MAAS

APPENDIX 4D

MAAS GROUP HOLDINGS LIMITED
APPENDIX 4D
HALF-YEAR REPORT

1. COMPANY DETAILS

Name of entity:	MAAS Group Holdings Limited
ABN:	84 632 994 542
Reporting period:	For the half-year ended 31 December 2023
Previous period:	For the half-year ended 31 December 2022

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

			$'000
Revenues from ordinary activities	up	35.3% to	480,519
Profit from ordinary activities after tax and profit attributable to the owners of MAAS Group Holdings Limited	up	42.9% to	33,849

	31 Dec 2023 Cents	31 Dec 2022 Cents
Basic earnings per share	10.4	7.7
Diluted earnings per share	10.2	7.6

Comments
The profit for the consolidated entity after providing for income tax amounted to $34.669m (31 December 2022: $23.681m).

Reference is made to the *Operating and Financial Review* in the Directors' Report contained in the attached Interim Financial Report for MAAS Group Holdings Limited for the half-year ended 31 December 2023.

3. NET TANGIBLE ASSETS

	Reporting period 31 Dec 2023 Cents	Previous period 30 Jun 2023 Cents
Net tangible assets per ordinary security	147.45	138.55

4. CONTROL GAINED OVER ENTITIES

For details on the acquisition of subsidiaries refer to note 11.

5. LOSS OF CONTROL OVER ENTITIES

There was no material disposal of subsidiaries during the half-year.

6. DIVIDENDS

	Amount per share (cents)	Franked amount per share (cents)	Record date	Payment date
2023 final dividend	3.00	3.00	14/09/2023	29/09/2023
2024 interim dividend*	3.00	3.00	08/03/2024	05/04/2024

**Declared on 15 February 2024*

7. DIVIDEND REINVESTMENT PLANS

Not operative for the current reporting period.

8. DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES

	Reporting entity's percentage holding	
	Reporting period	Previous period
Name of associate/joint venture	%	%
1990 Elizabeth Property Unit Trust	45.71%	45.71%

9. FOREIGN ENTITIES

Details of origin of accounting standards used in compiling the report:

Not applicable. Australian Accounting Standards are utilised when compiling the financial report.

10. AUDIT QUALIFICATION OR REVIEW

Details of audit/review dispute or qualification (if any):

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Financial Report.

11. ATTACHMENTS

Details of attachments (if any):

The Interim Financial Report of MAAS Group Holdings Limited for the half-year ended 31 December 2023 is attached.

MAAS Group Holdings Limited ABN 84 632 994 542

HALF-YEAR REPORT 2024

31 DECEMBER 2023

CORPORATE DIRECTORY
31 DECEMBER 2023

Directors	Stephen G Bizzell - Non-Executive Chairman Wesley J Maas - Managing Director and Chief Executive Officer Michael J Medway - Non-Executive Director David B Keir - Non-Executive Director Tanya E Gale - Executive Director	
Company Secretaries	Candice O'Neill Craig Bellamy	
Registered Office and Principal Place of Business	20L Sheraton Road Dubbo NSW 2830	
Auditor	BDO Audit Pty Ltd Level 10, 12 Creek Street Brisbane QLD 4000	
Solicitors	Duffy Elliott 148 Brisbane Street Dubbo NSW 2830	
	Maddocks Angel Place Level 27, 123 Pitt Street Sydney NSW 2000	
Bankers	Commonwealth Bank of Australia Limited Level 9, 201 Sussex Street Sydney NSW 2000	
	Westpac Banking Corporation Level 3, 275 Kent Street Sydney NSW 2000	
Stock Exchange Listing	MAAS Group Holdings Limited shares are listed on the Australian Securities Exchange (ASX code: MGH)	
Website	www.maasgroup.com.au	

CORPORATE DIRECTORY

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity' or 'Group') consisting of MAAS Group Holdings Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during 1H24.

DIRECTORS

The following persons were directors of MAAS Group Holdings Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Stephen G Bizzell - Chairman

Wesley J Maas - Managing Director and Chief Executive Officer

Michael J Medway

David B Keir

Tanya Gale

Stewart Butel (resigned 31 July 2023)

PRINCIPAL ACTIVITIES

During the financial half-year the principal activities of the consolidated entity consisted of:

- Construction Materials
- Civil, Construction and Hire
- Residential Real Estate
- Commercial Real Estate
- Manufacturing

The Construction Materials activities of the consolidated entity for the half-year consisted of the operation of fixed and mobile plant quarries, crushing services, concrete, transport services, asphalt services and geotechnical services within Australia.

The Civil, Construction and Hire activities of the consolidated entity for the half-year consisted of civil construction and hire of above-ground equipment, specialised electrical equipment, electrical infrastructure services and machinery sales within Australia.

The Residential Real Estate activities of the consolidated entity for the half-year consisted of residential development and residential construction in New South Wales and Queensland.

The Commercial Real Estate activities of the consolidated entity for the half-year consisted of commercial development, commercial construction and building materials supplies in New South Wales, Queensland and Australian Capital Territory.

The Manufacturing activities of the consolidated entity for the half-year consisted of the manufacture of equipment and the sale of equipment and spare parts. The consolidated entity conducted its operations from Australia, Vietnam, South Africa and Indonesia with sales to multiple global jurisdictions.

OPERATING AND FINANCIAL REVIEW

Earnings Summary

The Group delivered a record Underlying EBITDA result for 1H24 of $97.107m, representing an increase of 46.8% from 1H23 ($66.134m). Accompanying this result was an increase in consolidated Underlying Revenue of 32.1% to $469.283m (1H23 $355.152m) and an increase in Statutory NPAT by 42.9% to $33.849m (1H23 $23.681m).

Growth was achieved across three of the five operating segments, with Construction Materials, Civil Construction & Hire and Residential Real Estate all reporting increased results. Commercial Real Estate materially contributed to the result however recorded lower fair value gains on investment properties than 1H23. Strategic acquisitions in the Construction Materials segments also contributed to the record growth in 1H24.

The Board considers that the reconciliation of Underlying measures improves the understanding of the consolidated entity's normalised operational performance. A detailed reconciliation between Statutory and Underlying profit measures is provided in detail on page 5 below.

An overview of operating segment performance is summarised below.

