

**MADER**

1H FY24 Financial Results & Interim Dividend

Perth, Australia – Tuesday, 20 February 2024. Mader Group Limited (ASX:MAD), a leading global provider of specialist technical services across multiple industries, provides the following update on its performance for 1H FY24 ('1H').

	Unit	1H FY24	1H FY23	Variance (\$)	Variance (%)
			(PCP)		
Revenue					
Australia	[\$m]	275.1	218.5	56.6	26%
North America	[\$m]	94.2	57.3	36.8	64%
Rest of World	[\$m]	5.1	4.5	0.6	13%
Total Revenue	[\$m]	374.4	280.3	94.0	34%
EBITDA	[\$m]	48.5	33.8	14.7	43%
EBITDA Margin	[%]	13.0%	12.1%	-	-
NPAT	[\$m]	24.2	17.6	6.7	38%
NPAT Margin	[%]	6.5%	6.3%	-	-
Net Debt	[\$m]	35.3	42.7	-	-

*For net debt the PCP is the period ended 30 June 2023.

EXECUTIVE SUMMARY:

- The Group continued to deliver step-change growth over 1H FY24, achieving a new half-year revenue record of \$374.4m, an increase of 34% vs the prior corresponding period ('PCP').
- Generating revenue of \$275.1m in Australia, the 26% vs PCP increase can be attributed to the robust performance in core services, complemented by continued expansion of multiple industry verticals.
- North America continued its high growth trajectory, delivering \$94.2m of revenue for the half-year, an increase of 64% vs PCP (61% on a constant currency basis). Mader's Global Pathways Program supported continued headcount growth, mobilising technicians to fulfil significant unmet demand in the region.
- Mader Group was awarded 'Employer of the Year' at the 2023 RISE Business Awards, reflecting the Company's commitment to providing unparalleled career opportunities for its global workforce.
- Strong earnings growth throughout 1H FY24 with EBITDA (\$48.5m at 13.0%) increasing 43% vs PCP and NPAT (\$24.2m at 6.5%) increasing 38% vs PCP.
- Net debt closed at \$35.3m, a decrease of 17% from 30 June 2023. The business is now targeting a net cash position over the medium-term, whilst maintaining strong ongoing growth and dividend payout ratios consistent with historical levels.
- Increasing by 58% vs PCP, a 3.8 cent per share fully franked interim dividend has been confirmed for the period ending 31 December 2023, with a record date of 21 March 2024 and payment date of 4 April 2024.
- Given current macro-economic conditions and steady demand for services in multiple industries globally, Mader reaffirms its guidance of FY24 revenue of at least \$770m and NPAT of at least \$50m.





Mader Group Executive Director and Chief Executive Officer, Justin Nuich said that the Group’s performance in 1H FY24 is further evidence of the business’ evolution into a diversified, global services provider.

“Delivering a new half-year revenue record of \$374.4m is an exceptional result for the business. We have continued to deliver step-change growth over the half-year, with demand for services remaining strong globally.

“With customers spanning six countries, our technical support teams have provided specialist services for numerous industries, including the mining, energy and industrial sectors.

“The ability to expand our services not only demonstrates our commitment to our growth strategy, but also highlights our capability to meet diverse market demands, whilst keeping our people at the heart of everything we do.

“Keeping our workforce safe and engaged is our top priority. We’ve continued to invest in safety systems in our vehicles and placed a focus on further enriching the employee experience by expanding our culture-led programs, Three Gears and Global Pathways. Together, these initiatives embed Mader as an employer of choice.

“As we head into 2H FY24, we are well positioned to leverage our multifaceted offerings and geographical reach to continue to build diversified revenue streams.”

OPERATIONAL UPDATE

Zero Harm

Mader continued to strive towards zero harm, with a focus internally to strengthen safety culture; including streamlining procedures, technology and systems. The Group’s In Vehicle Monitoring System program was expanded, with trials completed and a preferred supplier selected for rollout of a driver fatigue management system across the global fleet.

