

Full Year Results, Final Dividend & FY24 Guidance

Perth, Australia – Tuesday, 22 August 2023. Mader Group Limited (ASX:MAD), a leading global provider of specialist technical services across multiple industries, provides its operational and financial results for the full year ended 30 June 2023 (FY23).

	Unit	FY23	FY22	Variance (\$)	Variance (%)
			(PCP)		
Revenue					
Australia	[\$m]	468.5m	342.0m	+126.5m	+37%
North America	[\$m]	132.2m	50.0m	+82.2m	+164%
Rest of World	[\$m]	8.1m	10.1m	-2.0m	-20%
Total Revenue	[\$m]	608.8m	402.1m	+206.7m	+51%
EBITDA ¹	[\$m]	75.1m	48.0m	+27.1m	+56%
EBITDA Margin	[%]	12.3%	11.9%	+0.4%	
NPAT ¹	[\$m]	38.5m	26.0m	+12.5m	+48%
NPAT Margin	[%]	6.3%	6.5%	-0.2%	
Net Debt	[\$m]	42.7m	26.7m	+16.0m	+60%

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

FY23 HIGHLIGHTS:

- Mader Group reported record annual revenue of \$608.8m, delivering a 51% increase from \$402.1m in FY22. Growth was experienced across multiple industry verticals and geographies, highlighting the compounding effect of the Group's entry into new addressable markets.
- EBITDA of **\$75.1m delivered**, an increase of 56% from \$48.0m¹ in FY22. EBITDA margins improved from 11.9% to 12.3%.
- NPAT of \$38.5m delivered, an increase of 48% from \$26.0m¹ in FY22.
- Net debt of \$42.7m, equating to net leverage of 0.57x.
- A final **fully franked dividend of 3.4 cents per share declared**, taking total FY23 dividends to 5.8 cents per share fully franked, **an increase of 45%** from FY22.

FY24 OUTLOOK:

- Mader's culture-led business model is expected to drive continued market share expansion across industry verticals and geographical regions coupled with the addition of new service lines to expand and diversify the Group's revenue profile.
- Revenue guidance for FY24 is expected to be at least \$770m, delivering an NPAT of at least \$50m.





Executive Director and Chief Executive Officer, Justin Nuich, commented on the Group's FY23 performance.

"Our performance throughout the year was record-breaking, something we as a team are very proud of. Total FY23 revenue was \$608.8m, resulting in NPAT of \$38.5m – an impressive year on year increase of 51% and 48%¹ respectively.

"Currently providing services across eight countries, we extended support to over 380 customers across more than 530 locations; reflective of our strategy to expand our service offerings across industry verticals and into new geographies. With our largest workforce to date, our 2,900+ strong team delivered more hours of specialist technical services than ever before.

"Our people are the cornerstone of our operations, and I'd like to thank them for their efforts throughout the year. As a business our primary objective is to keep them engaged, motivated, and above all, safe. With these goals in mind and culture at the forefront of everything we do, several initiatives were implemented to enhance the overall employee experience.

"One of these initiatives was the expansion of our Global Pathways program, an industry-first and unparalleled internal transfer program that unlocks opportunities for our people around the world. With 200+ team members taking hold of opportunities in Africa, Asia and North America, Global Pathways has quickly become a key attraction and retention tool for the business, as well as a fantastic way to quickly mobilise technicians into new regions with structural demand deficiencies, such as Canada.

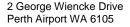
"Heading into FY24, we are poised to further penetrate large addressable markets, driven by our culture-led business model and dedicated team. The key to future growth and long-term sustainability of our business lies in diversified operations, which will generate compounding returns for shareholders. We take pride in our impressive track record, having achieved a ~30% year on year growth rate for the last 10+ years and we anticipate this momentum to continue into the future."

OPERATIONAL UPDATE

Zero Harm

The safety and wellbeing of the Mader team is the Group's key focus, which is reflected in an improved Total Recordable Injury Frequency Rate with 3.91 recordable injuries per million hours worked recorded, a 14% improvement year on year.

This improvement can be attributed to leadership commitment and continued investment in innovative safety solutions and bespoke digital systems. With a large, remote workforce and more than 1,100 vehicles in the global fleet – driver safety, connectivity and education were fundamental priorities. To mitigate vehicle related risks and support a safer driver experience, a trial of In Vehicle Monitoring Systems was initiated, which included fatigue and driver behaviour tracking technology.







The business continued to develop its custom-built employee mobile app across global operations, introducing further learning and development modules to the platform. Further, processes for incident reporting, investigations and efficient safety communications were streamlined.

Australia

In Australia, the segment delivered revenue of \$468.5m, an increase of 37% versus the prior corresponding period ('PCP'). Against a backdrop of structural skilled labour shortages prevalent in the many industries Mader operate in, customer demand for core mechanical and ancillary services remained strong.

One of the Group's primary growth drivers, infrastructure maintenance performed strongly and delivered services across five states in Australia. The expansion of the business unit throughout the year saw revenue growth of 57% vs PCP. Diversifying revenue streams through new industry verticals, the Group's rail, road transport and marine products strengthened their presence in their respective markets.

On the East Coast of Australia demand for Mader's core and ancillary service offerings was very strong. The Group's dedicated hard rock maintenance division increased workflow over the year, building on relationships with new and existing customers.

