

Aveng's Mc Connell Dowell advances strategic plan

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“McConnell Dowell’s latest contract awards reaffirm the disciplined growth agenda of the business and reflect the growing momentum and demand for its specialist capabilities against a backdrop of strong competition across its operating regions,” said Eric Diack, Executive Chairman of Aveng.

Aveng’s Australian-based subsidiary, McConnell Dowell, is a respected specialist infrastructure contractor offering engineering and construction solutions to the infrastructure, building and resource sectors across Australia, New Zealand and the Pacific, and Southeast Asia. A key priority in Aveng’s strategic action plan is to enhance operational performance, deliver growth and unlock value from the Group’s core assets, of which McConnell Dowell is one, and this is measured through sustainable growth in the company’s order book.

The awards in the first half of FY2019 total over R8.5 billion, taking McConnell Dowell’s order book to R11.4 billion at 31 December 2018 (up 50% from R7.6 billion at 30 June 2018). With a healthy level of early client involvement (ECI) work underway, McConnell Dowell is well-positioned to continue to secure additional work in the near term.

Key contracts awarded during FY 2019 Q2 include:

Tuas Water Reclamation Project (Singapore): The Tuas Water Reclamation Plant is a strategic infrastructure project that will deliver substantial environmental and social benefits to Singapore and its people. This award comes after McConnell Dowell’s successful completion late last year of the complex Tuas Road bridge project for a related Singapore Government entity in the Tuas vicinity. McConnell Dowell will provide site-wide facilities and support services for the Tuas Facility, including construction of the outfall, sewer connections in the vicinity, as well as the provision and maintenance of services such as security, utilities, telecommunications and traffic management. When completed, the Tuas Facility will be the largest water reclamation plant in Singapore to use membrane bioreactor technology.

Wingfold Tower (Australia): Following a change of ownership of this development site, McConnell Dowell’s subsidiary, Built Environs, will continue work on the 25-level luxury apartment complex in Adelaide’s central business district under a new construction contract. Construction will resume in early 2019 and is scheduled for completion in 2020.

Pukekohe Wastewater Treatment Plant (New Zealand): McConnell Dowell’s joint venture with HEB Construction Ltd will cement its reputation as the leading provider of wastewater development projects in New Zealand with this significant treatment plant upgrade required to service the growing South Auckland region. The new facility will double the plant’s capacity and works will begin immediately. The award of this project builds on the successful completion of the award-winning BNR project in 2018.

Wynyard Edge Alliance (New Zealand): McConnell Dowell’s reputation for marine works has been further enhanced by being selected to execute the Wynyard Edge Alliance in Auckland. Working alongside Downer, BECA, Tonkin + Taylor, Auckland Council and MBIE, the Alliance will design and construct the infrastructure to support the 36th America’s Cup in New Zealand, to be held in 2021.

Stanley Street Stormwater Upgrade (New Zealand): McConnell Dowell will deliver stormwater upgrade and outlet works for the Ports of Auckland.

The diversification of McConnell Dowell's order book highlights the breadth and depth of expertise across its operational areas, with the continuation of work from existing customers building on past performance. The contract awards support McConnell Dowell's baseline revenue for FY2020 and beyond, providing a strong base for continued growth. In addition, the market sectors that McConnell Dowell services are expected to see ongoing positive, but competitive, conditions, offering growth opportunities with the continued roll-out of medium- and large-sized projects. The business is well positioned to take advantage of these opportunities.