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## ASX Announcement

**12 March 2024**

### **AVADA Group Limited presents at Coffee Microcaps Conference**

AVADA Group Limited (ASX:AVD) ('AVADA', 'the Company' or 'the Group') is pleased to be attending the Coffee Microcaps Conference to be held in Melbourne on 12 March 2024 and presenting the attached information.

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

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### **About AVADA Group Limited**

AVADA is Australia's largest listed integrated traffic management provider, with established operations throughout Queensland, NSW, 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](http://avadagroup.com.au)

### **For further information contact the following:**

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# AVADA Group Limited

## Coffee Microcaps Conference

Melbourne  
12 March 2024

# Important notice and disclaimer

This document dated 12 March 2024 has been prepared by AVADA Group Limited (ACN 648 988 783) (the Company) and is provided for information purposes only. It contains summary information about the Company and its activities and is current as at the date of this document. It should be read in conjunction with the Company's periodic and continuous disclosure announcements filed with the Australian Securities Exchange, available at [www.asx.com.au](http://www.asx.com.au).

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AVADA prepares its financial information in accordance with the Corporations Act 2001 (Cth), Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) and International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). Investors should be aware that certain financial measures included in this Presentation are "non-IFRS financial information" under ASIC Regulatory Guide 230: "Disclosing non-IFRS financial information" published by ASIC.

Non-IFRS financial information in this Presentation include:

- EBITDA, which is profit before income tax, interest, depreciation and amortisation; and
- underlying EBITDA.

AVADA believes the non-IFRS financial information provides useful information to users in measuring the financial performance and condition of AVADA. However, investors should note that the non-IFRS financial information does not have standardised meanings prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities, nor should the information be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information included in this Presentation.

This document contains unaudited financial information for the Company that has been prepared by the Company's management.

