

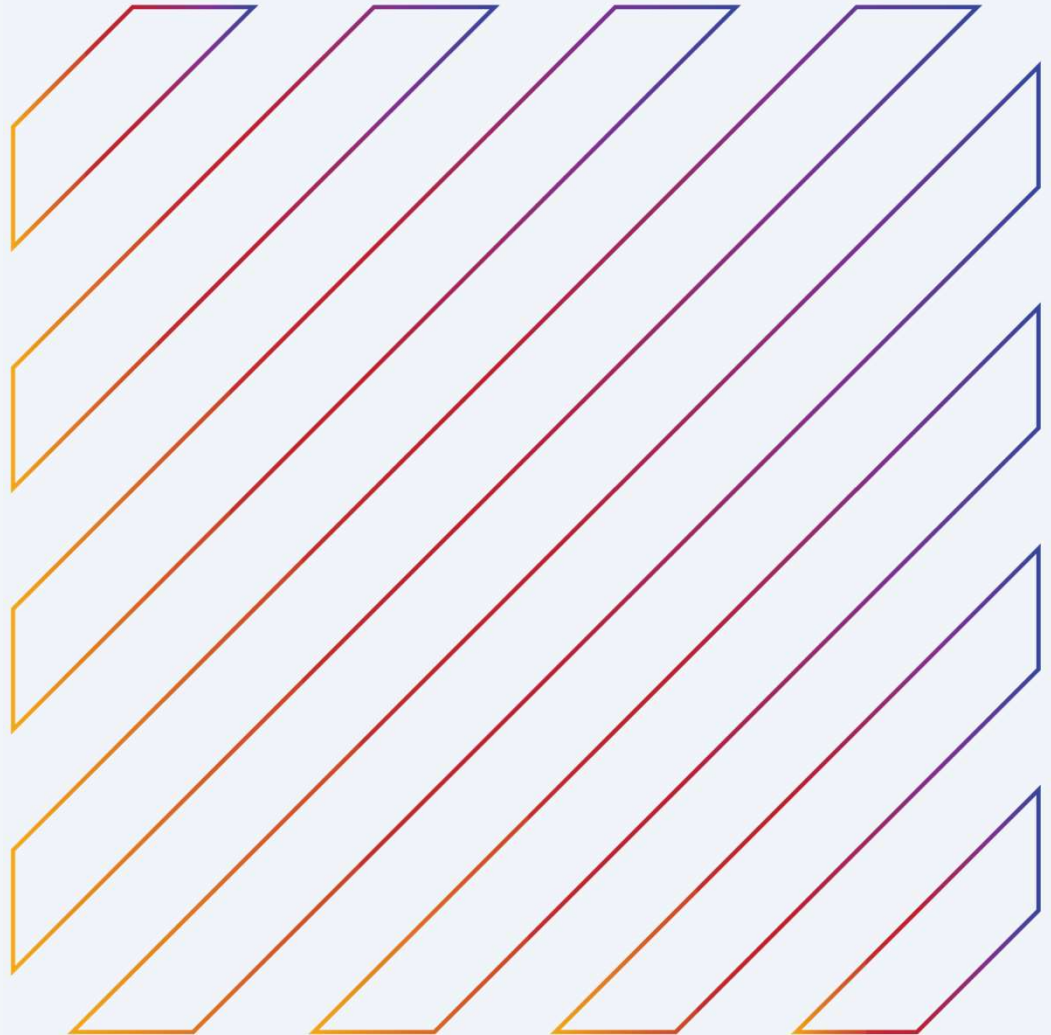


AVADA GROUP LIMITED

FY24 RESULTS

PRESENTATION

September 2024



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Authorised for release by the Board of Directors of
AVADA Group Limited

FY24 RESULTS PRESENTATION

“ By restructuring our operations to a single brand, AVADA Traffic provides a competitive national platform.

