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DURATEC LIMITED

1H FY25 RESULTS PRESENTATION

20 FEBRUARY 2025



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SPEAKERS

MEET OUR
EXECUTIVES



CHRIS OATES
MANAGING DIRECTOR



ASHLEY MUIRHEAD
CHIEF FINANCIAL OFFICER



OLLIE MCKEON
EXECUTIVE MANAGER –
CORPORATE, STRATEGY &
INVESTOR RELATIONS



1H FY25 HIGHLIGHTS

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BUSINESS OVERVIEW

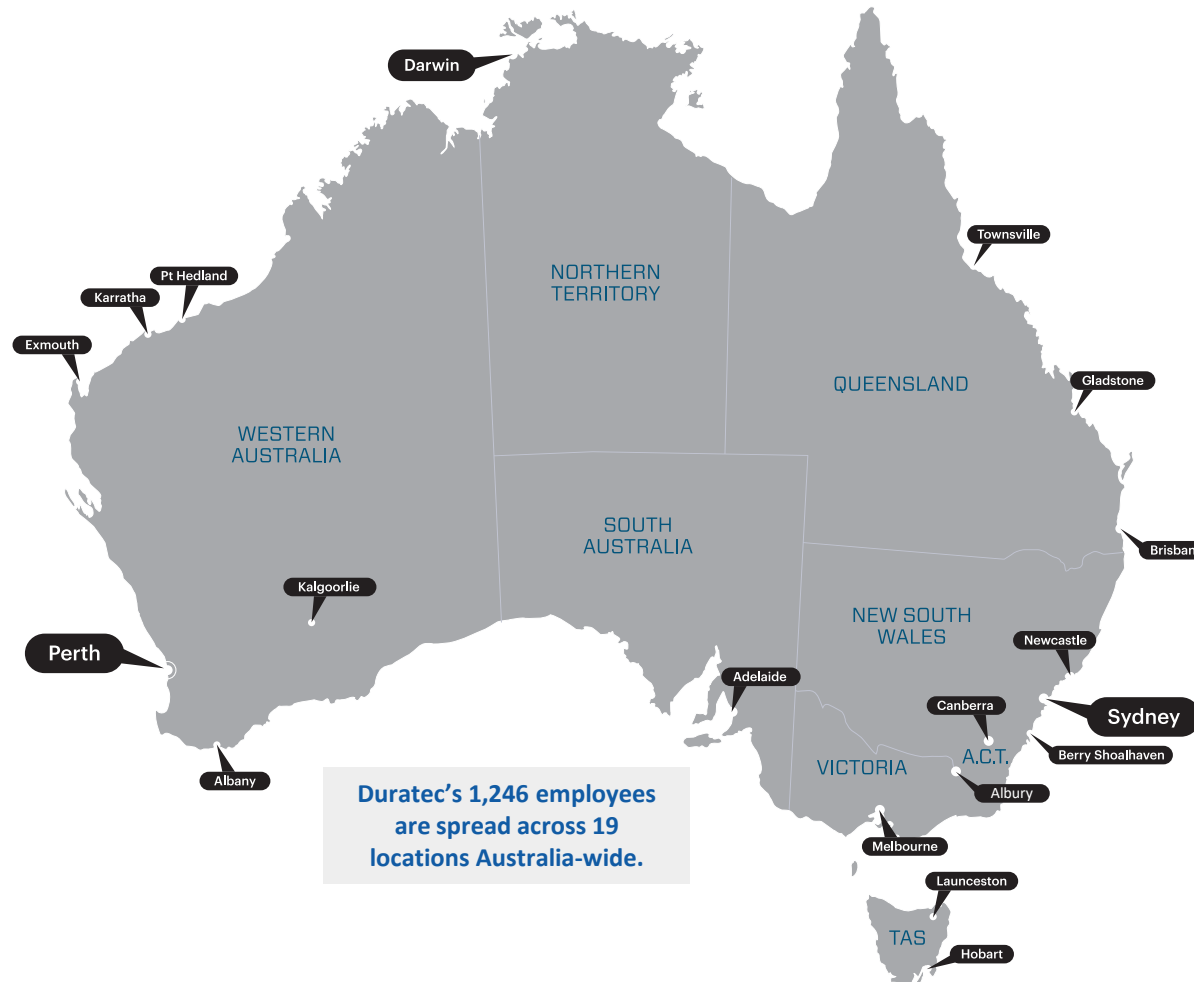
SPECIALIST TECHNICAL EXPERTISE IN UPGRADING AND EXTENDING THE LIFE AND USE OF INFRASTRUCTURE

KEY BUSINESS DRIVERS

- Aged infrastructure
- Asset capacity expansion
- Growing asset markets

KEY MARKET SECTORS

- Defence
- Building & Facade
- Mining & Industrial
- Energy
- Other – Marine, Transport and Water Infrastructure



WPF Duratec Pty Ltd (WPF)

(wholly owned subsidiary)

Leading Energy sector remediation and fabrication company based in Western Australia and the Northern Territory.

