

## ASX Announcement

**24 February 2025**

### AVADA GROUP LIMITED H1 FY25 RESULTS

Leading traffic management operator, AVADA Group Limited (AVADA or the “Group”) (ASX: **AVD**) presents its half-year results for the period ended 31 December 2024.

#### Overview

- The Group’s total revenue was \$91m compared to \$101m from prior year (1H FY24) due to challenging operating conditions.
- Underlying EBITDA of \$6.2m excluding the impairment adjustment detailed below.
- While gross margins for the Group have remained relatively consistent, there was a statutory loss of \$9.6m.
- Ongoing operational consolidation continues to drive efficiencies throughout the Group.
- Donald Montgomery will commence as Chief Executive Officer on 7 April 2025.

As advised at AVADA’s most recent Annual General Meeting, the first half of FY25 has seen market conditions shift due to a number of continuing challenging factors.

Government funding reallocations to address cost-of-living pressures have delayed project commencements and maintenance work, impacting the Group’s revenue timelines. As a result, some projects have shifted to the second half of the financial year. This trend is not isolated to traffic management, impacting a wide range of industries.

Union activity continues to pose a challenge in winning tenders for Victorian infrastructure projects, with the Victorian State Government position in support of unionised labour, which has affected the competitive landscape for project bids.

The Group’s statutory loss of \$9.6m reflects two key factors: a gain of \$0.5m from reducing the estimated liability for future consideration payments related to the STA Traffic Management acquisition, and an impairment loss of \$9.7m, resulting from the write-down of the Group’s New Zealand operations, which have been negatively impacted by economic conditions. As the recession is expected to persist, the Group will be undertaking a strategic review of its operations and market positioning in New Zealand and expects to update the market by 30 June 2025.

As announced in June 2024, the Group has been focused on the consolidation of the independent trading operations into the single operating structure and brand, AVADA Traffic. The Group has consolidated 11 Australian businesses while rebranding the New Zealand operations under AVADA Traffic NZ. The Group’s commitment to operational excellence continues as it consolidates its processes and systems and streamlines operations, reduces costs, and improves service delivery across all regions.

#### Outlook

While revenue growth was subdued during the reporting period, AVADA remains optimistic about the future. The outlook for maintenance projects and civil services work remains strong, driven by the ongoing upkeep of essential infrastructure and government investment in new projects. Despite delays in government funding and shifting project priorities in the first half, strong growth opportunities remain for the second half. Early indicators from operational teams suggest positive momentum and an improvement in revenue performance. Preferred supplier arrangements are enabling the Group to collaborate with clients in allocating resources to support their project pipelines.

In Queensland, with a new government in place many projects have slowed as policies and priorities are reassessed. However, the Government’s suspension of the Best Practice Industry Conditions for new

government projects has increased confidence and provided greater flexibility with future projects across the State.

The New South Wales market presents strong prospects with several high-value rail and road infrastructure tenders emerging. The Group expects these infrastructure maintenance programs to be awarded in the second half of the financial year.

AVADA remains an industry leader, upholding best practices and high standards of public accountability in safety, governance, and reporting across its operations. The Group's governance framework guides the evaluation of acquisition and diversification opportunities, ensuring alignment with strategic priorities.

### **Leadership Transition**

Further to the announcement of 20 December 2024, AVADA is pleased to confirm that Donald Montgomery will commence as the new Chief Executive Officer on 7 April 2025. Donald brings a wealth of experience in the infrastructure services sector, and his leadership is a key element in driving AVADA into its next phase of growth.

Managing Director and Chief Executive Officer, Dan Crowley, is in the early stages of transitioning into a full-time business development role. This transition is part of the Group's strategic plan to leverage Dan's extensive industry experience and relationships to drive growth.

"While we have faced challenges in the first half of FY25, our ongoing improvements and strategic initiatives position the Group to capitalise on future infrastructure demand.

"With Donald joining us soon and our leading market position and growing pipeline of work, we remain resilient and optimistic as we move forward" Mr Crowley said.

This announcement is authorised for release by the Board of Directors of AVADA Group Limited.

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### **About AVADA Group Limited**

AVADA Group is a leading, independent, Australian traffic management operator and ancillary service provider with an established and extensive network throughout Queensland, New South Wales, Victoria, and New Zealand. AVADA Group provides services to government clients and major contractors in the civil infrastructure and maintenance sector.

Visit us at [avadagroup.com.au](http://avadagroup.com.au)

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