ASX Announcement

For personal use only

11 November 2021

CHAIRMAN'S ADDRESS, MANAGING DIRECTOR'S ADDRESS AND PRESENTATION

Attached are the Chairman's address, the Managing Director's address and a presentation to be delivered at Decmil Group Limited's (ASX:DCG) Annual General Meeting scheduled to commence at 10:00am WST this morning.

Ian Hobson

Company Secretary

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.

For further information please contact:

Investors:
Mr Dickie Dique, CEO, Decmil
Ph 08 9368 8877

Media:
Mr Cameron Morse
FTI Consulting, Strategic Communications
Ph 0433 886 871

For personal use only

Chairman's Address

DECMIL GROUP LIMITED

2021 ANNUAL GENERAL MEETING

11 NOVEMBER 2021

ANDREW BARCLAY

Good morning ladies and gentlemen.

Welcome to the 2021 Decmil Annual General Meeting.

My name is Andrew Barclay and I am the Chair of the Board of Directors of Decmil Group Limited.

On behalf of my colleagues, I would like to welcome you to our 2021 Annual General Meeting, which is for the first time being conducted via Web-Portal.

As it is now 10am and a quorum is present, I declare this meeting open. I propose to take the Notice of Meeting as read.

At today's meeting we have four resolutions to consider which will be put to a poll.

Decmil acknowledges the Traditional Custodians on whose lands we live and work. We recognise and respect their continuing connection to land, waters and community. We pay respect to all Aboriginal and Torres Strait Islander peoples throughout Australia, and to their Elders past, present and emerging.

Before we commence the formal part of the meeting, I would like to take this opportunity to introduce my fellow directors...Dickie Dique, Peter Thomas, Vin Vassallo, Dave Steele and Ian Hobson our Company Secretary.

I would also like to introduce you to the remainder of the Executive Leadership Team which includes…

- Alex Hall – our Chief Financial Officer,
- Damian Kelliher – our Chief Commercial Officer, and
- Lance Van Drunick – our General Manager

I will now give an overview of the Group including progress against our turnaround plan. I will then invite our Managing Director, Dickie Dique, to give you an update on recently completed projects and new contract awards.

At the conclusion of formal proceedings, we welcome you to discuss any matters regarding the Company with the directors and Executive Team members present today.

For personal use only

I now turn to the Group Overview for FY21.The 2021 financial year was a consolidation year for Decmil, resulting in a normalised EBITDA of $7.6 million and normalised revenue of $313 million for the year.

Operationally the business completed $210 million of major transport projects and completed $92 million of other projects across the balance of our sectors being Construction, Energy and Resources. These projects were delivered whilst successfully navigating COVID-19 restrictions on personnel movement, offshore manufacture and ongoing border restrictions.

With our continued focus on work winning, the business has been awarded ~$130 million in new projects since 30 June 2021.

The outlook for the business is very strong, with an order book of ~$540 million (contracted and preferred) and a project pipeline of ~ $46 billion.

Our turnaround plan is progressing well with a focus now returning to business as usual challenges.

During FY21 Decmil completed the refresh of the Board and Executive Team, delivered projects to forecast, and won key target contracts in our core market sectors and capabilities. Importantly, Decmil has also finalised legacy disputes, namely the dispute with the NZ Department of Corrections on the Rapid Prison Deployment Project, and the dispute on the Mulla Mulla Project, SBS and United Petroleum.

The ~$10 million equity raise as well as putting the sub-debt facility in place has strengthened our balance sheet. In a show of confidence, NAB extended its $40 million multi-option facility until July 2023.

We continue to be focussed on sustainable growth, by retaining commercial, legal and financial disciplines across our projects and winning sufficient work in our core sectors to achieve our revenue and profit targets.

In closing, I would again like to take this opportunity on behalf of the Board to thank our loyal shareholders for their ongoing support and of course our staff for their dedication to Decmil.

I would now like to hand over to Decmil's Managing Director, Dickie Dique to give you an overview of recently completed projects and a number of new awards.

For personal use only

Managing Director's Address

DECMIL GROUP LIMITED

2021 ANNUAL GENERAL MEETING

11 NOVEMBER 2021

DICKIE DIQUE

Thank you Andrew.

Good morning ladies and gentlemen and thank you for joining us today for our 2021 Annual General Meeting.

Today I would like to take you through a few of our recent successes, including a number of projects that have been awarded to Decmil since 30 June 2021. These projects all sit within Decmil's core capability which has been the focus of our tendering effort in recent times.

