



AVADA GROUP LIMITED

H1 FY26 Results

26 FEBRUARY 2026
ASX:AVD

Based on Appendix 4D for the six months to 31 December 2025



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AGENDA

1. Results Overview
2. Financial Overview
3. Operating Update
4. Outlook



Results Overview



1H FY26 AT A GLANCE

TOTAL REVENUE

\$101.5m

H1 FY25 \$91.1m

Strong growth in Queensland and New South Wales.

Strengthened business development capabilities improving pipeline visibility and opportunities.

STATUTORY NET LOSS AFTER TAX

\$16.5m

H1 FY25 \$9.6m

Includes \$15.0m impairment on value of Victorian business.

ADJUSTED EBITDA *

\$7.1m

H1 FY25 \$6.2m

Excluding impairment losses.

Underlying performance benefiting from cost control measures and labour/fleet utilisation efficiencies, and improved systems and reporting.

*Refer slide 7.

Financial Overview



FINANCIAL PERFORMANCE

- Revenue growth driven by Queensland and New South Wales.
- Gross margins temporarily adversely impacted in New South Wales by establishment and mobilisation costs.
- Adjusted EBITDA¹ excludes the \$15.0m impairment recognised for the Victorian business reflecting the goodwill paid for acquired businesses and constrained unionised market.
- Cost control measures maintain consistent level of operating expenses.

\$'000s	H1 FY26	H1 FY25
Revenue from operations	101,463	91,061
Gross profit	20,690	20,188
<i>Gross margin (excl. other income)</i>	<i>20.4%</i>	<i>22.2%</i>
Profit/(loss) for the period	(16,492)	(9,573)
Adjusted EBITDA ¹	7,129	6,164
<i>Adjusted EBITDA¹ %</i>	<i>7.0%</i>	<i>6.8%</i>
Depreciation and amortisation	(5,538)	(4,960)
Net finance income/(expense)	(1,643)	(1,826)
Adjusted net profit after tax and amortisation (NPATA) ¹	1,548	876
Key Metrics²		
Vehicles (period end)	917	953
Revenue per vehicle (\$'000)	\$111	\$96
Traffic controllers (period end)	2,264	1,861
Revenue per traffic controller (\$'000)	\$45	\$49
Traffic controller hours for period ('000)	1,166	1,179
Revenue per traffic controller hour (\$)	\$87	\$77

Note

¹ Refer to Appendix A for a reconciliation of statutory results to adjusted results (excludes non-recurring income and expenditure).

² Key metrics are indicative of performance during the period and represent the average project work by traffic controllers. However, these may vary due to the nature of the project including the duration of work, complexity, required staff and equipment and associated fees.



BALANCE SHEET

- Cash position reflects the working capital funding of increased trade debtors and revenue growth in Queensland and New South Wales.
- Borrowings increased in line with an increase in trade debtors.
- Refinancing on track for completion in Q3 with multiple offers being considered.
- Net assets decrease of \$16.0m predominantly driven by the \$15.0m impairment of the Victorian business.

\$'000s	Dec-25	Jun-25
Current assets		
Cash and cash equivalents	4,128	7,327
Trade debtors and other current assets	40,241	31,873
Total current assets	44,369	39,200
Non-current assets		
Property, plant and equipment	18,790	21,792
Other non-current assets	30,336	46,407
Total non-current assets	49,126	68,199
TOTAL ASSETS	93,495	107,399
Current liabilities		
Trade and other payables	21,658	23,575
Other current liabilities	39,840	10,514
Total current liabilities	61,498	34,089
Non-current liabilities		
Financial liabilities	8,989	34,298
Other non-current liabilities	248	326
Total non-current liabilities	9,237	34,624
TOTAL LIABILITIES	70,735	68,713
NET ASSETS	22,760	38,686
NET CURRENT ASSETS	(17,129)	5,111

Operating Update



BUSINESS RESPONDING TO OPERATIONAL IMPROVEMENTS



QLD: Revenue momentum across all regions. BD activity has restored revenues after BCC contract not renewed in FY25.

NSW: Strong revenue growth supported by industry leading governance and transparency. Margins temporarily impacted by mobilisation costs on new contracts.

VIC: Constrained by union labour mandate on State Government contracts. Pursuing growth opportunities in regional areas.

NZ: Strengthening performance with new management team and increased BD activity. Optimising depot network, labour and fleet utilisation. NZ economy is now in the early stages of recovery post prolonged downturn.

BUSINESS TRANSFORMATION BENEFITS

Strengthened BD capability with additional resources in QLD and Victoria.

Executive General Manager of Strategic Execution and Operations and Head of Commercial appointed to strengthen leadership. New QLD State Manager promoted from within AVADA.

Fleet utilisation improved in Q2 and further gains expected Q3.

Focus on margin improvement and resource optimisation initiatives in H2.



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Outlook

OUTLOOK

Improving momentum and strong pipeline of work.

Business transformation expected to deliver operational and financial benefits in H2.

Best practice standards for safety, governance and public accountability remain a clear differentiator for AVADA.

First-half actions position the Group for improved FY26 outcomes.



Appendix A



UNDERLYING EARNINGS

- Non-recurring and non-operational transaction expense adjustments include costs associated with restructuring, refinancing and business transformation initiatives.
- Contingent consideration adjustment relates to the gain recognised with the remeasurement of liabilities associated with the STA Traffic acquisition.
- Impairment relates to \$9.4m for goodwill and \$5.6m of customer contract intangibles in Victoria, reflecting the goodwill paid for acquired businesses and constrained unionised market.

\$'000s	H1 FY26 Statutory ⁽¹⁾	Non- recurring/ Non-operating items	Contingent Consideration	Impairment of Intangibles	H1 FY26 Adjusted ⁽³⁾
Traffic Management Revenue	101,463				101,463
Other income	1,180				1,180
Other gains	206		(206)		-
Total Revenue	102,849	-	(206)	-	102,643
Cost of Sales	(82,159)				(82,159)
Gross Profit	20,690	-	(206)	-	20,483
Employee benefit expenses	(8,766)	862			(7,904)
General and admin expenses	(1,745)	752			(992)
Other expenses	(4,497)	39			(4,458)
Impairment of intangibles	(15,005)			15,005	-
Operating expenses	(30,013)	1,653	-	15,005	(13,355)
EBITDA	(9,323)	1,653	(206)	15,005	7,129
Depreciation and amortisation	(5,538)		-	-	(5,538)
EBIT	(14,861)	1,653	(206)	15,005	1,591
Net finance income / (expense)	(1,643)				(1,643)
Profit before tax	(16,504)	1,653	(206)	15,005	(52)
Income benefit / (expense) ⁽²⁾	13				13
Net Profit after tax	(16,492)	1,653	(206)	15,005	(40)
Exchange differences on translation of foreign operations	568				568
Add back: amortisation (net of tax)	N/A	N/A	N/A	N/A	1,017
NPATA	(15,924)				1,545

Note

1. H1 FY26 Statutory results are as per the audit reviewed financial information for the half year ending 31 December 2025.
2. The tax expense amount is the current estimated expense.
3. The pro forma and normalisation adjustments have been sourced from the underlying accounting records of AVADA Group Limited and its subsidiaries and have not been subject to audit or independent review.



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