MEnD Consulting Pty Ltd

(wholly owned subsidiary)

Leading technical consultant with a focus on protection and rehabilitation of the built environment.

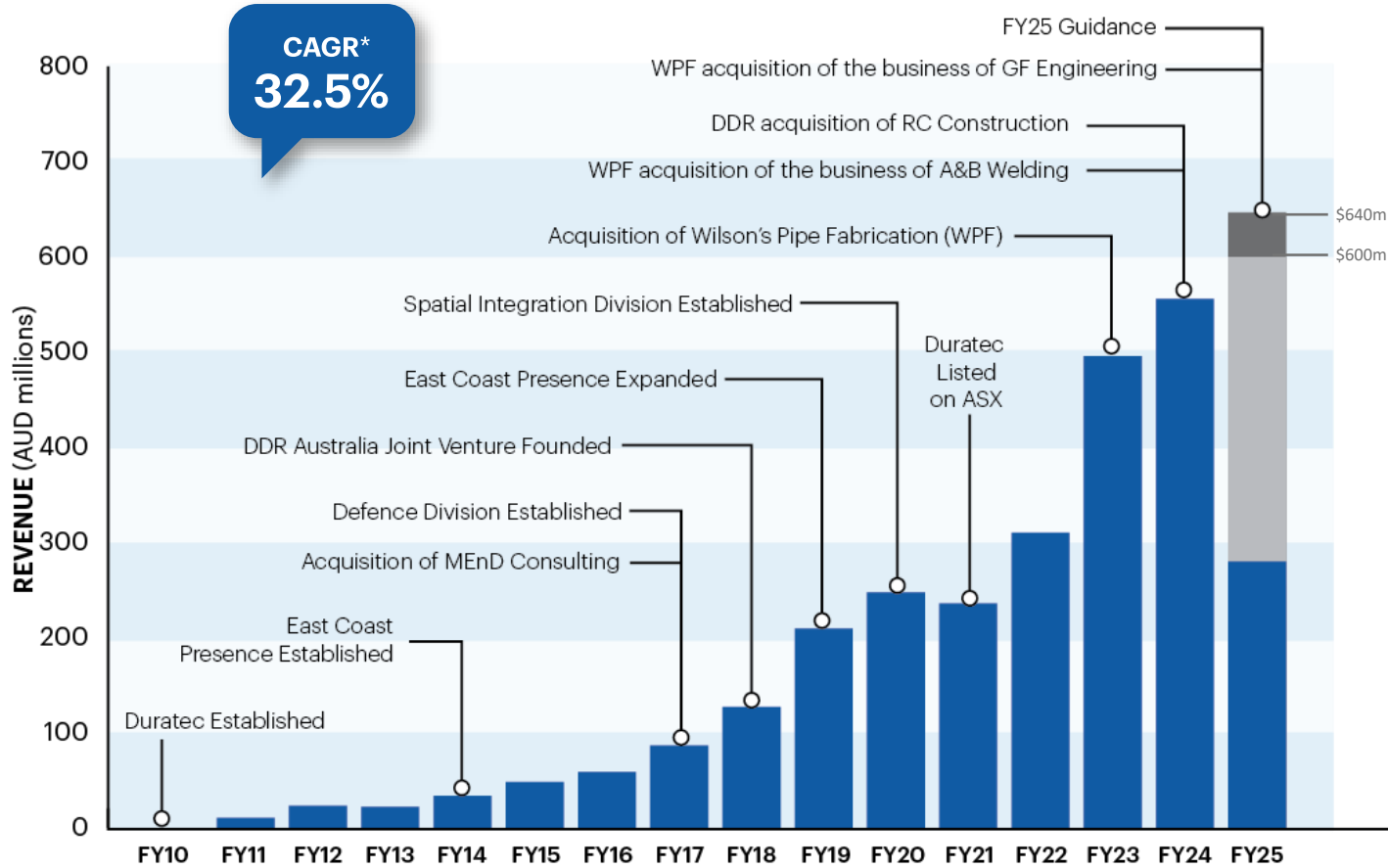
DDR Australia Pty Ltd

(associate investment)

Leading majority Aboriginal-owned contractor in Defence and Resources (IPP-funded opportunities).