Construction Materials

Underlying Revenue in the Construction Materials segment increased by 103.5% to $177.830m (1H23 $87.385m) with Underlying EBITDA increasing by 109.45% to $36.420m (1H23 $17.389m). This growth was underpinned by significant increases in quarry sales volumes, increases in quarry's average selling prices and strong contribution from businesses acquired in FY23.

1H24 saw a material movement in the segments revenue mix with Quarry Revenue providing for 31.8% (1H23 48.1%), Concrete Revenue 27.8% (1H23 18.2%), Transport Revenue 11.5% (1H23 20.3%), Geotech 10.7% (1H23 13.4%) and Asphalt & Spray Seal 18.2% (1H23 0%).

1H24 saw favourable weather and operating conditions when compared to the wet weather that adversely impacted 1H23. Unfavourable weather remains a material risk to the segments operations. The management of inflationary pressures combined with pricing discipline remains a priority for the segment. Construction Materials continues to manage inflationary risks through regular customer pricing reviews and focus on leveraging procurement power across the Group.

Civil Construction & Hire

Underlying Revenue in the Civil, Construction & Hire segment increased by 4.13% to $181.246m (1H23 $174.057m) with Underlying EBITDA increasing by 29.5% to $38.789m (1H23 $29.966m). The 1H24 EBITDA margin growth was driven from strong project delivery and margins recognised on key civil projects as well as favourable weather and operating conditions compared to 1H23. Unfavourable weather remains a material risk to the segments operations.

Inflationary pressures were managed in 1H24 by proactive contract management, average contract lengths less than 12 months and continued consolidation synergies which included integration of leadership, systems assets and project management.

Residential Real Estate

Underlying Revenue in the Residential Real Estate segment decreased by 1.6% to $43.635m (1H23 $44.347m) with Underlying EBITDA increasing by 123.5% to $11.194m (1H23 $5.009m). The 1H24 decrease in revenue was driven through fewer land settlements, noting 34 in the period (1H23 55). This result came from subdued buyer sentiment with interest rate rises and cost of living pressures negatively impacting consumer confidence and sales volumes. 1H24 EBITDA margin growth was driven by strong housing construction margins following continued focus on project cost control and completion, combined with the sale of an englobo block of land.

The combination of the higher interest rates and cost of living pressures has dampened market conditions in the segment, causing an increased time to covert sales from inquiry to settlement. The uncertainty in this segment is expected to continue throughout FY24 however continued rate stability or rate reversals may improve outlooks. The segment will continue to prudently manage costs and capex.

Commercial Real Estate

Underlying Revenue in the Commercial Real Estate segment increased by 23.3% to $72.716m (1H23 $59.978m) with Underlying EBITDA decreasing by 22.4% to $15.568m (1H23 $20.060m). The 1H24 increase in revenue from 1H23 was driven by strong growth in the Commercial Construction and Building Supplies businesses. 1H24 EBITDA decline was solely driven by a reduction in fair value gains on investment properties of $8.273m (1H23 $13.208m). Excluding fair value gains, EBITDA grew in the segment 6.5% reflective of the above-mentioned revenue increases. Valuation increases in the period were driven by self-storage assets reaching completion and occupancy.

The segment remains focused on capital recycling goals, centred around Return on Capital benchmarks. There is a broad range of asset classes held amongst the development portfolio however continued focus during the period was around Self Storage, Childcare and Industrial asset classes.

The inflationary pressure on construction costs continues to be a risk to the industry however shorter lifecycle of projects within the segment assist in job cost management.

Manufacturing

Underlying Revenue in the Manufacturing segment decreased by 22.3% to $11.789m (1H23 $15.172m) with Underlying EBITDA decreasing by 46.2% to $1.581m (1H23 $2.939m). The result was driven by increased time to convert sales of machines and spare parts.

Mergers and Acquisition

The Group continued to pursue strategic acquisitions through the hub and spoke model which expands operations while realising synergies and offering accretive growth during the half year to 31 December 2023 with a total investment of $10.454m across two acquisitions. Both acquisitions were in the Construction Materials segment in Southeastern Victoria further complementing strategic investment into the attractive Victorian Construction Materials market.

Cash Flow and Working Capital

Operating cash inflows before payments for land inventory increased 102.65% from 1H23 to $94.226m (1H23 $46.534m) due to higher earnings and continued working capital management. The Group continues to take a proactive approach in managing credit default risk, including monitoring customers trading activity, particularly within the construction industry. Significant focus on credit terms offered and collections in 1H24 resulted in a decrease of Trade and Other Receivables by $31.347m from FY23.

Investing cash outflows occurred during the period as the Group transacted on opportunities that aligned with operational strategy or incurred capital expenditure that passed return on capital benchmarks. This included the acquisition of two businesses, as mentioned above, and a material commercial property acquisition of a multi-use investment asset in Hamilton, Newcastle ($24.300m). The Hamilton site complements the Group's diversified asset portfolio with opportunity for future commercial and industrial redevelopment. The gross payments for Property Plant and Equipment, Intangibles and Investing Deposits during the period totalled $33.987m and was split between $13.977m for Growth and $20.010m for Maintenance. The gross receipts from disposals of Property Plant and Equipment was $11.625m and mainly comprised of equipment within Construction Materials.

Group Debt and Dividends

Net debt calculated as total debt less cash and cash equivalents (excluding AASB 16 lease liabilities) was $450.811m at 1H24 (FY23 $442.875m). This consistent position was achieved through strong earnings, high levels of collection and conscious capital investment against Return on Capital benchmarks. The Group received continued support from its banking partners during the period with facilities extended through to 31 August 2025. All banking covenants were adhered with during the period.

The Board Policy of a dividend payout ratio of 20%-40% of Cash NPAT has continued during 1H24, underpinned by strengthened earnings. The Board has declared a 3c fully franked dividend on 15 February 2024 in relation to the half year end 31 December 2023.

Principal Risks & Outlook

The Group continues to build a strong risk management culture to deliver on its goals, visions and strategy. During 1H24, principal risks to the Group were consistent with those disclosed in the 2023 Annual Report as well as discussed above.

Continued focus on Environmental, Social and Governance (ESG) considerations have taken place during 1H24. The Group acknowledges the growing demands of our stakeholders in ESG, and the potential risks and opportunities posed to our business, and the broader sector, as a result of our environmental footprint, climate change and the anticipated global transition towards a lower carbon economy. The Group continues its commitment to defining benchmarks for ESG performance and subsequent metrics to measure performance. The Group acknowledges there is a risk of ESG inaction which could result in potential non-compliance fines and mismanaged community expectations. The board has progressed in the development of relevant roadmaps to meet future sustainability reporting requirements in accordance with the Australian Sustainability Reporting Standards (ASRS).

