

## ASX Announcement

25 November 2022

## Managing Director's Annual General Meeting Address

ASX: MGH ('**MAAS Group Holdings Limited**', '**MGH**' or the '**Company**')

Thank you, Mr Chairman, and good morning everyone.

I want to start by reflecting on what we have achieved in the last year:

- \$125.1m pro forma EBITDA, reflecting growth of over 65%;
- pro forma EBIT of \$94.2m, an increase of 58%;
- statutory NPAT of \$61.6m, an increase of over 78%; and
- the Company has grown to have over \$814m of total tangible assets, an increase of over 87% from FY21.

We have a reputation for doing what we say we are going to and have again delivered on that promise in FY22.

These results are a reflection of our great team, who have continued to deliver throughout a busy and challenging year, applying care and commitment to support the business to grow. Not only has this care and commitment resulted in excellent financial results and growth in our core businesses, it has also allowed us to progress several exciting growth opportunities with an ongoing commitment to drive value for both the business and our customers.

## People and Safety

Our business is underpinned by our people and over the last 12 months, Maas Group's workforce has continued to grow. We have over 1,650 staff across Australia and internationally, and we have invested in several programs and initiatives to meet our demand for talent. These include systems for remote working, satellite offices, and learning and development programs. We want to see every member of staff achieve their objectives and reach their full potential. We see enormous value in "developing our own" through the recruitment, training and ongoing career development of everyone within our organisation.

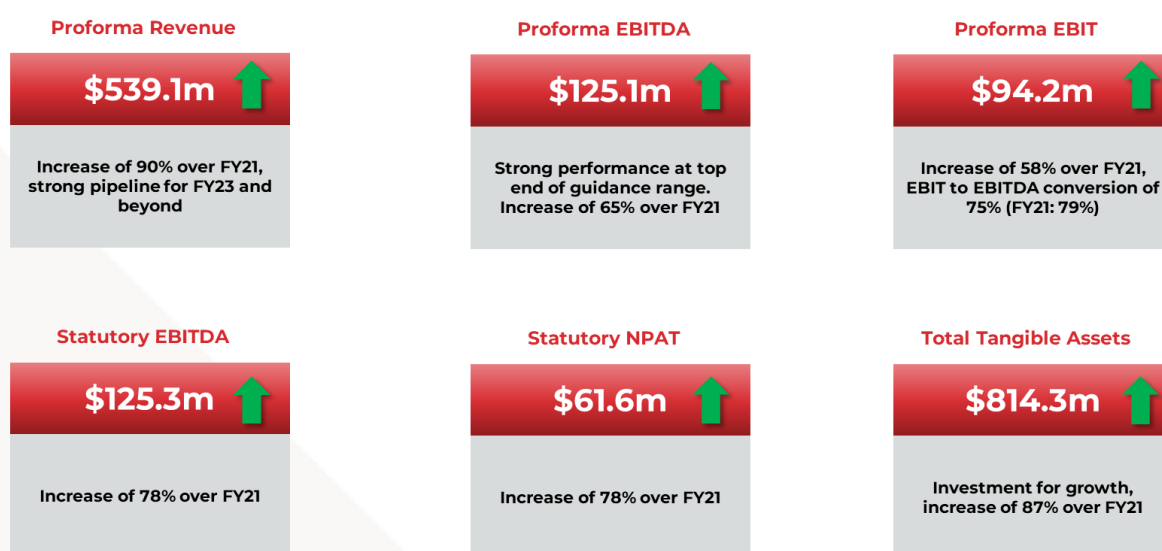
The safety of our workforce will always be our highest priority. This belief drives a strong commitment to the health, safety and wellbeing of our workers, which is supported by our Work, Health and Safety ("WHS") management systems and practices. These are wide-ranging and tailored to the risk profile of each business unit.

Our annual report highlighted our continued commitment to our health and safety objectives including:

- Our benchmark Lost Time Injury Frequency Rate (LTIFR) per 1 million hours worked was 3.6. This is an improvement of 35% on last financial year.
- The launch of our Health and Safety Strategy 2022 – 2024 that will focus on empowering our people, risk management and systems to improve safety outcomes across the business.
- The launch of our Safety Slogan “Think Safe, Act Safe, Look After Your Mate”. The Maas Group Safety Slogan outlines the behaviours we commit to and unifies us as a team.

## Financial Results and Capital Investments

The business continued to perform well last financial year, growing 65% year on year with a Proforma EBITDA result of \$125.1m coming in at the top end of FY22 guidance range. Maas Group has sustained compounding annual growth in excess of 24.5% for the past 3 years.



*\*Figures at June 30 2022*

Targeted, disciplined and strategic capital investment has continued to underpin our growth strategy. FY22 saw the business acquire several strategic holdings in the Central Queensland market, including quarry sites and additional concrete plants, as well as established civil and rail maintenance company, Schwarz Excavations. We also acquired Ellida Estate in Rockhampton, which will increase our residential real estate inventory to over 8,000 lots.

We also invested in growing our current capability in the specialist electrical category with the acquisition of Garde. This established brand will further support our civil capability in both metropolitan and regional markets.

