



1H FY25 FINANCIAL REPORT

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Corporate Directory

Registered Office & Principal Place of Business

108 Motivation Drive, Wangara
Western Australia 6065

Contact Details

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Internet: www.duratec.com.au

Directors

Martin Brydon	Non-Executive Director, Chairman
Chris Oates	Executive Director, Managing Director
Robert (Phil) Harcourt	Non-Executive Director
Gavin Miller	Non-Executive Director

Company Secretary

Dennis Wilkins

Share Registry

Computershare Investor Services Pty Limited
Level 17, 221 St Georges Terrace, Perth
Western Australia 6000

Share Trading Facilities

The Company's ordinary shares are listed on the Australian Securities Exchange (Code: DUR)
The Home exchange is Perth.

Auditor

RSM Australia Partners
Level 32, Exchange Tower, 2 The Esplanade, Perth
Western Australia 6000

Directors' Report

The Directors of Duratec Limited present their report, together with the consolidated financial statements of Duratec Limited ABN 94 141 614 075 ("the Company" or "Duratec") and the entities it controlled (together referred to as "the Group" or the "consolidated entity") at the end of, or during, the half-year ended 31 December 2024.

Directors and Company Secretary

Name / Position	Period of Directorship
Martin Brydon Non-Executive Chairman	Appointed 1 September 2020
Christopher Oates Executive Director, Managing Director	Appointed 24 November 2023
Robert (Phil) Harcourt Non-Executive Director	Appointed 24 November 2023
Gavin Miller Non-Executive Director	Appointed 14 April 2010
Krista Bates ¹ Non-Executive Director	Appointed 30 June 2023 Deceased 11 November 2024
Dennis Wilkins Company Secretary	Appointed 1 September 2020

¹ We regret to report that Krista Bates passed away on 11 November 2024, the same day she ceased serving as a director. Krista played an integral role in shaping the company's strategy and governance and her contributions were greatly valued by the Board and management. The board extends its heartfelt sympathies to her family.

Principal Activities

The principal activities of the consolidated entity during the period were the provision of assessment, protection, remediation and refurbishment services to a broad range of assets, in particular steel and concrete infrastructure. No significant change in the nature of these activities occurred during the period.

Review of operations

For the six months ended 31 December 2024, the consolidated entity generated revenues of \$287.3m, a decrease of 1.9% on the previous corresponding period. Profit after income tax for the six-month period was \$13.0m, an increase of 6.1% on the previous corresponding period.

	Dec-24	Dec-23
	\$'000	\$'000
Revenue from contracts with customers	287,256	292,737
Profit after income tax	12,971	12,225

Significant changes in state of affairs

There were no significant changes in the consolidated entity's state of affairs during the financial half-year other than that referred to in the financial statements of notes thereto.

Rounding of amounts

The Company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Directors' report.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors,



Chris Oates

Managing Director

19 February 2025

RSM Australia Partners

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GPO Box R1253 Perth WA 6844

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Duratec Limited for the half-year ended 31 December 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

A handwritten signature of 'RSM' in black ink.

RSM AUSTRALIA

A handwritten signature in black ink, appearing to read 'Tutu Phong'.

TUTU PHONG
Partner

Perth, WA
Dated: 19 February 2025

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Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2024

	Note	Consolidated Entity	
		Dec-24	Dec-23
		\$'000	\$'000
Continuing Operations			
Revenue from contracts with customers	3	287,256	292,737
Contracting cost of sales	4	(233,971)	(245,355)
		53,285	47,382
Other income	3	2,212	1,324
Employee benefits expense	4	(25,310)	(19,294)
Administration expense		(4,968)	(5,209)
Occupancy expense		(1,730)	(1,038)
Depreciation and amortisation expense		(7,884)	(6,873)
Finance costs	4	(1,260)	(941)
Equity accounted investment results	5	1,648	576
Profit before income tax expense		15,993	15,927
Income tax expense		(3,022)	(3,702)
Profit after income tax for the half-year		12,971	12,225
Total comprehensive income for the half-year		12,971	12,225
Profit for the half-year is attributable to:			
Owners of Duratec Limited		12,971	12,225
Profit for the half-year		12,971	12,225
Total comprehensive income for the half-year, net of tax		12,971	12,225
Earnings per share attributable to the owners of Duratec Limited:			
		cents	cents
Basic earnings per share (cents)	19	5.19	4.96
Diluted earnings per share (cents)	19	5.03	4.74