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



# Agenda

- > 01 Overview
- > 02 Financials
- > 03 Wrap-up
- > 04 Questions

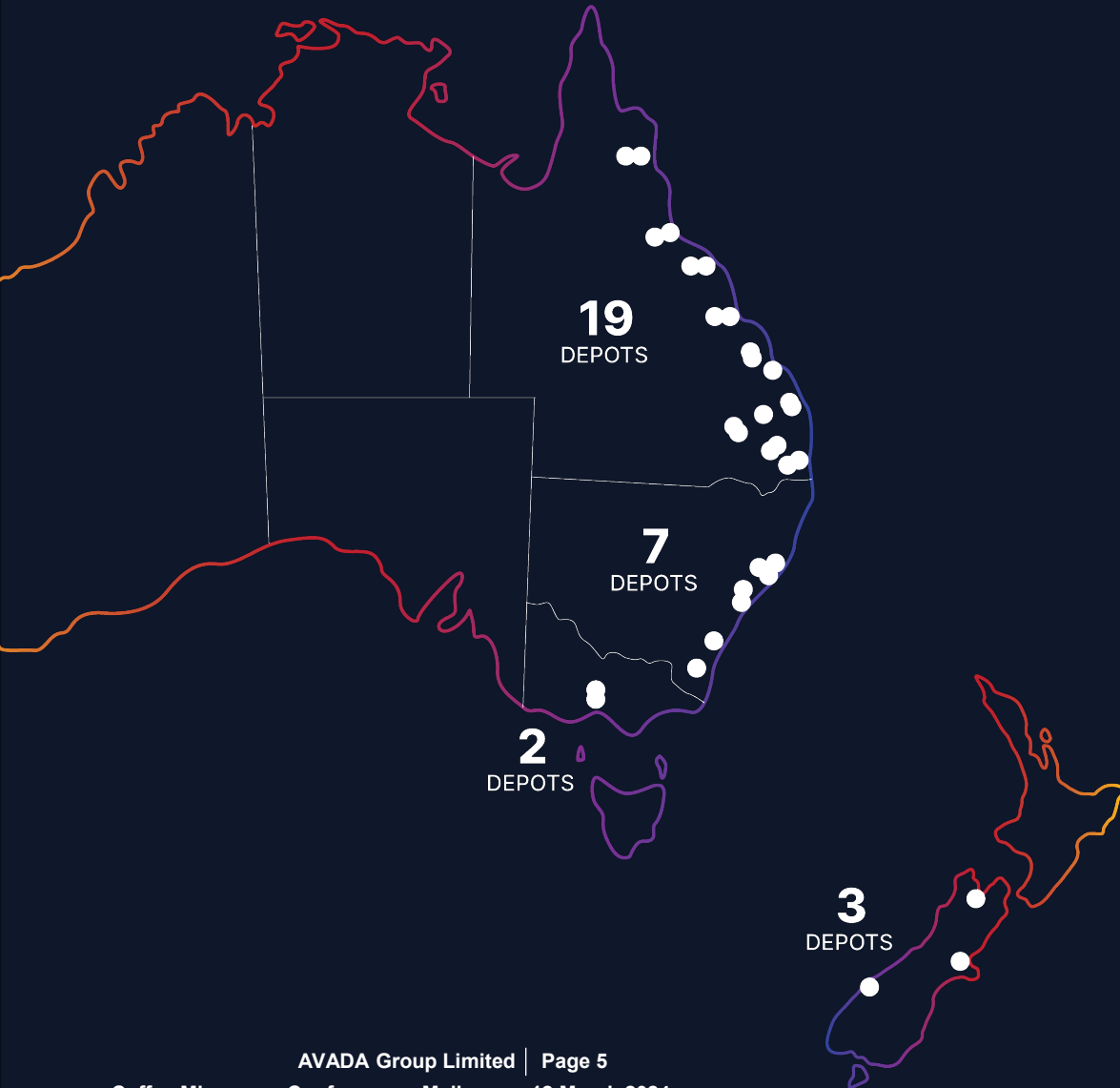


The background of the slide is a photograph of a modern city street at night. Tall, illuminated skyscrapers line the street, their lights reflecting on the wet pavement. In the foreground on the right, a traffic light is visible, with its green light glowing brightly. The overall scene has a blue and purple color palette, giving it a futuristic or high-tech feel.

01

# Overview

# Introducing AVADA



**AVADA (ASX:AVD) offers integrated traffic management services including planning and permits, traffic control, equipment hire, event management and incident response.**

## FY23 Results

**\$183.2m**

Revenue

**\$16.1m**

EBITDA

**21%**

Gross profit margin

## Key metrics

**2,364**

Traffic controllers

**1,030**

Vehicles

**~\$47m**

Market capitalisation<sup>1</sup>

# A broad industry footprint

Traffic management services are a regulated requirement for all civil infrastructure construction and maintenance projects in Australia and New Zealand.

AVADA aims to lead the maturation of the industry through enhanced governance, safety and management structures.

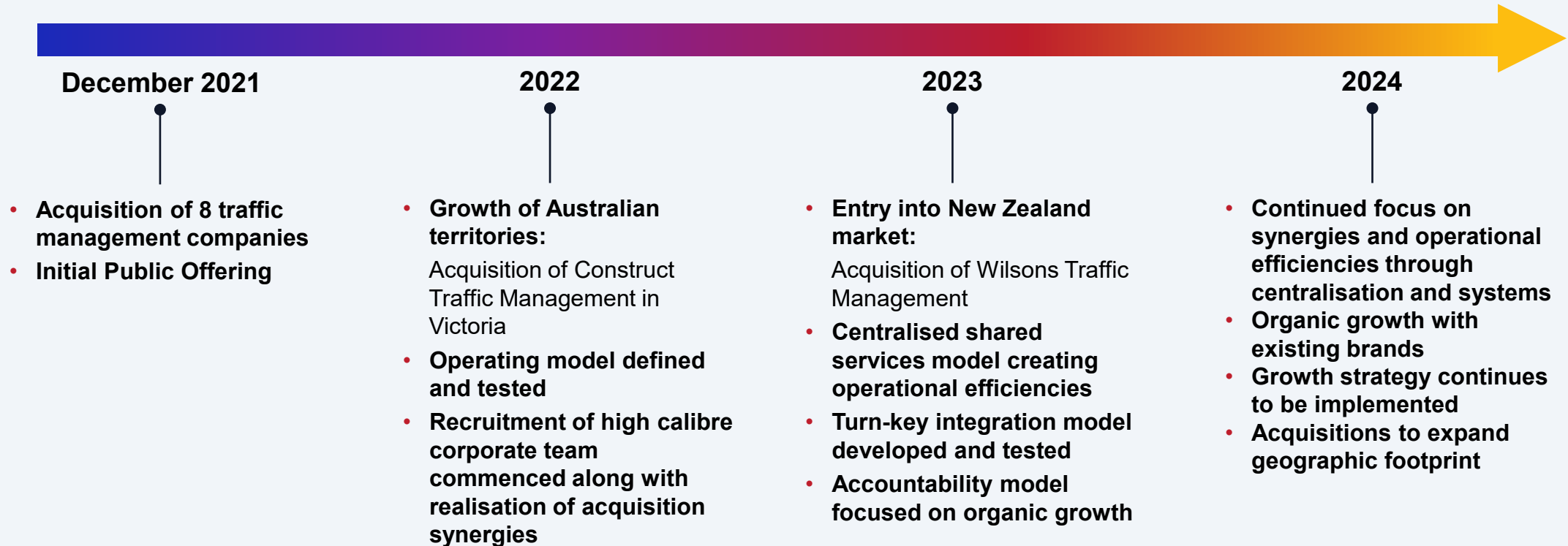
Focus on increasing market share with our existing client base through safe and reliable service.