We are the largest and only publicly listed traffic management company in Australia and New Zealand”



Daniel Crowley
Managing Director & CEO



AGENDA

- 1. KEY MESSAGES**
- 2. FY2024 HIGHLIGHTS**
- 3. BUSINESS OVERVIEW**
- 4. FINANCIAL OVERVIEW**
- 5. TRADING UPDATE AND
OUTLOOK**
- 6. APPENDICES**

KEY MESSAGES

- Executing Our Strategy
- Optimised deployment of resources across regions and clients
- Governance and best practice standards across all operations
- Capital reinvestment for future growth
- Investing in our people

OUR SAFE
VALUES

SKILLFUL
RELIABLE
HELPFUL
PROFESSIONAL

LONG-TERM VALUE CREATION

Client Focus, Efficiencies and Value



FY24 HIGHLIGHTS

- Consolidation of businesses to create single brand, AVADA Traffic
- Strong cost control and margin growth
- Centralisation of systems and technology to create greater operational efficiencies

**Underlying FY24
EBITDA
\$18.83m**

**Underlying FY24
Revenue
\$204.9m**

**16% revenue growth
from acquisitions &
existing business**

**Consolidation of
Depot Footprint**

**Shared Service
functions embedded
through the business**

**Reinvestment into
Fleet
\$3.7m**

**STA acquisition
consolidated into the
Victorian operations**

**New Zealand
business Wilsons
Traffic consolidated
into a cost effective
operating structure**

**Investment
commenced in new
Payroll and Finance
Systems**



BUSINESS OVERVIEW

WHAT WE DO



2,100
Traffic
Controllers



1,050
Vehicles



25
Depots

** approximate numbers*



We are an integrated traffic management services company.

Consolidating under AVADA Traffic has provided the opportunity to consolidate several locations providing cost efficiencies and economies of scale benefits.

During the financial year the Bilingarra Indigenous Services association has expanded from Queensland into New South Wales and Victoria.





FINANCIAL OVERVIEW

INCOME STATEMENT

Underlying results for the 2024 financial year reflect ongoing initiatives which were implemented to improve gross profit margin profitability, supported by focused cost management.

- Growth in revenue from existing operations with a full years result for Wilsons Traffic and the STA Traffic Management acquisition from 23 October 2023.
- Gross margin of 22.8% achieved in the financial year highlights operational initiatives implemented.
- Increase in revenue per vehicle reflects improved utilisation and fleet management.
- Depreciation includes \$0.42m accelerated charges which will be non-recurring and \$1.5m depreciation over right-of-use assets, predominantly for depots.

\$'000s	FY21 Underlying	FY22 Underlying	FY23 Underlying	FY24 Underlying
Revenue - from operations	116,959	139,154	148,523	204,902
Revenue from acquisitions in year	-	-	28,774	15,187
Revenue (incl. other income)	116,959	139,154	177,297	204,902
Gross profit	24,747	31,766	37,082	47,885
<i>Gross margin</i>	21.2%	22.8%	20.9%	23.4%
<i>Gross margin (excl. other income)</i>	21.0%	21.0%	20.9%	23.4%
EBITDA	11,540	12,550	15,221	18,830
<i>EBITDA %</i>	9.9%	9.0%	8.6%	9.2%
Depreciation	(3,550)	(4,725)	(6,745)	(7,442)
Net finance income / (expense)	(251)	(614)	(2,613)	(3,831)
NPATA	5,417	5,047	4,104	5,239
Vehicles (period end)	657	828	957	1,056
Revenue per vehicle (\$000s)	\$178	\$168	\$185	\$194
Traffic controllers at period end	1,413	1,689	2,138	2,079

BALANCE SHEET

Improved profitability and net working capital management. Net Assets increased by \$8.2m to \$54.6m.

Cash inflow increase to \$6.7m from \$5.0m in prior year.

Group's cashflows funded approx. \$2.8m in working capital requirements of the STA Traffic Management acquisition

Net financial debt at 30 June 2024 was \$41.4m

Improved trading and debtor management has resulted in strong cash generation during FY24.

Increase in trade debtors primarily reflects increases from acquisitions and increased revenue during May and June 24.

Movement in other non-current assets relates to intangible assets and goodwill recognised on the acquisition of STA Traffic.

Decrease in trade and other payables reflects moving from quarterly to monthly GST reporting.

