



Interim Results Presentation

20 February 2024

for the six months ended 31 December 2023



AGENDA

1

OVERVIEW
SEAN FLANAGAN

2

FINANCE
ADRIAN MACARTNEY

3

KEY MESSAGES
SCOTT CUMMINS

4

OUTLOOK
SCOTT CUMMINS



Overview

Liebherr 9400 face shovel
Tshipi é Ntle,
Northern Cape, South Africa

Resilient return to profitability and positive cash generation in H1 2024

Revenue

A\$1.5 billion

(R18.6 billion)

31 December 2022 | A\$1.1 billion (R12.8 billion)¹

Operating earnings

A\$15.5 million

(R192 million)

31 December 2022 | A\$7.8 million (R91 million)¹

Headline earnings

A\$11.3 million

(R137 million)

31 December 2022 | A\$6.5 million (R77 million)

Headline earnings per share

8.8 A\$ cents

(106 cents (Rands))

31 December 2022 | 5.2 A\$ cents (61 cents (Rands))

Work in hand

A\$3.6 billion

(R44.5 billion)

30 June 2023 | A\$4.2 billion (R52.2 billion)

Cash on hand

A\$250 million

R3.1 billion

30 June 2023 | A\$190 million (R2.4 billion)

¹ Excludes Trident Steel

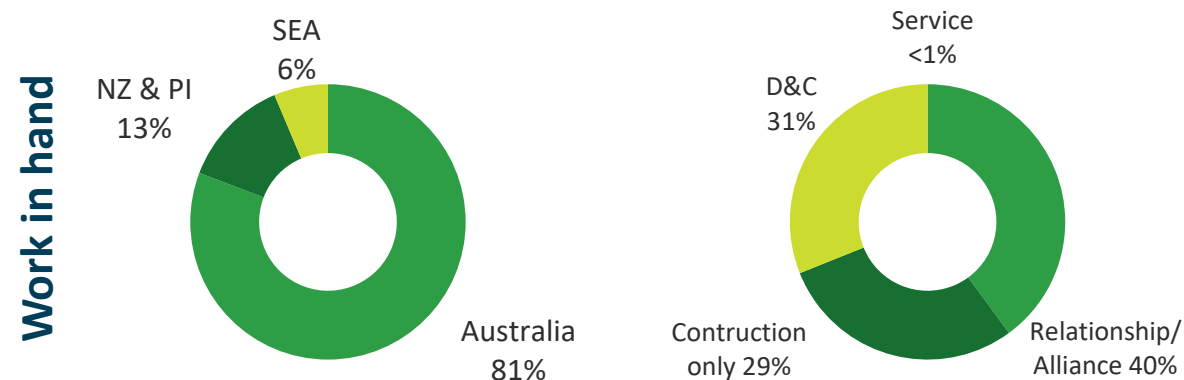
Overview | Update on FY24 areas of focus

Progress on FY24 areas of focus

Focus area	Progress
Return Group to profitability and positive cash generation	<ul style="list-style-type: none">• McConnell Dowell profitable and cash generative• Moolmans profitable and continues to invest in heavy mining equipment• Mitigated the impact of the hyper-escalation project costs in Australia
Improve quality and consistency of operating margins	<ul style="list-style-type: none">• Improved the quantum of operating earnings• Continue to focus on achieving improved operating margins
Strengthen McConnell Dowell balance sheet and settle term debt	<ul style="list-style-type: none">• BLNG contract dispute resolved. A\$10 million of the term debt repaid• Balance of A\$13 million to be settled by June 2024
Diversify Moolmans client, commodity and geographic focus	<ul style="list-style-type: none">• Prospects within the SADC region have been identified, positioning and engagement with clients continue
Continue to de-risk and wind down Group legacy matters	<ul style="list-style-type: none">• Continues to actively manage the remaining legacy matters through a dedicated team
Focus on succession planning and capacity building	<ul style="list-style-type: none">• Group succession plan implemented with management epicentre shifting to Australia• A new executive leadership team has been formed
Targeting 3% operating margins within 24 months	<ul style="list-style-type: none">• Working towards the target

