

## Full Year Results, Final Dividend & FY23 Guidance

Perth, Australia – 23 August 2022: Mader Group Limited (ASX:MAD), a leading global provider of specialist technical services across multiple industries, is pleased to release its operational and financial results for the full year ended 30 June 2022 (FY22).

Underlying*	Unit	FY22	FY21	Variance (\$)	Variance (%)
			(PCP)		
Revenue					
Australia	\$m	342.0m	273.3m	+68.7m	+25%
North America	\$m	50.0m	24.2m	+25.8m	+107%
Rest of World	\$m	10.1m	6.8m	+3.3m	+49%
Total Revenue	\$m	402.1m	304.3m	+97.8m	+32%
EBITDA	\$m	48.0m	35.7m	+12.3m	+34%
EBITDA Margin	%	11.9%	11.7%	+0.2%	+1.7%
NPAT	\$m	26.0m	19.3m	+6.7m	+34%
Net Debt	\$m	26.7m	24.0m	+2.7m	+11%

All amounts presented in the table above are in Australian Dollars. \*Underlying EBITDA & NPAT exclude non-recurring items, for a reconciliation to reported amounts please refer to Appendix One.

### FY22 HIGHLIGHTS:

- Mader **delivered record annual revenue of \$402.1m**, up 32% from \$304.3m in FY21. Revenue growth was **delivered across multiple service lines** and geographies, **underscoring the diversity increase** in the Group's revenue profile.
- **Underlying EBITDA of \$48m delivered**, up 34% from \$35.7m in FY21. Importantly, EBITDA margins improved from 11.7% to 11.9%, reflecting the Group's **disciplined approach to cost management**.
- **Underlying NPAT of \$26m delivered**, up 34% from \$19.3m in FY21. This excludes the \$1.9m gain on sale of an associate, as announced to ASX in January 2022.
- Net debt of \$26.7m, equating to **net leverage of ~0.6x**.
- **A final fully franked dividend of 2.0 cents per share**, taking the total FY22 dividend to 4.0 cents per share, an increase of 33% on FY21.
- **3.9m hours of specialist technical services delivered** to over 350 customers across 480 locations globally, an increase from 3.4m hours in FY21.
- **Multiple organic start-ups** were launched during FY22 to target new, large addressable markets in North America providing a platform to continue growth into FY23.

### FY23 OUTLOOK:

- A **solid foundation for continued expansion** has been laid in FY22 with multiple **structural drivers of growth established** and poised to deliver into FY23 and beyond.
- These drivers will **deliver a diversified commodity, industry and geographical revenue profile** as Mader transitions to a **global services business**.
- **Revenue guidance for FY23 is expected to be at least \$510m delivering an NPAT of at least \$33m.**

Executive Director & Chief Executive Officer, Justin Nuich, commented that FY22 was an exceptional year for Mader.

“Placing a strategic focus on our key priorities, we outperformed market guidance, delivering revenue of \$402.1m and an underlying NPAT of \$26m. Representing a 32% year-on-year increase in revenue, these outstanding results were achieved despite workforce mobility and talent pool headwinds, which the business navigated exceptionally well.

“Providing support to more than 350 customers in over 480 locations across multiple sectors is an incredible accomplishment and a testament to the efforts of our dedicated team. Our brand, technology and processes have been refined year-after-year to deliver improved operational delivery and enhanced outcomes for our client base.

“Our position as an employer of choice has been a driving force behind our growth, reaching a milestone of 2,200 employees worldwide. We received extensive recognition for our progressive and innovative culture during the year; awards that reflect the integrity of our people and business.

“Our people are our biggest asset and we will continue to invest in them, building exciting, long-lasting careers that place safety and culture at the forefront of all operations. It gives me great pleasure to present this year’s results as we evolve into a truly diversified, global business that gives our workforce access to unprecedented opportunity.”

## **OPERATIONAL UPDATE**

### **Safety Update**

Principle safety initiatives for the year included a focus on streamlining technology and enhancing our digital systems to facilitate workforce connectivity, driver safety, education and training.

The business deployed its custom-built, employee mobile app across North America; introduced a global online learning and engagement system; and commenced the installation of vehicle ignition interlock devices across its Australian fleet of service vehicles.

Mader’s Total Recordable Injury Frequency Rate (TRIFR) improved significantly over the financial year, with 4.48 recordable injuries per million hours worked. The improvement is a testament to the development of our safety leadership, processes, systems and communication.

### **Australia**

Mader’s Australian market grew by 25% vs PCP, delivering \$342m in revenue. Despite facing workforce mobility challenges, the core mechanical services business continued to perform strongly. Experiencing sustained high demand amid a tightening skills shortage, new contracts were secured and several existing contracts were renewed to support a range of customers nationwide.

Now operating across five states, the segment’s infrastructure maintenance division experienced revenue growth of 120% vs PCP. The continued expansion of this service line

will see them branch out to industrial asset maintenance and local government infrastructure support.