BUSINESS HISTORY

GROWTH OVER 15 YEARS

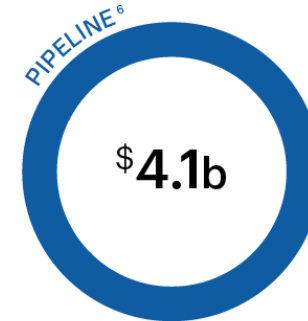
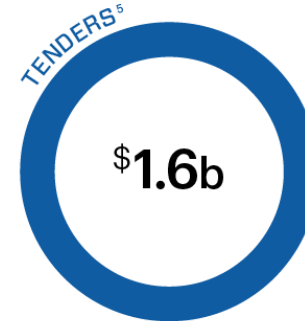
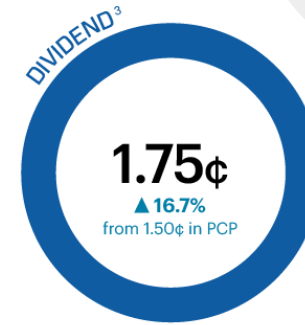
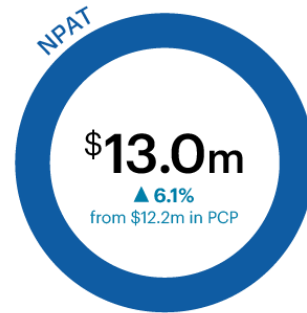
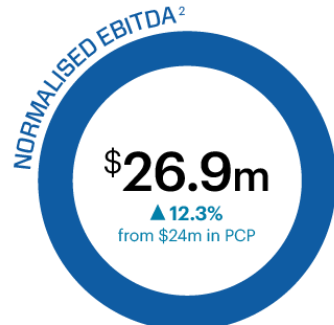
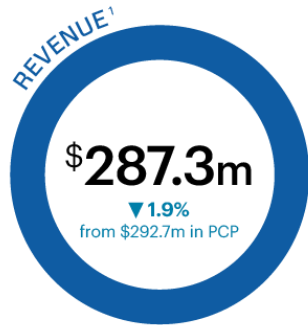


*Compound Annual Growth Rate over 15 Years



FINANCIAL HIGHLIGHTS

CONSISTENT GROWTH & PROFITABILITY



Note 1: Revenue excludes DDR Australia Pty Ltd (49% share)

Note 2: Normalisation of EBITDA accounts for tax effect from Duratec Limited's 49% investment in DDR Australia Pty Ltd and one-off relocation costs (Normalisation = +\$1.8m)

Note 3: Interim dividend of 1.75 cents per share, fully franked

Note 4: Basic earnings per share (cents)

Note 5: Tenders includes submitted and currently being tendered opportunities

Note 6: Figures include 49% share of DDR Australia Pty Ltd's Order Book, Tenders, and Pipeline

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FINANCIAL RESULTS

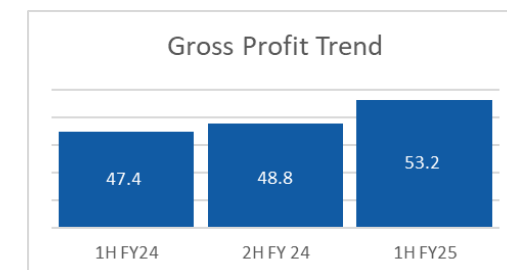
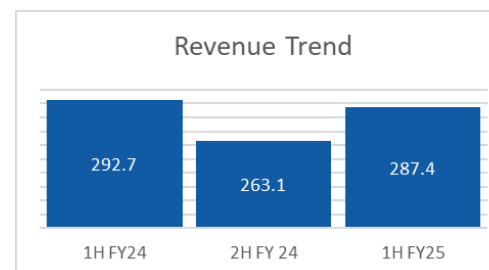
1H FY25 FINANCIAL RESULTS

- Revenue is slightly down from PCP by 1.9% but higher than the second half of FY24 by 9.2%. This result was driven by Defence and Mining & Industrial Sectors having lower revenue compared to PCP, which was offset with strong results from the Energy and Other sectors.
- Gross margins were higher at 18.5% compared to PCP, primarily due to the mix of work undertaken in the higher margin sectors and Early Contractor Involvement works.
- Overheads have increased compared to PCP due to establishing WPF Darwin and relocating to GF Engineering facilities, which increases capacity. There was also an increase in tendering activity during the period.
- Normalised EBITDA margins increased to 9.4% following higher gross margins and increased DDR profitability.
- Interim dividend of 1.75c per share providing balance between returns to shareholders and retaining funds for growth.
- Cash conversion increased compared to PCP to 84% for the period, showing operational efficiency and strong working capital management.

	Consolidated Entity		
	FY25 H1	FY24 H1	PCP Movement
	\$'000	\$'000	
Revenue	287,256	292,737	-1.9%
Gross Profit	53,285	47,382	12.5%
Reported EBITDA	25,137	23,741	5.9%
Normalised EBITDA	26,936	23,988	12.3%
NPAT	12,971	12,225	6.1%

Key Operating Metrics

Gross Margin %	18.5%	16.2%	14.6%
Normalised EBITDA %	9.4%	8.2%	14.4%
NPAT%	4.5%	4.2%	8.1%
Earnings per Share (basic) - cents	5.19	4.96	4.6%
Interim Dividend (per share fully franked) - cents	1.75	1.50	16.7%
Cash conversion	84%	60%	40.0%

