

ASX Announcement

29 August 2025

AVADA GROUP LIMITED FY25 RESULTS

Leading traffic management operator, AVADA Group Limited (AVADA or “Group”) (ASX: **AVD**) presents its full-year results for the twelve months to 30 June 2025.

Overview

- Adjusted EBITDA was \$12.8m excluding impairments.
- Statutory net loss after tax was \$17.6m including impairments of \$14.8m.
- Total revenue was \$183.1m, a decline of 10.5% as a result of challenging trading conditions (FY24 \$204.5m).
- First phase of business transformation completed, consolidating into a single operating structure and delivering ongoing efficiency improvements.
- Strategic review of New Zealand business has reduced overheads and identified further cost savings to be implemented in FY26.
- Borrowings of \$6.2m were repaid during the financial year, reducing Borrowings to \$35.3m.

Trading conditions for the business continued to be challenging during the reporting period.

Revenue was affected by severe weather events particularly in Queensland and New South Wales during the third quarter of the financial year which reduced planned work volumes. Additionally, a number of government infrastructure projects were delayed, impacting forecast revenue.

Revenue for Queensland remained stable year on year and the region continues to show strong growth prospects based on the pipeline of planned infrastructure projects.

New South Wales operations experienced margin compression throughout FY25 resulting in a write-down to the carrying value of the business. However, changes to the management team and the evolving competitive landscape for transport projects are presenting new opportunities for the Group. AVADA’s commitment to uphold best practices for governance and reporting is increasingly a competitive advantage.

While the Victorian business continues to participate in key project tenders, support for unionised labour, including traffic management contractors, on major public sector infrastructure projects has reduced the Group’s success rate in winning new work.

The Group reported a 41% reduction in recordable injuries compared to FY24, with the key safety performance indicator, Total Recordable Injury Frequency Rate, falling from 8.29 to 5.65 per million hours worked.

The Group statutory net loss reflected impairments of \$9.7m from the write-down of the New Zealand operations and \$5.0m from the write-down of the New South Wales operations, partly offset by a \$0.5m gain from reducing the estimated liability for future consideration.

New Zealand strategic review

The continuing weak economic outlook in New Zealand negatively impacted performance and led to an operating loss of \$11.7m (inclusive of \$9.7m of impaired intangibles).

The Group has undertaken a strategic review of New Zealand operations which resulted in the write-down in the valuation of the business in the first half of the financial year and a management restructure. FY25 operating costs were reduced through the review and additional cost savings have been identified for FY26. The Directors have considered

future options for the business, including sale and closure, and continue to support the current operations and improvement plans to restore the business to profitability.

The New Zealand business has been re-branded AVADA Traffic, in line with the Australian operations.

Business transformation

New senior management appointments were made during the financial year with the CEO commencing in April 2025 and CFO in May 2025. With these appointments, the Group has completed the first phase of a business transformation to streamline processes, reduce costs and enhance consistent service levels.

Operating costs in FY25 have been reduced as a result of the transformation and further cost efficiencies are planned in FY26. The Group has also strengthened business development with a dedicated senior management resource and enhanced processes to build client relationships and grow revenue.

The consolidation and re-branding of eleven Australian businesses into a single operating platform, AVADA Traffic, was completed during the year. The transition to a single ERP platform across the business has also been finalised with new payroll and accounts functions to be implemented in FY26.

Business performance consultants have been engaged to work with senior management to implement a second phase of operational transformation.

Outlook

In a highly fragmented market, AVADA Group is increasingly recognised as an industry leader based on its significant operating presence, unified brand, and commitment to best practices in safety, governance and reporting.

The transformation of operations has created a solid operating platform and delivered initial efficiency improvements.

Going forward, the transformation is concentrating on further optimising resource deployment across our network and client projects, consistently delivering industry best practice standards for service and safety, enhancing business development activities to build strong client relationships and grow revenue. The continued implementation of this project will strengthen the Group's capacity to adapt to prevailing market conditions in its key markets.

The underlying drivers of demand for traffic management services remain positive, underpinned by a substantial pipeline of infrastructure development and maintenance projects in our core markets.

Based on these factors, the Group is well-positioned and cautiously optimistic about revenue and earnings momentum.

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