

AVENG LIMITED

Incorporated in the Republic of South Africa
(Registration number: 1944/018119/06)
ISIN: ZAE000302618
SHARE CODE: AEG
("Aveng" or "the Group")



TRADING STATEMENT, OPERATIONAL UPDATE AND STRATEGIC REVIEW

TRADING STATEMENT

This trading statement is in accordance with paragraph 3.4 (b) of the JSE Listings Requirements, which requires issuers to publish a trading statement as soon as they are satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported on will differ by at least 20% from those of the prior comparative period.

Shareholders are hereby advised that a reasonable degree of certainty exists that the results for the year ended 30 June 2024 will result in the Company reporting an earnings per share profit and a headline earnings per share profit for the year ended 30 June 2024, in comparison to the earnings per share loss of A\$82.4 cents and headline loss per share of A\$61.6 cents in the prior year. The financial statement close and related audit and governance processes remain underway. A further trading statement will be released providing shareholders with ranges for earnings per share and headline earnings per share, as required by the JSE Listings Requirements, once the processes have progressed to provide a reasonable degree of certainty.

The financial information on which this trading statement is based has not been reviewed or reported on by the Group's auditors.

OPERATIONAL UPDATE

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

Infrastructure

McConnell Dowell is expected to report a positive performance for the year ended 30 June 2024. Operating earnings are expected to reflect an improvement on the prior year, including after adding back the loss associated with the BLNG project in 2023. This reflects the continued strong performance of the underlying business. This is supported by continued strong liquidity and cash flows. As expected, work in hand has reduced reflecting the timing of larger infrastructure project awards, particularly for government funded projects.

Building

Built Environs is expected to report increased revenue and improved operating earnings as compared to the prior year. The growth in revenue is in line with the business unit's growth agenda, enabling the business unit to operate at scale across its three regions. Work in hand has come off peak levels but remains at comfortable levels to maintain similar revenue levels going forward.

Mining

Moolmans is expected to report marginal operating earnings for the year ended 30 June 2024. Operating margins remain under pressure, primarily associated with the Tshipi contract. Other mining clients have been negatively impacted by infrastructure constraints, leading to reduced work in hand.

Moolmans is currently in discussions with existing clients on opportunities to redeploy equipment in support of increased volumes.

Group Liquidity

The Group is expected to report both an improved cash balance and net cash position of A\$173 million, excluding IFRS16 liabilities. Current debt comprises asset backed finance, pre-dominantly at Moolmans. Previously reported term debt at McConnell Dowell was settled in the year.

STRATEGIC REVIEW

Following the appointment of Scott Cummins as Group Chief Executive Officer, the Board has directed management to conduct a detailed review of the corporate strategy for the Group. The objective of this review is to explore options available to Aveng and its subsidiaries, to enhance stakeholder value and maximise value to shareholders, by ensuring that the value of Aveng's assets is fully recognised. Aveng has appointed Macquarie Capital to assist with this strategic review.

Aveng intends to progress the review promptly and will keep shareholders informed of material developments as appropriate.

The Group expects to release its audited results on or about 20 August 2024.

12 August 2024

Boksburg, South Africa

JSE Sponsor
Valeo Capital (Pty) Ltd



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Executive Directors

SV Cummins (Group Chief Executive Officer) | AH Macartney (Group Finance Director and Chief Financial Officer)

Non-Executive Directors

PA Hourquebie (Independent Non-executive Chair) | B Modise (Independent Non-executive) | N Bowen (Independent Non-executive) | SJ Flanagan (Non-executive) | BC Meyer (Independent Non-executive) | D Noko (Independent Non-executive)

Registered office

Rose Avenue, 2 Merlin Drive, Parkhaven – Boksburg, Gauteng 1459

Forward looking statements

Certain statements in this document are not reported financial results or historical information but forward-looking statements. These include but not limited to statements about the Group's operations, financial conditions, earnings, and growth prospects. They are based on the best estimates and information of Aveng at the time of writing. They are nonetheless subject to significant uncertainties and contingencies, many of which are beyond the control of the Group.

Unanticipated events may occur, and actual future events may differ materially from current expectations due to changes in priorities by the Group, engagement with clients, suppliers, external auditors and other stakeholders.