

MAAS GROUP HOLDINGS LIMITED (ASX:MGH)**ASX Announcement****28 November 2024****MAAS GROUP ANNOUNCES THREE STRATEGIC ACQUISITIONS AND
CAPITAL RAISE OF APPROXIMATELY \$138 MILLION****Executive Summary**

- Maas Group to make three construction materials acquisitions (together, the “**Acquisitions**”), with a combined purchase price of \$252m¹
- MGH to raise up to approximately \$138m via a capital raising comprising:
 - An Institutional Placement to raise up to \$100m (“**Institutional Placement**”)
 - A Conditional Placement to certain Directors of MGH (or entities associated with them) and other Founding Shareholders and executives of MGH subject to shareholder approval to raise up to approximately \$28m (“**Conditional Placement**”, together with the Institutional Placement, the “**Placement**”)
 - MGH Managing Director and CEO Wes Maas intends to participate in the Offer through the Conditional Placement, committing \$25m
 - Following completion of the Institutional Placement, MGH will also offer an underwritten Share Purchase Plan (“**SPP**”, together with the Placement, the “**Offer**”) to eligible Australian and New Zealand shareholders of \$10m
- Proceeds of the capital raising will be used partially to fund the Acquisitions, as well as enhance MGH’s financial capacity to fund growth and other near-term acquisition initiatives
- In aggregate, the Acquisitions are expected to be low to mid single-digit EPS accretive on a pro forma FY25 basis^{2,3}, excluding any potential synergies
- MGH confirms guidance for FY25 of Underlying EBITDA in the range of \$215m - \$245m (excluding any contribution for the Acquisitions), with the first half expected to contribute approximately 40%⁴

Acquisition summary

Maas Group Holdings Limited (ASX: MGH) (“**MGH**” or the “**Company**”) is pleased to announce continued disciplined strategic growth through its acquisition of three high-quality Construction Materials businesses, with a combined purchase price of \$252m¹. The Acquisitions comprise:

1. 100% interest via an asset sale in Cleary Bros (Bombo) Pty Ltd (“**Cleary Bros**”), a fully integrated Construction Materials (quarries, concrete, and transport) and Construction & Plant Hire business with a leading position in the Illawarra region, NSW, for a total purchase price of \$172m;
2. 75% interest in the shares in Capital Asphalt (“**Capital Asphalt**”), an established supplier of asphalt, spray seal, and other related services operating in southern NSW and ACT; and

¹ Excluding \$1m contingent purchase price related to the Acquisitions and subject to customary completion adjustments.

² Based on the Company’s forecast that forms the basis for the Underlying EBITDA guidance range of \$215m - \$245m and the Company’s full-year FY25F pro forma forecast NPAT for the Acquisitions, which represents the mid point of the EBITDA range presented in this announcement. The actual contribution of the Acquisitions to Maas Group FY25F results will be dependent on the timing of completion of each of the Acquisitions. Financials only include amount attributable to MGH shareholders and exclude non-controlling interests.

³ Assumes approval of the Conditional Placement and does not include the potential impact of the SPP.

⁴ At the midpoint of FY25 EBITDA guidance range of \$215m - \$245m.

3. 100% interest in a freehold hard rock quarry and associated business assets with large, long life permitted greenfield basalt opportunity strategically located in greater western Melbourne.

The Acquisitions include 3 hard rock and sand quarries, 3 concrete batch plants, and an asphalt plant which further enhance MGH's integrated Construction Material platform and provide the opportunity for strategic expansion into key growth corridors, including the Illawarra region and access option to the greater Sydney market. The additional operating leverage achieved via integration of the Acquisitions is expected to further enhance return on invested capital.

The Acquisitions are expected to complete prior to the end of 3Q FY25⁵.

Financial Impact of Acquisitions

The Acquisition targets generated underlying EBITDA of \$29m in FY24A and are expected to generate \$34-\$38m of underlying EBITDA (pre AASB-16)^{6,7} in FY25F.⁸ The combined underlying FY24A EBITDA contribution from MGH's Construction Materials division increased from 36% to 42%⁹ on a pro forma basis including the Acquisitions, reinforcing the increasing contribution and focus on Construction Materials.

In aggregate, the Acquisitions are expected to be low to mid single-digit EPS accretive on a pro forma FY25 basis^{10,11}, excluding any potential synergies.