We continued our investment in commercial real estate assets through the acquisition of Spacey Self Storage, David Payne Constructions, Maas Constructions and Astleys. These companies also bring strong leadership, with an experienced and capable team that will underpin their growth well into the future.

These acquisitions, along with several other near-term opportunities currently underway, are paving the path for strong earnings growth in FY23. Our strategic plan provides stability and focus, and we maintained our reputation of delivering on our commitments again.

Underpinning our strategy is the objective of maximising return on capital across each of our business units; we then reinvest earned capital and debt into long term sustainable growth opportunities and returns to shareholders.

Continued investment in our people, together with new skills acquired through our acquisitions and recruitment programs enriches our diversity and culture along with leveraging our strengths.

Maas Group's management team has significant experience and they have embraced the challenges of assuming authority and responsibilities from the founding shareholders while working together to achieve our common goals and to collaborate effectively across the business wherever we can.

While Maas Group is a diverse organisation with a broad geographic footprint, our core values of trust, teamwork, commitment to customers, leadership, ownership and candour give us a shared culture.

We have an excellent track-record of cooperative relationships with our customers, government stakeholders and our community and continue to build a trusted and reliable reputation.

I am extremely proud and appreciative of the amazing work ethic right across the organisation.

There is a genuine passion for the business, leaders that are owners, and a daily commitment to our safety, environment, and quality obligations which are non-negotiable.

We are constantly challenging ourselves to look at business excellence and we have a keen eye for identifying growth opportunities.

In 2023 and beyond, we have significant opportunities with the continued expansion of our quarry and concrete businesses, along with prudent capital investment into both our residential and commercial property businesses.

The substantial experience and expertise gained from the past provides us with a great foundation to drive this growth in the future.

## Guidance and Outlook

### FY23 Guidance

Consistent with our latest outlook commentary (provided on 14<sup>th</sup> November 2022) we expect our annualised growth to be between 20-44% with Proforma EBITDA to be between **\$150 million and \$180 million** for the twelve months to June 2023 (FY22 \$125.1 million). Notably these earnings are exclusive of any contributions from acquisitions under consideration (or recently announced).

FY23 has proven to be a challenging year so far with economic pressures, and record weather events making headlines. These forces are real and so is our position to ensure support, services and solutions are available for the communities we operate within along the east coast of Australia.

The delayed work due to these weather events remains in hand and will contribute to our future results beyond FY23. Further to this is a significant pipeline of infrastructure projects that will continue to drive demand for Maas Group's diversified businesses and underpins the strong future prospects of the Group.

Maas Group continues to remain disciplined in assessing new acquisition opportunities and is also progressing several capital management initiatives including taking advantage of capital recycling. Our goal remains unchanged; to maintain a capital structure that enables us to balance the allocation of

capital between investment in the business, including through acquisitions, where targeted returns on capital can be achieved, and the provision of sustainable and growing returns to shareholders.

## Longer Term Outlook

The longer-term outlook remains unchanged and very strong, the coming years will continue to see a transition in the relative contribution of the earnings with the ongoing growth of our Construction Materials and Real Estate segments, underpinned by the significant historical investments we have made in a portfolio of strategic quarry and property assets.

Our Construction Materials segment continues to grow both organically and through acquisition with further opportunities on the horizon.

The outlook for the Civil Construction and Hire segment will continue to strengthen with a high demand for infrastructure projects forecast to come online over the next 3 to 5 years. Maas Group is strategically resourced to participate in the delivery of these projects.

Our Real Estate segment will be clearly defined into Residential and Commercial with each having slightly differing demand and drivers of growth.

Residential Real Estate will deliver long term growth over the coming years, leveraging the investments we have made over the past 3 to 5 years. We remain focused on developing our lifestyle communities, our land lease communities, to meet market demand for quality affordable housing.

Our Commercial Property assets will realise value throughout their planned development lifecycle. We will continue to develop out our self-storage, industrial and hotel and serviced apartment portfolio. Our growing portfolio of assets currently has over \$732m of gross development value with our master planned community developments also including commercial opportunities.

The Manufacturing segment had its challenges last year with COVID, these have normalised, and we expect it to be back on track with solid growth again. The fundamentals of this business are strong and our Vietnamese manufacturing facility has significant capacity to grow output without the need for any further capital investment.

We have a few acquisitions under consideration and at various stages of due diligence, predominantly in the Construction Materials and Real Estate segments. We expect that we will form a conclusion on whether we will proceed with these transactions over the coming months, noting that any FY23 contribution from future acquisitions is not included in the earnings guidance provided.

To our shareholders, I assure you of my continued dedication to growing the Company and continuing to deliver on what we say we will.

I am excited about the next 12 months and beyond. Maas Group is constantly looking forward and challenging the way we do things, so we can exceed our goals and achieve excellent outcomes for our shareholders, our people, our customers and our communities. Our culture of success, performance, care and commitment will support us to achieve our objectives.

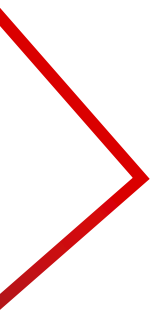
Wes Maas

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](mailto: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.



**MAAS**