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## DECMIL REINVIGORATES HOMEGROUND SALES PROCESS

- Decmil engages Colliers for the sale process of Homeground Gladstone
- The Company is enhancing its marketing of the asset in light of COVID-related travel restrictions significantly easing and improved major project activity in the region
- Straight sale or sale and leaseback to be canvassed
  - Both will provide cashflow advantages

Decmil Group Limited is pleased to announce that it has engaged international real estate firm Colliers to conduct a sales process of the Company's Homeground Gladstone Accommodation Village ("Homeground").

Homeground is a 1,400-bed accommodation village based in Gladstone, Queensland, and has been owned 100% by Decmil since 2012.

Homeground's revenue, and subsequently EBITDA, benefits greatly from major project activity in the Gladstone region. With the increased activity in major projects now clearly evident in the near future the Board has decided to reinvigorate the Homeground sales progress.

As part of the sales process, Decmil is offering to lease the village back for 20 plus years on a triple net lease with initial net income at \$6m per annum and 3% fixed reviews year on year. Decmil will continue to operate and maintain the camp to accommodate future projects in the catchment.

The sales process is expected to take several months.

Decmil Interim CEO Vin Vassallo said:

"In light of the positive economic and operational conditions, Decmil believes it is an optimal time to maximise the value from divesting a non-core asset and has therefore enhanced its efforts to sell Homeground with the appointment market leaders for alternative investments, Colliers.

"Importantly, as we outlined in our half-year FY22 results announcement, the asset itself is increasingly commercially attractive. It has been a net contributor to EBITDA over the past 10 years and is expected to return to strong profitability during FY22 and beyond. During periods of high energy prices, project activity tends to increase and Homeground occupancy is strong.

"Our offer to lease back Homeground from a buyer over a long-term period will capitalise on our extensive expertise and track record operating this unique asset while at the same time providing important cashflow to our business from its sale.

"Additionally, it will reinforce our long-term commitment to regional Queensland, where we are currently executing a number of civil projects and have a strong pipeline of potential work throughout the region. This strong outlook for major projects and the Gladstone region as a whole gives us confidence to provide attractive lease terms to an incoming owner"

# ASX Announcement

Queensland Director of Investment Services Tom O'Driscoll added:

"The market is experiencing for the first time in a long time a number of significant traditional market movers at once - interest rate rises, Federal Election changes, relaxation of COVID restrictions to name a few. What remains consistent is demand for long term annuity style investments with year-on-year growth backed by premium tenant covenants. We continue to manage high demand of existing and seed capital buyers both domestic and offshore aggressively seeking to acquire large land backed investments across all asset classes. Locations that capture significant emerging growth projections such as Central Queensland support the low-risk investment profile."

The sale of Homeground will be launched in the coming weeks via an International Expressions of Interest campaign closing 4<sup>th</sup> July 2022. The sale process will be managed by Colliers Managing Director of Capital Markets/Investment Services John Marasco, Head of Hotels Australia Gus Moors and Queensland Director Investment Services Tom O'Driscoll.

*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.

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