The Group expects demand for our products and services to remain strong throughout the second half of the year with operations, trading conditions and material risks consistent to the first half. The Group will continue to focus on integration of acquired businesses, capital recycling and cost discipline, given the current environment of elevated inflationary pressure.

Dividends

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 23 $'000	31 Dec 22 $'000
Final dividend for the year ended 30 June 2023 of 3.0 cents per ordinary share (31 Dec 2022: Final dividend for the year ended 30 June 2022 of 3.5 cents per ordinary share)	**9,819**	**10,830**

Terminology changed from "Proforma" to "Underlying" during 1H24 to align with ASX peers. "Proforma" terminology used historically to highlight the add back of pre-acquisition earnings for businesses acquired during the IPO process and subsequently for businesses acquired under lock box arrangements. No such add backs are applicable to 1H24 and 1H23. No changes have been made to the methodology of adjustments to statutory profit.

Reconciliation of Statutory Revenue to Underlying Revenue, profit before income tax to EBITDA. Adjusted EBITDA Underlying EBITDA, EBIT. Adjusted EBIT. Underlying EBIT. Reconciliation of Statutory Net Profit After Tax (NPAT) attributable to owners of MAAS Group Holdings Limited to Underlying NPAT and Statutory Basic Earnings Per Share to Underlying Earnings Per Share.

	Consolidated	
	31 Dec 23 $'000	31 Dec 22 $'000
Statutory Revenue	480,519	355,152
Non-Controlling Interest Revenue	(11,236)	-
UNDERLYING REVENUE	**469,283**	**355,152**
Profit before income tax expense	49,070	34,572
Interest revenue	(359)	(120)
Finance costs	17,062	8,696
EBIT	65,773	43,148
Amortisation	4,355	3,705
Depreciation	21,803	16,962
EBITDA	91,931	63,815
Transaction costs relating to business combinations	344	2,336
Other non-recurring expenses	1,310	401
ADJUSTED EBITDA	**93,585**	**66,552**
ADJUSTED EBIT	**67,427**	**45,885**
Adjusted EBITDA	93,585	66,552
Non-Controlling Interest EBITDA	(1,479)	-
Share-based payment expense relating to business combinations	1,131	477
Fair value movement on contingent consideration	3,870	(895)
Non-Controlling Interest Depreciation & Amortisation	254	-
UNDERLYING EBITDA	**97,107**	**66,134**
UNDERLYING EBIT	**71,203**	**45,467**
Statutory NPAT Attributable to Owners of MAAS Group Holdings Limited	33,849	23,681
NPAT Normalisations	4,659	1,626
UNDERLYING NPAT	**38,508**	**25,307**
Statutory Basic EPS (Cents)	10.4	7.7
Basic EPS Normalisations (Cents)	1.4	0.5
UNDERLYING BASIC EPS (Cents)	**11.8**	**8.2**

Underlying Revenue, Underlying NPAT, Underlying EPS, Underlying EBIT, EBITDA, Adjusted EBITDA, Adjusted EBIT and Underlying EBITDA are non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to Revenue, NPAT, EPS, EBIT and EBITDA presented by other companies. These measures, which are unaudited, are important to management as an additional way to evaluate the consolidated entity's performance.

Adjusted EBITDA excludes the effects of significant items of income and expenditure which may have an impact on the quality of earnings because of isolated or non-recurring events.

Underlying EBITDA is adjusted for non-operational items during the year including share-based payments relating to business combinations, EBITDA of non-controlling interest and fair value movement of contingent consideration.

Underlying Revenue is normalised for the reversal of non-controlling interest revenue. Underlying EBIT is normalised for one off depreciation adjustments as well as the reversal of non-controlling interest depreciation and amortisation.

Underlying NPAT (Net Profit After Tax) is normalised for the NPAT impact of Underlying EBIT above. Underlying EPS (Earnings Per Share) is calculated using Underlying NPAT divided by the weighted average number of ordinary shares.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There were no significant changes in the state of affairs of the consolidated entity during the financial half-year outside of those disclosed in the Operating and Financial Review and note 3.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL HALF-YEAR

Dividends
The Directors declared a fully franked interim dividend of 3 cents per share on 15 February 2024.

Acquisition of Eastern Victorian Quarries
On 21 December 2023, the consolidated entity entered into an agreement to acquire 100% controlling interest in the shares of CASACIR Pty Ltd. This agreement settled on 6 February 2024 for an initial cash payment of $40.000m. $30.000m is to be paid over the next ten years in the form of deferred consideration. The acquisition includes control of three hard rock quarries in Eastern Victoria and further compliments the Group's expansion into the Victorian materials market. The acquisition will operate in the Construction Materials segment. The provisionally determined fair value of the Eastern Victorian Quarries net identifiable assets at the date of acquisition was $70.000m.

Dandy Premix Deed of Variation
On 12 January 2024, a deed of variation was signed in relation the original Share Sale and Purchase Deed (SSPD) of Dandy Premix Pty Ltd. As a result of this deed, the Group will no longer issue 2,351,670 Consideration Shares over three years as defined in the SSPD. Instead, the Group has agreed to pay cash of $7.200m in two equal tranches. The first tranche was paid on 16 January 2024 and the second tranche is due on 16 January 2025.

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

ROUNDING OF AMOUNTS

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors

Stephen G Bizzell
Chairman

Wesley J Maas
Managing Director and Chief Executive Officer

15 February 2024
Brisbane

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Australia

DECLARATION OF INDEPENDENCE BY T R MANN TO THE DIRECTORS OF MAAS GROUP HOLDINGS LIMITED

As lead auditor for the review of MAAS Group Holdings Limited for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of MAAS Group Holdings Limited and the entities it controlled during the period.

