

ASX Announcement

27 October 2023

Managing Director's Annual General Meeting Address

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

Thank you Mr Chairman, and good morning everyone.

To start, I will reflect on what we have achieved in the past year:

- ProForma EBITDA up 30% to \$163.1m
- ProForma EBIT up 27% to \$120.0m
- ProForma¹ NPAT up 13% to \$68.9m
- Statutory NPAT² up 6% to \$65.5m
- Proforma EPS up 2% to 21.7 cents³
- Proforma Operating Cash⁴ up 96% to \$116.6m, Proforma Cash Conversion 88% (FY22 56%)⁵
- Final dividend declared of 3 cents per share, fully franked.

These results are a testament to the exceptional team we have built, and the commitment and care that everyone in our business has shown throughout the course of the last financial year.

Safety

The safety and wellbeing of our people is critical to our success. Last financial year, our single-day LTIFR trend continued to decrease by 45.5%, from 6.8 in FY22 to 3.7 in FY23.

This demonstrates the success of our safety strategy and culture that has been successfully embedded across all levels of our organisation.

Looking forward, we will avoid complacency and continue to drive the outcomes of our Health and Safety Strategy at all levels of the business.

¹ Refer FY23 Results Presentation for reconciliation from Proforma NPAT

² Statutory NPAT before minority interest

³ Proforma EPS by dividing proforma NPAT by weighted average shares

⁴ Proforma Operating Cash pre land inventory investments and tax

⁵ % of EBITDA before fair value gains, land inventory investment and tax

Sustainability

We are committed to operating in a sustainable way, recognising the importance and role we must play in reducing environmental and climate related impacts.

There are already several initiatives underway across our businesses that are targeted at reducing our environmental impact while also generating positive financial outcomes for the Group.

As a company we understand the increasing expectations around sustainability and are committed to developing a roadmap that will meet sustainability reporting requirements.

People, Culture & Community

The distinctive and high performing culture at Maas is ingrained within our organisation and aligns closely with our core values of teamwork; ownership; candour; leadership; trust; and commitment. As our business has continued to expand, we have made it a priority to preserve the strong culture and guiding principles upon which our company was founded.

Now with over 1,800 team members across Australia and internationally, our people remain at the core of our business and we continue to invest in supporting their growth and development through external training opportunities and on-the-job learning. In FY23, this included the employment of 66 trade apprenticeship positions across the Group, including sponsoring 27 trainees in accredited programs.

A key focus for the Company last financial year was the roll-out of our purpose-built leadership program which has been designed to support over 130 managers and people leaders to align around an 'organisation first' mindset. This program and the behaviours it will encourage will be critical in enabling us to achieve our growth objectives.

Diversity and inclusion remain an area for improvement, and we are committed to a genuine and fit-for-company approach. In FY23 we saw significant improvements in female participation across our workforce, in particular at the Executive Leadership level. We remain committed to supporting Indigenous participation across the Group and are actively involved in several grassroots initiatives in our local communities to achieve this.

Fundamental to our business success are the communities in which we operate and we are committed to supporting them in a meaningful way. Outside of our day-to-day operations, we are proud to support initiatives that genuinely represent who we are as a Company and the values of our team members and communities in which we operate. Our focus in FY23 has been on supporting children's and mental health charities, local community and sporting groups, and initiatives that contribute to improved economic and social outcomes at a local level.

Financial Results & Capital Investments

The business continued its track record of growth last financial year, with a 30% increase in Proforma EBITDA to \$163.1m. This result was at the top end of the tightened guidance range provided in June 2023.

Other financial highlights of note included:

- 49% increase in Proforma Revenue to \$801m
- 27% increase in Proforma EBIT to \$120m

- 32% improved cashflow conversion of 88%
- 54% increase in tangible asset values, now at \$1.25bn
- \$65.5m Statutory NPAT, representing a 6% increase
- 2.5x Leverage Ratio which sits in the middle of the target range.

Growth was achieved across four of our five operating segments despite some challenging market conditions.

The Group continued its growth trajectory through strategic and disciplined capital investment in our construction materials and civil construction and hire segments. This included the acquisition of Dandy Premix and Austek which represent significant opportunities for the Group to expand our geographical footprint and product offering in Victoria and Queensland. We also further expanded our Central Queensland hub operations through the acquisition of Schwarz Excavations. As a highly complementary business, Schwarz supports our ability to achieve greater leverage from major civil infrastructure and renewal energy projects in the Central Queensland region.

Trading Conditions & FY24 Outlook

Trading Conditions Update

- Momentum remains solid in the Construction Materials and Civil Construction & Hire businesses and this performance has been maintained in the first quarter of FY24.
- Major infrastructure and renewable energy projects continue to drive strong demand for our services through FY24 and beyond.
- Price discipline remains a focus, sustaining product margins.
- Our Residential Real Estate segment has seen an uplift in enquiry following recent pauses in interest rate rises but subdued consumer confidence is expected to continue through FY24.
- Our Commercial Real Estate asset recycling program is well underway with three properties sold and others at various stages of the sale process.

FY24 Outlook

Guidance for FY24 is for Proforma EBITDA in the range of **\$190m - \$210m**.

Factors considered in the FY24 guidance range include:

- Continuation of strong demand across the Civil Construction & Hire and Construction Materials businesses underpinned by major infrastructure and renewable energy projects.
- Normalised weather outlook allowing operations to return to average historical utilisation levels.
- Capital recycling program on track to realise \$70m proceeds.
- Expectation that external land lot settlements will remain consistent with FY23 in the residential real estate segment.

Longer-term Outlook

Maas' longer-term outlook and business fundamentals remain strong and unchanged from previous commentary.

- Our Construction Materials segment continues to focus on lean manufacturing and leveraging significant contract opportunities around our quarry locations including major renewable projects.
- Our Civil Construction and Hire segment also remains focused on delivering contracts and securing a pipeline of renewable and major infrastructure jobs.
- The Residential segment is well-positioned to leverage when the market inevitably returns with a solid pipeline of approved developments ready to meet demand.
- Our Commercial Real Estate portfolio will benefit from the high market demand for our core asset classes – including industrial, self-storage and childcare assets. We will continue to drive our asset recycling program to maximise return on capital.
- Our Manufacturing and Sales segment will continue to streamline and focus it's product range around core, high demand markets while driving increased volume out of our Vietnamese manufacturing facility.

I assure our shareholders of my continued dedication and passion for growing the Company and I am confident that alongside the Board and the leadership team, we will continue to deliver what we have promised.

I am excited about the future of Maas as we continue to propel forward, focused on achieving our goals and delivering for our shareholders, employees, customers and communities.

Wes Maas
Managing Director & Chief Executive Officer

This release of this announcement was authorised by Candice O'Neill, Company Secretary. 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 material, equipment and service provider with diversified exposures across the civil, infrastructure, mining and real estate end markets.