Strong focus on improving operational performance and returns

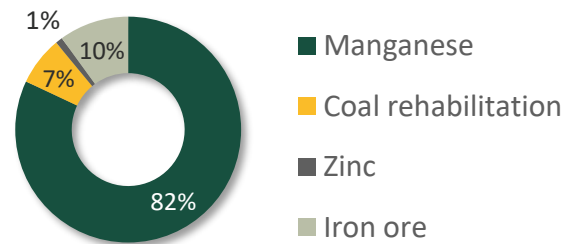
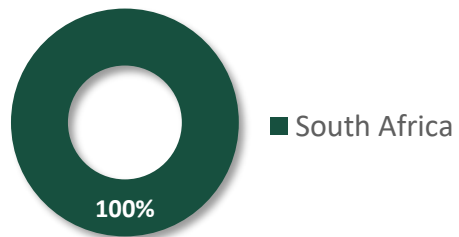
- Revenue of A\$1.4 billion (42% higher than H1 2023).
- New Zealand & Pacific Islands and Built Environs operating at or above planned margins.
- Hyper-escalation eroded margins on key projects in Australia. These higher costs are mitigated through the alliance model on key projects.
- Operating earnings of A\$24.2 million (31 December 2022: \$15.0 million).
- Operating free cash flows of A\$83 million, with cash balance of A\$246 million.
- New work won of A\$952 million.
- Planned revenue for FY24 secured and 64% of FY25 secured.
- Lost Time Injury Frequency Rate – 0.09 (Target 0.06).
Total Recordable Injury Frequency Rate – 0.77 (Target – 1.00).
- Work in hand of A\$3.1 billion.



Fleet renewal strategy positions Moolmans for future profitability

- Revenue of A\$135.9 million (R1.7 billion) (11% higher than H1 2023).
- Operating earnings of A\$1.9 million (R25 million)
- Continued investment in heavy mining equipment through the fleet renewal programme:
 - refurbished and new equipment added to the fleet, including new Tshipi fleet commissioned end of September 2023; and
 - non-critical, redundant assets impaired as part of disposal process.
- Tshipi production levels improved quarter-on-quarter.
- Diversification of revenue remains a key priority.
- Work in hand of R6.8 billion.
- Lost Time Injury Frequency Rate – 0.26 (Target 0.19).
Total Recordable Injury Frequency Rate – 0.26 (Target – 0.47).

Work in hand





Finance

New Bridgewater Bridge. Tasmania, Australia
The largest transport infrastructure project in Tasmania's history.

Aveng has evolved into a business with two operating subsidiaries, McConnell Dowell and Moolmans, with 91% of its revenue sourced from outside South Africa.

The predominant transactional currency of Aveng is the Australian Dollar.

Australian Dollar financial reporting provides more relevant presentation of the Group's financial position, funding and treasury functions, financial performance and its cash flows.

Natural evolution with a focus on the future

- Aveng has adopted the Australian Dollar reporting currency in the current period. The reviewed interim condensed financial statements have been presented in Australian Dollars, previously presented in South African Rands.
- Aveng remains domiciled in South Africa and listed on the JSE.
- Functional currencies of underlying businesses do not change.



Strong revenue and operating earnings growth in a difficult operating environment

- Revenue up A\$424 million compared to H1 2023.
- Operating earnings up A\$7.7 million compared to H1 2023.
- Earnings from continuing operations increased to A\$0.8 million compared to A\$0.4 million in H1 2023.
- Headline earnings increased by 74% compared to H1 2023.
- Investment in heavy mining equipment of A\$23.4 million at Moolmans.
- Accelerated repayment of A\$10 million term debt facility at McConnell Dowell.
- Bank balance of A\$250 million at 31 December 2023.
- Bonding capacity of A\$585 million for McConnell Dowell.
- Sale of investment in Imvelo Concession Company brings the sale of non-core assets to its conclusion.

<i>Pro-forma information</i>	H1 2024 A\$m	H2 2023 A\$m	H1 2023 A\$m
Group revenue¹	1 521	1 309	1 097
Growth ²	16.2%	19.3%	13.9%
Group operating earnings³	15.5	9.4³	7.8
Growth ²	64.9%	20.5%	
Basic earnings per share (A\$c)	0.6c	(85.6c)	3.2c
Headline earnings per share (A\$c)	8.8c	(66.8c)	5.2c

¹ Excludes Trident Steel in comparative periods.

² As compared to previous six-month reported period.

³ Non-IFRS measure - adjusted information excludes the impact of BLNG in H2 2023, has been prepared for illustrative purposes only and has not been reviewed or reported on by a reporting accountant.