T R Mann
Director

BDO Audit Pty Ltd

Brisbane, 15 February 2024

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31 DECEMBER 2023

MAAS GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated 31 Dec 23 $'000	31 Dec 22 $'000
REVENUE	5	480,519	355,152
Other income		2,879	3,599
Interest revenue		359	120
Net fair value gain on investment properties	6	8,759	15,491
Fair value (loss)/gain on remeasurement of contingent consideration		(3,870)	895
EXPENSES			
Purchase of raw materials and consumables used and changes in inventories		(234,679)	(172,526)
Employee benefits expense		(95,384)	(80,275)
Amortisation expense		(4,355)	(3,705)
Depreciation expense		(21,803)	(16,962)
Transaction costs relating to business combinations		(344)	(2,336)
Legal, audit, accounting and consultants		(1,859)	(2,748)
Motor vehicle and plant expenses		(20,558)	(19,301)
Insurance and registration		(4,432)	(3,138)
Repairs and maintenance		(22,022)	(15,521)
Rent - property and equipment short-term and low-value leases		(2,697)	(2,279)
Travel and accommodation		(2,830)	(2,960)
Other expenses		(11,551)	(10,238)
Finance costs		(17,062)	(8,696)
Total expenses		(439,576)	(340,685)
PROFIT BEFORE INCOME TAX EXPENSE		49,070	34,572
Income tax expense		(14,401)	(10,891)
PROFIT AFTER INCOME TAX EXPENSE FOR THE HALF-YEAR		34,669	23,681
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation		(1,142)	22
Other comprehensive income for the half-year, net of tax		(1,142)	22
TOTAL COMPREHENSIVE INCOME FOR THE HALF-YEAR		33,527	23,703
Profit for the half-year is attributable to:			
Non-controlling interest		820	-
Owners of MAAS Group Holdings Limited		33,849	23,681
		34,669	23,681
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		820	-
Owners of MAAS Group Holdings Limited		32,707	23,703
		33,527	23,703
		Cents	Cents
Basic earnings per share	13	10.4	7.7
Diluted earnings per share	13	10.2	7.6

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

MAAS GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Note	Consolidated 31 Dec 23 $'000	Consolidated 30 Jun 23 $'000
ASSETS			
Current assets			
Cash and cash equivalents		69,755	69,369
Trade and other receivables		96,882	128,229
Contract assets		31,406	33,940
Inventories		113,248	104,442
Non-current assets classified as held for sale	3	18,141	2,000
Other assets		12,566	11,031
Total current assets		341,998	349,011
Non-current assets			
Inventories		144,660	145,245
Investments accounted for using the equity method		8,750	8,750
Investment properties	6	257,582	226,761
Property, plant and equipment		535,385	524,186
Intangibles		175,695	178,144
Deferred tax		21,707	27,008
Total non-current assets		1,143,779	1,110,094
Total assets		1,485,777	1,459,105
LIABILITIES			
Current liabilities			
Trade and other payables		102,972	119,831
Contract liabilities		19,413	14,543
Borrowings and lease liabilities	7	48,320	52,065
Income tax		9,233	8,602
Employee benefits		10,365	10,005
Provisions		24,306	13,036
Total current liabilities		214,609	218,082
Non-current liabilities			
Borrowings and lease liabilities	7	500,970	493,141
Deferred tax		83,099	76,641
Employee benefits		882	1,041
Provisions		28,803	40,908
Total non-current liabilities		613,754	611,731
Total liabilities		828,363	829,813
Net assets		657,414	629,292

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

MAAS GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2023

	Note	Consolidated 31 Dec 23 $'000	 30 Jun 23 $'000
Equity			
Issued capital	8	555,487	550,778
Other equity		9,817	9,759
Reserves		(107,612)	(106,117)
Retained profits		196,489	172,459
Equity attributable to the owners of MAAS Group Holdings Limited		654,181	626,879
Non-controlling interest		3,233	2,413
Total equity		657,414	629,292

Refer to note 11, *Business combinations*, for details of the restatement of the comparative period for finalisation of provisional accounting for a business combination.

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated	**Issued capital $'000**	**Other equity $'000**	**Reserves $'000**	**Retained profits $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance at 1 July 2022	432,530	3,354	(107,556)	127,623	-	455,951
Profit after income tax expense for the half-year	-	-	-	23,681	-	23,681
Other comprehensive income for the half-year, net of tax	-	-	22	-	-	22
Total comprehensive income for the half-year	-	-	22	23,681	-	23,703
Transactions with owners in their capacity as owners:						
Contributions of equity, net of transaction costs	111,408	-	-	-	-	111,408
Share-based payments	-	-	477	-	-	477
Deferred consideration	-	9,759	-	-	-	9,759
Dividends paid (note 9)	-	-	-	(10,830)	-	(10,830)
Balance at 31 December 2022	543,938	13,113	(107,057)	140,474	-	590,468

Consolidated	**Issued capital $'000**	**Other equity $'000**	**Reserves $'000**	**Retained profits $'000**	**Non-controlling interests $'000**	**Total equity $'000**
Balance at 1 July 2023	550,778	9,759	(106,117)	172,459	2,413	629,292
Profit after income tax expense for the half-year	-	-	-	33,849	820	34,669
Other comprehensive income for the half-year, net of tax	-	-	(1,142)	-	-	(1,142)
Total comprehensive income for the half-year	-	-	(1,142)	33,849	820	33,527
Transactions with owners in their capacity as owners:						
Contributions of equity (note 8)	1,864	-	-	-	-	1,864
Share-based payments	-	-	1,238	-	-	1,238
Deferred consideration transferred from contingent consideration	-	1,312	-	-	-	1,312
Transfer from share-based payments reserve (note 8)	1,591	-	(1,591)	-	-	-
Deferred consideration - shares issued (note 8)	1,254	(1,254)	-	-	-	-
Dividends paid (note 9)	-	-	-	(9,819)	-	(9,819)
Balance at 31 December 2023	555,487	9,817	(107,612)	196,489	3,233	657,414