The first project relates to $88 million of infrastructure works at the Barwon Heads Road Upgrade for Major Road Projects Victoria. This is the first project Decmil has been awarded as part of MRPV's new Program Delivery Approach relating to the Suburban Roads Upgrades. This contract has already commenced and is expected to be completed in 2023.

The second project relates to the construction of road and bridge works for Roy Hill-Munjina Road alignment in the East Pilbara for Main Roads WA valued at $28 million. This contract has already commenced and is expected to be completed by mid-2022.

Other recent awards relate to the construction of the Archer River Crossing Southern Approach located in far North Queensland for Department of Transport QLD valued at $7.6 million, and a contract for Main Roads WA to replace Great Eastern Highway Coates Gully Bridges valued at $6.6 million in the East Pilbara.

I'd like to now talk about the projects completed during FY21. In the Resources sector, we have completed the accommodation camp at Carmichael Rail Network.

In the Infrastructure sector, we have completed Reid Highway widening for Main Roads WA, Warrego and Bruce Highway Upgrades for the Department of Transport QLD, Mayne Yard Brisbane depot for Queensland Rail as well as Crossings in Victoria for Department of Environment, Land, Water & Planning.

In the Energy sector we successfully achieved practical completion of the combined $151 million Yandin and Warradarge Wind Farm balance of plant projects.

With respect to the Sunraysia Solar Farm project, we are in the final stages of testing, with the regulators "Hold Point 3" testing now complete. All things being equal, this final performance testing is still on track for completion during November, with substantial completion by year end. Management does not at this stage expect there to be any negative adjustment to current forecasts on this project.

For personal use only

Turning to the outlook now, Decmil has exposure to a project pipeline of circa $46 billion within its core sectors.

Existing relationships with clients and strategic partners will assist Decmil in securing new projects and leverage our capability.

Targeted growth opportunities include Hydrogen & Lithium infrastructure construction as well as water & defence.

The outlook for the business is now very positive with a strong pipeline and work in hand of ~$540 million to FY24 on a contracted and preferred basis as at 30 September 2021. FY22 is expected to be a growth year with revenue already contracted and preferred totalling $445 million.

Resources are proving to be a bigger and bigger challenge and although our projects are currently correctly resourced, we are aligning these constraints with our targeted opportunities and planning, going forward.

With respect to Homeground, we have had fairly good occupancy since July, primarily due to the shut downs that had been delayed due to COVID restrictions over the preceding 12 months; We are expecting to at least achieve budget for FY22.
Projects like FFI and Gladstone Water Pipeline further give confidence to occupancy rates and potential buyers of the facility.

Before I conclude I would like to thank Andrew, our Chairman, and my fellow directors and executive team for your support.

I would also like to thank our dedicated staff and our loyal shareholders for the support afforded to the business, particularly through the challenging times we have recently been through.

I will now hand back to Andrew to conduct the formal business.

ersonal use only

DECMIL GROUP LIMITED

Annual General Meeting

11 November 2021

Together, we're the difference.

Acknowledgement of Country



Decmil acknowledges the Traditional Custodians on whose lands we live and work.

We recognise and respect their continuing connection to land, waters and community.

We pay respect to all Aboriginal and Torres Strait Islander peoples throughout Australia, and to their Elders past, present and emerging.

personal use only

Board of Directors



Andrew Barclay – Chairman



Dickie Dique – MD and CEO



Peter Thomas – NED



Vin Vassallo – NED



David Steele – NED



Ian Hobson –
Company Secretary

ersonal use only

Executive Leadership Team



Dickie Dique – Chief Executive Officer



Alex Hall – Chief Financial Officer



Damian Kelliher – Chief Commercial Officer



Lance Van Drunick – General Manager

ersonal use only

Group Overview

For Year Ended 30 June 2021



Building Australia's future, together.

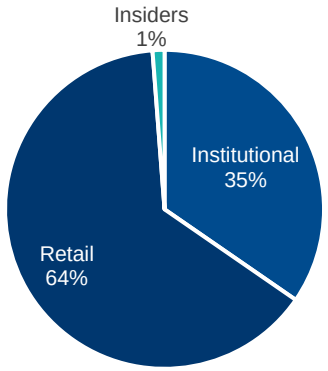
ersonal use only

Corporate Snapshot

Capital structure		
Shares[1]	M	155
Performance rights and options[1, 2]	M	6.5
Share price[1]	A$	0.350
Market capitalisation[1]	A$M	54.3
Cash[3]	A$M	9.7
Debt[3]	A$M	17.8

Board & Management	
Andrew Barclay	Chairman
Dickie Dique	Managing Director & CEO
Peter Thomas	Non-Executive Director
Vin Vassallo	Non-Executive Director
David Steele	Non-Executive Director
Alex Hall	Chief Financial Officer
Damian Kelliher	Chief Commercial Officer
Lance van Drunick	General Manager
Ian Hobson	Company Secretary