Continuing operations	H1 2024 A\$m	H1 2023 A\$m	Change A\$m
Revenue	1 520.8	1 096.8	424.0
Gross earnings	83.9	71.9	12.0
Gross margin	5.5%	6.6%	(1.1%)
Operating earnings	15.5	7.8	7.7
Capital expenses	(8.2)	(0.1)	(8.1)
Net finance expense	(6.8)	(6.1)	(0.7)
Earnings before taxation	0.5	1.6	(1.1)
Taxation	0.3	(1.2)	1.5
Earnings from continuing operations	0.8	0.4 [*]	0.4
Earnings from discontinued operations	-	3.7	(3.7)
Earnings for the period	0.8	4.1	(3.3)
Headline earnings	11.3	6.5	4.8

* Continuing operations only. Excludes Trident Steel.

Commentary

Driven by higher revenue in McConnell Dowell and Moolmans.

McConnell Dowell and Moolmans profitable in H1 2024.

Impairment of PPE in Moolmans as part of plant renewal strategy.

Finance earnings: A\$5.7m (2023: A\$1.7m)
Finance expense: A\$12.5m (2023: A\$7.9m)

Income and expenses

Non-A\$ income and expenses are translated from ZAR into A\$ at the average rate of:

1 A\$

31 Dec 2023: R12.20

31 Dec 2022: R11.60

A\$m	H1 2024				H1 2023				Change	Note
	McConnell Dowell	Moolmans	Other	Total	McConnell Dowell	Moolmans	Other	Total		
Revenue	1 384.1	135.9	0.8	1 520.8	973.6	122.1	1.1	1 096.8	424.0	1
Gross margin	5.7%	4.9%		5.5%	6.5%	7.9%		6.6%	(1.1%)	
Operating earnings	24.2	1.9	(10.6)	15.5	15.0	1.7	(8.9)	7.8	7.7	2
Operating cashflow	108.6	17.5	(10.9)	115.2	45.2	5.6	(49.6)	1.2	114.0	
Capital expenditure	20.1	23.7	-	43.8	11.6	14.2	0.2	26.0	17.8	3
Operating free cashflow	83.0	(25.0)	(5.5)	52.5	33.1	(11.7)	(18.5)	2.9	49.6	
	Dec 2023				Jun 2023				Change	
Work in hand	3 089	554	-	3 643	3 522	636	-	4 158	(515)	4

Commentary

All figures in the table above, exclude the impact of Trident Steel in the prior comparative period.

¹ Increase in revenue at all BU's in McConnell Dowell, other than Southeast Asia which was flat. Moolmans recorded an 11% increase in revenue.

² All BU's in McConnell Dowell profitable other than Southeast Asia, which is close to break-even. Moolmans in line with prior comparative period.

³ A\$7.2 million on expansion; A\$21.0 million on replacement and A\$15.6 million on component spend.

⁴ Work in hand lower due to an overall reduction in tendering volumes.

