

FY2020 Preliminary Results

HIGHLIGHTS

- Full year preliminary results released, reflecting strong revenue and profit growth:
 - FY2020 Revenue of \$274m (+20% on FY2019)
 - FY2020 EBITDA¹ of \$33m (+30% on FY2019)
 - FY2020 Adjusted NPAT² of \$18.1m (+19% on FY2019)
 - Reduction in net debt to \$18.5m (31 December 2019: \$29.1m)
- Final dividend declared of 1.5 cents per share.

Perth, Australia – 27 August 2020: The Directors of Mader Group Limited (ASX: MAD) (Mader) are pleased to release a Preliminary Financial Report that reflects a strong financial performance notwithstanding the onset of COVID-19.

Mader is pleased to report FY2020 revenue growth of 20% to \$274 million. The Company's consolidated adjusted FY2020 net profit after tax² is \$18.1 million, representing a 19% increase from \$15.2 million in FY2019. The growth in revenue and earnings was driven by:

- Increased demand in Australian regions (both existing and new customers). Mader believes there remains significant revenue growth potential in all Australian regions in which it currently operates.
- A strong ramp-up in the USA operations which delivered 70,300 hours of specialised contract labour during the year, up from 10,600 hours in its inaugural year of operation.
- An ongoing roll out of ancillary services that complement Mader's core service capabilities. Ancillary services comprise several additional trades including auto electrics, light vehicle mechanics, line boring and boilermaking. The roll out of ancillary services is most advanced in WA where ancillary revenue growth of 41% year on year was achieved.

The Preliminary Financial Report shows a significant reduction in net debt to \$18.5 million at 30 June 2020 (31 December 2019: \$29.1m), even with the payment of the interim dividend of \$3m during that period.

Additionally, the Board has declared an FY2020 final dividend payment of A\$0.015 per share (1.5 cents) to shareholders. Over the year, Mader declared a total of \$7.3 million fully franked dividends.

Outlook

The outlook for FY2021 is for continued revenue and earnings growth, particularly in Western Australia from iron-ore and gold mining customers and the USA which continues to ramp up. In addition, ancillary services will continue to be rolled out and are expected to generate revenue growth.

Revenue growth in Western Australia is somewhat constrained by the interstate travel restrictions and will be greater when these restrictions are relaxed making interstate recruitment easier.

The International division (Africa and Asia) will likely only make a small contribution in FY2021 due to ongoing international travel restrictions.

Commentary

“Our business model is to provide skilled tradespeople on flexible terms, primarily to support mobile equipment maintenance. This year tested the degree of flexibility we can work to. You only know how good your team is when you’re presented with challenges, and this year our team moved more people than ever, with more flexibility than ever,” said Mader Chief Executive Patrick Conway.

“We delivered services to 200 customers across 11 countries and are proud of how well our team has pulled together in the face of COVID-19. It’s a testament to agility and dedication of our workforce and I look forward to seeing what we can achieve in FY2021.” said Mader Chief Executive Patrick Conway.

Notes:

1. Earnings before Interest, tax, depreciation and amortisation (“EBITDA”) is a non-IFRS term which has not been subject to audit or review.
2. Adjusted NPAT includes income tax effected adjustments for One-off Offer Costs relating to the IPO and the impact of accounting standard AASB 16. Refer to the Preliminary Financial results for a full reconciliation.

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Approved for release by the Board of Mader Group Limited

About Mader Group Limited

Mader Group Limited (ASX:MAD) is a global leader in the provision of skilled labour for the maintenance of heavy mobile equipment (trucks and excavators). The Company’s well established labour market platform allows it to connect a global network of over 200 mining and civil customers with a skilled in-house workforce of over 1,300 trade-persons on flexible, fit for purpose, and cost-effective terms. Mader was named 2019 Mining Contractor of the Year by Mining Monthly.

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