

ASX Announcement

28 February 2022

AVADA Group Limited FY22 Half-year results

AVADA Group Limited (ASX:AVD) ('AVADA', 'the Company' or 'the Group'), the recently listed provider of traffic management control services in Australia, released its FY22 statutory half-year results today together with an Investor Presentation which referred to a pro forma normalised half-year EBITDA of \$7.4m.

H1 FY22 Highlights:

- On 15 December 2021 the Company acquired five subsidiaries, being:
 - Verifact Traffic Pty Ltd, and its subsidiaries Customised Traffic Management No.2 Pty Ltd, Linemark Traffic Control Pty Ltd and Traffic Management People No. 2 Pty Ltd;
 - D&D Services (Australia) Pty Limited and its subsidiary D&D Traffic Management Pty Ltd;
 - Platinum Traffic Services Pty Ltd;
 - The Traffic Marshal Pty Ltd; and
 - A20 Pty Limited and its subsidiary Arid to Oasis Traffic Solutions Pty Ltd (collectively the "Group").
- AVADA Group Limited listed on the Australian Securities Exchange on 17 December 2021.
- Implementation of synergies and operational integration have been a key undertaking of management post acquisition.

The Company reported a statutory loss for the period after providing for income tax (net loss after tax or NPAT) of \$6.8m. The statutory loss includes \$7.1m of costs incurred by the Company in undertaking the acquisitions of the subsidiaries and listing on the Australian Securities Exchange on 17 December 2021 (including \$3.5m of share-based payments to advisors and key management personnel). The reported loss also reflects trading of the operating subsidiaries for the 15 day period from date of acquisition which included closures due to unseasonal rainfall events in some locations, Christmas public holidays and usual civil services sector shut-downs across this period.

Outlook

AVADA Group MD & CEO Dan Crowley commented: "The current level and pipeline for civil services work remains strong given the recurring maintenance requirements of essential infrastructure and government funding of new infrastructure projects, particularly in response to the COVID-19 pandemic. Significant weather events in November 2021 and December 2021 resulted in the deferral of some civil services work planned for these months. Certain project work has also been deferred in New South Wales from November and December as clients manage COVID protocols. This has provided a positive outlook for the second half of the financial year with strong demand expected from underlying activity, and as a result of the deferred work. Subject to any unforeseen issues we remain confident of achieving the FY22 financial results forecast in the Prospectus."

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

About AVADA Group Limited

AVADA is Australia's largest listed integrated traffic management provider, with established operations throughout Queensland and NSW, servicing major public and private sector clients.

With an extensive network of 26 Depots, more than 800 vehicles and 1,600 dedicated employees the Group is well positioned in the integrated traffic management and associated civil sectors.

Visit us at avadagroup.com.au

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