

## ASX Announcement

18 August 2022

# MGH delivers record FY22 result

## Highlights

- **Strong earnings growth with 65% increase in Proforma EBITDA and 78% increase in statutory Net Profit after Tax.**
- **Acquisition strategy provides solid foundation for FY23 outlook and continued growth.**
- **MGH confirms FY23 guidance range of \$180m to \$200m Proforma EBITDA.**

Leading independent Australian construction materials, equipment, and service provider Maas Group Holdings (“MGH” or “the Company”) today announced a company record Proforma EBITDA of \$125.1m for the year ended 30 June 2022. This compares to a Proforma EBITDA of \$75.9m for the year ended 30 June 2021 representing an increase of 64.8% and having also delivered a statutory NPAT of \$61.6m representing a 78.0% increase in statutory NPAT from the prior year. Refer Appendix A for further details with respect to the reconciliation of Proforma EBITDA.

	FY21 \$M	FY22 \$M	Change %
Statutory NPAT	34.6	61.6	78.0
Proforma NPAT <sup>1</sup>	39.7	61.2	54.2
Statutory EBITDA	70.4	125.3	78.0
Proforma EBITDA	75.9	125.1	64.8
Statutory EBIT	54.7	94.7	73.1
Proforma EBIT	59.8	94.2	57.5
Final Dividend Declared	3.5c/share – fully franked		
Full Year Dividend	5.0c/share	5.5c/share	10.0

<sup>1</sup>refer MGH Results Presentation FY2022 for reconciliation.

## Analysis of Result

In announcing the Company's full year results, MGH Managing Director and CEO Wes Maas said that MGH had enjoyed strong growth across all of its significant business segments of

Construction Materials, Civil Construction and Hire and Real Estate for FY22 and that the record performance for the Company was at the top end of previous market guidance and consistent with the Company's preliminary unaudited results which were announced on 29 July 2022.

Mr Maas highlighted:

- the Company achieved a record Proforma EBITDA of \$125.1m for the year which was at the top end of previously announced market guidance and compared to the prior year of \$75.9m
- strong growth in Proforma EBITDA for the year of 64.8% driven by Construction Materials (growth of 77.6%), Civil Construction and Hire (growth of 26.7%) and Real Estate (growth of 138.8%);
- the earnings growth achieved by the Company represented approximately 40% organic and 60% through acquisitions;
- the Company enhanced its vertical integration through the establishment and strategic acquisition of businesses such as commercial construction and concrete and maintained a strong proforma EBITDA margin of 23.2% off stronger revenue and against a backdrop of cost pressures associated with global conditions;
- the Company continued its long standing disciplined approach of reinvestment in the business with significant working capital and land inventory investment during the year to provide a strong platform for future growth and cash generation;
- the Company retained its exposure to major infrastructure spending as well as strong regional demand for services and real estate. The Company remains ideally positioned to capitalise on the strength of these markets through its previous and continued investment in its key segments in line with its strategy;
- as previously announced, the performance of the Manufacturing segment was impacted by COVID 19 and global shipping and supply chain issues during FY22. These disruptions have now stabilised and the Company expects that improved trading conditions will return during FY23.

## Acquisitions

As previously announced in its most recent cleansing statement of 3 August 2022, the Company expects to be able to confirm the execution of agreements in the coming months in relation to the acquisition of further businesses within the Construction Materials segment with total purchase consideration of approximately \$110m. MGH will continue to keep the market updated in relation to these potential acquisitions which are expected to contribute an additional \$22m to FY24 Proforma EBITDA if completed in FY23.

The Group continues to remain active and disciplined in assessing new acquisition opportunities which represent a long term strategic and operational fit for the MGH's existing activities in its core Construction Materials, Civil, Construction and Hire and Real Estate segments.

## **FY23 Outlook**

As announced to the ASX on 29 July 2022, MGH has provided FY23 Pro forma EBITDA guidance in the range of \$180 million - \$200 million.

Mr Maas noted that the company expected all of its operating segments to grow in FY23.

## **Dividend**

The Board has approved a final dividend of 3.5 cents per share fully franked. This increases the full year dividend per share to 5.5 cents which represents a 10% increase on the prior year and sits within the Company's dividend payout ratio target of 20-40% of Cash NPAT.

The Dividend Reinvestment Plan will remain in place for the final dividend but will not be underwritten. Further details in relation to the dividend and key dates will be released separately.

## **Capital Raising Update**

As announced to the ASX on 29 July 2022, the Company announced a capital raising of \$105m via placement comprising an Institutional Placement of \$35m and a placement to certain Directors, Founding shareholders and executives (Founder and Management Placement) of the Company of \$70 million.

As announced to the ASX on 3 August 2022, the Institutional Placement and Tranche 1 of the Founder and Management Placement closed on 3 August 2022 with \$40,150,000 settled with the balance of funds due for settlement post shareholder approval of the placement to Directors at the Company's Annual General Meeting which is currently expected to be held in October 2022.

Details of the Company's Pro Forma liquidity is included in the separate MGH FY22 Results Presentation which has been lodged with the ASX today.

In addition to this, the Company announced a Shareholder Purchase Plan (SPP) of up to \$10 million which closed on 16 August 2022 with results of the SPP to be announced on Friday 19 August 2022.

This announcement is authorised by the Board of Directors of MGH

**An investor conference call will be presented on Thursday, 18 August 2022 at 12.00pm.**

Participants can register for the conference by navigating to

<https://s1.c-conf.com/diamondpass/10024020-spdd662.html>

**Please note that registered participants will receive their dial in number upon registration.**

## **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.

**Appendix 1 – Reconciliation of Proforma EBITDA**

	<b>FY21 (\$m)</b>	<b>FY22 (\$m)</b>
Statutory EBITDA	70.4	125.3
Preacquisition EBITDA of Acquisitions <sup>1</sup>	1.6	2.1
Non-Recurring Expenses <sup>2</sup>	3.6	3.4
Fair value movement contingent consideration	-	(6.5)
Other <sup>3</sup>	0.3	0.8
<b>Total</b>	<b>75.9</b>	<b>125.1</b>

<sup>1</sup> includes acquisitions where the company is entitled to pre-completion profits;

<sup>2</sup> represents costs of business combinations for FY22 (FY21 includes costs of business combinations, and one off costs such as costs of IPO preparation and ERP implementation costs) and other non-recurring expenses

<sup>3</sup> Represents share based payments expense