

## Half Year Financial Results – 1H FY22

**Perth, Australia – 28 February 2022:** Mader Group Limited ('Mader') (ASX:MAD), a leading global provider of specialist heavy equipment maintenance services, is pleased to release its financial results for 1H FY22.

	Unit	1H FY22	1H FY21	Variance (\$)	Variance (%)
Revenue					
Australia	\$m	160.2	127.4	+32.8	+26%
North America	\$m	19.3	11.6	+7.7	+66%
Rest of World	\$m	5.7	2.2	+3.5	+167%
Total Revenue	\$m	185.2	141.2	+44.0	+31%
EBITDA	\$m	21.2	16.3	+4.9	+30%
EBITDA Margin	%	11.4	11.6	-0.2%	-1.7%
NPAT	\$m	12.1	8.7	+3.4	+39%
NPAT Margin	%	6.5	6.2	+0.3%	+4.8%
Net Debt	\$m	22.3	19.9	+2.4	+12%

Note: All amounts presented in the table above are denominated in Australian Dollars.

### OVERVIEW:

- Mader reports **record half year revenue of \$185.2m, an increase of 31%** vs the prior corresponding period (PCP), driven by **sustained strong demand** and **continued expansion** of its service lines across the globe.
- This record revenue has been **delivered with improved profit margins** as the business **successfully navigates** the challenges associated with tightening labour markets and workforce mobility.
- Based on **continued growth in customer demand** across the global mining industry, Mader has **upgraded its FY22 guidance to revenue of at least \$370m delivering a forecast NPAT of at least \$24m**.
- Diversification of its revenue profile** continued with Mader Canada and Mader Energy, both launched to **target significant maintenance markets in North America**. The investment in these new service lines has **already delivered first revenue**.
- Mader entered into an agreement to **dispose of its equity interest** in Western Plant Hire. The sale will **deliver post tax cash inflows of ~\$7m** with proceeds to be **re-invested in growth opportunities**. The transaction was finalised in January 2022.
- Mader was named the **Employer of the Year** at the **2021 RISE Business Awards**. In addition, its Trade Upgrade Apprenticeship Program received an award for **Training Excellence** at the **2021 Australian Business Awards**.
- Net debt closed at \$22.3m, a small decrease from 30 June 2021 (\$24.0m) reflecting **strong operating cashflow** that was delivered during the half year.
- 2.0 cent fully franked interim dividend** confirmed for the period ending 31 December 2021 with a record date of 9 March 2022 and payment date of 23 March 2022.

Executive Director and Chief Executive Officer, Justin Nuich, said that Mader's 1H FY22 results are a reflection of continued delivery against the Group's strategic priorities.

"Our long-term focus remains on delivering compounding annual revenue growth. During the period we were pleased with the solid foundations laid to support this objective. We continued to see an expansion in our traditional service offerings and are excited by the early success of new growth platforms introduced in recent years.

"These growth platforms include our Australian infrastructure maintenance division and multiple new service lines that are targeting heavy equipment maintenance services throughout North America's mining and energy sectors. These business units allow Mader to broaden its revenue base and provide new services utilising labour outside of our traditional talent pools. This ultimately leads to an enhanced value offering to our 240+ customers around the world.

"Based on our robust financial results and exceptional global demand in the markets in which we operate we are confident that our FY22 guidance, which was increased in January 2022, will be delivered.

"Finally, I would like to acknowledge the extraordinary efforts of the Mader team in successfully navigating what was a dynamic operating environment throughout the period. The team has adapted quickly and responsibly to ensure we support our workforce during ever-changing mobility settings with a strict focus on margins."

## HALF YEAR PERFORMANCE AND OPERATIONAL UPDATE

### Zero Harm

Mader's safety performance metrics improved during the half year period. Several projects were delivered to enhance digital connectivity and driver safety across the Group's largely remote workforce. Frontline leadership and safety interactions increased to improve workplace safety behaviour and awareness.

### Australia

In Australia, Mader's operations delivered \$160.2m in revenue, a 26% increase vs PCP. This increase was attributed to sustained strong demand for the Group's core service offerings as well as strong performance by Mader's ancillary and infrastructure maintenance divisions.

Revenue generated from Mader's core service offerings increased to \$124.2m in 1H FY22, up 28% vs PCP. The Company's ability to attract and retain a high-quality workforce has been instrumental to the continued expansion of Mader's traditional service lines.

Mader's infrastructure maintenance division delivered revenue growth of 70% vs PCP. This division has expanded its geographic focus and is now delivering services in four states across Australia.

Revenue generated from the business' ancillary maintenance services increased 13% vs PCP. Several work scopes were secured during the period covering autonomous haulage and electrical projects for large owner-miners in Western Australia.