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	Consolidated Entity	
		Dec-24	Jun-24
		\$'000	\$'000
ASSETS			
Current Assets			
Cash and cash equivalents	7	60,792	65,218
Trade and other receivables		47,286	74,016
Contract assets		15,581	18,802
Inventories		1,487	1,017
Current tax receivable		1,650	-
Other current assets		3,564	2,253
Total Current Assets		130,360	161,306
Non-Current Assets			
Trade and other receivables		345	234
Property, plant and equipment	8	37,272	33,446
Right-of-use assets	9	7,523	5,723
Intangible assets	10	13,691	13,868
Investments accounted for using the equity method		7,381	5,732
Other non-current assets		374	320
Deferred tax assets		4,676	4,769
Total Non-Current Assets		71,262	64,092
Total Assets		201,622	225,398
LIABILITIES			
Current Liabilities			
Trade and other payables		59,547	75,475
Borrowings	11	10,177	11,844
Property lease liabilities	12	2,373	2,509
Contract liabilities		26,407	39,332
Current tax liability		-	231
Provisions		11,228	11,255
Total Current Liabilities		109,732	140,646
Non-Current Liabilities			
Trade and other payables		1,258	3,361
Borrowings	11	12,868	13,651
Property lease liabilities	12	5,466	3,558
Deferred tax liabilities		2,674	3,257
Provisions		2,189	1,804
Total Non-Current Liabilities		24,455	25,631
Total Liabilities		134,187	166,277
Net Assets		67,435	59,121
EQUITY			
Issued capital	13	31,172	29,858
Reserves	14	2,230	1,993
Retained earnings		34,033	27,270
Total Equity		67,435	59,121

The above statement of financial position should be read in conjunction with the accompanying notes 6

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2024

Consolidated Entity		Issued Capital	Retained Earnings	Reserves	Total Equity
	Note	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023		26,899	16,980	2,184	46,063
Profit after income tax expense for the half-year		-	12,225	-	12,225
Other comprehensive income for the half-year, net of tax		-	-	-	-
Total comprehensive income for the half-year		-	12,225	-	12,225
Transactions With Owners					
Share-based payments		-	-	605	605
Issue of ordinary shares		1,769	-	(1,769)	-
Dividend Reinvestment Plan		738	-	-	738
Dividends paid	15	-	(7,420)	-	(7,420)
Balance at 31 December 2023		29,406	21,785	1,020	52,211
Balance at 1 July 2024		29,858	27,270	1,993	59,121
Profit after income tax expense for the half-year		-	12,971	-	12,971
Other comprehensive income for the half-year, net of tax		-	-	-	-
Total comprehensive income for the half-year		-	12,971	-	12,971
Transactions With Owners					
Share-based payments		-	-	886	886
Transfer from share-based payments reserve		649	-	(649)	-
Dividend Reinvestment Plan		665	-	-	665
Dividends paid	15	-	(6,208)	-	(6,208)
Balance at 31 December 2024		31,172	34,033	2,230	67,435

The above statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2024

	Note	Consolidated Entity	
		Dec-24	Dec-23
		\$'000	\$'000
Cash flows from operating activities			
Receipts from customers		336,814	323,216
Payments to suppliers and employees		(315,705)	(309,050)
Income tax paid		(5,394)	(6,719)
Interest and finance costs paid		(1,260)	(707)
Interest received		933	767
Other income received		741	-
Net cashflows from operating activities	18	16,129	7,507
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		155	182
Purchase of property, plant and equipment		(8,638)	(10,033)
Payment for business combination, net of cash acquired		(2,200)	(8,538)
Net cashflows used in investing activities		(10,683)	(18,389)
Cash flows from financing activities			
Dividend paid	15	(5,544)	(6,682)
Proceeds from borrowings		9,808	15,849
Repayment of borrowings		(12,258)	(4,055)
Repayment lease liabilities		(1,878)	(1,878)
Net cashflows (used in)/ from financing activities		(9,872)	3,234
Net decrease in cash and cash equivalents		(4,426)	(7,648)
Cash and cash equivalents at beginning of period		65,218	66,187
Cash and cash equivalents at the end of the financial half-year	7	60,792	58,539

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. Material accounting policy information

(a) Basis of preparation

Duratec Limited is a for-profit company limited by shares, incorporated and domiciled in Australia. The Company's registered address is 108 Motivation Drive, Wangara, WA 6065. The consolidated financial statements of the Company as at and for the financial half-year ended 31 December 2024 comprises the Company and its subsidiaries (together referred to as the "Group" or the "consolidated entity"). The Group provides assessment, protection, remediation and refurbishment services to a broad range of assets, in particular steel and concrete infrastructure.

