
ASX Announcement

28 June 2024

NEW OPERATING STRATEGY AND STRUCTURE

AVADA Group Limited, one of the leading traffic management companies in Australia and New Zealand, is refining its operating strategy, structure and brand to further strengthen the competitive advantages of its national scale and position.

In summary:

- The Operational Review announced on 20 May 2024 has been completed.
- The operating structure based on independent businesses trading under multiple brands with centralised corporate services was the optimal structure during the IPO and initial consolidation phase.
- The review identified that a new national operating structure under a single brand will deliver a consistent client experience with expected operating efficiencies, benefits and revenue synergies. The integration of the operations of AVADA's businesses with the consolidated corporate functions will be completed by 1 October 2024, creating a market leading national platform with more than 2500 traffic controllers, 1100 vehicles and 31 depots, operating under a single brand.

The changes will:

- optimise deployment of resources across the network for local projects and national clients
- consistently deliver industry best practice and public company standards for safety, governance and reporting, across all operations
- strengthen the Group's employee value proposition to recruit, retain and develop traffic controllers and drive improving client service standards
- reduce complexity and capitalise on scale economies to drive service innovations and realise efficiencies.

The Group's long-term strategy is to seek opportunities to create businesses adjacent to the core traffic control business, as standalone pillars. In line with this strategy, the Traffic Division will operate under the AVADA Traffic brand and will consolidate the Group's individual traffic management brands. This will reinforce AVADA's unique market competitive advantages including significant operations footprint; ASX standards of safety, governance and reporting; efficiencies driven by centralised corporate functions; and capacity to invest in workforce professional development and client service delivery standards.

CEO and Managing Director, Dan Crowley said, "Operating as a single brand shows clients the strength and breadth of the AVADA Traffic business on a truly national scale with AVADA being recognised as the industry leader.

"A prominent national brand will strengthen our ability to negotiate, support and deliver large-scale client project opportunities that span across our operations. It will strengthen the Group's efforts to recruit and retain employees, improve employee engagement and continue to lift client service delivery standards across the business.

"We have already done the work to create a competitive national platform, and the new structure will enable us to capture the operational and financial benefits of being the largest and only publicly listed traffic management company in Australia and New Zealand.

"We are confident this will reinforce our position as a leader in the industry and support our long-term growth and value for our shareholders."

This announcement is authorised for release by the Board of Directors of AVADA Group Limited.



About AVADA Group Limited

AVADA Group is a leading, independent, Australian traffic management operator and ancillary service provider with an established and extensive network throughout Queensland, New South Wales, Victoria, and New Zealand. AVADA Group provides services to government clients and major contractors in the civil infrastructure and maintenance sector.

Visit us at avadagroup.com.au

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