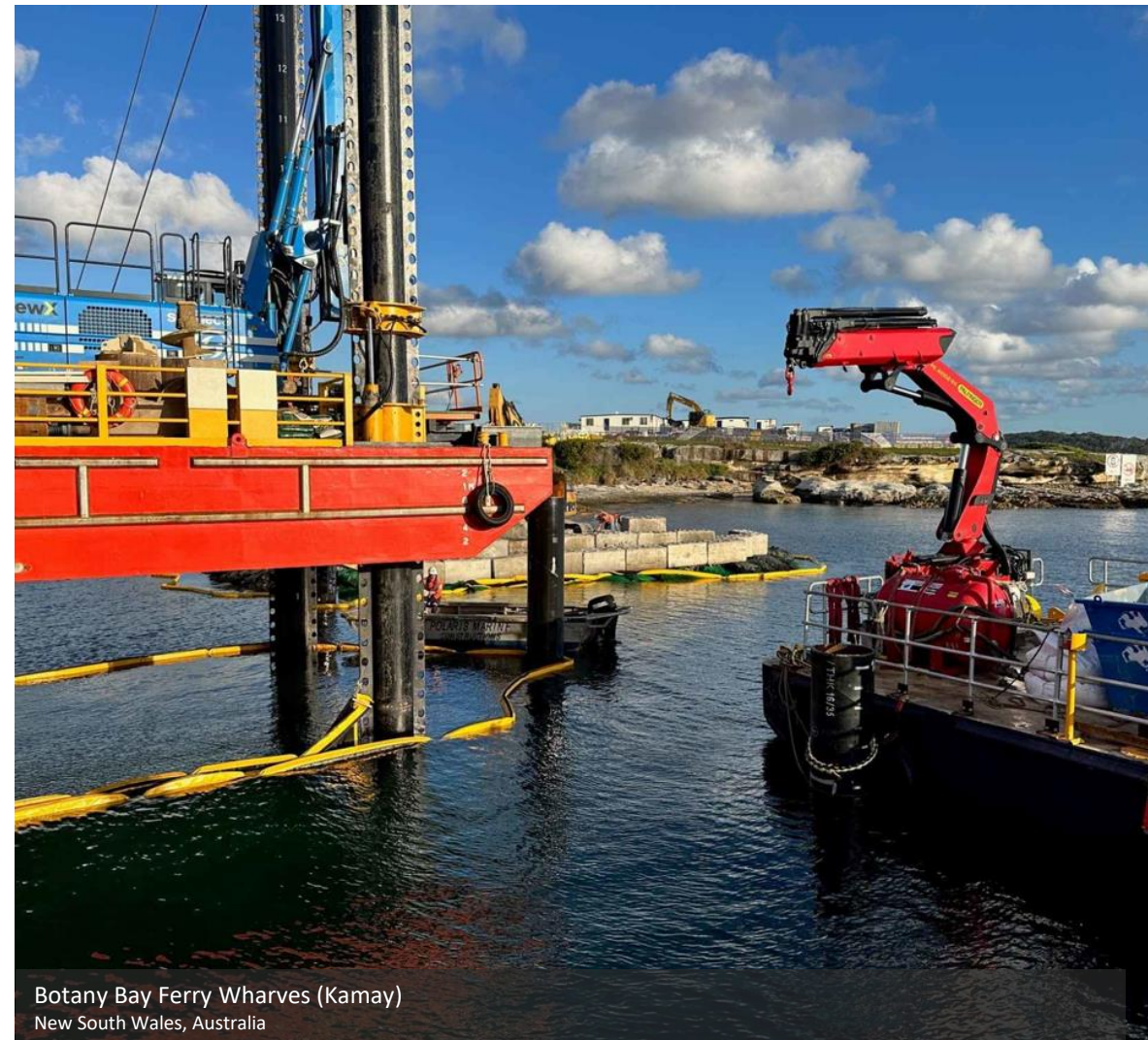
Statement of financial position as at A\$m	31 Dec 2023	30 Jun 2023	Change
Non-current assets	426.1	408.4	17.7
Current assets	714.3	680.3	34.0
Total assets	1 140.4	1 088.7	51.7
Foreign currency translation reserve	(960.5)	(961.2)	0.7
Retained earnings	661.4	660.6	0.8
Other	552.3	551.9	0.4
Total equity	253.2	251.3	1.9
Non-current liabilities	179.6	168.1	11.5
Current liabilities	707.6	669.3	38.3
Total liabilities	887.2	837.4	49.8

Refer to the following slides for analysis of key balances.

Assets and Liabilities

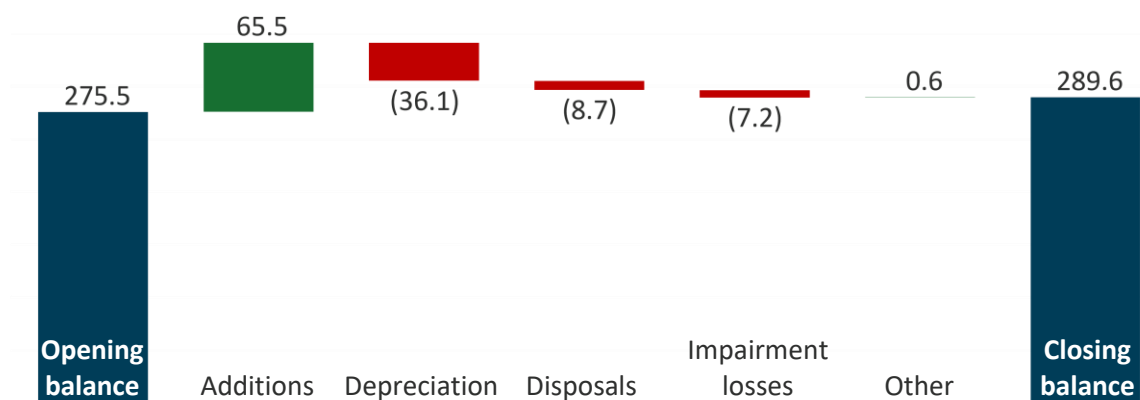
Non-A\$m assets and liabilities are translated from ZAR into A\$m at the period end closing rate of:

