

# Aveng reaches another milestone: Duraset Alrode sale announcement

Wednesday, 7 August 2019

Marking yet another milestone in its plans to futureproof the Aveng Limited (“Aveng”) business, Chief Executive Sean Flanagan, today announced that the company had entered into a binding agreement to sell the business related to the Aveng Duraset Alrode operation (“Duraset Alrode”) to Videx Wire Products Proprietary Limited (“Videx”) for a cash amount of R50 million, subject to certain contractual conditions.

Duraset Alrode is a diversified supplier of engineered support solutions to the mining and geotechnical industries and has positioned itself over time as a well branded and leading supplier of critical safety products to the mining industry.

Videx is a leading manufacturer and supplier of roof support systems and ventilation ducting for the mining industry. The company has been in the mining roof support industry since 1984 and prides itself on supplying innovative, cost effective and safe quality products.

The transaction which is expected to be completed by 31 October 2019 is limited to the sale of the Duraset Alrode operation and product portfolio. The transaction includes warranties normal for a transaction of this nature. Amidst a challenging market environment which includes depressed demand in many of the sectors in which Aveng operates and reduced investment in infrastructure development in South Africa, Flanagan and team have been intensely focused on simplifying and optimising the portfolio of core businesses. The disposal of non-core assets is designed to improve revenue growth and profitability of the Group.

Since August 2018 Aveng has disposed of non-core property assets and businesses, which include Aveng Water, Aveng Rail, Aveng DFC, Aveng Infraset and most recently the announcement of the sales of Aveng Rand Roads and the Ground Engineering businesses.

Flanagan said, “I am very encouraged that we are making real progress in our commitment to stakeholders to reduce debt and create liquidity through the sale of non-core businesses. In doing so, we are realising a more sustainable, long-term capital structure for Aveng which will be the platform that will enable the core businesses of the Group to reach their full potential. Importantly, these transactions are not only good for Aveng but contribute significantly to the transformation and sustainability of the sector.”