

Appendix 4D

Half-Year Report

Period ended 31 December 2020

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 2020.
The prior reporting period is for the half-year ended 31 December 2019.

Results for Announcement to the Market

Amounts expressed in \$A'000

	Results	% Movement	Increase/ Decrease
Revenues from ordinary activities	165,110	31%	Decrease
Profit after tax from ordinary activities attributable to members	574	101%	Increase
Net profit after tax for the period attributable to members	574	101%	Increase

Dividends

No dividends were declared or paid for the half year ended 31 December 2020.

Explanation of Results

Operations continue to reflect the diversity of the Group, with project activity spanning public sector infrastructure projects across Australia, non-process and worker accommodation facilities for the WA and Queensland resource sectors and balance of plant works in renewable energy.

Revenue from continuing operations of \$165.1 million for the six months ended 31 December 2020 was below the comparative period (\$236.9m) due to a number of projects reaching completion during the period and newly awarded projects only recently ramping up.

Administration expenses for the six months ended 31 December 2020 amounted to \$13.4 million, which was a significant decrease on the prior period (\$19.6 million). This is largely the result of the restructure that occurred in early 2020 which removed a regional management layer and a number of support roles from the business.

The business returned a profit before interest, tax and depreciation of \$5.6 million in the period with project margins stabilising through solid operational performance.

The Group reported net operating cash inflows of \$11.9 million for the six months ended 31 December 2020. This is due to solid performance on current projects, successful closeout of the QGC, Warradarge and Yandin contracts, some advance payments on newly awarded projects and the early receipt of December claims from some clients.

At 31 December 2020 the Group's balance sheet reflected cash and cash equivalents of \$29.7 million after the repayment of its \$25 million corporate markets loan during the period. At balance date the Group held net assets of \$141 million.

The Group executed a \$40 million working capital facility with NAB in December 2020 and confirmed surety bonding support for future projects.

The Homeground Gladstone accommodation village remains as an asset held for sale with a valuation of \$56.6 million.

NTA Backing	31 December 2020 Cents per share	31 December 2019 Cents per share
Net tangible asset backing per ordinary share	39.4 cents	26.4 cents

Control gained or lost over entities having material effect

Not applicable.

Details of associates and joint venture entities

Decmil Southern Pty Ltd, a controlled entity of Decmil Group Limited, has a 40% participation interest in the Mordialloc JV with McConnell Dowell Constructors (Aust) Pty Ltd to complete a ~\$417m main works contract for the Mordialloc Freeway project. The project will link the Mornington Peninsula Freeway to the Dingley Bypass and create one continuous freeway from Frankston to Clayton.

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.

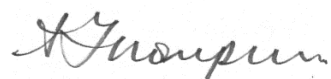
Decmil Australia Pty Ltd, a controlled entity of Decmil Group Limited, is a participant in two unincorporated joint ventures with Balance Utility Solutions Pty Ltd. The first is a 25% participation interest in the delivery of a battery energy storage system for Western Power in Perenjori, Western Australia 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.



Signed by Alison Thompson, Company Secretary
24th February 2021