The consolidated financial report is presented in Australian dollars, which is Duratec Limited's functional and presentation currency. All values are rounded to the nearest thousand, except when otherwise indicated, under the option available to the Company under ASIC Corporations (Rounding in Financial/Director's Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

These general purpose financial statements for the interim half-year reporting period ended 31 December 2024 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2024 and any public announcements made by the Company during the interim reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New or amended Accounting Standards and interpretations adopted by the Group

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Inter-company transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group.

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control. This is generally the case where the Group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iv) below), after initially being recognised at cost.

(iii) Joint arrangements

A joint arrangement (that is either classified as a joint operation or a joint venture, depending on the rights and obligations of the jointly controlling parties to the arrangement) is one in which the Group is party to an arrangement of which two or more parties have control. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Duratec Limited is party to a joint operation.

Joint operations

Duratec Limited recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

(iv) Equity accounting method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

Note 2. Segment reporting

The Group is organised into four operating segments based on difference in services provided Defence, Mining & Industrial, Buildings & Façades and Energy. Other segments relate to Ports, Transport, Marine and Water. These operating segments are based on the internal reports that are reviewed and used by the Managing Director (who is identified as the Chief Operating Decision Maker, 'CODM') in assessing performance and in determining the allocation of resources.

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation). The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements. Balance sheet data is not currently tracked or provided to the CODM at operating segment level therefore the breakdown is not disclosed.

All revenue is currently derived in Australia and there is no single major customer for the year.

The principal services of each of the operating segments are as follows:

Defence - dedicated to the delivery of capital facilities, infrastructure and estate works program projects

Mining & Industrial - provision of tailored preventative maintenance programmes

Buildings & Façades - completion of façade condition assessments and façade restorations

Energy - non-defence capital facilities, remediation and refurbishment of critical assets

Consolidated - December 2024	Defence	Mining & Industrial	Buildings & Façades	Energy	Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	97,476	72,455	55,180	39,153	22,992	287,256
Total revenue	97,476	72,455	55,180	39,153	22,992	287,256
Gross profit for reportable segments	11,836	16,400	9,940	10,728	4,381	53,285
Unallocated amounts (including corporate overheads)						(28,148)
EBITDA						25,137
Depreciation and amortisation						(7,884)
Finance costs						(1,260)
Profit before income tax expense						15,993
Income tax expense						(3,022)
Profit after income tax expense						12,971

Consolidated - December 2023	Defence	Mining & Industrial	Buildings & Façades	Energy	Other Segments	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	124,151	84,044	52,871	23,250	8,421	292,737
Total revenue	124,151	84,044	52,871	23,250	8,421	292,737
Gross profit for reportable segments	13,377	18,389	6,581	8,126	909	47,382
Unallocated amounts (including corporate overheads)						(23,641)
EBITDA						23,741
Depreciation and amortisation						(6,873)
Finance costs						(941)
Profit before income tax expense						15,927
Income tax expense						(3,702)
Profit after income tax expense						12,225

Note 3. Revenue

The Group derives revenue from the transfer of good and services over time in the following major geographical regions.

	Dec-24	Dec-23
	\$'000	\$'000
Revenues from contracts with customers	287,256	292,737
Disaggregation of revenue from contracts with customers by location		
Western Australia	117,884	123,663
New South Wales	39,824	45,530
Victoria	12,668	11,772
Northern Territory	60,228	59,107
South Australia	17,098	11,164
Queensland	16,973	16,085
Tasmania	4,588	1,410
Australian Capital Territory	17,993	24,006
	287,256	292,737

Other income	Dec-24	Dec-23
	\$'000	\$'000
Rental income	173	141
Interest received	933	767
Insurance recoveries	741	-
Sundry income	592	253
Foreign exchange (loss)/ gain	(19)	33
(Loss)/ gain on disposal of plant and equipment	(208)	130
	2,212	1,324

Note 4. Expenses

Profit before income tax from continuing operations includes the following specific expenses:

	Dec-24	Dec-23
	\$'000	\$'000
Expenses		
Cost of sales	233,971	245,355
Interest expense for financial liabilities not at fair value through profit or loss		
External - Interest on loans and borrowings	929	750
Interest on lease liabilities	331	191
Total finance costs	1,260	941
Employee Expenses		
Salaries & wages	23,850	18,138
Share based payments (refer Note 20)	814	573
Other	646	583
	25,310	19,294

The above Cost of sales and Employee expenses include superannuation contribution expenses of \$7,499,000 (2023: \$6,286,000.)

