ASX Announcement

20 February 2025

MAAS GROUP ANNOUNCES 1H25 RESULT IN LINE WITH GUIDANCE[1] WITH UNDERLYING EBITDA OF $95M, CASH CONVERSION OF 81% AND CAPITAL RECYCLING PROCEEDS OF $90.7M

Financial highlights

- **Underlying Revenue of $458.6m**
- **Underlying EBITDA of $95.0m**
- **Cashflow conversion at 81%[2]**
- **Underlying NPAT[3] of $32.2m**
- **Underlying EPS[4] of 9.7 cents**
- **Statutory EPS of 9.7 cents**
- **Interim dividend declared of 3.5 cents per share, fully franked**
- **FY25 Guidance: Underlying EBITDA of $215m - $245m inclusive of acquisitions**
- **Capital Recycling proceeds of $90.7m realising $11.2m of previous periods Fair Value gains**

Leading independent Australian construction materials, equipment, and service provider Maas Group Holdings ("MGH" or "the Company") today announced its financial results for the half year ended 31 December 2024 (1H25).

MGH Managing Director and CEO Wes Maas said "Our focus on growing our Construction Materials business continues to pay off with solid EBITDA growth of 24% able to largely offset the challenging environment impacting the Civil Construction and Hire (CC&H) division. Our Construction Materials division accounted for 42% of Group EBITDA and with recent acquisitions will increasingly become the dominant contributor to future earnings and growth."

"Pleasingly we have achieved settlement on the three Construction Materials acquisitions announced in November and integration and transition plans are ahead of original expectations. Establishment of two new hubs in Wollongong (Cleary Bros) and Canberra (Capital Asphalt) provides significant new platforms for growth. And the acquisition of Aerolite hard rock quarry in the Western growth corridor of Greater Melbourne strengthens our integrated quarry-led position in a supply constrained market."

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[1]Guidance provided on 28/11/24 where 1H25 expected underlying EBITDA to be approximately 40% of the midpoint of annual guidance range of $215m-$245m
[2]% of underlying EBITDA before fair value gains, land inventory investment and tax
[3]Refer H125 Results Presentation for reconciliation from Underlying NPAT
[4]Underlying EPS by dividing underlying NPAT by weighted average shares

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"Since listing, our CC&H business has been a consistent performer with significant growth particularly from renewable energy related work. In this half a combination of project delays and isolated project losses have resulted in a 47% decline in EBITDA. Although disappointing, the pipeline for renewable energy projects including major transmission deployments remains strong and we remain very well placed to capture this."

"The successful equity raise at the end of November to assist with financing of the announced acquisitions, as well as our capital recycling initiatives which realised $90.7m, exceeding target and above book value, provides the Group with significant liquidity and a very strong overall capital position."

Underlying Financial Results summary

	1H25	1H24	Change %
Revenue ($m)	458.6	461.4	-1%
EBITDA ($m)	95.0	97.1	-2%
EBIT ($m)	65.0	71.2	-9%
Net Profit After Tax ($m)	32.2	38.5	-16%
Earnings per share (cents)	9.7	11.8	-18%
Operating cashflow conversion	81%	110%	-29ppt

Review of operations

In announcing the Company's half year results, MGH Managing Director and CEO Wes Maas said that MGH had delivered results in line with guidance with Construction Materials and Commercial Real Estate growth largely offsetting declines from CC&H and Residential Real Estate.

- **Construction Materials:** EBITDA of $45.0m an increase of $8.6m (24%) on pcp with contributions from Melbourne quarries and concrete operations driving the growth. EBITDA margin of 21% was slightly below 1H24 driven by shift in revenue mix with proportionate increase from concrete, asphalt and spray seal partially offset by improved quarry margins (volume growth and lower cost of production).