The pro forma leverage ratio for MGH is expected to be approximately 2.6x post completion of the Acquisitions and Placement^{3,12} and is expected to reduce to the low end of the Company's target range of 2.0 – 3.0x by 30 June 2025.

Confirmation of FY25 Guidance

Guidance for FY25 is for Underlying EBITDA in the range of \$215m - \$245m (excluding any contribution from the Acquisitions).

⁵ Completion of the Acquisitions is subject to customary conditions precedent. The acquisition of Capital Asphalt is also conditional on completion of a restructure and execution of agreed form sale documentation.

⁶ MGH full-year FY25F pro forma forecast estimates for the Acquisitions presented on a pre AASB 16 basis, with the range determined based on proportions in line with MGHFY25 guidance. Key assumptions for the Acquisitions revenue and Underlying EBITDA for FY25F include ramp-up contribution from the Stage 7 expansion at Albion Park Quarry and the new Bomaderry concrete plant occurring in 1H FY25F. Revenue and Underlying EBITDA for FY25F for the Acquisitions assumes normalised weather outlook, competitive environment remaining consistent with expectations, and the timing of projects remaining consistent with expectations.

⁷ Financials only include amount attributable to MGH shareholders and exclude non-controlling interests and assume completion of all the Acquisitions on the agreed terms.

⁸ The Acquisitions are expected to settle prior to the end of Q3 FY25. The FY25 EBITDA from the Acquisitions will only contribute to the Company from the date of settlement of each Acquisition.

⁹ Reflects MGH reported Underlying EBITDA plus full-year EBITDA for the Acquisitions on a pro forma basis as if the Acquisitions had occurred on 1 July at the start of each financial period. The ultimate contribution of the Acquisitions to MGH FY25 earnings will be subject to timing for completion for each acquisition.

¹⁰ Based on the Company's forecast that forms the basis for the Underlying EBITDA guidance range of \$215m - \$245m and the Company's full-year FY25F pro forma forecast NPAT for the Acquisitions, which represents the mid point of the EBITDA range presented in this announcement. Financials only include amount attributable to MGH shareholders and exclude non-controlling interests.

¹¹ Assumes approval of the Conditional Placement

¹² Mass Group 31 October 2024 Australian borrowing group Net Debt, pro forma adjusted for the funding of the Acquisitions and for the remaining proceeds outstanding from the total \$65m capital recycling proceeds expected to be received in 1H FY25, divided by MGH FY24 Australian borrowing group EBITDA plus MGH full-year FY25F pro forma forecast EBITDA for the Acquisitions, which represents the mid point of the EBITDA range presented in this announcement.

As mentioned at the AGM, earnings will be weighted to 2H FY25, with 1H FY25 expected to contribute to approximately 40%¹³ of annual earnings due to renewable energy project delays, timing of fair value adjustments and sale of residential englobo land.

Factors considered in the FY25 guidance range include:

- Normalised weather outlook allowing operations to achieve average historical utilisation levels.
- Competitive intensity remains stable with rational pricing maintained.
- Improved momentum expected in the renewables sector which impacted primarily on Civil Construction and Hire segment in 1H25. Projects are now expected to contribute to 2H25 and beyond.
- Expectation that external land lot settlements will be in the range of 150-180 (including build-to-rent sales).

Capital raise

The Acquisitions will be partially funded by an Institutional Placement of up to \$100m together with existing cash and available debt facilities.

MGH is also undertaking a Conditional Placement to certain Directors of MGH (or entities associated with them) and other Founding Shareholders and executives of MGH to raise up to a further approximately \$28m.

Following completion of the Institutional Placement, the Company will also offer an underwritten SPP to eligible Australian and New Zealand shareholders to raise \$10m.

The Placement will be conducted at a price of \$4.65 per share ("**Offer Price**"), reflecting a 1.1% premium to the last traded price of \$4.60¹⁴. Approximately 27.5m new fully paid ordinary shares ("**New Shares**") will be issued under the Placement, representing approximately 8.3% of the Company's issued share capital. The New Shares will rank equally with existing ordinary shares from the date of issue. MGH will issue the New Shares under the Institutional Placement without shareholder approval under its existing placement capacity under ASX Listing Rule 7.1. The Company will seek approval under Listing Rule 10.11 for the issue of New Shares under the Conditional Placement at an Extraordinary General Meeting which is expected to be held in late February 2024.