	1 A\$m
31 December 2023:	R12.49
30 June 2023:	R12.55



Botany Bay Ferry Wharves (Kamay)
New South Wales, Australia

Movements in PPE and ROU (A\$m)



Additions

- Represents investment in new mining equipment at Moolmans and capitalisation of jack-up barge at McConnell Dowell.

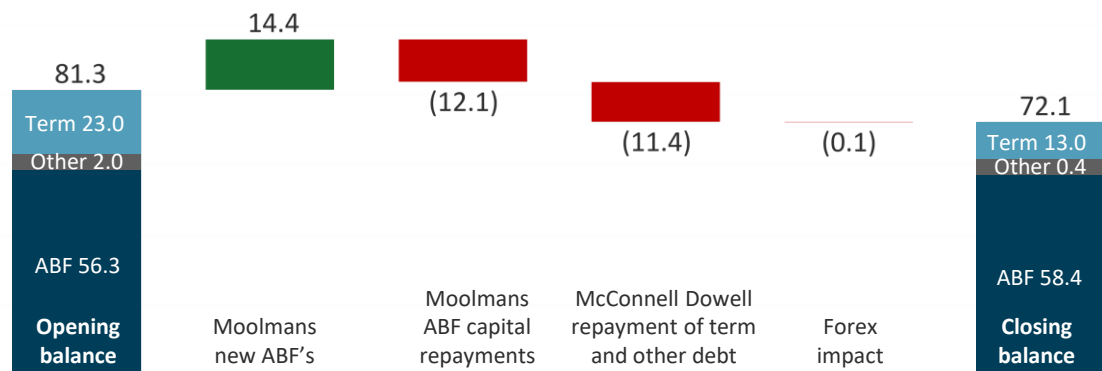
Depreciation

- Effective annualised depreciation rate of 26% per annum.

Impairment losses

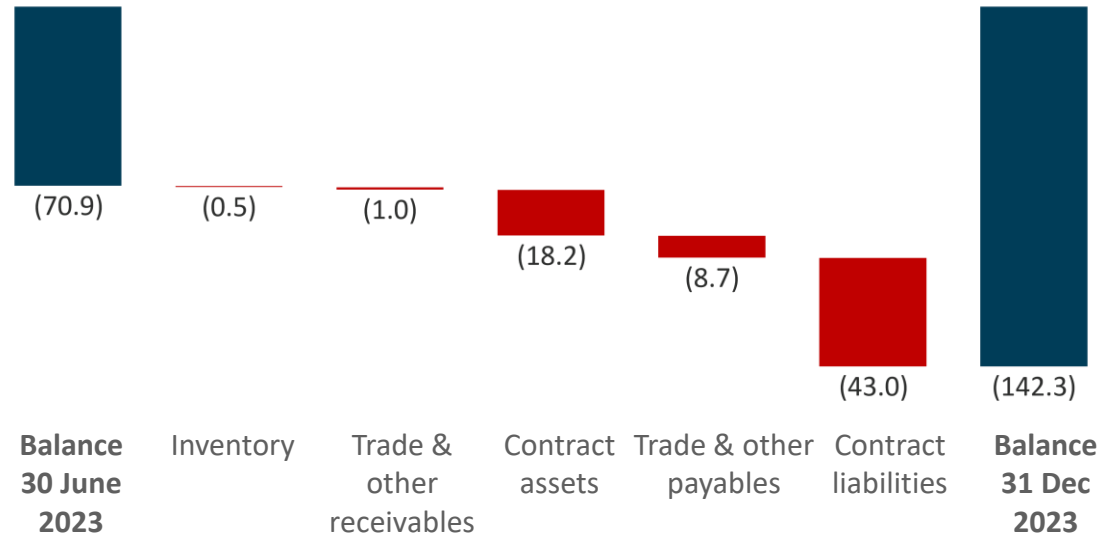
- Non-critical, redundant assets at Moolmans were impaired.