Australia

In Australia, the business experienced revenue growth of 26%, reporting \$275.1m in 1H FY24. Demand for the Group’s core mechanical services remained strong, whilst growth amongst industry verticals in infrastructure maintenance, rail and ancillary was aligned to expectations.

Having completed a full year since commissioning, the Perth-based Mader Maintenance Centre carried out a variety of major offsite repairs and rebuilds. The forward order book for 2H FY24 and beyond remains strong, as the facility continues to develop its reputation and expand its customer base.

Mader’s Trade Upgrade Apprenticeship Program welcomed four new group intakes over the period, with both Light Vehicle and Heavy Road Transport Mechanics undertaking their Mobile Plant Certification to become dual-trade technicians. Supporting an evolving industry and creating a cost-effective solution for customers, the program operates in Western Australia, Queensland and New South Wales.





North America

The North America segment delivered revenue of \$94.2m, an increase of 64% vs PCP (61% on a constant currency basis). In the United States, specialist services were delivered in 23 states, across multiple commodities.

Supporting customers across six provinces and territories, the Canadian business unit achieved yet another milestone, surpassing headcount of 200. Establishing both an underground division and implementing a Trade Upgrade Program, Mader is proactively expanding its addressable talent pool and developing innovative solutions to meet customer demand.

The Global Pathways Program has consistently produced positive outcomes for the region, attracting more than 150 technicians to exciting opportunities. Notably, 70% of these candidates come from external sources, unlocking the business's access to diverse talent pools. With over 90 expatriate specialists actively supporting customers, a further 60+ will be mobilised over 2H FY24.

Mader Energy provided field maintenance support for customers across a variety of shale formations. The business unit is growing in line with headcount and customer base expansion.

Rest of World

Mader's Rest of World segment delivered \$5.1m, an increase of 13% vs PCP. Providing specialist services and technical support for customers in three countries across Asia and Oceania, the segment remains steady. During the second half of FY24, there will be further efforts on business development, with international opportunities leveraged to attract and retain skilled personnel in the business.

COMMUNITY ENGAGEMENT

In 1H FY24, Mader completed a construction project in partnership with Kansanshi Mining PLC (recently merged with First Quantum Minerals) for the Kijilamatambo Primary School in Solwezi, Zambia. The ablution block features six toilets, sinks, a solar-powered water pumping system and bore and is a significant boost to the overall hygiene, sanitation and wellbeing of both the school and wider community.

FINANCIAL POSITION

The Group's net debt position closed the half year at \$35.3m, a reduction from \$42.7m at 30 June 2023. This is a 17% decrease from FY23 and reflects the Group's continued cash flow conversion strength which is underpinned by robust working capital management.

The Group is now targeting a positive net cash position over the medium-term whilst maintaining strong ongoing growth and a dividend payout ratio of approximately one third of NPAT.

During the half year, Mader successfully renegotiated and renewed its long-term finance facilities within Australia. The renewal of these facilities provides expanded tenure of its working capital facility to support continued growth.



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INTERIM DIVIDEND

Mader declared an interim fully franked dividend of 3.8 cents per share on 20 February 2024, representing a net profit payout ratio of 31%. The total value of the dividend payment is \$7.6m. The record date is 21 March 2024, with a payment date of 4 April 2024.

QUARTERLY REPORTING

As Mader's business continues to expand and mature, the Company considers it appropriate to transition its reporting cycle from voluntary quarterly reporting to half-yearly reporting. This change will allow a greater proportion of management time to be focussed on business operations.

As a result, the next operational and financial update will be the full-year results for FY24. Mader will continue to comply with its continuous disclosure obligations under the ASX Listing Rules.

OUTLOOK

Having firmly established the business from a mobile equipment maintenance provider to a multi-industry technical services company, Mader will continue to diversify revenue streams and create compounding returns for shareholders.

With low capital intensity, a unique business model and opportunities identified to continue strong growth, Mader reaffirms FY24 guidance of at least \$770m revenue, and NPAT of at least \$50m.

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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 400 customers to a skilled in-house workforce of approximately 3,000+ personnel on flexible, fit for purpose, and cost-effective terms. Mader was named Employer of the Year at the 2023 RISE Business Awards, 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.