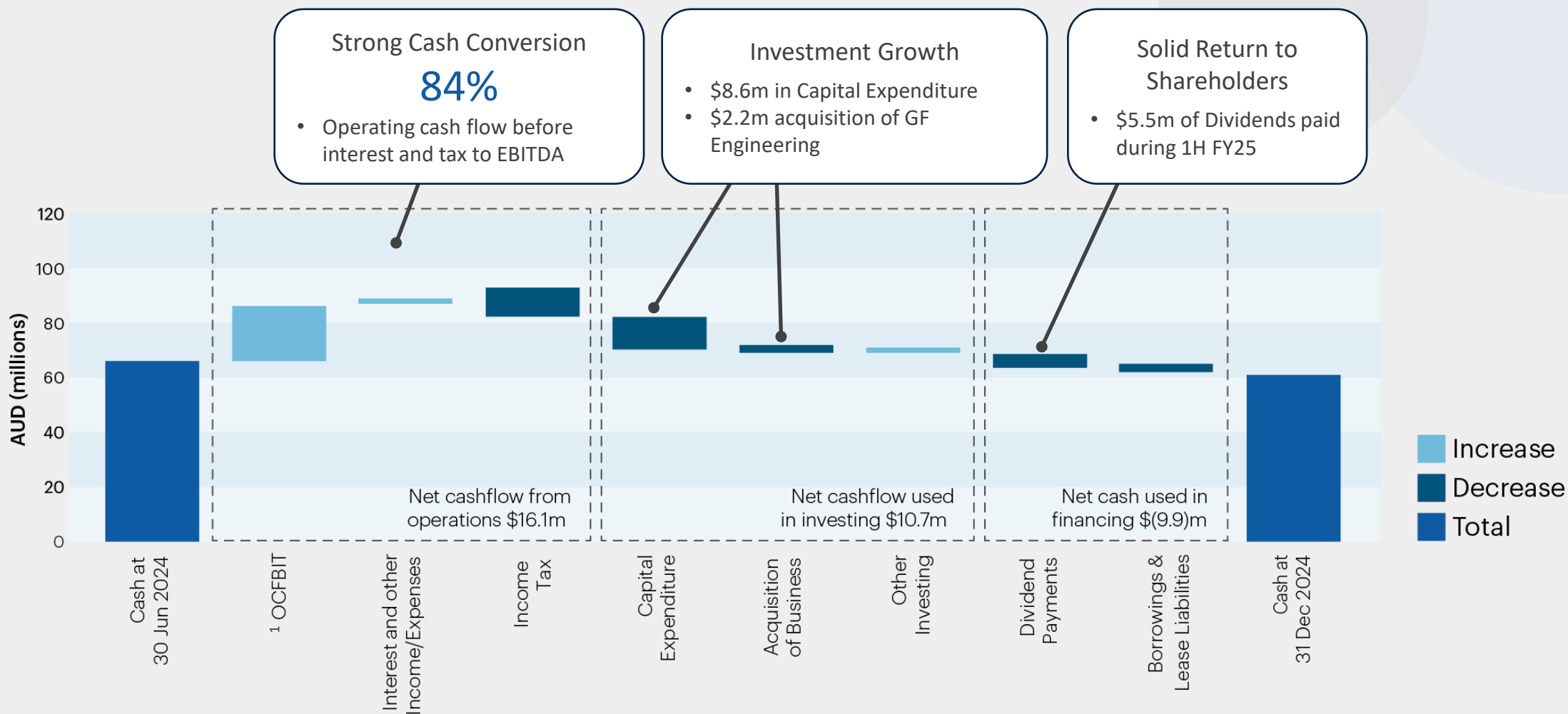


1H FY25 BALANCE SHEET SUMMARY

- Balance sheet continued to strengthen during 1H FY25, with Net Assets increasing by 14.1% to \$67.4m.
- Trade debtors continues to be well-managed, with the decrease in the half-year period signalling efficient collection of receivables during the period.
- Property, Plant & Equipment increased due to acquisition of assets from GF Engineering, additional equipment and vehicles to support future projects and investment in leasehold improvements to support the continued growth of the businesses in our new facilities.
- Borrowings decreased in the half-year, mainly due to repayments of asset financing for the plant, equipment and vehicles and a repayment of short-term cash advance facility that was outstanding as at 30 June 2024.

	Consolidated Entity	
	Dec-24	Jun-24
Financial Position as at 31 December 2024	\$'000	\$'000
ASSETS		
Cash and cash equivalents	60,792	65,218
Trade and other receivables	47,631	74,250
Contract assets	15,581	18,802
Property, plant and equipment	37,272	33,446
Intangible assets	13,691	13,868
Investments accounted for using the equity method	7,381	5,732
Deferred tax assets	4,676	4,769
Current income tax receivable	1,650	-
Other assets	12,948	9,313
Total Assets	201,622	225,398
LIABILITIES		
Trade and other payables	60,805	78,836
Borrowings	23,045	25,495
Contract liabilities	26,407	39,332
Provisions	13,417	13,059
Other liabilities	10,513	9,555
Total Liabilities	134,187	166,277
Net Assets	67,435	59,121

1H FY25 CASH FLOW



Note 1: Operating Cash Flow Before Interest and Tax (OCFBIT)

1H FY25 BANKING FACILITIES

- The Group had successful negotiations with various financiers during and after the end of the half-year period. As a result, the Group's banking facilities were increased by 69% from \$174m, as reported on 30 June 2024, to \$294.1m as at 31 January 2025.
- The increase shows that the Group continues to be well supported with debt providers, and ensures sufficient headroom exists to support future growth.