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

MAAS GROUP HOLDINGS LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Consolidated 31 Dec 23 $'000	31 Dec 22 $'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers (inclusive of GST)		578,308	400,580
Payments to suppliers and employees (inclusive of GST)		(467,660)	(335,591)
Interest received		359	120
Interest and other finance costs paid		(15,617)	(8,367)
Income taxes paid		(1,164)	(10,208)
Net cash from operating activities before payments for land inventory (inclusive of GST)		94,226	46,534
Payments for land inventory (inclusive of GST)		(12,832)	(77,276)
Net cash from/(used in) operating activities		81,394	(30,742)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for purchase of businesses, net of cash acquired	11	(10,454)	(111,825)
Payments for investment property		(42,381)	(24,429)
Payments for property, plant and equipment		(33,205)	(50,142)
Payments for intangibles		(308)	(112)
Payments for deposits		(474)	-
Proceeds from disposal of investment property		4,704	2,180
Proceeds from disposal of property, plant and equipment		11,625	15,138
Proceeds from deposits		-	448
Net cash used in investing activities		(70,493)	(168,742)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issue of shares		-	108,190
Proceeds from borrowings		43,959	169,221
Repayment of borrowings		(22,769)	(25,918)
Principal elements of lease payments		(18,835)	(3,071)
Payment for contingent and deferred consideration (long term)		(1,230)	(1,390)
Payments for share buy-backs		(1,821)	-
Share issue transaction costs		-	(788)
Dividends paid		(9,819)	(9,323)
Net cash (used in)/from financing activities		(10,515)	236,921
Net increase in cash and cash equivalents		386	37,437
Cash and cash equivalents at the beginning of the financial half-year		69,369	52,452
Cash and cash equivalents at the end of the financial half-year		69,755	89,889

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

NOTE 1. GENERAL INFORMATION

The financial statements cover MAAS Group Holdings Limited as a consolidated entity consisting of MAAS Group Holdings Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is MAAS Group Holdings Limited's functional and presentation currency.

MAAS Group Holdings Limited is an ASX listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business are:

20L Sheraton Road
Dubbo NSW 2830

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 15 February 2024. The directors have the power to amend and reissue the financial statements.

NOTE 2. MATERIAL ACCOUNTING POLICY INFORMATION

These general purpose financial statements for the interim half-year reporting period ended 31 December 2023 have been prepared in accordance with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2023 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This half year financial report presents reclassified comparative information where required for consistency with the current half year's presentation.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

Rounding of Amounts

The company is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or in certain cases, the nearest dollar.

New Or Amended Accounting Standards and Interpretations Adopted

The consolidated entity has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these new or amended Accounting Standards and Interpretations did not have a material impact to the financial statements.

New Standards and Interpretations Not Yet Adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the consolidated entity. These standards are not expected to have a material impact on the consolidated entity in the current or future reporting periods and on foreseeable future transactions.

NOTE 3. SIGNIFICANT CHANGES IN THE CURRENT REPORTING PERIOD

In addition to movements described in the Operating and Financial Review, the financial performance of the consolidated entity was particularly affected by the following events and transactions during the six months to 31 December 2023.

Investment Properties increased in the half year by $30.821m. This increase was driven by the continued expansion of the commercial portfolio with acquisitions of strategic objectives including the Hamilton Newcastle site for $24.300m and development of the commercial and residential investment portfolios. All investment properties are held at fair value at 31 December 2023, this resulted in $8.759m of fair value movements recognised in the profit and loss during the half year. The Quest Dubbo site was placed on the market for sale during the period in line with the Group's capital recycling objectives. As a result, $17.300m was transferred away from investment property to assets held for sale. Refer to note 6 for further detail on investment properties.

Inventories increased $8,221m from FY23. This increase primarily comprises raw materials and finished goods stock builds within construction materials of $5.489m. This stock build was in order to support anticipated sales pipelines. Machines held for resale also increased $2.387m through the additional procurement and sale hub established in Rockhampton, allowing for greater synergy with ongoing Queensland operations.

Property Plant & Equipment increased in the half year by $11.199m. This increase is explained by the assets purchased through business combinations (see note 11) as well as continued capital expenditure to support the growth and maintenance of current operations. Disposals during the half year led to proceeds of $11.625m and mainly comprised of equipment within Construction Materials.

Provisions decreased $0.833m in the half year. This comprises $6.227m of Cash, Equity and Deferred Equity settlement of contingent consideration from prior business combinations. A $3.870m fair value increase upon remeasurement of contingent consideration hurdles at reporting date, $0.795m increase due to unwinding of interest. The significant increase in current provisions relate to contingent consideration payments with measurement dates in 1H25. Refer to note 11 for further transactions including contingent consideration and provisional accounting adjustments.

NOTE 4. OPERATING SEGMENTS *Identification of reportable operating segments*

The reportable segments of the business are as follows:

SEGMENT	DESCRIPTION OF SEGMENT
1. Residential Real Estate	Develops, invests, builds and sells residential land and housing
2. Commercial Real Estate	Commercial Construction: builds and constructs commercial developments Commercial Development and Investment: delivers commercial property and industrial developments, and investing in commercial real estate
3. Civil, Construction and Hire	Civil Construction: civil infrastructure construction, roads, dams and mining infrastructure Plant Hire and Sales: above and underground plant hire for major infrastructure and tunnelling projects Electrical Services: electrical infrastructure, communications and specialised services Underground Equipment Hire and Repair: hires, maintains, rebuilds and sells second-hand mobile equipment for civil tunnelling and underground hard rock mining
4. Manufacturing	Manufacturing, sales and distribution of underground construction and mining equipment and parts
5. Construction Materials	Quarries: supply of quarry materials to construction projects Crushing and Screening: mobile crushing and screening for quarries, civil works and mining Geotechnical services Asphalt and spray seal services
Other	This includes head office.

The operating segments are based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources. There is no aggregation of operating segments.

NOTE 4. OPERATING SEGMENTS (CONTINUED)

The CODM reviews EBITDA (earnings before interest, tax, depreciation and amortisation) and EBIT. The accounting policies adopted for internal reporting to the CODM are consistent with those adopted in the financial statements.

The information reported to the CODM is on a monthly basis.

Intersegment transactions

Intersegment transactions were made at market rates. Intersegment transactions are eliminated on consolidation.

