Pipeline

At 31 December approximately \$455 million of work in hand extending into FY27



Decmil well positioned to achieve growth with favourable market conditions across core sectors

RESOURCES

- Forecast strong investment in Australia's major resource and energy projects.
- As of October 2023, Australia had 86 projects worth \$77 billion at the committed stage and a further 46 projects worth \$30 billion at the advanced feasibility stage.
- Majority of projects in WA and QLD, with WA holding more than 80% of project value by committed stage.
- Decmil is well positioned to deliver bulk earthworks, civil construction and NPI works across the resources sector, particularly in WA and QLD.



INFRASTRUCTURE

- Robust demand for government infrastructure capital projects in Australia over the next 3-5 years.
- \$691 billion combined infrastructure pipeline across Australia.
- Transport infrastructure component is \$211 billion.
- Decmil prequalified to deliver government infrastructure projects across Australia (Aust Roads Prequalification R5 / B4 / F150+).



RENEWABLES

- Federal Government is targeting 82% renewable energy by 2030 – gap in approvals in last 18 months has driven pressure on Government to approve renewable projects to meet the Federal target.
- Decmil well positioned to provide feasibility and early works for Wind Farm projects.
- Decmil regarded as an experienced and reliable partner to deliver Balance of Plant services for Wind Farm projects across Australia.



Outlook and Guidance



- 1 Revenue Guidance for FY24 is \$440m - \$480m
- 2 EBITDA Guidance for FY24 is \$15m - \$20m
- 3 H2 FY24 Homeground occupancy forecast to increase from H1 FY24
- 4 H2 FY24 construction and engineering revenue and gross profit forecast to increase from H1 FY24
- 5 Overheads forecast to remain in line with FY23



Corporate Snapshot



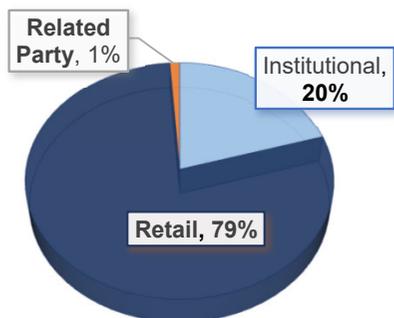
Capital structure

Ordinary shares ¹	M	155.6
Redeemable convertible preference shares (RCPS) ¹	M	131.3
Performance rights	M	38.9
Options ²	M	4.6
Warrants ³	M	50.8
Share prices (Ordinary / RCPS) ¹	A\$	0.20 / 0.21
Market capitalisation ⁶	A\$M	58.7
Cash ⁴	A\$M	25.4
Borrowings ⁴	A\$M	43.0

Board

Andrew Barclay	Independent Chair and Non-executive Director
Rod Heale	Executive Director and Chief Executive Officer
Peter Thomas	Executive Director and Chief Financial Officer
Vin Vassallo	Independent Non-executive Director
David Steele	Independent Non-executive Director
Peter Coppini	Company Secretary

Shareholder Distribution¹



Substantial Shareholders⁵

Thorney International Pty Ltd	19.99%
Franco Family Holdings	7.68%

Historical Share Price (Ordinary shares)



¹ At 19 February 2024.

² Options expire: 1.8m on 31 October 2024 Ex \$0.75, and 2.8m on 23 October 2026 Ex \$0.252.

³ Warrants shown as converted amount. Warrants expire on 31 August 2026.

⁴ At 31 December 2023. Current borrowings \$2.5m, non-current borrowings \$40.5m.

⁵ As per latest substantial holding notices.

⁶ At 19 February 2024 and includes DCG and DCGPA (RCPS, as converted).