	Facility Limit				
	Jan-25	Jun-24	Increase		
	\$'000	\$'000	\$'000		
Bank Guarantee (MOF)	125,000	50,000	75,000	↑	150.0%
Cash Advance (MOF)	20,000	20,000	-	→	0.0%
Asset Finance facilities	43,000	33,000	10,000	↑	30.3%
Market Rate Loan Facility	5,600	5,600	-	→	0.0%
Credit Card Facility	500	400	100	↑	25.0%
Bond facilities	100,000	65,000	35,000	↑	53.8%
	294,100	174,000	120,100	↑	69.0%

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OPERATIONAL HIGHLIGHTS

SUSTAINABILITY

SAFETY & WELLBEING

- No Lost Time Injuries recorded
- Supervisor Leadership Program has continued to be facilitated across the business with over 100 Supervisors completing the program.
- Implementation of AI-driven ergonomic coaching app to set up the correct manual handling and reduce musculoskeletal injuries
- 808 training courses delivered in the first-half of FY25.

Period	FY22	FY23	FY24	1H FY25 ⁴
LTIFR ¹	0.98	0.00	0.00	0.00
TRIFR ²	7.81	7.39	2.74	5.34
AIFR ³	72.71	64.88	49.68	40.72
Hours Worked	2,048,952	2,435,345	2,918,464	2,996,237

Note 1: Lost Time Injury Frequency Rate
Note 2: Total Recordable Injury Frequency Rate
Note 3: All Injury Frequency Rate
Note 4: 12-month rolling total/figure (Jan-Dec 2024)

SUSTAINABILITY

DIVERSITY, COMMUNITY & ENVIRONMENT

- National Association of Women in Construction (NAWIC) corporate member
- Platinum sponsorship of Telethon Community Cinemas supporting multiple children's charities
- Ongoing sponsorship of local community initiatives
- A Board Sustainability Committee has been established to oversee the planning and implementation of our Sustainability approach, including management of Sustainability risks and opportunities
- Baseline quantification of Scope 1 and Scope 2 emissions for FY24 completed and will be used to prioritise improvement opportunities across the business

DEFENCE

PERFORMANCE AND OUTLOOK



1H FY25 PERFORMANCE

- Revenue \$97.5m at 12.1% gross margin
- National delivery model resulted in wins across multiple States and Territories, consolidating Duratec's position as a trusted delivery partner for Defence
- Duratec Ertech Joint Venture (DEJV) awarded ECI Head Contracts for the Planning Phase of two critical infrastructure projects at HMAS *Stirling*. Teams have mobilised and submitted the first round of Planning Phase deliverables (\$1.9m and \$8.1m respectively, planning phase values)
- Major project works progressed through the period with RAAF Base Tindal Fuel Facility in commissioning and handover phase and HMAS *Coonawarra* Harbour Works continuing through 2H FY25

OUTLOOK

- Subject to the successful completion of the ECI Planning Phases at HMAS *Stirling*, a Delivery Phase for both projects will follow in 1H FY26
- Growth in fuel infrastructure prospects anticipated through second half of FY25
- Significant increases in tendered works places Duratec in strong position for 2H FY25 and beyond



MINING & INDUSTRIAL

PERFORMANCE AND OUTLOOK



1H FY25 PERFORMANCE

- Revenue \$72.5m at 22.6% gross margin
- Award of \$44m structural integrity project under existing MSA with Rio Tinto
- Berth C&D project for BHP is progressing, including approved \$5m scope extension, with potential for further works extending Duratec's presence on site
- MSA work continued to grow in the gold sector

OUTLOOK

- Continue to secure projects with Rio Tinto, building on 14-year relationship
- Port/Wharf MSA with Roy Hill expanded to service the Mining and Rail sectors across Inland operations
- Implementation of our Mining strategy which involves the expansion of our presence in NT, QLD and NSW by securing positions on pre-approved engineering and remediation panels.
- Continue to diversify offering across existing client base



BUILDING & FACADE

PERFORMANCE AND OUTLOOK



1H FY25 PERFORMANCE

- Revenue \$55.2m at 18% gross margin
- Substantial progress on current projects demonstrates specialist service offering is valued by stakeholders:
 - Air Apartments Adelaide facade works – \$15.5m (ECI converted to main works contract)
 - Darwin State Square Art Gallery Precinct facade – \$11m (ECI converted to main works contract)
 - Market City Sydney facade remediation project – \$9.5m (ECI converted to main works contract)
- Other key projects completed in the period include the Adelaide Town Hall - Heritage façade restoration and the National Carillion, ACT - Heritage façade restoration.