Consolidated - 31 Dec 2023	Residential Real Estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Other $'000	Eliminations and adjustments $'000	Total $'000
REVENUE								
Sales to external customers	43,333	66,776	170,148	11,522	178,628	-	-	470,407
Intersegment sales	-	659	10,378	-	7,456	-	(18,493)	-
Total sales revenue	43,333	67,435	180,526	11,522	186,084	-	(18,493)	470,407
Other revenue	302	5,282	720	267	2,982	559	-	10,112
Interest revenue	-	3	210	2	11	133	-	359
Total revenue	43,635	72,720	181,456	11,791	189,077	692	(18,493)	480,878
Adjusted EBITDA*	11,194	15,596	38,551	1,581	37,871	(10,163)	(1,045)	93,585
Depreciation and amortisation	(7)	(447)	(10,082)	(1,350)	(13,709)	(563)	-	(26,158)
Adjusted EBIT*	11,187	15,149	28,469	231	24,162	(10,726)	(1,045)	67,427
Interest revenue	-	3	210	2	11	133	-	359
Finance costs	(39)	(283)	(2,445)	(164)	(2,811)	(11,320)	-	(17,062)
Transaction costs relating to business combinations	-	-	-	-	-	(344)	-	(344)
Other non-recurring expenses	-	-	-	-	-	(1,310)	-	(1,310)
Profit/(loss) before income tax expense	11,148	14,869	26,234	69	21,362	(23,567)	(1,045)	49,070
Income tax expense								(14,401)
Profit after income tax expense								34,669
ASSETS								
Segment assets	207,073	354,048	346,194	57,321	510,357	16,579	(5,795)	1,485,777
LIABILITIES								
Segment liabilities	26,970	54,892	153,395	11,511	172,399	409,157	39	828,363

* Adjusted EBITDA and Adjusted EBIT exclude the effects of significant items of income and expenditure which may have an impact on the quality of earnings, such as transaction costs relating to business combinations and non-recurring expenses.

NOTE 4. OPERATING SEGMENTS (CONTINUED)

Consolidated - 31 Dec 2022	Residential Real Estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Other $'000	Eliminations and adjustments $'000	Total $'000
REVENUE								
Sales to external customers	44,208	47,576	161,069	14,960	83,618	-	-	351,431
Intersegment sales	-	8,553	12,594	-	3,703	-	(24,850)	-
Total sales revenue	44,208	56,129	173,663	14,960	87,321	-	(24,850)	351,431
Other revenue	139	2,523	394	212	302	151	-	3,721
Interest revenue	10	1	18	8	2	81	-	120
Total revenue	44,357	58,653	174,075	15,180	87,625	232	(24,850)	355,272
Adjusted EBITDA*	5,009	19,941	29,975	2,939	17,506	(7,303)	(1,515)	66,552
Depreciation and amortisation	(8)	(355)	(12,033)	(315)	(7,486)	(470)	-	(20,667)
Adjusted EBIT*	5,001	19,586	17,942	2,624	10,020	(7,773)	(1,515)	45,885
Interest revenue	10	1	18	8	2	81	-	120
Finance costs	(606)	(24)	(1,281)	(201)	(830)	(5,754)	-	(8,696)
Transaction costs relating to business combinations	-	-	(8)	-	-	(2,328)	-	(2,336)
Other non-recurring expenses	-	-	-	-	-	(401)	-	(401)
Profit/(loss) before income tax expense	4,405	19,563	16,671	2,431	9,192	(16,175)	(1,515)	34,572
Income tax expense								(10,891)
Profit after income tax expense								23,681
Consolidated - 30 June 2023								
ASSETS								
Segment assets	212,827	316,848	363,047	57,624	483,695	30,751	(5,687)	1,459,105
LIABILITIES								
Segment liabilities	33,050	58,610	173,644	11,849	174,723	378,141	(204)	829,813

* Adjusted EBITDA and Adjusted EBIT exclude the effects of significant items of income and expenditure which may have an impact on the quality of earnings, such as transaction costs relating to business combinations and non-recurring expenses.

NOTE 5. REVENUE

	Consolidated	
	31 Dec 23 $'000	31 Dec 22 $'000
Revenue from contracts with customers		
Construction - civil infrastructure (i)	102,998	66,935
Construction - residential (i)	22,226	27,883
Construction - commercial (i)	50,626	35,530
Electrical service (i)	23,663	39,711
Repairs (i)	-	1,613
Sale of goods - plant, equipment, road-base and aggregates (ii)	206,517	123,419
Land development and resale (ii)	21,879	16,329
Geotechnical services (ii)	13,338	11,041
	441,247	322,461
Other revenue		
Equipment and machinery hire	29,160	28,970
Rent	3,867	2,044
Other revenue	6,245	1,677
	39,272	32,691
Revenue	480,519	355,152

(i) Revenue recognised over time
(ii) Revenue recognised at a point in time

NOTE 5. REVENUE (CONTINUED)

Disaggregation of revenue
Included in the following tables are reconciliations of the disaggregated revenue and other income with the consolidated entity's reportable segments (refer note 4).

	Residential Real Estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Other $'000	Eliminations and adjustments $'000	Total $'000
31 Dec 2023								
Construction - civil infrastructure	-	-	107,892	-	-	-	(4,894)	102,998
Construction - residential	22,226	-	-	-	-	-	-	22,226
Construction - commercial	-	51,285	-	-	-	-	(659)	50,626
Electrical service	-	-	26,727	-	-	-	(3,064)	23,663
Repairs	-	-	-	-	-	-	-	-
Sale of goods - plant, equipment, road-base and aggregates	-	15,378	20,399	10,118	167,010	-	(6,388)	206,517
Land development and resale	21,107	772	-	-	-	-	-	21,879
Geotechnical services	-	-	-	-	14,407	-	(1,069)	13,338
Revenue from contracts with customers	43,333	67,435	155,018	10,118	181,417	-	(16,074)	441,247
Equipment and machinery hire	-	-	25,508	1,404	4,667	-	(2,419)	29,160
Total sales revenue per segment	43,333	67,435	180,526	11,522	186,084	-	(18,493)	470,407
Other revenue	302	5,282	26,228	1,671	7,649	559	(2,419)	39,272
Equipment and machinery hire disclosed in sales revenue per segment	-	-	(25,508)	(1,404)	(4,667)	-	2,419	(29,160)
Total other revenue per segment	302	5,282	720	267	2,982	559	-	10,112
Revenue	43,635	72,717	181,246	11,789	189,066	559	(18,493)	480,519

NOTE 5. REVENUE (CONTINUED)