In response to high customer demand on the East Coast, Mader introduced two new business units to focus on hard rock mineralisation and its associated maintenance requirements.

Mader completed the sale of its 25% equity interest in WPH in January 2022. The decision to divest was based on capital allocation rationale with the disposal delivering post-tax cash inflows of ~\$7m. This capital will be redeployed to fund growth activities. All profits will be excluded from the underlying financial result for FY22. On this basis, the sale will not impact Mader's guidance.

Activity in the Group's Perth maintenance facility included a number of significant rebuilds for customers nationally. Responding to increasing demand, and underpinned by a confirmed forward order book of 28 machine rebuilds valued at ~\$20m, the Group will relocate its workshop to a new world-class, custom built facility which is due for completion in mid-2022.

The six-month period saw Mader's Trade Upgrade Apprenticeship Program welcome their ninth and tenth intakes, consisting of 23 apprentices who will be upskilled to heavy duty diesel specialists. The program's investment and commitment to the future of mining was acknowledged through a Training Excellence Award at the 2021 Australian Business Awards.

### North America

The North American market generated \$19.3 million in revenue, up 66% vs PCP. This increase was driven by both new customers and additional requests for support from existing customers in the United States.

Mader's investment in organic start-up, Mader Canada, delivered first revenue during the half year, securing work scopes in Fort McMurray, Alberta. A small initial base of operations has been established and business development activities are continuing.

A second organic start-up, Mader Energy, was launched during the half year to target maintenance opportunities in the energy sector throughout North America. Multiple Master Service Agreements have been executed with first work scopes delivered in December 2021.



Image 1: Mader Energy Service Truck, ME-03, at a gas compression station in the Ardmore Basin, Oklahoma.

### Rest of World

Mader's Rest of World operations generated \$5.7m, up 167% vs the prior half year. Activity levels were steady with equipment maintenance delivered across key customers throughout Africa, Asia and Oceania.

Whilst customer demand is increasing due to a large maintenance deficit caused by the pandemic, operations across the segment remain impacted by mobility and work permit restrictions to varying degrees.

## FINANCIAL POSITION

During the period, Mader completed a refinance of its Australian debt facilities extending tenure and reducing borrowing costs. The new facilities increase overall borrowing capacity within Australia through dedicated working capital, asset finance and growth facilities. The

agreed structure also supports extended borrowing capability outside of Australia to complement the development of the North American business.

Growth capital expenditure for the half year was \$18.0m as compared to \$11.3m in the PCP. The increase in growth capital was largely attributed to securing a service vehicle fleet to support organic start-ups; Mader Canada and Mader Energy.

This investment is expected to substantially insulate these business units from vehicle procurement challenges being experienced throughout North America and will provide a solid base to secure new work during the early stages of business development and brand establishment.

The Company's net debt closed at \$22.3m, a small decrease from 30 June 2021 (\$24.0m) reflecting strong operating cashflow that was delivered during the half year, despite the capital requirements mentioned above.

## INTERIM DIVIDEND

Mader declared an interim fully franked dividend of 2.0 cents per share on 28 February 2022, representing a net profit payout ratio of 33%. The total value of the dividend payment is \$4.0m. The record date is 9 March 2022 with a payment date of 23 March 2022.

## OUTLOOK

Record revenue across the Group highlights the significant flexibility and adaptability of Mader's unique business model. Mader continues to evolve quickly to capitalise on new market opportunities and ensure enhanced value to its client-base.

A solid foundation has been set to enable the business to deliver on its long-term objective of compounding annual revenue growth. Mader continues to diversify its revenue profile to target significant addressable markets with new revenue streams expected to deliver growing returns for investors. Operations in North America are accelerating steadily and this region is a significant pillar of the Group's long-term growth strategy.

Mader recently increased its financial guidance for FY22 with current market conditions providing Mader with the confidence to forecast revenue of at least \$370m and NPAT of at least \$24m.

- end -

### About Mader Group Limited

Mader Group Limited (ASX:MAD) is a global leader in the provision of heavy equipment and infrastructure maintenance. Today, the Company's well-established labour market platform allows it to connect a global network of over 250 mining, civil and energy customers with a skilled in-house workforce of approximately 1,900+ personnel on flexible, fit for purpose, and cost-effective terms. Mader was named 2021 Most Trusted Mining and Civil Contractor by the Australian Enterprise Awards and Employer of the Year at the 2021 RISE Business Awards sponsored by Business News.

#### Chief Executive Officer

Justin Nuich  
justin.nuich@madergroup.com.au

#### Chief Financial Officer

Paul Hegarty  
paul.hegarty@madergroup.com.au

#### Investor Relations & Media

Natasha Marti  
natasha.marti@madergroup.com.au

Approved for release by the Board of Mader Group Limited