OUTLOOK

- Continue to demonstrate that Duratec has the right blend of experience and expertise nationally to maintain key clients within this sector and gain repeat business
- Currently working on 2 ECI projects with the work anticipated to be valued at over \$50m and the value of the ECI planning phases being \$1.3m
- Outlook remains strong for asset owners choosing ECI type contracts



ENERGY

PERFORMANCE AND OUTLOOK



1H FY25 PERFORMANCE

- Revenue \$39.2m at 27.4% gross margin
- Successful ongoing expansion within the Energy Sector, including:
 - Award of \$21.8m KBSB Wharf Refurbishment, our first direct contract with Woodside
 - Onsite works at the Inpex Ichthys Facility in Darwin
- Continued success in delivery of critical fuel infrastructure projects with award of the Western Sydney Airport Hanger fuel line

OUTLOOK

- Continue to leverage cross-subsidiary synergies to rollout respective Duratec and WPF capabilities into existing client base
- Commence site delivery of KBSB Wharf Refurbishment for Woodside
- Implement Energy strategy with a focus on geographical expansion



OTHER

PERFORMANCE AND OUTLOOK (INCLUDES MARINE, TRANSPORT & WATER INFRASTRUCTURE)



1H FY25 PERFORMANCE

- Revenue \$23m at 19% gross margin
- AustRoads National Prequalification System (Road and Bridge) – McCoys Bridge Strengthening project on behalf of the Department of Transport and Planning in Victoria
- Increased volume of water infrastructure projects, particularly in NSW
- Continued to build capability to support water / wastewater

OUTLOOK

- Establishment of specialised Marine division
- Investment in water and wastewater infrastructure projects in QLD and NSW
- National marine strategy growth on eastern seaboard – deliver Williamstown Workshop Pier Repair on behalf of Parks Victoria
- New bridge accreditation opportunities direct to asset owner – provides access to further remedial bridge infrastructure works





1H FY25 PERFORMANCE

- Revenue of \$28.6m, up 91.8% on PCP, delivering a Gross Profit of \$7.8m (accounted for in the Energy and M&I sectors)
- Darwin workshop cemented itself into the Northern Territory with site-based works for Inpex at the Ichthys Plant
- Awarded the fabrication of Santos' Pipeline Diversion Project for DLNG, which will be split between the Naval Base and Darwin workshop facilities
- Offshore Decommissioning continued to grow within 1H FY25 with the Santos Harriet JV Decommissioning pre-works

OUTLOOK

- WPF continues to be a Santos contractor of choice and key partner in the decommissioning of assets on the North-West Shelf
- Completed acquisition of the business assets of GF Engineering Pty in Naval Base, WA, greatly increasing WPF's capacity
- GFE acquisition includes the novation of an existing MSA contract with Chevron Australia



A Duratec Limited Company

1H FY25 PERFORMANCE

- Relocation to new office and purpose-built laboratory facility in Perth has increased MEnD's capability to deliver for existing and new clients
- Introduction of cutting-edge 360-degree cameras and SLAM scanning technology, combined with 3D reality model processing to enable rapid deployment of Digital Defect Mapping solution, AnnoView, significantly enhancing the point of difference for MEnD and Duratec projects nationwide
- Awarded our first contract in the Bass Strait, where Duratec will support vital scoping studies for oil and gas decommissioning works

OUTLOOK

- Collaboration with a key client in the mining sector marks the beginning of a pilot project aimed at developing a virtual plant solution
- MEnD's capability continues to lead Duratec into ECI opportunities by offering a full range of services for the entirety of an asset's lifecycle, enhancing end-to-end asset management services
- Continue to work collaboratively with key clients across all sectors