Note 5. Equity accounted investment results

	Dec-24	Dec-23
	\$'000	\$'000
Equity accounted investment results - associate - DDR Australia Pty Ltd	1,648	576
	1,648	576

Note 6. Business combination

On 16 September 2024, WPF Duratec Pty Ltd (a wholly owned subsidiary of Duratec Limited) entered a Business Purchase Agreement to acquire the business of GF Engineering Pty Ltd for a total consideration of \$2,200,000. GF Engineering Pty Ltd provides a comprehensive range of specialist pipe fabrication services to the energy and mining markets within Western Australia. The acquisition was completed on 16 September 2024, with the transaction accounted for as a business combination on that date in accordance with AASB 3.

It is impracticable to disclose the revenue and profit or loss of the acquired business since the acquisition date as the acquired operations were integrated into the existing business of WPF Duratec Pty Ltd, which has resulted in the inability to separately identify and measure the financial performance of the acquired business.

The values identified in relation to this acquisition are provisional as at 31 December 2024.

The following summarises the recognised fair value amounts of assets acquired and liabilities assumed as at 16 September 2024.

	16 Sept 2024
	\$'000
Inventory	356
Property, plant and equipment	1,432
Customer relationships	200
Net assets acquired	1,988

Goodwill arising from the acquisition has been recognised as follows:

	16 Sept 2024
	\$'000
Total consideration transferred	2,200
Fair value of identifiable assets	(1,988)
Goodwill	212

Note 7. Cash and cash equivalents

	Dec-24	Jun-24
	\$'000	\$'000
Cash at bank and on hand	55,792	60,218
Short-term deposits	5,000	5,000
Total cash and cash equivalents	60,792	65,218

Note 8. Plant and equipment

	Dec-24	Jun-24
	\$'000	\$'000
Land and buildings		
At cost	2,914	2,914
Accumulated depreciation	(70)	(57)
	2,844	2,857
Plant and machinery		
At cost	29,434	26,456
Accumulated depreciation	(13,936)	(11,543)
	15,498	14,913
Motor vehicles		
At cost	23,497	21,464
Accumulated depreciation	(11,757)	(9,872)
	11,740	11,592
Office and computer equipment		
At cost	6,875	6,393
Accumulated depreciation	(4,389)	(4,004)
	2,486	2,389
Leasehold improvements		
At cost	4,014	2,971
Accumulated depreciation	(2,210)	(1,924)
	1,804	1,047
Capital work in progress		
At cost	2,900	648
Total plant and equipment	37,272	33,446

Reconciliation of written down values at the beginning and end of the current financial period are set out below:

	Land and Buildings	Plant and Machinery	Motor Vehicles	Office and IT Equipment	Leasehold Improvements	Capital WIP	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Consolidated							
At 30 June 2024							
At cost	2,914	26,456	21,464	6,393	2,971	648	60,846
Accumulated depreciation	(57)	(11,543)	(9,872)	(4,004)	(1,924)	-	(27,400)
	2,857	14,913	11,592	2,389	1,047	648	33,446
Balance at 1 July 2024	2,857	14,913	11,592	2,389	1,047	648	33,446
Additions	-	2,718	1,894	731	1,043	2,252	8,638
Acquired through business combinations (note 6)	-	1,018	342	72	-	-	1,432
Disposals	-	(774)	(23)	(2)	-	-	(799)
Depreciation	(13)	(2,377)	(2,065)	(704)	(286)	-	(5,445)
Balance at 31 December 2024	2,844	15,498	11,740	2,486	1,804	2,900	37,272
At 31 December 2024							
At cost	2,914	29,434	23,497	6,875	4,014	2,900	69,634
Accumulated depreciation	(70)	(13,936)	(11,757)	(4,389)	(2,210)	-	(32,362)
	2,844	15,498	11,740	2,486	1,804	2,900	37,272

Note 9. Right-of-use assets

	Dec-24	Jun-24
	\$'000	\$'000
Land and buildings		
Right-of-use	10,471	11,485
Accumulated depreciation	(2,948)	(5,762)
	7,523	5,723

Reconciliation of written down values at the beginning and end of the current financial period are set out below:

	Cost	Accumulated Depreciation	Carrying Value
Balance at 1 July 2024	11,485	(5,762)	5,723
Additions during the half-year	4,341	-	4,341
Leases expired during the half-year	(5,355)	4,664	(691)
Depreciation expense	-	(1,850)	(1,850)
Balance at 31 December 2024	10,471	(2,948)	7,523