# Company milestones

Laying the foundations for sustained value creation





# The market opportunity

**Significant organic growth potential from a large and highly fragmented market.**

**Average industry growth rate expectations of 4% per annum over the next five years (including inflation)\* supported by increasing project pipeline.**

**Market consists of a significant number of small operators with minimal market share (i.e. Victoria has > 120 traffic management licences on issue).**

\* IBIS World Road and Bridge Maintenance



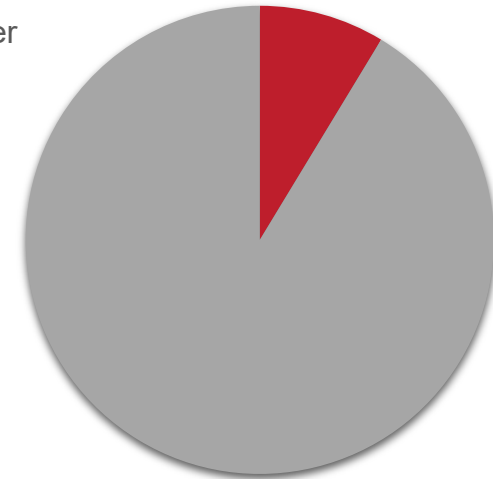
**“We represent around 200,000 traffic management professionals and a \$2 billion industry nation wide.”<sup>(1)</sup>**

Source: <https://tmaa.asn.au/>

(1) Estimated traffic management revenue published on the TMAA website provides an illustrative estimate of the size of the Australian traffic management industry.

**Estimate of market share<sup>(2)</sup>**

■ AVADA ■ Other



(2) Management estimate of market share based on TMAA estimate and historical 12-month revenue including STA and excluding Wilsons.

# AVADA's competitive edge

AVADA is a market leader with a strong competitive position in a highly fragmented industry. As the largest ASX listed company in the industry we have the foundation to deliver.

Integrated network of strong local brands.

Centralised corporate functions and procurement drive cost efficiencies and service improvements.

A leader of industry consolidation, creating value through scale and centralised systems.

## Our businesses



A night city street scene with modern buildings and a glowing traffic light overlay. The traffic light is a wireframe model with three lenses, the bottom of which is illuminated with a bright green light. The background shows a city street at night with light trails from cars and modern buildings with illuminated windows.

