ASX Announcement

14 November 2022

Revised earnings guidance and capital management update

Maas Group Holdings Limited (ASX: MGH) advises that it has revised its forecast Pro Forma[1] EBITDA for FY23 (FY23 Earnings Guidance) to being in the range of $150m - $180m, exclusive of any earnings contributions from acquisitions under consideration. This revised forecast represents year on year earnings growth of approximately 20%-44% on the Pro Forma EBITDA from FY22.

MGH previously provided FY23 Earnings Guidance in the range of $180m - $200m and has revised its earnings guidance due to the sustained impact of significant above average rainfall which has affected a number of its operating regions in recent months, along with the impact on its residential property sales of the multiple interest rate rises, which has impacted buyer confidence and the conversion time from enquiry to sale for its residential real estate market.

From July 2022 MGH's operations have been impacted by and continue to be impacted by ongoing wet weather conditions, particularly in New South Wales and Queensland which has adversely affected the Construction Materials, Civil Construction and Hire, Commercial and Residential Real Estate segments. In addition to this, although inquiry remains high, the effect of multiple successive interest rate rises has seen a slow down of residential sales due to increased caution from potential purchasers which had led to an increase in conversion time from enquiry to sale.

Although disappointed by the revision to FY23 Earnings Guidance, MGH Managing Director and CEO Wes Maas noted that the outlook for the Group remains strong with the events which have led to the earnings revision largely outside the Company's control given the well documented rainfall events in both Central West New South Wales and along the East Coast in general, and the change in consumer sentiment caused by the multiple successive interest rate rises which has seen a slow down in residential sales across all real estate markets in recent months.

Mr Maas noted that despite the weather delays and disruptions to the Group's operations, the work delayed remained in hand and would contribute to the Group's future results beyond FY23. He noted that the long-term fundamentals and strategy for the Group remained unchanged with MGH remaining well placed to take advantage of its strong market positions leveraging off the competitive advantages offered by its vertical integration and exposure to regional and growing end markets. The future pipeline of significant infrastructure projects combined with the continued decentralisation of government services, ongoing low housing vacancy and forecast employment and population growth, underpins the strong future prospects of the Group.

<u>Capital management update</u>

MGH continues to remain disciplined in assessing new acquisition opportunities and is also progressing several capital management initiatives including taking advantage of capital recycling opportunities. The Company's strategy is to seek to maintain a capital structure that enables it to balance the allocation of capital between investment in the business, including through acquisitions

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[1] Proforma adjustments include transaction costs, contingent consideration associated with business combinations, ERP implementation costs, share based payments, and other non recurring items

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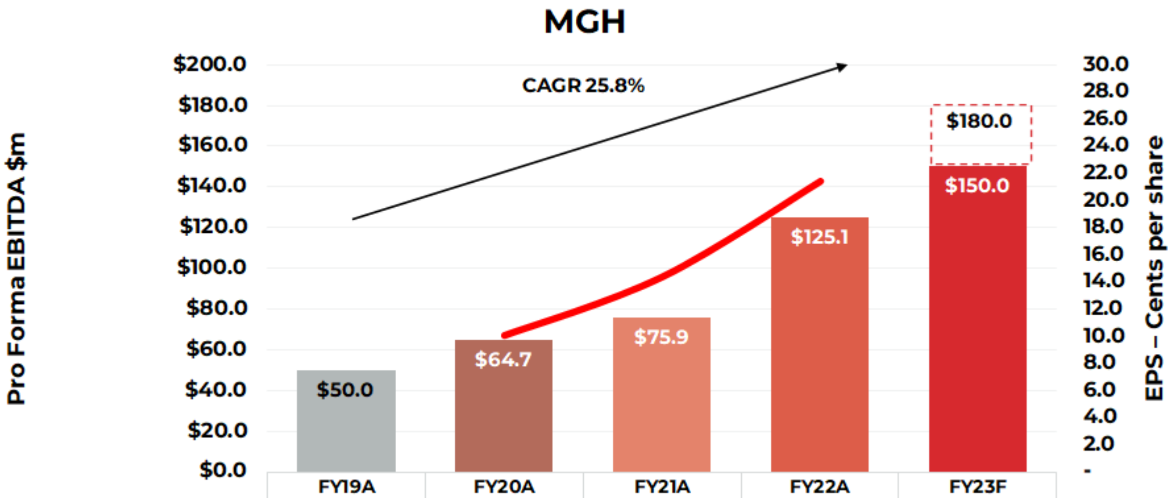
where targeted returns on capital can be achieved, and the provision of sustainable and growing returns to shareholders.

The Company will update the market in relation to its potential acquisitions and capital management initiatives as appropriate.

Maas performance and growth over 4 years



	FY19A	FY20A	FY21A	FY22A	FY23F
Proforma EBITDA $m	$50.0	$64.7	$75.9	$125.1	$150.0 - $180.0
Pro Forma EBIT $m	$38.0	$52.0	$47.0	$88.0	
NPAT $m		$20.9	$34.7	$61.6	
EPS - Cents Per Share		10.1	14.4	21.4	
Growth - EBITDA %		29%	17%	65%	20% - 44%
Growth - EPS %			42.6%	48.6%	
Growth - EBIT %		36.8%	-9.6%	87.2%	
Growth - NPAT %			65.9%	77.2%	

This announcement has been authorised by the MGH Board of Directors

For further information, please contact Candice O'Neill, Company Secretary of MGH on (02) 5852 1800 or companysecretary@maasgroup.com.au

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.

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