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ASX Announcement

9 November 2021

ASX: MGH ('MAAS Group Holdings Limited', 'MGH' or the 'Company')

Managing Director's Annual General Meeting Address

Thankyou Mr Chairman, and good morning, everyone.

I am pleased to report that in FY21 we delivered what we promised. We have a reputation for doing what we say we are going to do.

I would like to again thank all our team who have done a great job throughout a busy and challenging year.

Their efforts have not only delivered excellent financial results and a strong continued investment in our core businesses, but we also have been able to progress several exciting growth opportunities with an ongoing commitment to drive value for both the business and our customers.

People and Safety

Safety of our workforce will always remain our highest priority.

Regrettably, we had a fatality at our West Wyalong Quarry on 24 May 2021.

This incident is one that will not be forgotten as it has had an enduring impact on the deceased contractor's family, friends, colleagues, and our team.

MGH operates a best-in-class safety monitoring and reporting system, with the overarching purpose of making sure everyone goes home safely to their family every day.

Nothing overrides the safety of our team, and every employee is empowered to stop operations and escalate issues if they consider something is not safe.

As the business grows, so too does the employment and career opportunities we can offer as an industry leader.

Our ability to continue to attract, retain and engage committed and skilled employees is critical for our future success, and we have a range of employee engagement and leadership development initiatives in place to support our aspiration to be an employer of choice in both regional and metropolitan markets.

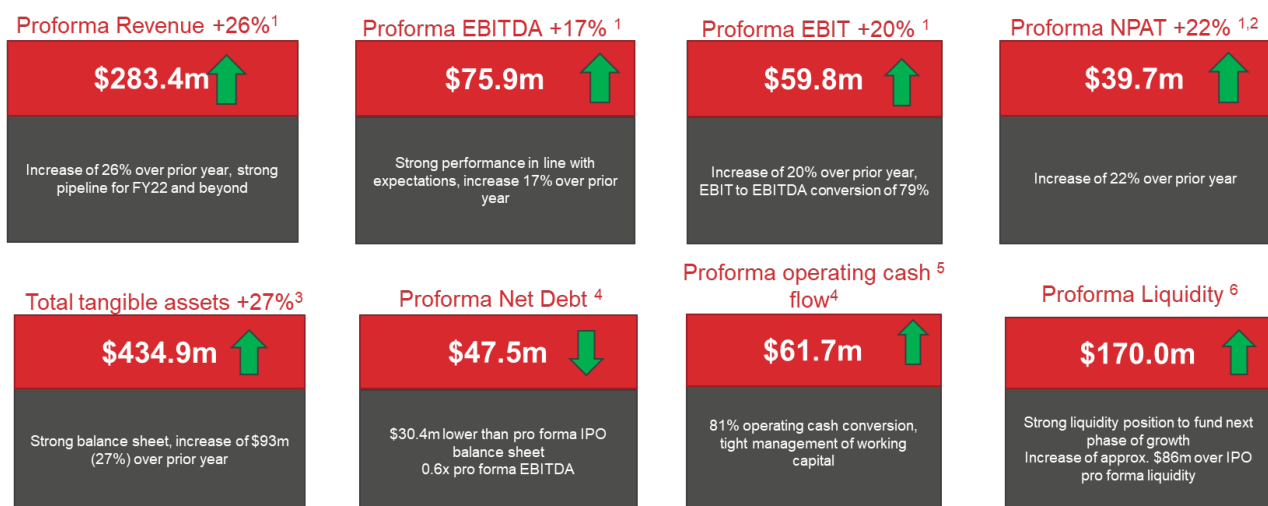
Our annual report highlighted our achievements over the last year as we look to a future of continued growth for our company.

Financial Results and Capital Investments

The business has performed well last financial year, with a Proforma EBITDA result of \$75.9m coming in at the top end of guidance range.

FINANCIAL HIGHLIGHTS

FY21 v FY20



1. Proforma Revenue, EBITDA, EBIT & NPAT are non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to those measures presented by other companies. These measures, which are unaudited, are important to management as an additional way to evaluate the performance of MGH.
2. Includes \$0.1m of NPAT attributable to non controlling interest
3. Comparison to IPO proforma balance sheet
4. Includes committed funds from July 21 capital raise (\$79.0m), excludes AASB16 rental property leases
5. Operating cash pre tax and interest
6. Includes committed funds from July 21 capital raise (\$79.0m) and credit approved facility increase (\$40.0m)

Targeted capital investment underpins our ability to deliver our current year earnings and provides the foundations for future growth.

We continue to demonstrate a disciplined investment strategy in the current financial year, and we are well positioned to deliver on our strategy and fulfil our growth expectations.

Some of these investments made in the past year include, multiple additional quarry sites supplying the strong regional markets, established concrete plants in Rockhampton, Tamworth and Inverell and the commencement of development of concrete plants in Gunnedah and Dubbo, acquisition of an established regional civil and plant hire operations in central Queensland and Mudgee, as well as additional fleet and equipment to service the growth and to allow further expansion of operations.