Note 10. Intangible assets

	Dec-24	Jun-24
	\$'000	\$'000
Goodwill	4,664	4,452
Less: Impairment	-	-
	4,664	4,452
Customer relationships	11,471	11,271
Less: Accumulated amortisation	(2,444)	(1,855)
	9,027	9,416
Total intangibles	13,691	13,868

Reconciliations of the written down values at the beginning and end of the current financial period are set out below:

	Goodwill	Customer Relationships	Total
	\$'000	\$'000	\$'000
Balance at 1 July 2024	4,452	9,416	13,868
Additions through business combinations (note 6)	212	200	412
Amortisation expense	-	(589)	(589)
Balance at 31 December 2024	4,664	9,027	13,691

Note 11. Borrowings

	Dec-24	Jun-24
	\$'000	\$'000
Equipment finance	6,810	11,844
Insurance premium funding ¹	3,367	-
Total current borrowings	10,177	11,844
Non-current		
Equipment finance	12,868	13,651
Total non-current borrowings	12,868	13,651
Total borrowings	23,045	25,495

¹In August 2024 the Group entered into an insurance premium funding agreement with Attest Finance Pty Ltd for a total of \$6.6m.

Assets pledged as security

The equipment finance borrowings are secured by first mortgages over the Group's items of plant and equipment to which they relate.

Note 12. Property lease liabilities

	Dec-24	Jun-24
	\$'000	\$'000
Current		
Lease liabilities - Property	2,373	2,509
Total current property lease liabilities	2,373	2,509
Non-current		
Lease liabilities - Property	5,466	3,558
Total non-current property lease liabilities	5,466	3,558
Total property lease liabilities	7,839	6,067

Note 13. Issued capital

	Dec-24	Jun-24	Dec-24	Jun-24
	Shares	Shares	\$'000	\$'000
Ordinary shares - fully paid	252,041,613	248,372,718	31,172	29,858

Movement in ordinary share capital:

Details	Date	Shares	Cumulative Shares	Issue price (\$)	\$'000
Balance	1 Jul 2024	248,372,718	248,372,718		29,858
Dividend Reinvestment Plan	9 Oct 2024	498,895	248,871,613	1.33	665
Conversion of Performance Rights	22 Oct 2024	3,170,000	252,041,613	0.21	649
Balance	31 Dec 2024	252,041,613	252,041,613		31,172

Note 14. Reserves

	Dec-24	Jun-24
	\$'000	\$'000
Acquisition Reserve		
Balance at the beginning of the financial period	(231)	(231)
Balance at end of the financial period	(231)	(231)
Share-Based Payment Reserve		
Balance at the beginning of the financial period	2,224	2,415
Share-based payments	886	1,579
Transfer from share-based payments reserve	(649)	(1,770)
Balance at end of the financial period	2,461	2,224
Total Reserves	2,230	1,993

Note 15. Dividends

Dividends paid during the financial half-year were as follows:

	Dec-24	Dec-23
	\$'000	\$'000
Other dividends (cash)	5,543	6,682
Dividend Reinvestment Plan	665	738
Declared fully franked ordinary dividends franked at 30% (2023: 30%)	6,208	7,420

Note 16. Contingent liabilities

The Company uses both Bank Guarantee and Insurance Bond facilities to guarantee contract completion obligations and maintain period liabilities in respect of contracts undertaken. These guarantees and insurance bonds can be activated only in the event of a failure by the Company to meet its obligations under the contract.

	Dec-24	Jun-24
	\$'000	\$'000
Bonds & Guarantees on issue	89,970	86,911

Note 17. Events after the reporting period

On 28 January 2025, the Group executed a variation deed amending the Facility Agreement with the Commonwealth Bank of Australia (CBA). This amendment provided the Group with access to additional facilities as follows:

- Multi-option Facility: Increased by \$75 million to a total of \$145 million.
- Corporate Credit Card Facility: Increased by \$0.1 million to a total of \$0.5 million.
- Asset Finance Facility: Increased by \$10 million to a total of \$34 million.

On 29 January 2025, the Group finalised a new terms sheet with AssetInsure Pty Ltd, replacing the previous agreement for the performance bond facility. This update increased the facility by \$20 million, bringing the total to \$50 million.

No other matter or circumstance has arisen since 31 December 2024 that has significantly affected, or may significantly affect the Group's operations, the result of those operations, or the Group's state of affairs in future financial years.