02

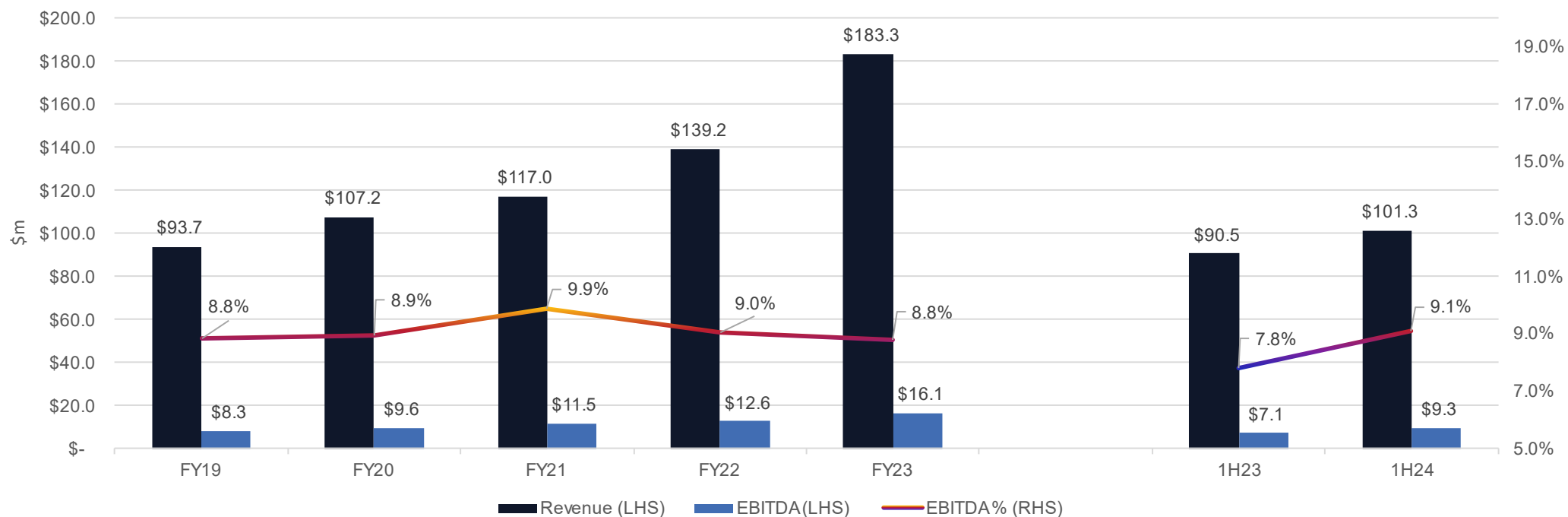
# Financials



# Financial performance summary



Year on year revenue growth driven by organic growth and acquisitions



Source:

- Information is presented on an underlying basis
- FY19, FY20, FY21 are as presented in the AVADA Group Limited Prospectus dated 9 November 2021, the Supplementary Prospectus dated 23 November 2021 and the Second Supplementary Prospectus dated 7 November 2021 (together the Prospectus).
- FY22 and FY23 are as presented in the full-year results presentations.

1. FY21 EBITDA % impacted by COVID funding

# Balance sheet

\$'000s	Jun-23	Dec-23
<b>Current assets</b>		
Cash and cash equivalents	10,834	4,295
Trade debtors and other current assets	27,986	27,980
	<b>38,820</b>	<b>32,275</b>
<b>Non-current assets</b>		
Property, plant and equipment	28,019	33,508
Other non current assets	63,353	67,144
	<b>91,372</b>	<b>100,652</b>
<b>Total assets</b>	<b>130,192</b>	<b>132,927</b>
<b>Current liabilities</b>		
Trade and other payables and accruals	18,303	15,032
Financial liabilities - current	2,980	3,752
Other current liabilities	10,821	8,679
	<b>32,104</b>	<b>27,463</b>
<b>Non-current liabilities</b>		
Financial liabilities	40,915	35,743
Other non-current liabilities	10,715	12,593
	<b>51,630</b>	<b>48,336</b>
<b>Total liabilities</b>	<b>83,734</b>	<b>75,799</b>
<b>Net assets</b>	<b>46,458</b>	<b>57,128</b>
Net current assets	6,716	4,812

## Strong cash generation

(operating cash conversion > 80% for 12 months to December 2023 – refer overleaf)

## Strong debtor book

(comprising government and tier 1 clients with limited non-recovery)