1H FY25 PERFORMANCE

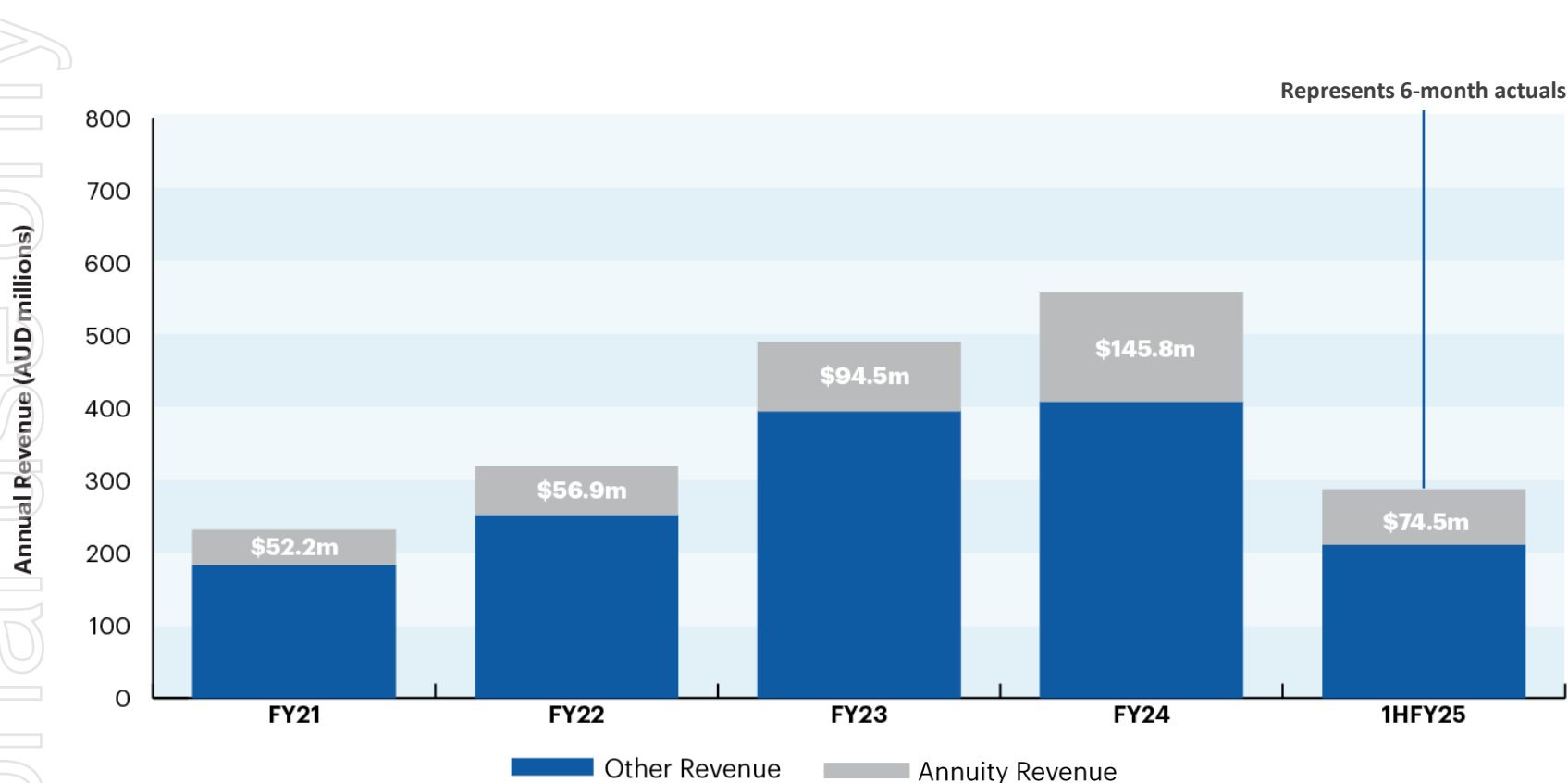
- DDR Australia Pty Ltd (DDR) is a joint venture equity accounted investment owned by Duratec (49%) and Hutcheson & Co Holdings Pty Ltd (51%)
- The DDR Group delivered Revenue of \$48.6m, up 105.1% on PCP
- Awarded 2 contracts forming part of the Project Phoenix portfolio of works for DoD, \$18m and \$54.7m – largest DDR contract to date
- RC Construction (RCC) acquisition has delivered both growth and diversification
- Heavy reliance on the DoD revenue has been mitigated through diversification into other sectors

OUTLOOK

- Delivery of Project Phoenix portfolio of works through FY26
- Strong pipeline of prospects in multiple sectors, ensures that opportunities are tracked selectively
- The acquisition of RCC has opened up a pipeline of prospects that will further diversify DDR's revenue and growth sectors
- Focussed effort to identify, train and retain Aboriginal staff, the acquisition of RCC was considered a way to create more opportunities for prospective employees

1H FY25 OPERATIONAL HIGHLIGHTS

MASTER SERVICES AGREEMENTS



- Revenue generated by Master Services Agreements (MSA) and annuity style projects remained stable, representing approximately 26% of the 1H FY25 Revenue.
- Annuity style projects remain a key focus of the Company.



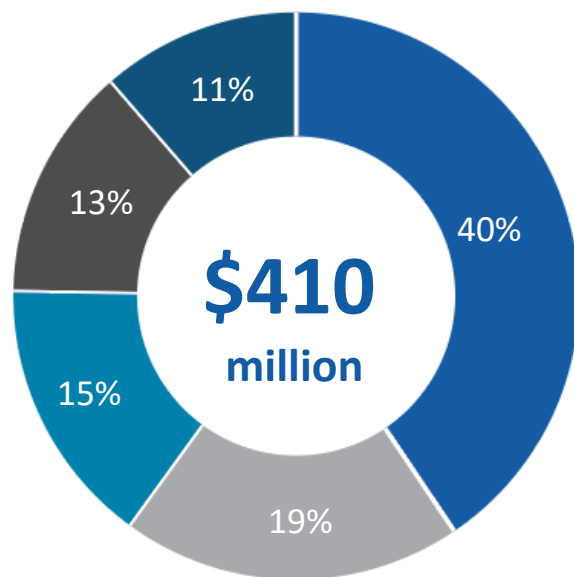
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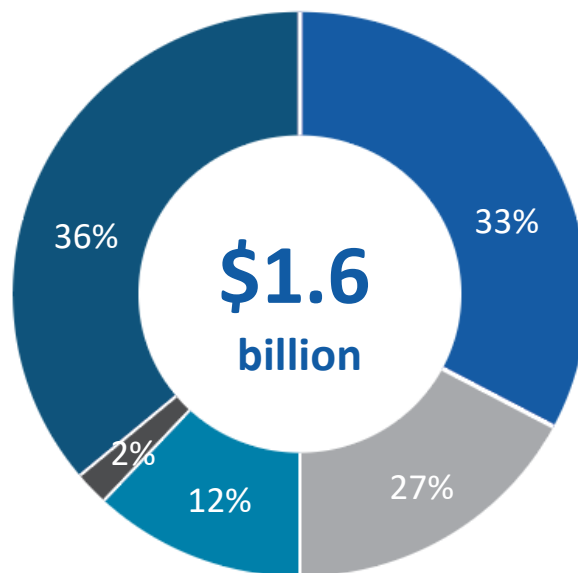
PIPELINE & OUTLOOK