Other current liabilities reduced with the reassessment of the contingent consideration requirements.

Other non-current liabilities includes deferred tax liabilities and long-term contingent consideration.

\$'000s	Jun-22	Jun-23	Jun-24
Current assets			
Cash and cash equivalents	2,751	10,834	8,500
Trade debtors and other current assets	20,112	27,986	31,616
	22,863	38,820	40,116
Non-current assets			
Property, plant and equipment	22,378	28,019	25,066
Other non current assets	44,572	63,353	66,284
	66,950	91,372	91,350
Total assets	89,813	130,192	131,466
Current liabilities			
Trade and other payables and accruals	12,840	18,303	17,793
Financial liabilities - current	3,931	2,980	3,835
Other current liabilities	4,739	10,821	8,462
	21,510	32,104	30,090
Non-current liabilities			
Financial liabilities	7,057	40,915	37,603
Other non-current liabilities	9,161	10,715	9,162
	16,218	51,630	46,765
Total liabilities	37,728	83,734	76,855
Net assets	52,085	46,458	54,611
Net current assets	1,353	6,716	10,026

Reflects audited balance sheet and prior year comparable as reflected in the Appendix 4E dated 30 August 2023



TRADING UPDATE AND OUTLOOK

TRADING OUTLOOK

Utilisation of resources to meet client expectations

Client engagement driving strong organic revenue growth

Strong tender pipeline

Acquired businesses performing in line with budget

Continued focus on operational efficiencies and cost structures



APPENDICES

UNDERLYING EARNINGS RECONCILIATION

\$'000s	FY24 Statutory (a)	STA deal costs (b)	Underlying adjustments				FY24 Underlying (g)
			Non-recurring/ Non-operating items (c)	Contingent Consideration (d)	Write off value Brands (e)	Restructure Provision (f)	
Traffic Management Revenue	204,537						204,537
Other Revenue	365						365
Total Revenue	204,902	-	-	-	-	-	204,902
Cost of Sales	(157,017)						(157,017)
Gross Profit	47,885	-	-	-	-	-	47,885
Employee benefit expenses	(19,813)		229			209	(19,375)
General and admin expenses	(6,493)	719	1,707				(4,067)
Other expenses	(6,897)		-			1,283	(5,614)
Operating expenses	(33,203)	719	1,937	-	-	1,492	(29,055)
EBITDA	14,682	719	1,937	-	-	1,492	18,830
Depreciation and amortisation	(10,338)			(4,602)	3,631		(11,309)
EBIT	4,344	719	1,937	(4,602)	3,631	1,492	7,521
Net finance income / (expense)	(3,831)						(3,831)
Profit before tax	513	719	1,937	(4,602)	3,631	1,492	3,690
Income benefit / (expense) ⁽¹⁾	998	N/A	N/A	N/A	N/A	N/A	(1,107)
Net Profit after tax	1,511	719	1,937	(4,602)	3,631	1,492	2,583
Exchange differences on translation of foreign operations	(56)						(56)
Add back: amortisation (net of tax)	N/A	N/A	N/A	N/A	N/A	N/A	2,712
NPATA	1,455	N/A	N/A	N/A	N/A	N/A	5,239

(1) Underlying tax expense calculated at 30% of profit before tax

UNDERLYING EARNINGS RECONCILIATION

- (a) Audited financial information for AVADA Group Limited for the twelve months ended 30 June 2024
 - (b) Adjustment to reflect non-recurring transaction expenses associated with the acquisition of STA Traffic Management
 - (c) Adjustments reflect non-recurring and non-operational transaction expenses associated with other M&A activity and non-recurring restructuring costs
 - (d) An adjustment in respect of the decrease in contingent consideration payable for the acquisition of STA Traffic Management and Wilsons TM Limited
 - (e) An expense for writing off the intangible asset, Brands in respect to the restructure of the business into AVADA Traffic
 - (f) A restructure provision of in respect to the consolidation of the independent operating businesses to AVADA Traffic
 - (g) Pro forma and normalisation adjustments have been sourced from the underlying accounting records of AVADA Group Limited and its subsidiaries. Adjustments have not been subject to audit or independent review.
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