- **Civil Construction and Hire (CC&H):** EBITDA of $20.5m, down $18.3m (47%) on pcp. As previously communicated, extended procurement periods in the renewable energy sector have impacted this segment in the current period. Whilst 1H24 benefited from high utilisation and pull through on a number of projects, 1H25 was impacted by the completion of these projects in FY24 and delayed procurement in the pipeline of new opportunities. In addition, challenging weather and ground conditions impacted the financial return on two civil projects further reducing EBITDA for 1H25. Amidst challenging market conditions, the business has maintained discipline in project selection and pricing and continued to focus on projects which leverage the groups broader capabilities.

- **Commercial Real Estate:** EBITDA inclusive of fair value was $29.8m an increase of $14.2m (91%) on pcp driven by an increase on fair value gains as development milestones were achieved in the period. EBITDA ex fair value adjustments increased by 28% to $9.4m driven by gain on sale of a surplus land parcel. $74.5m in proceeds were realised from development projects which were in excess of book value as part of the Group's capital recycling initiatives.

- **Residential Real Estate:** Revenue of $41.6m was down by $12.4m (23%) on pcp driven by a reduction in completed home builds. Land settlements of 90 were a significant increase over 1H24 (39), however overall EBITDA of $7.3m was down $3.9m (20%) on pcp with the englobo land sale in 1H24 not repeated in the current half. Land gross profit per lot of $102k (1H24: $115k) reflected an overall stable pricing environment.

Dividend

The Board has approved an interim dividend of 3.5 cents per share fully franked.

A Dividend Reinvestment Plan will not be implemented in respect of the interim dividend and further details in relation to the dividend and key dates will be released separately.

Outlook[5]

Guidance for FY25 *inclusive* of acquisitions is for **Underlying EBITDA in the range of $215m-$245m.**

- Factors affecting the FY25 guidance and outlook include:
  - Acquisitions expected to contribute to 2H25 EBITDA in the range of $10m – $12m following settlement of Capital Asphalt (18 December), Cleary Bros (31 January) and Aerolite (4 February).
  - Construction Materials growth to continue underpinned by volume growth and ongoing integration benefits.
  - Expectation that delayed renewable project procurement timelines will continue with improved momentum likely to be seen late in 2H25 and into FY26.
  - Normalised weather outlook allowing operations to achieve average historical utilisation levels.
  - Competitive intensity remains stable with rational pricing maintained.

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- Expectation that residential settlements will be in the range of 150 - 180 (including build-to-rent sales).
- Approvals to enable residential englobo sales are achieved.
- Expectation that Fair Value gains recognised on investment properties will be consistent with FY24.

- Factors underpinning growth beyond FY25 include:
  - Full year contribution from acquisitions (Capital Asphalt, Cleary Bros and Aerolite) including growth expected from identified synergies.
  - Construction Materials growth to continue and dominance in terms of earnings contribution to increase.
  - Delayed renewable projects expected to come online.
  - Establishment of Ellida Estate in Rockhampton to capture demand stimulated by interest rate cuts in a highly supply-constrained environment.
  - Easing rate cycle expected to provide impetus for strong residential settlement growth

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[5] Risks to outlook: Project delays/cancellations, intensifying competition causing market share loss/ price pressure, sustained/higher interest rates further depressing residential property activity, adverse weather

FY25 Priorities

- Integration of acquisitions and execution of transition plans.
- Increasing secured pipeline of work in CC&H and identification of opportunities to increase plant utilisation rates.
- Execution of capital recycling initiatives to achieve more than $100m in FY25 proceeds.
- Continued focus and implementation of safety initiatives, including newly acquired businesses to sustain improvement trajectory.

Investor and analyst call

MGH will host an investor and analyst conference call today, Thursday February 20th 2025, at 09:00am (AEST). The briefing webcast can be accessed using the following link:

https://webcast.openbriefing.com/mgh-hyr-2025/

Participant Q&A registration: https://s1.c-conf.com/diamondpass/10044884-6s8dgf.html

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This release has been authorised to be given to ASX by the Board of Maas Group Holdings Limited. More detailed information regarding MGH's H125 results can be found in our H125 Results Presentation and the 1H25 Appendix 4D.

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About MAAS Group Holdings Limited

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