

Aveng remains in the red, despite valiant effort from Australian subsidiary

Aveng's Australian subsidiary McConnell Dowell contributed a profit of R51m in the six months to end-December from a R47m loss in the corresponding period.

By [Robert Laing](#) 28 Feb 2018



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But this was not enough to bring the embattled construction group, which has not paid a dividend since 2012, back to profit.

Echoing the results of competitor Wilson Bayly Holmes-Ovcon (WBHO), which also released its interim results on Tuesday morning, Aveng reported strong growth in Australia helped its top line.

Aveng's interim revenue grew 13% to R16bn, boosted by the revenue contribution from its Australian division doubling to A\$372m (about R3.4bn).

Much as WBHO's interim bottom line was dragged down by a R170m settlement agreement with the government in 2016, Aveng's was dragged down by R165m.

Despite having booked the full fine in its 2016 interim results, Aveng's after-tax loss only narrowed to R341m from R429m. But its total loss halved to R504m from R1.1bn. In its 2016 interim results, Aveng reduced its after-tax loss by a further R709m.

The group's chairman, Eric Diack, who has been acting CEO following Kobus Verster's return to ArcelorMittal SA, said in his outlook: "Domestically, the outlook for the infrastructure market remains subdued with limited visibility on large-scale projects.

"However, recent changes in the political environment have led to an improved sentiment in SA. There are opportunities to increase exports for the manufacturing operations."

Source: *BDpro*

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