	Residential Real Estate $'000	Commercial Real Estate $'000	Civil, Construction and Hire $'000	Manufacturing $'000	Construction Materials $'000	Eliminations and adjustments $'000	Total $'000
31 Dec 2022							
Construction - civil infrastructure	-	-	76,154	-	-	(9,219)	66,935
Construction - residential	27,883	-	-	-	-	-	27,883
Construction - commercial	-	40,850	-	-	-	(5,320)	35,530
Electrical service	-	-	42,203	-	-	(2,492)	39,711
Repairs	-	-	1,613	-	-	-	1,613
Sale of goods - plant, equipment, road-base and aggregates	-	15,275	24,820	14,960	74,782	(6,418)	123,419
Land development and resale	16,325	4	-	-	-	-	16,329
Geotechnical services	-	-	-	-	11,559	(518)	11,041
Revenue from contracts with customers	44,208	56,129	144,790	14,960	86,341	(23,967)	322,461
Equipment and machinery hire	-	-	28,873	-	980	(883)	28,970
Total sales revenue per segment	44,208	56,129	173,663	14,960	87,321	(24,850)	351,431
Other revenue	139	2,523	29,267	212	1,282	(732)	32,691
Equipment and machinery hire disclosed in sales revenue per segment	-	-	(28,873)	-	(980)	883	(28,970)
Total other revenue per segment	139	2,523	394	212	302	151	3,721
Revenue	44,347	58,652	174,057	15,172	87,623	(24,699)	355,152

NOTE 6. INVESTMENT PROPERTIES

	Consolidated	
	31 Dec 23 $'000	30 Jun 23 $'000
Non-current assets		
Investment properties - at fair value	257,582	226,348
Investment properties under construction - at cost	-	413
	257,582	226,761

Reconciliation

Reconciliation of the written down values at the beginning and end of the current and previous financial periods are set out below:

	31 Dec 23 $'000	30 Jun 23 $'000
Opening balance	226,761	124,600
Additions	42,381	65,428
Transfer to non-current assets held for sale	(17,300)	(2,000)
Fair value gain - commercial real estate assets	8,273	27,678
Fair value gain - residential real estate build-to-rent assets	486	4,168
Transfer (to)/from inventory	(475)	6,576
Transfer from property, plant and equipment	-	716
Disposals	(2,544)	(405)
Closing balance	257,582	226,761

NOTE 7. BORROWINGS AND LEASE LIABILITIES

	Consolidated	
	31 Dec 23 $'000	30 Jun 23 $'000
Current liabilities		
Secured:		
Bank loans	4,579	3,653
Vendor financing	3,670	670
Chattel mortgages	35,950	27,946
Lease liabilities - plant & equipment and motor vehicles	1,118	16,750
Unsecured:		
Lease liabilities - land and buildings under AASB 16	3,003	3,046
	48,320	52,065
Non-current liabilities		
Secured:		
Bank loans	351,567	344,048
Bank loans - Projects	8,000	8,000
Vendor financing	4,260	7,221
Chattel mortgages	106,212	101,183
Lease liabilities - plant & equipment and motor vehicles	3,987	2,438
Unsecured:		
Lease liabilities - land and buildings under AASB 16	26,944	30,251
	500,970	493,141
	549,290	545,206

NOTE 8. ISSUED CAPITAL

	Consolidated			
	31 Dec 23 Shares	30 Jun 23 Shares	31 Dec 23 $'000	30 Jun 23 $'000
Ordinary shares - fully paid	327,924,311	326,553,273	555,487	550,778

Movements in ordinary share capital

Details	**Date**	**Shares**	**Issue price**	**$'000**
Balance	1 July 2023	326,553,273		550,778
Shares issued as consideration for the acquisition of:				
- Schwarz	31 July 2023	304,398	$4.12	1,254
- Maas Brothers and Stanaway	12 September 2023	1,123,334	$3.28	3,685
Shares issued - performance rights	12 September - 20 December 2023	650,882	$0.00	-
On-market share buy-back	3 July to 4 August 2023	(707,576)		(1,821)
Transfer from share-based payments reserve				1,591
Balance	31 December 2023	327,924,311		555,487

NOTE 8. ISSUED CAPITAL (CONTINUED)

Share buy-back

On 20 December 2022, the Board approved an on-market share buy-back of up to 10% of MGH's issued ordinary share capital within the following 12 months and on 15 December 2023, the Board approved the extension of the on-market buy-back for a further 12 months. The timing and number of shares to be purchased has been dependent on the prevailing share price, market conditions and the Group's capital position and requirements. As at 31 December 2023, 2,288,829 shares had been purchased through share buy-backs.

NOTE 9. DIVIDENDS

Dividends paid during the financial half-year were as follows:

	Consolidated	
	31 Dec 23 $'000	31 Dec 22 $'000
Final dividend for the year ended 30 June 2023 of 3.0 cents per ordinary share (31 Dec 2022: Final dividend for the year ended 30 June 2022 of 3.5 cents per ordinary share)	9,819	10,830

On 15 February 2024, the directors declared a dividend of 3 cents. The dividend is fully franked.

NOTE 10. FAIR VALUE MEASUREMENT

Fair value hierarchy

The following tables detail the consolidated entity's financial assets and financial liabilities, measured or disclosed at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: Unobservable inputs for the asset or liability

Consolidated - 31 Dec 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Contingent consideration	-	-	46,216	46,216
Total liabilities	-	-	46,216	46,216

Consolidated - 30 Jun 2023	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial liabilities				
Contingent consideration	-	-	47,428	47,428
Total liabilities	-	-	47,428	47,428

There were no transfers between levels during the financial half-year and there were no financial assets measured or disclosed at fair value.

Valuation techniques for fair value measurements categorised within level 2 and level 3

- Contingent consideration

Where there are EBITDA hurdles the fair value of the contingent cash consideration has been estimated using present value techniques, by discounting the probability-weighted estimated future cash outflows. The fair value of the

NOTE 10. FAIR VALUE MEASUREMENT (CONTINUED)

contingent share consideration has been estimated based on the probability of achieving future hurdles which impacts the number of shares to be issued, using the share price (at acquisition date and reporting date).

Level 3 assets and liabilities

Movements in level 3 financial instruments during the current financial half-year are set out below:

Consolidated	Contingent consideration $'000
Balance at 1 July 2023	(47,428)
Losses recognised in profit or loss	(3,870)
Interest recognised in profit or loss	(796)
Additions	(350)
Disposals/settlements/transfers	6,227
Balance at 31 December 2023	(46,217)
Total gains for the previous half-year included in profit or loss that relate to level 3 assets held at the end of the previous half-year	-
Total losses for the current half-year included in profit or loss that relate to level 3 assets held at the end of the current half-year	(3,870)

The level 3 assets and liabilities unobservable inputs and sensitivity are as follows:

Description	Unobservable inputs	Range (weighted average)	Sensitivity
Contingent consideration	Expected EBITDA Hurdle	$630,000 - $15,000,000	The estimated fair value would increase/(decrease) if EBITDA Hurdle result was exceeded/(underperformed)
	Number of shares	0 - 2,975,247	The estimated fair value would increase/(decrease) if the number of shares issued increased/(decreased)

NOTE 11. BUSINESS COMBINATIONS

(a) Business combinations

Summary of acquisitions

Acquisition of Wade Quarry Services

On 6 September 2023, the consolidated entity entered into an agreement to acquire the assets and operations of a mining services and earthmoving business in Southeastern Victoria for a cash payment of $8.891m. These operations service mining and quarry infrastructure through earthmoving activities within Southeastern Victoria and offers immediate synergy with current MGH operations. The acquisition was completed on 3 October 2023. The Wade Quarry Services business operates in the Construction Materials segment. In accordance with accounting standards, the acquisition has been completed on a provisional basis and finalisation of the assessment of fair values of the identifiable assets and liabilities acquired may result in adjustments to the amounts disclosed in the table below.