The Group's ancillary services experienced revenue growth of 20% vs PCP. Demand for supplementary products, including light vehicle and heavy road transport trades increased, with our new rail services division positioned for growth across multiple sectors for FY23.

On the East Coast, strong market conditions supported growth, with service demand seeing the business introduce a specialist excavator and drill rig support team, and a dedicated hard rock division to focus on the maintenance requirements for hard rock mineralisation.

During the financial year, Mader secured a new 3,400m<sup>2</sup> maintenance facility in Perth, Western Australia, to service a diverse customer base of major owner-miners and OEM's. Having commenced support in Q1 FY23, the economics of the workshop are underpinned by a confirmed forward order book of machine rebuilds in FY23, valued at more than \$20m.

Mader's tailored Trade Upgrade Program welcomed 68 apprentices across Western Australia and Queensland, taking the total number of mechanics inducted since inception to 180. Receiving a Training Excellence Award at the 2021 Australian Business Awards, the program was recognised for its commitment to ensuring sustainable future careers in the resources industry.

The business divested its 25% equity interest in Western Plant Hire (WPH), a Western Australian based mobile plant hire provider. The impact of the sale, being \$1.9m has been excluded from the underlying NPAT result. Capital proceeds have been reinvested to fund growth activities.

## **North America**

Revenue generated in North America increased to \$50m for the year ended 30 June 2022, up 107% on \$24.2m delivered in FY21 (100% increase excluding AUD/USD foreign exchange movements). Growth was driven through several new customers in the United States and increased volume across existing operations. The team expanded operational capabilities with the introduction of a new custom welding and fabrication service line.

Key executive management personnel were appointed to support the Group's North American operations in FY22, leveraging industry relationships to build brand awareness and secure a steady pipeline of work across the continent. In addition, Mader's Chief Operating Officer relocated to North America to ensure a focus on culture, customer service and sustainable growth.

Capitalising on market conditions, Mader entered two large addressable markets with the launch of organic start-ups, Mader Energy and a business unit in Canada. Both operations have established a strong industry presence and delivered first revenue in 1H FY22.

Mader Energy has secured a broad customer-base with upstream and midstream operators across multiple shale formations and the Group's Canada operations are being supported by Mader's Global Pathways Initiative; an internal program that mobilises skilled expatriate technicians to support a global network of customers.

## Rest of World

The Rest of World segment delivered \$10.1m in revenue, an increase of 49% vs PCP. After enduring a number of challenges in recent years, the team selectively re-engaged its customer base. Mader's specialist teams delivered equipment maintenance and training solutions across Africa and Asia during the period. Business development resources have now been added to strategically drive future growth.

## FINANCIAL POSITION

The Company's net debt increased to \$26.7m, up from \$24m in FY21. The increase was representative of continued capital investment, particularly in North America as the operations in this market expanded.

## FINAL DIVIDEND

On 23 August 2022, the Company declared a final FY22 fully franked dividend of 2.0 cents per share, taking total dividends declared in relation to FY22 to 4.0 cents per share (fully franked). This represents an underlying NPAT payout ratio of 31% and an increase in dividend payments of 33% vs PCP.

The record date is 6 September 2022 with a payment date of 27 September 2022.

## FY23 OUTLOOK & GUIDANCE

Mader has established a number of strategic growth platforms in recent years that will continue to structurally position the business for sustainable, high-growth in the coming years.

The recent advancements into the North American markets, coupled with infrastructure maintenance and other ancillary service offerings will allow Mader to capitalise on its ability to attract the best specialist talent and deploy them on a global scale.

It is expected that FY23 revenue will be at least \$510m (FY22: \$402.1m), delivering a forecast NPAT of at least \$33m (FY22: underlying \$26m).

## APPOINTMENT OF JOINT COMPANY SECRETARY

Mader advises that effective immediately, Ms Sarah Wilson has been appointed as Joint Company Secretary.

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## APPENDIX ONE

During the financial year, the Group disposed of its investment in Western Plant Hire Limited. The reported results have been adjusted for this one off occurrence as follows.

A\$m's	NPAT	EBIT	EBITDA
Reported Results	27.9	41.8	50.9
Less Sale of Associate	1.9	2.9	2.9
<b>Adjusted Results</b>	<b>26.0</b>	<b>38.9</b>	<b>48.0</b>

### About Mader Group Limited

Mader Group Limited (ASX:MAD) is a global leader in the provision of specialist technical services across multiple industries. Today, the Company's well-established labour market platform allows it to connect a global network of over 350 customers to a skilled in-house workforce of approximately 2,200+ personnel on flexible, fit for purpose, and cost-effective teams. Mader was named 2021 Contract Miner of the Year at the Australian Mining Prospect Awards, 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.

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Approved for release by the Board of Mader Group Limited

