

Aveng grows order book, expects solid interim performance

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JSE-listed construction group Aveng has grown its order book to R29.1-billion as at December 31.

This includes A\$1.1-billion worth of work won by its Australia-focused subsidiary McConnell Dowell.

The work includes a redevelopment project at the Queen Elizabeth Hospital, in Adelaide; major road projects, in Victoria; and multiple water industry contracts in New Zealand.

Moreover, McConnell Dowell expects to successfully convert A\$2.1-billion worth of preferred tender projects into new work, including a bridge in Tasmania, level crossing removals in Melbourne and a transport project at Perth's Midland station.

The company reports that, for the six months ended December 31, McConnell Dowell, Moolmans and Trident Steel performed well at revenue and operating profit levels, despite ongoing challenging Covid-19 restrictions in the five countries the group operates in.

The Moolmans business, meanwhile, undertook remedial action on the Tshipi manganese and Kolomela iron-ore contracts, in South Africa, it has been having trouble with. The Kolomela contract has recovered from previously noted underperformance and has been profitable in the six months under review.

Aveng has also concluded a successful renegotiation on the Tshipi contract with improved commercial terms.

Moolmans' operating profit for the six months is expected to be in line with budget.

Aveng says further that Trident Steel continues to outperform as a steel service centre business for mostly the automotive sector. The business' operational profitability is expected to exceed budget in the interim reporting period.

The group expects to publish its interim results on February 22.