Movement in borrowings (A\$m)



- New ABFs of A\$14.4 million at Moolmans to support the growth in new mining equipment at Moolmans.
- Scheduled ABF capital repayments on ABFs amount to A\$12.1 million.
- McConnell Dowell repaid A\$10 million on the term debt facility, of which A\$2 million was early settled.
- The Group entered new banking facilities with The Standard Bank of South Africa.

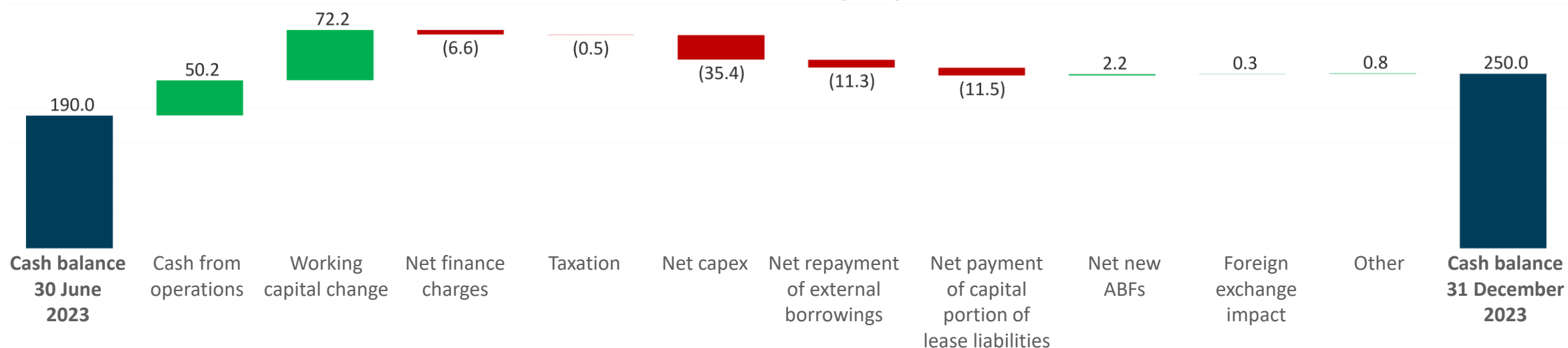
Movements in working capital (A\$m)



- Minimal net movement in inventory or trade & other receivables across the portfolio.
- Contract assets decreased due to the settlement of contract claims and timing-related contract entitlements at McConnell Dowell.
- Contract liabilities increased due to progress billings at McConnell Dowell.



Movement in cash (A\$m)



A\$m	31 December 2023	30 June 2023	Change
Cash balance	250	190	60
South African operations	4	12	(8)
McConnell Dowell	246	178	68
Borrowings	(72)	(81)	9
Term facilities	(13)	(23)	10
Asset-backed financing arrangements	(58)	(56)	(2)
Other	(1)	(2)	1
Net cash	178	109	69

- Cash balance increased by A\$60 million, largely at McConnell Dowell
- Net cash position increased by A\$69 million
- Repayment of term facilities of A\$10 million
- Asset-backed financing arrangement backed by PPE with a carrying amount of A\$70 million
- The Group has cash of A\$250 million (30 June 2023: A\$190 million) at 31 December 2023 of which A\$89 million (30 June 2023: A\$79 million) is held in joint arrangements



Outlook & Key Messages



We have come a long way:

- Excellent progress in the execution of the Group's strategy.
- Disposed of numerous non-core businesses.
- Core businesses profitable. On a pathway to target margins.
- Settled legacy debt.
- Balance sheet de-risked.
- Leaner and more agile. Ability to focus on improved profitability.
- Ready for next phase. Planning and preparation complete.

Our strategic journey now enters a new phase...

While our management epicentre shifts to Australia, governance and control remain in South Africa. We remain listed on the JSE.

From 1 March, our new structure aligns with our operational activities, while providing enhanced access to diverse capital markets.

As we navigate this exciting future together, we remain dedicated to delivering consistent, reliable, and profitable results for our stakeholders.

- **Three strong and well-respected operating brands** in infrastructure, building, and mining - a value offering that sets us apart.
- **Differentiation** – A valued partner on projects that deliver higher margins and better returns.

