

ASX Announcement

20 May 2024

AVADA GROUP LIMITED FY24 trading update

Following an ongoing review of business performance and forecasts for FY24, AVADA Group Limited (the Group) provides updated FY24 guidance.

FY24 EBITDA Guidance

FY24 underlying EBITDA is now forecast to be between:

- \$14.5m and \$15.5m (excluding STA Traffic Management), compared to \$16.1m for FY23 and previously issued FY24 guidance⁽¹⁾ of \$20m to \$22m (excluding STA Traffic Management), and
- \$16.7m and \$17.7m (including STA Traffic Management).

The business has recently been impacted by a range of negative external factors including project cancellations and delays, union activity in the sector, and continued unstable weather.

Board will review any impairment implications in due course, taking into account trading conditions for the remainder of FY24 and into next financial year.

Board's current view is that a dividend is unlikely to be paid for FY24.

The following actions are underway to support improved operational performance.

Comprehensive Operational Review

A comprehensive review is underway building on current efficiency initiatives to re-balance the revenue and operational base to respond to current market conditions, whilst ensuring sufficient capacity to deliver on the Group's strategic growth objectives. The Group will provide a further update on its operational review in due course.

Structural Changes

CFO and Company Secretary, Paul Fitton is leaving the Group with immediate effect. A recruitment process to appoint a new CFO will commence shortly with Michael Wilkes, Group Manager of Finance, assuming the role of Interim CFO and appointed as Company Secretary.

CEO and Managing Director, Dan Crowley said, "I would like to thank Paul for his hard work and particularly for his contribution to the successful IPO of AVADA. We wish him well for his future endeavours."

The Group has also refined the operating team to enhance industry and client knowledge to deliver more effectively on key initiatives including tendering, client development, and workforce structure and management. Building relationships with existing customers and securing long-term partnerships with strategic clients remains a key focus for management.

Outlook

Short term market and business challenges persist, in keeping with broader industry trends, potentially resulting in increased performance volatility. However, the Group remains confident that underlying favourable demand fundamentals within the industry, will drive ongoing earnings growth in FY25. This strong growth expectation for FY25 is underpinned by the Group's visibility of a robust long-term pipeline of civil work projects.

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, New South Wales, Victoria and New Zealand servicing major public and private sector clients.

With an extensive network of more than 30 depots, 950 vehicles and 2,000 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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