We have also invested in several new residential land banks in Dubbo, Orange, Bathurst, Lithgow, Tamworth and Griffith, increasing our current inventory to close to 6,000 residential lots.

Our team has performed extremely well through the transition from private ownership to a public company.

Our strategic plan provides stability and focus, and we maintained our reputation of delivering on our commitments during that transition.

We have continued to invest in our people and have a mix of home-grown talent and new skills acquired through our acquisitions and recruitment programs. There has been several notable new hires which has strengthened our management team

The MGH management team has significant experience and they have embraced the challenges of assuming authority and responsibilities from the founding shareholders while working together to achieve our common goals and to collaborate effectively across the business wherever we can.

While MGH is a diverse organisation with a broad geographic footprint, our core values of trust, teamwork, commitment to customers, leadership, ownership and candour give us a shared culture.

The benefits of vertical integration are only truly possible when our teams work together, sharing knowledge, effort and responsibility for deadlines and outcomes.

We have an excellent track-record of collaborative relationships with our customers, government stakeholders and our community and continue to highlight reputation-building opportunities as important components in our strategic planning.

I am extremely proud and appreciative of the amazing work ethic right across the organisation.

There is a genuine passion for the business, an entrepreneurial spirit, and a daily commitment to our safety, environment, and quality obligations are non-negotiable.

We are constantly challenging ourselves to look at better and different ways of tackling every aspect of our operations and identifying growth opportunities.

Constant improvement and growth are a part of our DNA. This applies not just to 'what's next?' but also to applying our existing knowledge and experiences to design stronger business models in each of our divisions.

In 2022 and beyond, we have significant opportunities with the continued expansion of our quarry and concrete business, and the growth of both our residential and commercial property business.

The substantial experience and expertise gained from the past provides us with a great foundation to drive this growth in the future.

Guidance and Outlook

FY22 Guidance

I am now very pleased to present financial guidance for FY22 which was also released to the market this morning

Consistent with our outlook commentary provided following release of our FY21 results, we expect Proforma EBITDA¹ to be between **\$115 million and \$125 million** for the twelve months to June 2022 (FY21 \$75.9 million).

This earnings growth in FY22 will be predominantly delivered from organic growth in the business with recent acquisitions to contribute materially to earnings growth in FY23 and beyond.

The earnings result will be strongly second half weighted (approximately 35%/65% weighted between halves) with very strong 2nd half contributions expected from Real Estate, both residential and commercial property, as well as continued growth from the Construction Materials and Civil Construction and Hire segments.

The residential real estate division has more than 200 lot presales secured year to date, with 77 settlements forecast for the first half and more than 200 settlements expected in the second half and significant price escalation also being achieved.

The Commercial Property division remains on track to deliver fair value increments of more than \$10m with key revaluation milestones for some developments scheduled to occur in the second half of FY22. Also, the timing of major regional projects including Inland Rail were continuing to build and will drive strong second half demand for its quarry operations.

Longer Term Outlook

The longer-term outlook remains very strong, the coming years will see a transition in the relative contribution to the earnings with the expected growth of our Construction Materials and Real Estate segments underpinned by the significant historical investments we have made in a portfolio of strategic quarry and property assets.

Our Construction Materials segment continues to grow both organically and through acquisition with several further opportunities on the horizon. The Inland Rail project moving to its next phase of construction will see us bring online several additional quarries over the next few years.

The outlook for the Civil Construction and Hire segment is stronger than it has ever been with a significant pipeline of infrastructure projects continuing to come online over the next 3 to 5 years.

Our Real Estate segment will deliver significant growth over the coming years, leveraging the investments we have made over the past 3 to 5 years and the continuing strength of the markets we operate in.

The next few years will see the development of our lifestyle communities, our land lease communities, and the commercial hubs within them. We will also develop out our self-storage, industrial and hotel / serviced apartment portfolio where we have over \$380m of gross development value of our projects currently on the books and growing.

The Manufacturing segment has had its challenges this year with COVID and whilst these will continue in the short term the fundamentals of this business remain strong and our Vietnamese manufacturing facility has significant capacity to grow output without the need for any further capital investment.

We have several acquisitions under consideration and at various stages of due diligence, predominantly in the Construction Materials and Real Estate segments. We expect that we will close a number of these transactions before the end of 2021, noting that any FY22 contribution from future acquisitions is not included in the earnings guidance provided.

To our shareholders, I assure you of my dedication to delivering returns that justify your continuing confidence.

Our goal in the years ahead is to leverage the MGH culture of success and performance, while forging and executing new and exciting plans for the future.

Wes Maas
Managing Director & Chief Executive Officer

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.

1 – Proforma EBITDA is a non-IFRS measure and includes proforma adjustments in relation to business acquisitions which have previously been announced and which are subject to a “lock box” arrangement which provides MGH with the benefit of earnings from a defined date through to the date of completion. The proforma adjustments in relation to these “lock box” arrangements are added back to statutory EBITDA and are estimated to be approximately \$1.9m with respect to the above guidance.