*Press release*

# AVENG RELEASES INTERIM RESULTS

*CONTINUED COMMITMENT TO SUCCESS OF BUSINESS SEGMENTS*

## SALIENT FEATURES

- Revenue of A$1.4 billion (R16.6 billion); December 2023: A$1.5 billion (R18.6 billion)
- Operating loss before capital items of A$31.0 million (R356 million); December 2023: A$15.5 million (R192 million) earnings
- Operating loss before capital items includes A$76.7 million (R885 million) for losses on J108 and Kidston projects.
- Headline loss of A$34.4 million (R399 million); December 2023: A$11.3 million (R137 million) earnings
- Work in hand of A$2.6 billion (R30.1 billion); June 2024: A$3.1 billion (R37.2 billion)
- Cash on hand of A$256.1 million (R3.0 billion); June 2024: A$227.7 million (R2.8 billion)
- Disposal of Investment in Dimopoint completed in December 2024
- Moolmans has concluded a new 60-month contract with Gamsberg at higher volumes
- Separation strategy making steady progress and remains the key focus for the calendar year

**18 February 2025:** Aveng (JSE code: AEG) – the international engineering-led contractor focused on infrastructure, building, and mining in selected markets – today reported interim results for the six months ended 31 December 2024. In line with previous guidance, revenue contracted by 8.1% to A$1.4 billion following an expected softening of infrastructure markets in Australia and New Zealand.

While significant losses from the Jurong Region Line (J108) and the Kidston Pumped Storage Hydro projects in the Infrastructure segment resulted in the recognition of a combined loss of A$76.7 million (R885 million) for the period, the balance of the projects in the portfolio remain profitable and cash-generative.

“For the remainder of the business, operating earnings improved in the Building segment through continued solid project execution, with the Mining segment continuing to focus on steadily improving production performance, better commercial outcomes, and the pursuit of new work,” said Group CEO, Scott Cummins.

“The overall performance of the Mining segment will be bolstered by the recent conclusion of a new 60-month contract at the Gamsberg Mine, which will deliver greater volumes, increased revenue, and improved profitability, allowing Moolmans to utilise and renew existing fleet, and add new equipment. Moolmans has worked with OEM suppliers and financiers to ensure new equipment is already on site to allow steady production increases and achieve full production from 1 April 2025.”

Cummins added that within the Infrastructure segment, the Group will continue its good performance on the remainder of the portfolio of projects, securing new work and strengthening the order book as market conditions improve.

Continuing from the prior year, Aveng delivered a strong operating free cash inflow of A$16.1 million (December 2023: A$52.6 million inflow).

The Group closed with a higher cash balance of A$256.1 million (R3 billion) (June 2024: A$227.7 million (R2.8 billion)) and an improved net cash position of A$187.5 million (R2.2 billion) (June 2024: $173.7 million (R2.1 billion), with both the South African and Australian liquidity pool balances increasing in the period.

As announced on 2 December 2024, Aveng completed the disposal of its 30% investment in the issued share capital of Dimopoint Proprietary Limited ("Dimopoint") through its subsidiary, Aveng Africa Proprietary Limited ("Aveng Africa"), to Collins Property Group for cash proceeds of A$8.1 million (R96 million).

Cummins concluded that the Group remains committed to ensuring the success of its three businesses, McConnell Dowell, Built Environs, and Moolmans, but added that the overall strategic direction of the Group to pursue two separate and independent businesses remains unchanged.

"We are making steady progress on the separation strategy, and this remains the key focus for the remainder of this calendar year."

## OPERATIONAL OUTLOOK

The Group delivers projects through three strong operating brands: the ***Infrastructure segment***, branded McConnell Dowell, which operates in three geographical regions – Australia, New Zealand & Pacific Islands, and Southeast Asia; the ***Building segment***, branded Built Environs, operating in New Zealand and the states of Victoria and South Australia; and the ***Mining segment*** branded Moolmans, which operates in South Africa.

The Group enters the second half of the 2025 financial year with combined work in hand amounting to A$2.6 billion (R30.1 billion), down from A$3.1 billion (R37.2 billion) in June 2024.

As previously guided, work in hand in the Infrastructure segment has reduced to A$1.7 billion (June 2024: A$2.2 billion), reflecting the overall reduction in state government spending (particularly in Victoria and NSW). The segment remains aligned with the market shift to defence, energy, water, marine, and resources.

Work in hand in the Building segment increased to A$515 million (June 2024: A$443 million) following the successful award of projects in the healthcare, recreation, and education sectors.

### *Infrastructure*

The focus remains on operational performance through improving the consistency of project delivery and winning new work within the Infrastructure segment.

Preparatory work, including legal, tax, statutory, and financial due diligence for the separation, has proceeded in accordance with the plan. A range of implementation options for the separation are being assessed to deliver shareholder value and will be pursued in the coming 12 months.

The Infrastructure segment remains well positioned in light of expected increased market activity in specialty sectors, specifically water and waste-water, defence, marine, and alternative energy. In Australia, the federal and state elections are expected to create some level of uncertainty as investment priorities are reviewed, whilst the temporary slowdown of opportunities coming to market in New Zealand is expected to improve in the coming period. The Southeast Asia business unit is anticipated to benefit from the increasing pipeline of marine prospects, specifically in Singapore and Indonesia.

The current work in hand provides a robust revenue platform, with over 97% of planned revenue for the second half of FY25 secured and 49% of 2026 planned revenue secured. Work in hand comprises 75% in the government sector and 25% in the private sector.

The business remains focused on converting current tenders of A$1.9 billion in preferred bidder status to award, with a further A$3.3 billion pending decision.

***Building***
Built Environs enters the second half of the 2025 financial year with solid work in hand. Markets in Australia remain strong, with government spending in healthcare, education, and recreation sectors growing in line with the population growth. While there has been a recent slowdown in activity in New Zealand, a clear longer-term demand is expected, given the aging healthcare infrastructure.

Built Environs has a preferred bidder status of A$543 million and current tenders of A$786 million pending decision.

**Mining**
Entering the second half of the financial year, the geopolitical market fragmentation and inflationary cost pressures remain key drivers of mining sentiment across Africa. Despite emerging opportunities in the SADC region in the longer term, the current mining environment continues to be impacted in South Africa by logistics infrastructure constraints.

Moolmans' consolidation and reset strategy agenda includes improved operational performance and cash generation. A key factor to success is contract execution on the newly awarded long-term Gamsberg contract. Despite client mine planning issues, financial performance at Tshipi is expected to improve in line with production levels and the resolution of commercial claims.

To support the consolidation agenda, the overall fleet rationalisation programme continues through the utilisation and renewal of the existing fleet and the addition of new equipment. Additional capital expenditure for new equipment and a renewal plan for existing equipment over the contract period will be funded through project cashflows.

The focus remains on improving operational performance, commercial management, and securing new contracts that add value to Moolmans. Steady progress has been made with the overall process to introduce new ownership, including B-BBEE capital. Negotiations continue to take place with interested parties.

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