Shareholder Distribution[3]



Substantial Shareholders

Thorney	20.0%
Franco	7.4%

Historical Share Price



[1] *As at 10 November 2021*
[2] *Excludes options (12.5 million) and warrants (30.8 million) which form part of the August 2021 capital raise or subordinated debt*
[3] *As at 30 June 2021*

ersonal use only

Summary of FY21 Results and Outlook



Financial	▪ Normalised revenue of $313 million[1] ▪ Normalised EBITDA of $7.6 million[1] ▪ Net cash flow from operations $2.7 million, before repaying $24 million to surety bond providers ▪ $20 million subordinated debt financing + $10 million equity raise in July 2021 to bolster balance sheet
Operations	▪ Exceptional safety performance with no lost time injuries for the period and a total recordable injury frequency rate of 0.9[2] ▪ Awarded $350 million of new contracts during the year; current order book of circa ~$540 million[3], extending into FY24 ▪ Approved by Major Road Projects Victoria as P3 Panelist ($25 to $150 million projects) under the new Program Delivery Approach (PDA) model recognising Decmil's capability, capacity, past performance and ability to deliver value-for-money solutions ▪ Sunraysia on track for Substantial Completion by end 2021
Outlook	▪ Focus on core business, project delivery and maintaining strong client relationships ▪ Secured work for FY22 of ~$445 million[3] ▪ Continued significant public sector infrastructure spend by State and Federal Government ▪ Buoyant commodity prices creating opportunity within the resources market ▪ Strong pipeline of project opportunities in core competency areas

1. *Before a $9.7 million write-down of a contract position from a legacy dispute*
2. *As at 30 June 2021*
3. *As at 30 September 2021, contracted and preferred*

ersonal use only

Recent Successes

New Awards & Completed Projects



Market leaders in complex, multi-disciplinary project delivery for over 40 years

ersonal use only

New Project Awards



Gippsland Line Upgrade
Client: Rail Projects Victoria
Location: Gippsland, VIC
Value: $300 million
(Decmil share $120 million)



Albany Ring Road Phase 1
Client: Main Roads WA
Location: Albany, WA
Value: $55 million



Great Eastern Highway Wooroloo Realignment
Client: Main Roads WA
Location: Wooroloo, WA
Value: $8 million



Crookwell Wind Farm
Client: GPG
Location: NSW
Value: $21 million



Mesa A and Mesa J NPI Works
Client: Rio Tinto
Location: Pilbara, WA
Value: $39 million



Ryan Corner Wind Farm
Client: GPG
Location: VIC
Value: $51 million



Bruce Highway Gin Gin to Benaraby
Client: Department of Transport and Main Roads Qld
Location: Gin Gin, QLD
Value: $25 million



Great Eastern Highway Coates Gully
Client: Main Roads WA
Location: Walgoolan, WA
Value: $6.6 million

ersonal use only

New Project Awards



Barwon Heads Road Upgrade
Client: Major Road Projects Victoria
Location: Barwon Heads, VIC
Value: $88.7 million



Roy Hill-Munjina Road Alignment
Client: Main Roads WA
Location: East Pilbara, WA
Value: $28.2 million



Peninsula Developmental Road – Archer River Southern Approach
Client: Department of Transport and Main Roads Qld
Location: QLD
Value: $7.75 million

ersonal use only

Project Completions



Yandin and Warradarge Wind Farms – Balance of Plant	Client: Location: Value:	Vestas WA $151 million
Warrego Highway Upgrade	Client: Location: Value:	Queensland Department of Transport and Main Roads (DTMR) QLD $20 million
Bruce Highway – Calliope to Mt Alma Safety Works	Client: Location: Value:	Queensland Department of Transport and Main Roads (DTMR) QLD $13 million
QR Mayne Brisbane Depot	Client: Location: Value:	Queensland Rail QLD $5 million
Carmichael Rail Network	Client: Location: Value:	Carmichael Rail Network QLD $41 million
Reid Highway Widening	Client: Location: Value:	Main Roads WA WA $47 million
SRB014 Crossings	Client: Location: Value:	Department of Environment, Land, Water and Planning (DELWP) VIC $8 million



Yandin Wind Farm, WA



Reid Highway Widening, WA

ersonal use only

Outlook

We seek and value strategic alliances, both internally and externally.



ersonal use only

Emerging Opportunities

Hydrogen:



Lithium:



Water:



Defense:



ersonal use only

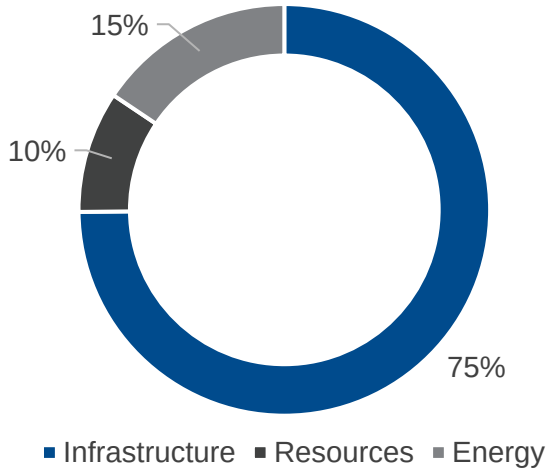
Work In Hand & Pipeline

Revenue driven by government infrastructure spend, a strong mining cycle and structural growth.

Work In Hand by Sector

- ~$540[1] million work in hand contracted and preferred to FY24
- ~$445[1] million contracted and preferred for FY22
- 70% of work in hand with Governments

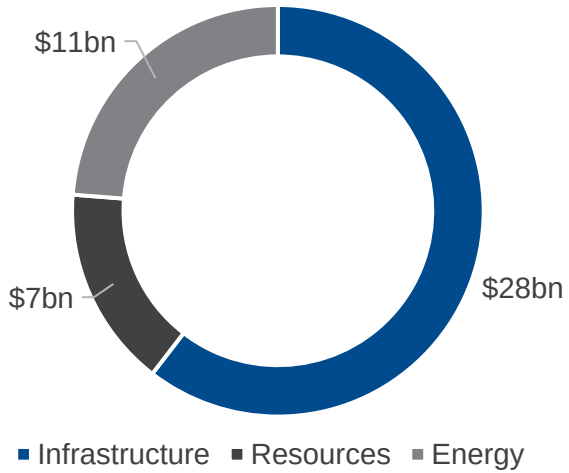
Activity mix by Decmil target sectors FY22:



Pipeline by Sector

- Infrastructure spend underpinned by government stimulus for the post-COVID recovery
- Significant energy projects announced as the country moves towards a decarbonised economy
- Resources opex and capex supported by high commodity prices

Announced project pipeline in WA, QLD & VIC by sector[2]:



1. *As at 30 September 2021*

2. *Source: Infrastructure Partnerships Australia, 2021 & GlobalData, 2021. Total project values presented – not all projects will be tendered by Decmil.*

ersonal use only

Annual General Meeting Items of Business

We deliver integrated construction and engineering solutions across the infrastructure, resources, energy and construction sectors.



ersonal use only

Proxy Summary

		For		Against		Proxy's Discretion		Abstain Number	Excluded Number	Total Votes Number	% of Shares on Issue
		Number	%	Number	%	Number	%				
Resolution 1	Adoption of Remuneration Report	68,659,157	96.9%	1,766,435	2.5%	418,156	0.6%	88,765	241,855	70,843,748	45.7%
Resolution 2	Election of Director – Vincent Vassallo	69,211,012	97.5%	1,333,633	1.9%	428,156	0.6%	201,567	Nil	70,972,801	45.7%
Resolution 3	Election of Director – David Steele	69,213,942	97.5%	1,332,883	1.9%	428,756	0.6%	198,787	Nil	70,975,581	45.8%
Resolution 4	Re-election of Director – Peter Thomas	66,487,862	93.5%	4,200,735	5.9%	428,156	0.6%	57,615	Nil	71,116,753	45.8%

ersonal use only

Resolution 1

ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a non-binding resolution:

"That, for the purposes of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2021."

ersonal use only

Resolution 2

ELECTION OF DIRECTOR – VINCENT VASSALLO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, Vincent Vassallo, a Director who was appointed casually on 14 June 2021 retires, and being eligible, is elected as a Director."

ersonal use only

Resolution 3

ELECTION OF DIRECTOR – DAVID STEELE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of clause 14.4 of the Constitution, Listing Rule 14.4 and for all other purposes, David Steele, a Director who was appointed casually on 14 June 2021, retires, and being eligible, is elected as a Director."

ersonal use only

Resolution 4

RE-ELECTION OF DIRECTOR – PETER THOMAS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an ordinary resolution:

"That, for the purpose of clause 14.2 of the Constitution, Listing Rule 14.4 and for all other purposes, Peter Thomas, a Director, retires by rotation, and being eligible, is re-elected as a Director."

ersonal use only

ersonal use only

DECMIL

Thank You

Any Questions?

Together, we're the difference.