During the period, the consolidated entity also acquired one other non-material business in line with strategic interests.

Details of the acquisitions are as follows:

	Aggregate fair value $'000
Inventories	237
Plant and equipment	8,055
Motor vehicles	730
Employee benefits	(166)
Net assets acquired	8,856
Goodwill	1,598
Acquisition-date fair value of the total consideration transferred	10,454
Representing:	
Cash paid or payable to vendor	10,454
Cash used to acquire business, net of cash acquired:	
Acquisition-date fair value of the total consideration transferred	10,454

Revenue and profit contribution

The acquired businesses contributed revenues of $3.611m and net profit of $0.257m to the Group from the dates of their acquisition to 31 December 2023.

If the acquisitions had occurred on 1 July 2023, consolidated revenue and profit after tax for the half-year ended 31 December 2023 would have been $484.852m and $34.977m respectively.

Acquisition-related costs

Acquisition-related costs were not directly attributable to the issue of shares are disclosed separately in the statement of profit or loss and other comprehensive income as *Transaction costs relating to business combinations:*

	$'000
Acquisition costs	344

NOTE 11. BUSINESS COMBINATIONS (CONTINUED)

(b) Summary of acquisition - finalisation of provisional accounting

On 16 December 2022, the consolidated entity entered into an agreement to purchase Dandy Premix.

For 30 June 2023, this business combination had initially been accounted for on a provisional basis in accordance with AASB 3 *Business combinations*. Therefore the fair value of assets acquired and liabilities assumed were initially estimated by the consolidated entity taking into consideration all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting are retrospective, where applicable, to the period the combination occurred and therefore may have an impact on the assets and liabilities, depreciation and amortisation reported.

The consolidated entity has finalised the accounting for this business combination and in doing so adjusted the Quarry land asset shown in the table below. This adjustment resulted in an increase in contingent consideration being recognised. As noted above the finalisation accounting is retrospective and therefore the adjustment impacts the 30 June 2023 financial year. This adjustment had no impact on the 30 June 2023 statement of profit or loss and other comprehensive income.

Details of the fair value of the net assets acquired as recorded on a provisional basis and the final position as impacting the fair value of net assets acquired as at 30 June 2023, are as follows:

	Provisional fair value $'000	Movement $'000	Final fair value $'000
Cash and cash equivalents	93	-	93
Trade receivables	348	-	348
Inventories	527	-	527
Prepayments	698	-	698
Other current assets	172	-	172
Quarry land	45,564	15,262	60,826
Land and buildings	22,700	-	22,700
Plant and equipment	30,292	-	30,292
Trade and other payables	(475)	-	(475)
Deferred tax liability	(3,792)	-	(3,792)
Employee benefits	(1,287)	-	(1,287)
Lease liability	(15,040)	-	(15,040)
Net identifiable assets acquired	79,800	15,262	95,062
Fair value of the total consideration transferred	79,800	15,262	95,062

NOTE 12. EVENTS AFTER THE REPORTING PERIOD

Dividends

The Directors declared a fully franked interim dividend of 3 cents per share on 15 February 2024.

Acquisition of Eastern Victorian Quarries

On 21 December 2023, the consolidated entity entered into an agreement to acquire 100% controlling interest in the shares of CASACIR Pty Ltd. This agreement settled on 6 February 2024 for an initial cash payment of $40.000m. $30.000m is to be paid over the next ten years in the form of deferred consideration. The acquisition includes control of three hard rock quarries in Eastern Victoria and further compliments the Group's expansion into the Victorian materials market. This acquisition will operate in the Construction Materials segment. The provisionally determined fair value of the Eastern Victorian Quarries net identifiable assets at the date of acquisition was $70.000m.

Dandy Premix Deed of Variation

On 12 January 2024, a deed of variation was signed in relation the original Share Sale and Purchase Deed (SSPD) of Dandy Premix Pty Ltd. As a result of this deed, the Group will no longer issue 2,351,670 Consideration Shares over three years as defined in the SSPD. Instead, the Group has agreed to pay cash of $7.200m in two equal tranches. The first tranche was paid on 16 January 2024 and the second tranche is due on 16 January 2025.

NOTE 12. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

No other matter or circumstance has arisen since 31 December 2023 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

NOTE 13. EARNINGS PER SHARE

	Consolidated	
	31 Dec 23 $'000	31 Dec 22 $'000
Profit after income tax	34,669	23,681
Non-controlling interest	(820)	-
Profit after income tax attributable to the owners of MAAS Group Holdings Limited	33,849	23,681

	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	326,943,923	308,119,357
Adjustments for calculation of diluted earnings per share:		
Deferred consideration for business combinations	3,251,400	3,972,411
Performance rights	525,985	-
Share rights granted to employees of Macquarie Geotechnical Pty Ltd to be issued in three equal tranches on the third, fourth and fifth anniversaries of the acquisition	1,317,411	1,346,687
Weighted average number of ordinary shares used in calculating diluted earnings per share	332,038,719	313,438,455

	Cents	Cents
Basic earnings per share	10.4	7.7
Diluted earnings per share	10.2	7.6

In the directors' opinion:

- the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134 *Interim Financial Reporting*, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2023 and of its performance for the financial half-year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Stephen G Bizzell
Chairman

Wesley J Maas
Managing Director and Chief Executive Officer

15 February 2024
Brisbane

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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of MAAS Group Holdings Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Maas Group Holdings Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

(i) Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and

(ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit Pty Ltd

BDO

T R Mann
Director

Brisbane, 15 February 2024

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