Enablers

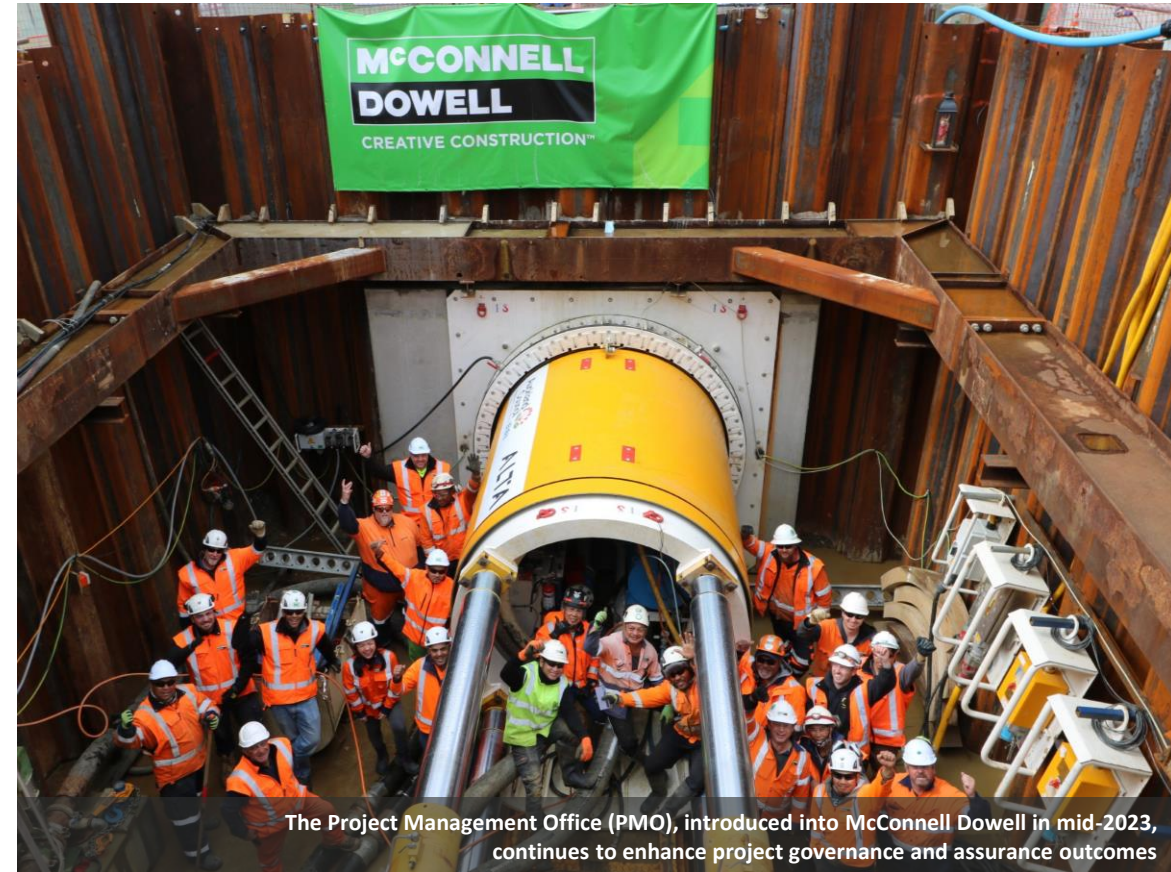
- **Solid fundamentals** – The right projects in the right markets, with an appropriate risk profile, and sharpened focus on execution.
- **Investment in systems and technologies** – To drive productivity and client value.
- **Investment in people** – An attractive employee value proposition and world-class leadership training and development.
- **Operational standards and governance** – One company one approach. Best practice, clear, applicable group wide and consistent.
- **Our new operating structure** – Agile, efficient, effective. Will leverage collective expertise across the entire Group.



Three strong operating brands in infrastructure, building, and mining



- As an absolute priority, increase the margin % of the consolidated Aveng Group.
- Operational performance – Steady, consistent, continuous improvement in profit, cash generation and safety.
- Enhance the role and impact of the project support / governance team.
- Continue to renew and optimise the Moolmans fleet.
- The pursuit of new work:
 - Maintain absolute discipline. Risk profile must be appropriate for Group capacity and capability.
 - Diversify Moolmans client, commodity and geography focus.
- Strengthen McConnell Dowell balance sheet and settle term debt.
- Further develop our Environmental, Social and Governance (ESG) initiatives.
- Continued development of our people, build capacity and capability to support our medium to longer term strategy.



