

## ASX Announcement

25 February 2021

## MGH Delivers Solid Profit, Maiden Dividend and Guidance for FY21

Leading independent Australian construction materials, equipment, and service provider Maas Group Holdings (MGH) today announced a net profit after tax of \$11.7m and Proforma EBITDA (non-IFRS measure) of \$30.4m for the half year ended 31 December 2020.

### Financial Performance

	1H20	1H21	Change
	\$M	\$M	%
Statutory Revenue	90.3	128.6	42.3
Proforma Revenue	103.8	134.5	29.6
Statutory NPAT	9.5	11.7 <sup>1</sup>	22.7
Proforma NPAT	14.3	15.7 <sup>1,3</sup>	9.8
Statutory EBITDA	24.8	26.9 <sup>1</sup>	8.5
Proforma EBITDA	30.2	30.4 <sup>1</sup>	0.7 <sup>2</sup>
Dividend		2¢/share – fully franked	

Refer Appendix A for further details with respect to the reconciliation of Proforma EBITDA.

<sup>1</sup>Includes nil increment for change in fair value of the commercial property portfolio (1H20:\$2.9m before tax)

<sup>2</sup>11.1% increase excluding change in fair value in 1H20

<sup>3</sup>refer MGH Results Presentation Half Year FY2021 for reconciliation.

### Analysis of Result

In announcing the Group's half year results, MGH Managing Director and Group CEO Wes Maas said that MGH had enjoyed a solid performance for the half year in line with expectations. Mr Maas highlighted that the Civil Construction and Hire division led the performance for the first half. MGH expects a stronger contribution from the other segments for the remainder of the year as earnings become more diversified as the scale of business across the segments increases. Mr Maas noted that MGH was well positioned for a strong FY 21 result given its exposure to infrastructure spending as well as strong regional demand for services and real estate.

"We have invested heavily in recent years to position the company to take advantage of the increased investment in major infrastructure projects for both the current year and for the years ahead" Mr Maas said. "Our strategic investment discipline and regional focus has provided us with the ideal platform to achieve long term growth".

Mr Maas highlighted the significant investment in quarries in recent years noting a number of quarries will open over the next 12 months coinciding with the commencement of major infrastructure works in the regions.

Mr Maas noted the 11% growth in Proforma EBITDA before fair value increments. The Commercial Property portfolio is expected to recognise fair value increments in the second half of FY 21 upon the achievement of certain milestones.

The above ground and underground plant hire businesses will be integrated over the next few months to maximise operating efficiencies and promote cross sell opportunities.

### **Guidance**

The business remains on track to deliver strong earnings growth in the second half of the financial year and provides guidance for Proforma EBITDA for the year ended 30 June 2021 in the range of \$70m - \$77m. The guidance is based on the existing business of MGH as at 31 December 2020 and includes fair value increments for the Commercial Property portfolio which are expected to be similar to those achieved in FY 20.

Mr Maas noted that the expected solid second half to the year would include increased contributions from the Construction Materials and Real Estate segments to 30 June 2021, consistent with MGH's core strategy of these segments being pillars of growth for the company and reflecting recent capital investment by the company in these segments.

### **Dividend**

The Board has declared a maiden interim dividend of 2 cents per share which will be fully franked and retains its full year target of a dividend payout of 20-40% of Cash NPAT. MGH will also commence a Dividend Reinvestment Program (DRP). The DRP provides a convenient way for shareholders to invest their dividends in new fully paid shares in MGH, without paying brokerage and other associated costs. The DRP for this interim dividend will be fully underwritten at no cost to the company by entities associated with Mr Maas, subject to shareholder approval. A general meeting will be called to seek the required approval. Under the proposed terms of the DRP, shareholders who participate in the DRP will be offered new MGH shares at a 5% discount to the volume weighted average price (VWAP) for the 5 days immediately after the record date. Details with respect to the dividend including relevant dates are contained in an Appendix 3A.1 which will be lodged separately to this announcement.

### **Banking Update**

Mr Maas advised that MGH had received credit approval for an increase in Australian debt facilities from its banking group to \$160m providing the group pro forma liquidity in its Australian operations of \$90m as at 31 December 2020 and allows additional balance sheet flexibility to enable the company to continue to invest in the future growth of the business. The increased facility remains subject to documentation.

This announcement is authorised by the Board of Directors of MGH

### **About MAAS Group Holdings Limited**

MGH is a leading independent Australian construction materials, equipment and service provider with diversified exposures across the civil, infrastructure, mining and real estate end markets.

## Appendix 1 – Reconciliation of Proforma EBITDA

	1H20 (\$m)	1H21 (\$m)
Statutory EBITDA	24.8	26.9
Preacquisition EBITDA of Acquisitions <sup>1</sup>	4.8	1.5
Non-Recurring Items <sup>2</sup>	1.0	2.0
Alignment of Corporate Cost structure <sup>3</sup>	(0.4)	-
<b>Proforma EBITDA</b>	<b>30.2</b>	<b>30.4</b>

<sup>1</sup>Includes completed acquisitions of Macquarie Geotechnical, Millers, Dubbo Sands and Bizitay;

<sup>2</sup>Includes one off costs such as costs of IPO preparation – refer Directors Report of MGH Interim Report 31/12/20 for reconciliation of Adjusted EBITDA;

<sup>3</sup>Proforma additional cost to reflect existing cost structure of MGH