ORDER BOOK, TENDER AND PIPELINE^{1,2}

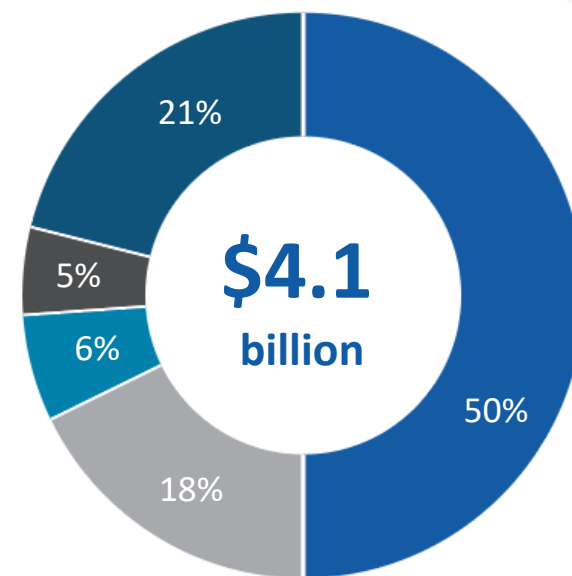
ORDER BOOK



TENDERS³



PIPELINE⁴



■ Defence ■ Building & Facade ■ Mining & Industrial ■ Energy ■ Other

Note 1: As of 31 January 2025

Note 2: Figures include 49% share of DDR Australia Pty Ltd's Order Book, Tenders, and Pipeline

Note 3: Tenders includes submitted and currently being tendered opportunities

Note 4: Pipeline represents tangible opportunities identified in the market by the Duratec group of companies, including Tenders.

OUTLOOK

SHORT TERM OUTLOOK

- Healthy order book demonstrates good win rates on the small to medium sized projects
- Strategies rolling out to further grow MSA works by diversifying offering to existing MSA clients includes cross-selling opportunities for WPF/ GF Engineering and Duratec
- Works on larger projects including Coonawarra, Berth C&D and WSA to continue in 2H FY25
- Subsidiary companies WPF and DDR have strong work on hand with a good number of live opportunities
- Forecast FY25 Revenue of \$600m to \$640m and EBITDA of \$52m to \$56m

MEDIUM TO LONG-TERM OUTLOOK

- Very strong tender outlook demonstrates robust pipeline of opportunities and confidence in future growth prospects
- Conversion of ECI planning phase projects at HMAS *Stirling* into delivery contracts
- Further ECI contract model take up from clients coupled with MEnD digitisation of assets and lab services
- \$8b in additional investment is planned in infrastructure in Western Australia to support Australia's transition to a nuclear-powered submarine fleet
- Strong tailwinds in Mining, Energy and Building Maintenance
- Increasingly strong outlook for Duratec throughout the Pacific region (Australian Government spend and energy maintenance spend)
- Funded for future growth and potential strategic acquisitions



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QUESTIONS

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QUESTION SESSION



CHRIS OATES
MANAGING DIRECTOR



ASHLEY MUIRHEAD
CHIEF FINANCIAL OFFICER



OLLIE MCKEON
EXECUTIVE MANAGER –
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APPENDIX

CORPORATE SNAPSHOT

Share Price and Volume – 1H FY25



Duratec Limited Board

Martin Brydon	Non-Executive Chairman
Chris Oates	Managing Director
Phil Harcourt	Non-Executive Director
Gavin Miller	Non-Executive Director
Dennis Wilkins	Company Secretary

Substantial Holders – 31 December 2024

Shareholder Name	Number of Shares	% Shares Outstanding
ERTECH HOLDINGS PTY LTD	47,348,514	19.01%
DENCORT PTY LTD <HARCOURT FAMILY A/C>	23,953,389	9.62%
MR CHRIS OATES + MRS PAMELA OATES <OATES FAMILY A/C>	23,953,389	9.62%
KENT COLONY VENTURES PTY LTD <DIPOSE RICHARDS FAMILY A/C>	23,908,522	9.60%

Capital Structure

ASX code	DUR
Shares on issue	252.0m
Share price as at 18 February 2025	\$1.740
Market capitalisation as at 18 February 2025	\$444.6m
Cash as at 31 December 2024	\$60.8m

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