## Investment in fleet through capex and acquisitions

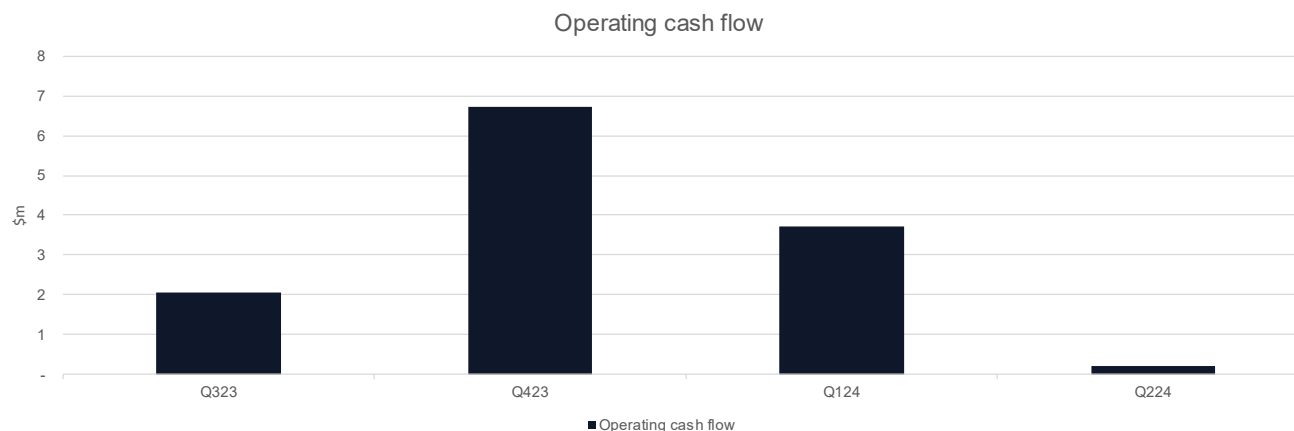
## Reduction in liabilities funded through cash generation

# Cash flow

\$'000s	1H FY23 Underlying	2H FY23 Underlying	1H FY24 Underlying	12 Months to Jun-23	12 Months to Dec-23
Operating cash flows	(3,509)	8,467	3,919	4,958	12,386
M&A costs <sup>(1)</sup>	817	1,825	1,096	2,642	2,921
<b>Operating cash flows (excluding M&amp;A costs)</b>	<b>(2,692)</b>	<b>10,292</b>	<b>5,015</b>	<b>7,600</b>	<b>15,307</b>
<i>Operating cash flow conversion</i>	<i>-38%</i>	<i>114%</i>	<i>54%</i>	<i>47%</i>	<i>84%</i>
<b>Capital expenditure (net)</b>	<b>(575)</b>	<b>(363)</b>	<b>(1,895)</b>	<b>(938)</b>	<b>(2,258)</b>
<b>Free cash flow (excluding M&amp;A costs)</b>	<b>(3,267)</b>	<b>9,929</b>	<b>3,120</b>	<b>6,662</b>	<b>13,049</b>
<i>Free cash flow conversion</i>	<i>-46%</i>	<i>110%</i>	<i>34%</i>	<i>41%</i>	<i>71%</i>
<b>Underlying EBITDA</b>	<b>7,101</b>	<b>9,027</b>	<b>9,252</b>	<b>16,128</b>	<b>18,279</b>

(1) M&A costs have been excluded, consistent with the presentation of Underlying EBITDA, as detailed in the Appendix.

Operating cash flow conversion and free cash flow conversion has been calculated with reference to Underlying EBITDA as detailed in AVADA Group Limited's Half-Year Results Presentations.



Strong operating cash conversion has been maintained in 1H FY24, continuing the trend from 2H FY23. This has enabled the business to reduce liabilities and invest in fleet.

1H FY24 and 2Q24 included funding of STA net working capital of \$2.7m.

Growth through acquisition has led to some volatility in operating cash flow conversion where working capital funding is required.

For the twelve months to Dec-23, operating cash flow conversion was well above target with free cash conversion also above expectations at 70%, demonstrating the cash flow conversion potential of the Group.

Four consecutive quarters of positive operating cash flow:

- Q224 included \$2.7m of working capital funding for STA acquisition;
- Q2 and Q3 can be seasonally impacted by Christmas and New Year shutdowns and associated impacts on volumes ramping down and up during this period.