Mader's Trade Upgrade program saw 118 new apprentices commence across Western Australia and Queensland in FY23. A further 60 participants graduated the program with a mobile plant certification, joining divisions across Australia as dual-trade, heavy-duty technicians.

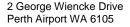
Having been commissioned in the first quarter of FY23, the Perth-based Mader Maintenance Centre completed a number of rebuilds and repairs for tier-one mining clients throughout the year. The pipeline of secured work will see delivery well into FY24 and beyond, with the facility positioning itself as a preferred destination for major turnkey offsite rebuilds and repairs.

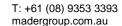
North America

Operations in North America grew to deliver revenue of \$132.2m, an increase of 164% vs PCP (146% on a constant currency basis). The continued expansion throughout North America is pivotal to the Group's diversification strategy and FY23 proved that Mader's unique business model is compatible across markets in the United States and Canada.

Specialist technical services were delivered across 32 states in the United States, with a focus on developing relationships with new and existing customers across a widened commodity base. The business unit will aim to bolster ancillary services to complement existing core mechanical offerings.

Canada achieved rapid growth with the team of ~160 technicians servicing customers in five provinces and territories; Alberta, British Columbia, North West Territories, Nunavut, and Ontario. Headcount growth exceeded expectations through a combination of local recruitment





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efforts and our Global Pathways program, mobilising 65 Australian and New Zealand expatriates to the region.

Mader Energy delivered field maintenance for customers in various shale formations throughout the United States. The business unit has experienced stable organic revenue growth to date and is continuing to expand its customer base.

Rest of World

The Rest of World segment delivered revenue of \$8.1m, a 20% decrease versus the PCP. Supplying specialist services and technical advisory for customers in five countries across Asia and Africa, the business unit remains steady, despite the decrease in year on year revenue.

The Group considers overseas work as an essential means of attracting and retaining talent, and will continue to grow as appropriate opportunities are identified through business development efforts. Mader's Rest of World operations provide exciting and often challenging roles with short-term secondments available from any point of residence, opening up the globe for Mader's adventure-driven workforce.

COMMUNITY & SOCIAL RESPONSIBILITY

Mader's community engagement program, Tools for Life achieved significant milestones in supporting various volunteer, charity and sponsorship initiatives throughout FY23.

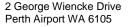
Highlights for the year included:

- Raising over \$75,000 for the Harry Perkins Medical Institute through the 2022 Cancer 200 Ride for Research.
- CEO Justin Nuich participating in the Strong Minds, Strong Mines boxing match to raise awareness for mental health and \$26,000 for chosen charity partner, the Kijilamatambo Primary School in Solwezi, Africa.
- The Group hosting their first 'Introduction to Mining' sessions for local Perth secondary schools at the Mader Maintenance Centre, providing students with an opportunity to expand their industry knowledge and gain valuable hands-on experience.

The wide-ranging global program is aimed at equipping individuals and communities with the tools they need to succeed and will expand its philanthropic endeavours throughout the new financial year.

FINANCIAL POSITION

The Group's net debt position closed at \$42.7m, equivalent to net leverage of 0.57x, reflecting the Group's capital light business model. The reduction in net debt from 31 December 2022 (\$50.9m) was reflective of strong operating cashflows in the second half of FY23 as working capital profiles from organic start-ups normalised.



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Total capital expenditure for FY23 was \$48.4m, an increase of \$7.6m on the PCP. All capital expenditure was growth capital, deployed to support expanded vehicle-based services for Mader's global operations.

FINAL DIVIDEND

On 22 August 2023, the Company declared a final FY23 fully franked dividend of 3.4 cents per share, taking total dividends declared in relation to FY23 to 5.8 cents per share fully franked. This represents an underlying NPAT payout ratio of 30% and an increase in dividend payments by 45% versus the PCP.

The record date is 20 September 2023, with a payment date of 4 October 2023.

FY24 OUTLOOK & GUIDANCE

Mader's commitment to diversifying its portfolio of service offerings across industry verticals, regions and commodities will continue to expand opportunities for growth and combined with our culture-led business model, will strengthen its position as an employer of choice.

With continuing expansion of its North American business, continued growth in the core business as well as step-change contributions from emerging business units, it is expected that FY24 revenue will be at least \$770m (FY23: \$608.8m, reflecting forecast year on year growth of ~26%), delivering a forecast NPAT of at least \$50m (FY23: \$38.5m, reflecting forecast year on year growth of ~30%).

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Notes:

There are nil non-recurring adjustments relating to FY23. Underlying earnings in the PCP excludes a non-recurring item, for a reconciliation to reported results please refer to Appendix One.

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 2,900+ personnel on flexible, fit for purpose, and cost-effective terms. Mader was named Large Business of the Year at the 2022 RISE Business Awards, 2022 Employer of Choice by the Australian Business Awards, received an excellence award for Workplace Flexibility at the 2022 Australian HR Awards and were named finalists for Best Candidate Experience Initiative at the 2023 SEEK STAR Awards.

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Approved for release by the Board of Mader Group Limited.



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APPENDIX ONE

During the PCP the Group disposed of its investment in Western Plant Hire Limited. The reported results were 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
Adjusted Results (FY22)	26.0	38.9	48.0

