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## **ASX Announcement**

**20 November 2024**

### **2024 Annual General Meeting – Chairman’s Address**

Good morning everyone, and welcome to the AVADA Group Limited 2024 Annual General Meeting. Thank you for joining us today. It’s a privilege to address you as Chairman, reflecting on what has been a year of both challenges and positive developments for AVADA.

#### **Year in review**

The Group has maintained its vision to become Australia and New Zealand’s leading provider of traffic management and ancillary services, and I am confident this will be achieved.

I am pleased to say that FY24 saw an increase of 15.6% of underlying revenue to \$204.9m, and an underlying EBITDA of \$18.83m which is an increase of 23.7% compared to FY23.

These financial results demonstrate the Group’s resilience and position when we reflect on the year.

The first quarter saw the tightening of market conditions driven by labour shortages, rising operational costs and inflationary pressures. These were not limited to our sector, although we adapted by focusing on operational efficiencies, streamlining processes and maintaining our high standard of service.

Our investment in acquiring STA Traffic Management in October 2023 was a key milestone for the Group and an important driver of the business direction – further expanding the Group’s geographic footprint, diversifying our client base and solidifying our position as a leading traffic management operator.

As the year progressed and cost-of-living pressures intensified, governments faced increased demand to redirect funds toward alleviating household expenses. This shift has led to budget tightening, impacting spending on infrastructure projects and maintenance. It is not new that cutbacks or delays in government allocations can directly affect our project pipeline and revenue flow, and it is important to note that this is not isolated to our industry. However, in our experience, whilst changes to planned government spending and timing occur in line with national priorities, the need to maintain appropriate infrastructure and therefore utilisation of traffic management services overall remains an essential priority.

## Business fundamentals

AVADA has strong business fundamentals and an enviable market position, and we believe we remain undervalued with our current market price not fully reflecting the strength of our existing business, our strong pipeline and the several growth opportunities ahead. The Directors have full confidence in the underlying quality and direction of the business.

Last financial year we prioritised our focus on successfully maintaining margins by enhancing business processes and refining the Group's operating and cost structures. A key factor in sustaining these margins has been the ongoing integration of the businesses across the Group, which has generated cost savings and optimised resource utilisation.

Our business model is built on strong cash flow generation, supported by steady project delivery and disciplined cash management. These cash flows enable us to sustain operations and invest in growth initiatives, even in periods of market volatility. Through these initiatives, we are well-positioned to remain competitive and responsive to market demands, setting a solid foundation for sustained profitability in the future.

## The Board

Turning to the Board now. I am pleased to say that in September 2024 we appointed Lindsay Barber as Non-Executive Director. With his extensive experience as Chief Operating Officer and former Executive Director of Johns Lyng Group, Lindsay brings a wealth of industry knowledge and an understanding of the challenges and opportunities faced by growing businesses in the construction and infrastructure sectors.

We are excited to welcome him and look forward to his valuable contribution to the Board.

## Looking forward

I'm proud to say that AVADA continues to deliver industry best practice and public accountability standards for safety, governance and reporting across its operations.

At the beginning of FY24 we reinforced our commitment to health and safety by launching a three-year strategy and roadmap to drive improvement in our health, safety, environmental performance, and culture. We remain dedicated to this strategy in FY25.

The establishment of AVADA Traffic as a single brand, as announced in June this year, was a key milestone for the Group's long-term strategy of focusing on providing superior service to our customers including those clients who would prefer to work with a provider which has operations right across the east coast of Australia and in New Zealand. Longer term, establishing AVADA Traffic also enables us to pursue other business opportunities as standalone pillars which complement our core traffic management business.

We will continue to actively evaluate acquisition opportunities that enhance our business reach and client base, with the purpose of delivering increased value to our shareholders.

However, it is worth noting, that the cost of living pressures have continued into FY25 with government spending being redirected to initiatives which support and reduce household cost-of-living pressures. As is happening in other industries, we anticipate an even larger revenue shift to the second half of the year than we have experienced historically. While this will continue to be influenced by government responses to ongoing cost-of-living pressures, we remain well-positioned to capture deferred revenues once projects resume, with a solid portfolio of government projects in the pipeline. For this reason, FY25 will see the Group continue to focus on organic growth opportunities, which remain a primary focus, along with continued cost efficiencies, and maintenance and improvement of margins.

In closing, I would like to extend my heartfelt thanks to everyone who has contributed to AVADA's ongoing success. We recognise the value we bring and the critical role we play, and I am confident that our value is increasingly appreciated as we move forward.

To Dan Crowley, our executive team, and everyone at AVADA, thank you for your commitment and hard work, and dedication to keeping every member of our team safe. I know it is not always easy, but it is your efforts that drive our success.

To my fellow directors, thank you for your guidance and leadership, and finally, to our shareholders, thank you for your support and belief in AVADA.

I would now like to invite our Managing Director and CEO, Dan Crowley, to address the meeting.

*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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## Forward-Looking Statements

This announcement contains forward-looking statements, including references to expected outcomes. Forward-looking statements are not guarantees of future performance or events and involve known and unknown risks, uncertainties, assumptions and other important factors, many of which are beyond AVD's control. Readers are cautioned not to place undue reliance on forward-looking statements