Proceeds of the Offer will be used partially to fund the Acquisitions, as well as enhance MGH's financial capacity to fund growth including other near-term acquisition initiatives.

MGH Managing Director and CEO, Wes Maas intends to participate in the Conditional Placement, committing \$25m, subject to shareholder approval.

Commenting on the Offer, MGH's Managing Director and CEO, Wes Maas, said: *"The capital raising and Acquisitions will enable Maas Group to significantly grow the Construction Materials business through establishment of two new hubs in substantial markets with strong fundamentals, and growth optionality as well as further strengthen the integrated position in Greater Melbourne with a strategically located long life hard rock quarry. Our demonstrated capacity to execute and integrate provides confidence that these Acquisitions will deliver an attractive return on capital."*

Share Purchase Plan

MGH will also offer eligible existing shareholders the opportunity to participate in an underwritten SPP to raise a further \$10m. The New Shares issued under the SPP will be issued at a price equal to the lower of

¹³ At the midpoint of FY25 EBITDA guidance range of \$215m - \$245m.

¹⁴ Last traded price of 27 November 2024.

the Offer Price and a 2.0% discount to the 5-day VWAP of the Company’s shares traded on ASX up to, and including, the SPP Closing Date (the “**SPP Offer Price**”). An eligible shareholder is any shareholder with a registered address in Australia or New Zealand recorded on MGH’s share register at 7.00pm AEDT on 27 November 2024 (“**Eligible Shareholders**”).

Eligible Shareholders will have the opportunity to acquire up to \$30,000 worth of New Shares each via the SPP at the SPP Offer Price subject to a cap of \$10 million. The SPP will be underwritten by the Joint Lead Managers.

The New Shares issued under the SPP will rank equally with existing ordinary shares from the date of issue per the indicative timetable below.

The SPP Booklet containing further details of the SPP offer will be released on ASX separately and is expected to be despatched to all Eligible Shareholders on or about 3 December 2024. The SPP Booklet and the accompanying Application Form will contain instructions on how Eligible Shareholders can participate in the SPP.

Shareholders should consider the SPP Booklet in full, before deciding whether to participate in the SPP.

Timetable

Event	Date
Record date for SPP	7:00pm (AEDT) Wednesday, 27 November 2024
Trading halt and announcement of Institutional Placement and SPP	Thursday, 28 November 2024
Institutional Placement bookbuild	Thursday, 28 November 2024
Announcement of outcome of the Institutional Placement and resume normal trading	Friday, 29 November 2024
Settlement of New Shares issued under the Institutional Placement	Tuesday, 3 December 2024
SPP offer opens and SPP offer booklet is dispatched	10:00am (AEDT) Tuesday, 3 December 2024
Allotment and normal trading of New Shares issued under the Institutional Placement	Wednesday, 4 December 2024
SPP Closing Date	5:00pm (AEDT) Wednesday, 18 December 2024
Announcement of results of SPP	Monday, 23 December 2024
Allotment, quotation, and trading of New Shares issued under SPP	Tuesday, 24 December 2024
EGM to approve Conditional Placement	late February 2025
Settlement of Conditional Placement shares	March 2025
Allotment, quotation, and trading of New Shares issued under Conditional Placement	March 2025

Note: The timetable remains subject to change at the Company’s discretion, subject to compliance with applicable laws and the ASX Listing Rules.

Additional Information

Additional information regarding the Offer and the Acquisitions is contained in the investor presentation released to the ASX today.

Macquarie Capital (Australia) Limited and Morgans Corporate Limited are acting as Joint Lead Managers to the Institutional Placement and Joint Underwriters to the SPP. Maddocks are acting as legal advisers to the Offer.

Authorised for release by the Board of Directors of MAAS Group Holdings Limited

For further information, please contact:

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Forward looking statements

This announcement contains forward-looking statements, which address a variety of subjects including, including financial guidance and potential acquisitions. Statements that are not historical facts, including statements about the Company's beliefs, plans and expectations, are forward-looking statements. Such statements are based on our current expectations and information currently available to management and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. MGH's management believes that these forward-looking statements are reasonable as and when made. However, you should not place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. MGH does not undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law or the ASX Listing Rules. In addition, forward-looking statements are subject to certain risks and uncertainties that could cause actual results, events, and developments to differ materially from our historical experience and our present expectations.