Note 18. Reconciliation of profit after income tax to net cash from operating activities

	Dec-24	Dec-23
	\$'000	\$'000
Profit after income tax expense for the half-year	12,971	12,225
Adjustments for:		
Depreciation, amortisation	7,884	6,873
Share of profits of associates and joint ventures	(1,648)	(576)
Loss/(gain) on sale of fixed assets	644	(130)
Share-based payment expense	814	573
Change in operating assets and liabilities:		
Decrease in trade and other receivables	26,619	19,579
Decrease/(increase) in contract assets	3,221	(13,461)
Increase in inventories	(113)	(238)
Increase in other assets	(1,365)	(1,933)
Decrease in trade and other payables	(17,960)	(4,135)
Decrease in contract liabilities	(12,924)	(7,090)
Increase/(decrease) in provisions	358	(1,163)
Decrease in tax balances	(2,372)	(3,017)
Net cash from operating activities	16,129	7,507

Note 19. Earnings per share

	Dec-24	Dec-23
	\$'000	\$'000
Earnings used to calculate basic EPS (\$'000)	12,971	12,225
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS (number of shares)	249,803,741	246,609,527
Basic earnings per share (cents per share)	5.19	4.96
Earnings used to calculate diluted EPS (\$'000)	12,971	12,225
Weighted average number of ordinary shares outstanding during the period used in calculating diluted EPS (number of shares)	257,638,741	257,839,527
Diluted earnings per share (cents per share)	5.03	4.74

Note 20. Share-based payments

As at 31 December 2024, the Company had the following share-based payment arrangements:

Hurdled Performance Rights

On the dates noted below offers of rights were made to senior executives and key managers, as determined by the Board of Directors:

- 24 November 2020, an offer of 3,710,000 Rights
- 26 November 2021, an offer of 3,995,000 Rights
- 19 August 2022, an offer of 4,910,000 Rights
- 27 January 2023, an offer of 340,000 Rights
- 12 June 2023, an offer of 290,000 Rights
- 1 December 2023, an offer of 3,310,000 Rights
- 17 May 2024, an offer of 25,000 Rights

Number of Rights granted	Vesting Date	Lapsed	Vested	Balance	Vesting Hurdles
1,997,500	6 Sep 2024	412,500	1,585,000	- ₁	₁ Continued employment to vesting date & meeting an earnings per share (EPS) target
2,455,000	5 Sep 2025	450,000	-	2,005,000 ₁	
170,000	31 Aug 2025	20,000	-	150,000 ₁	
145,000	31 Aug 2025	-	-	145,000 ₁	
1,655,000	31 Aug 2026	50,000	-	1,605,000 ₁	
12,500	31 Aug 2026	-	-	12,500 ₁	
1,997,500	6 Sep 2024	412,500	1,585,000	- ₂	₂ Continued employment to vesting date & meeting a total shareholder return (TSR) target
2,455,000	5 Sep 2025	450,000	-	2,005,000 ₂	
170,000	31 Aug 2025	20,000	-	150,000 ₂	
145,000	31 Aug 2025	-	-	145,000 ₂	
1,655,000	31 Aug 2026	50,000	-	1,605,000 ₂	
12,500	31 Aug 2026	-	-	12,500 ₂	
12,870,000		1,865,000	3,170,000	7,835,000	

The cost of equity-settled transactions is measured at fair value on their respective grant dates. Where market vesting conditions apply, fair value has been determined using a Monte Carlo simulation model. The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to the profit or loss is calculated based on the grant date fair value, the best estimate of the number of awards that are likely to vest and any expired portion of the vesting period. The amount recognised in the profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Directors' Declaration

For the half-year ended 31 December 2024

In the Directors' opinion:

- a. the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- b. the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the financial half-year ended on that date; and
- c. there are reasonable grounds to believe the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors made pursuant to Section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "Chris Oates".

Chris Oates

Director

Perth

19 February 2025

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF DURATEC LIMITED

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Duratec Limited which comprises the statement of financial position as at 31 December 2024, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising material accounting policy information and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Duratec Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Duratec Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibility for the Half-Year Financial Report

The directors of Duratec Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

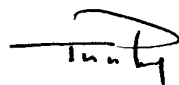
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Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2024 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

RSM
RSM AUSTRALIA

A handwritten signature in black ink, appearing to read "Tutu Phong".

TUTU PHONG
Partner

Perth, WA
Dated: 19 February 2025