- The new Executive Team is in place and ready to go. Located in Australia close to the majority of our business activity.
- A strong matrix structure efficiently consolidates and simplifies the South African and Australian corporate layers. A lean and agile structure with all key functions represented at executive level to deliver near and longer-term expectations.
- Fully leverages existing executive functional capability (and capacity) across the entire Group.
- Operational support and governance consistently applied and provided across the entire Group.
- No disruption to operational business units – strategies and tactical actions will proceed with continuity and urgency.

Executive Committee

Scott Cummins
Chief Executive Officer



Adrian Macartney
Chief Financial Officer



John Meggitt
Chief Commercial Officer



Steve Collett
Chief Strategy Officer
Chief People Officer



Dale Morrison
Chief Operating Officer



James Glastonbury
Chief Engineering & Innovation Officer



Positive outlook for H2 2024 and beyond

Infrastructure:

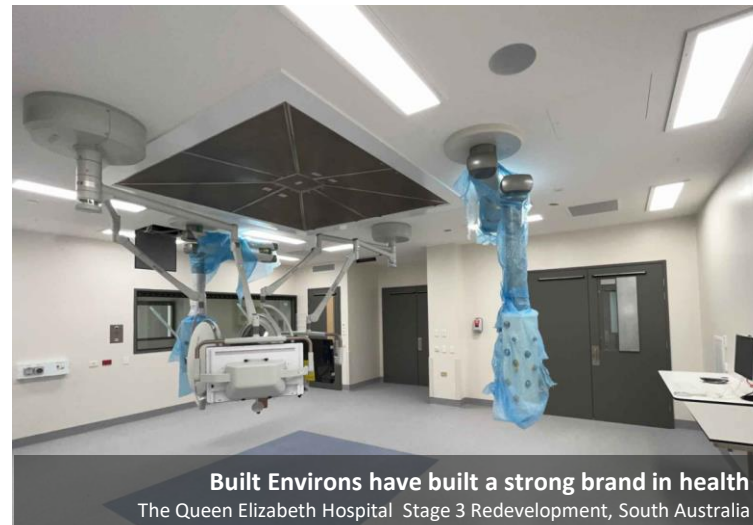
- Signs of softening transport infrastructure market in Australia balanced by reduced escalation pressures.
- Newer contracts performing strongly and margin performance improving overall.
- Emergence of a general trend toward new energy related developments.

Building:

- Markets in Australia and New Zealand remain strong. Specifically, health, education and recreation sectors.
- Newer contracts performing well.
- Now operating at scale. Standout performance in H1 2024 – profitable and cash generative.

Mining:

- Challenging mining environment in South Africa.
- Tshipi performance continuing to show improvement with a focus on better performance in H2.
- Opportunities with existing clients on existing mines and within the SADC region.





Thank you & Questions



Appendices

Continuing operations	H1 2024 Rm	H1 2023 Rm	Change Rm
Revenue	18 553	12 793	5 760
Gross earnings	1 025	839	186
Gross margin	5.5%	6.6%	(1.1%)
Operating earnings	192	91	101
Capital expenses	(99)	(1)	(98)
Net finance expense	(83)	(71)	(12)
Earnings before taxation	10	19	(9)
Taxation	2	(14)	16
Earnings from continuing operations	12	5*	7
Earnings from discontinued operations	(1)	43	(44)
Earnings for the period	11	48	(37)
Headline earnings	137	77	60

* Continuing operations only. Excludes Trident Steel.



Finance earnings: R69 million; (2023: R20 million)
Finance expense: (R152 million); (2023: (R91 million))

Statement of financial position as at	31 Dec 2023 Rm	30 Jun 2023 Rm	Change Rm
Non-current assets	5 321	5 125	196
Current assets	8 921	8 539	382
TOTAL ASSETS	14 242	13 664	578
Foreign currency translation reserve	1 598	1 605	(7)
Accumulated losses	(3 295)	(3 305)	10
Other	4 859	4 855	4
TOTAL EQUITY	3 162	3 155	7
Non-current liabilities	2 242	2 108	134
Current liabilities	8 838	8 401	437
TOTAL LIABILITIES	11 080	10 509	571