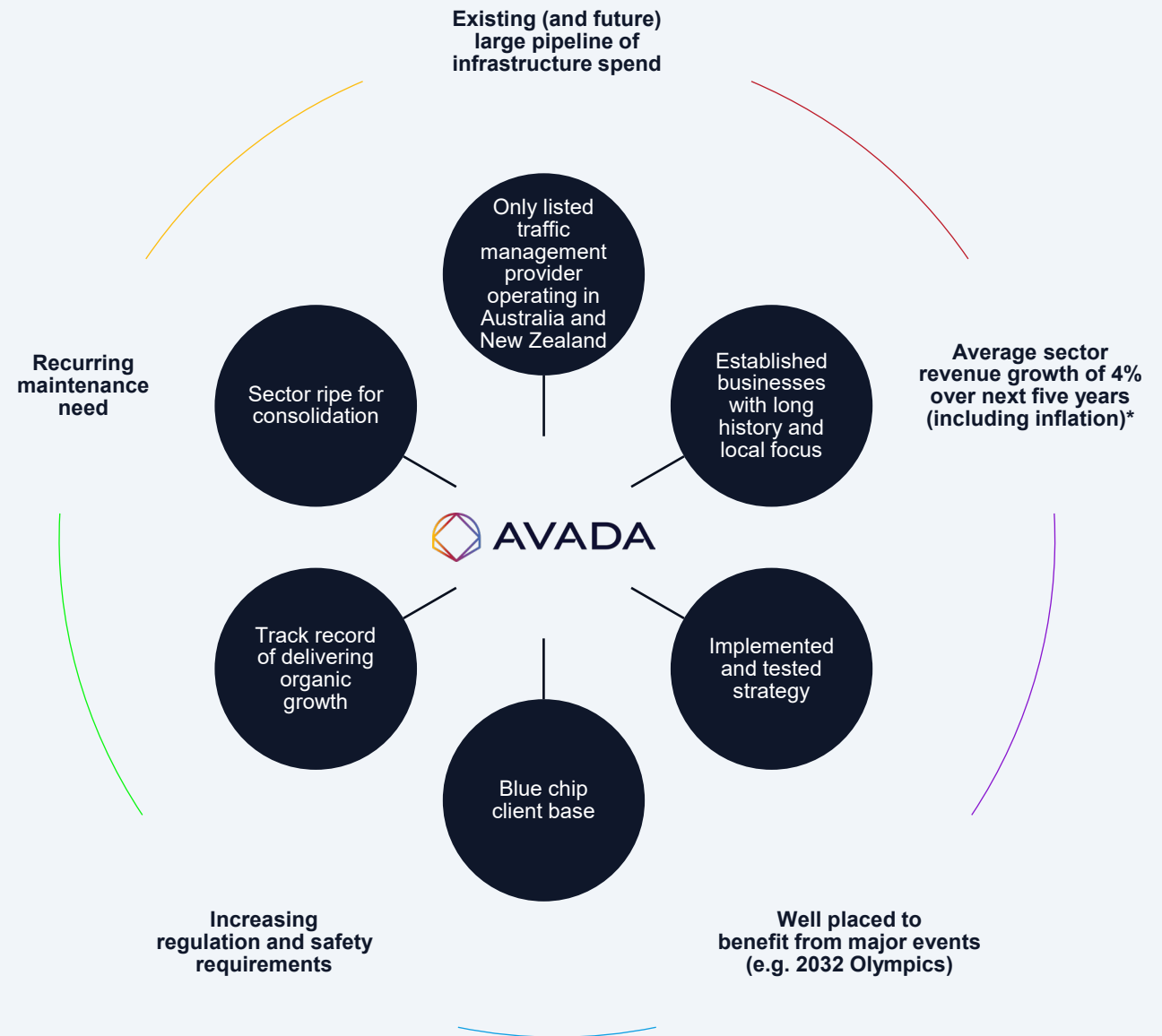
03

# Wrap-up



# Wrap-up

**AVADA offers integrated traffic management services, including planning, permits, traffic control, equipment hire, event management and emergency services, for major public and private sector clients**





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# Questions







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