
# MAAS

## 1H24 RESULTS PRESENTATION

| ~1,900 | 44 | 17 | ~550 | ~8,000 | ~$852m | 3 |
|---|---|---|---|---|---|---|
| team members | quarries[1] | concrete plants | assets for hire | residential lots[2] | commercial property GDV[3] | manufacturing plants |

1 Includes both operational and non-operational quarry assets as well as the 3 additional quarries purchased February 2024
2 Includes Land Lease Communities, total lot yield indicative only and subject to development approvals
3 As at December 2023 GDV is an estimate of the value of the completed development at current prices. It is not adjusted for any increase or decrease in values over the period or discounted back to the completion / valuation date. Includes exchanged land contract

# AGENDA



## PRESENTERS

**Wes Maas**
CEO & Managing Director

**Craig Bellamy**
Chief Financial Officer

# STRONGLY POSITIONED TO DELIVER ATTRACTIVE RETURNS THROUGH THE CYCLE

INVESTMENT FRAMEWORK

## Disciplined focus on return on capital employed (ROCE)

ENABLED BY STRATEGIC FUNDAMENTALS

### Established and growing tangible asset base of $1.3bn[1] in regions benefitting from multi-year tailwinds

- Direct exposure to investment and projects in the Australian Government's key Renewable Energy Zones
- Leveraged to the rise in regional infrastructure investment
- Focused on areas where competition is typically sub-scale and fragmented


### Aligned founder-led team focused to be the low-cost provider in each end-market

- In-house capability across value chain delivers cost efficiencies, flexibility and superior risk management
- Owner's mindset critical element in delivering superior margin and returns compared to peers

### Proven track record of organic growth and accretive M&A complemented by prudent capital allocation

- Growth strategy underpinned by robust investment criteria and a disciplined approach
- Unwavering focus on returns ensures appropriate capital management with regular portfolio appraisal

[1]As at 31 December 2023

# VALUES DRIVEN

**TRUST**
*only earned through action*

**TEAMWORK**
*focused on safety and solutions*

**COMMITMENT**
*deliver on commitments to customers*

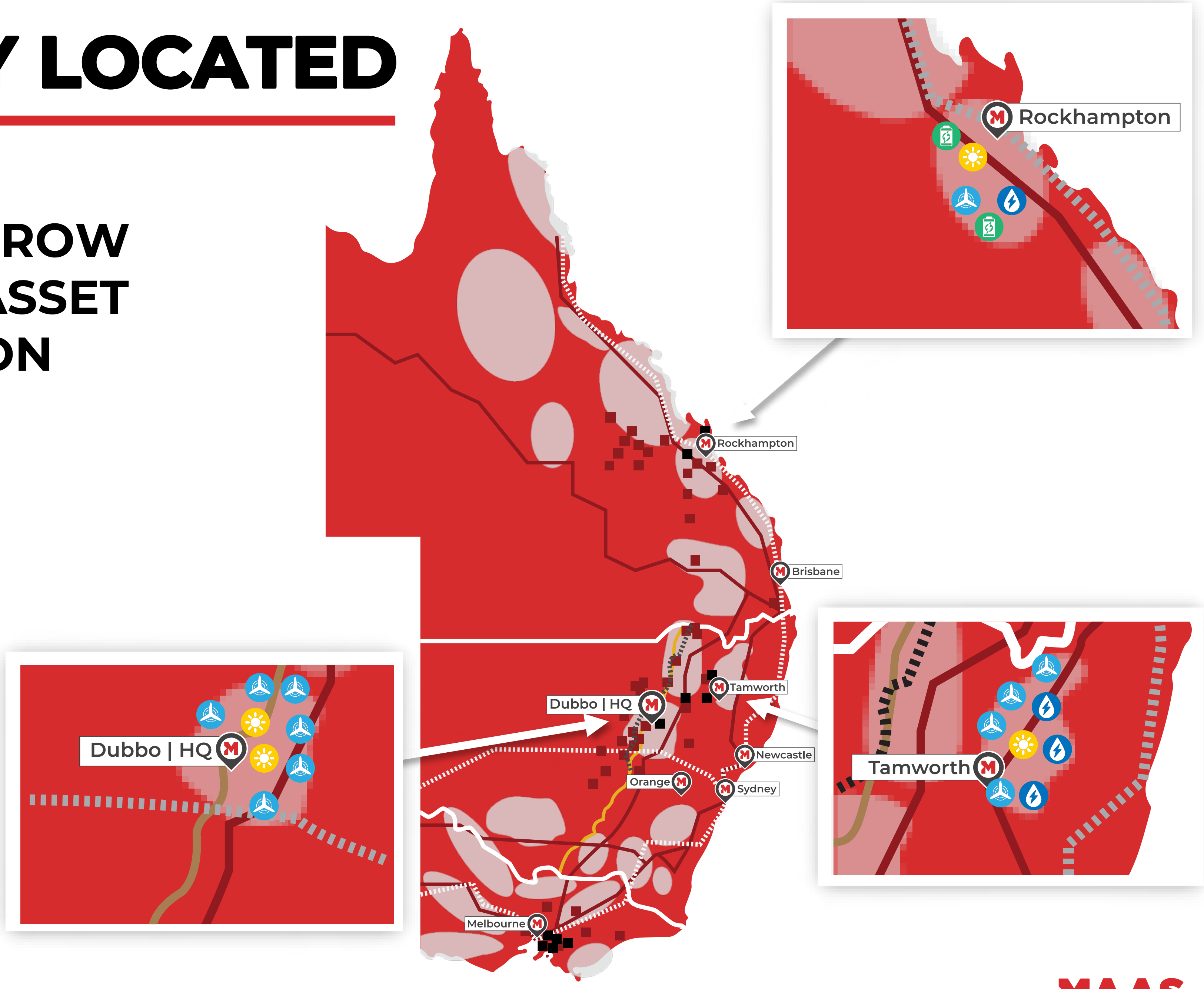
**LEADERSHIP**
*the courage to strive for excellence*

**CANDOUR**
*transparent conversations to get it right*

**OWNERSHIP**
*empowered to get it right*
*and be accountable for the results*

# STRATEGICALLY LOCATED

## MAAS CONTINUES TO GROW ITS OPERATIONS AND ASSET PORTFOLIO FOCUSED ON THE EAST COAST OF AUSTRALIA.




**Key**

- Maas Office / Hub
- Quarry
- Concrete Plant
- Newell Highway
- Inland Rail
- National Highway
- Major Railway
- Renewable Energy Zones
- Solar projects
- Battery storage projects
- Wind projects
- Pumped hydro projects


MAAS


# VICTORIA EXPANSION

## Strategic investments made in the attractive Victorian Construction Materials market

- **3 hard rock quarries** acquired 6 February 2024 for an initial cash payment of $40.0m[1] with a further $30.0m cash to be paid over 10 years.
  - Strategic, long-term quarry resources in a high-demand and depleting supply market
  - Highly complementary to Dandy's existing quarry and concrete plant footprint in South-East Melbourne
- **Quarry services** and **geotechnical laboratory** businesses also acquired during the period, further strengthening our integrated portfolio.

[1] Total acquisition price of $70m is pre completion adjustments and pre adjustment for value in deferred component.

# 1H24 HIGHLIGHTS

## RECORD 1H RESULT – STRONG GROWTH, HIGH CASH CONVERSION

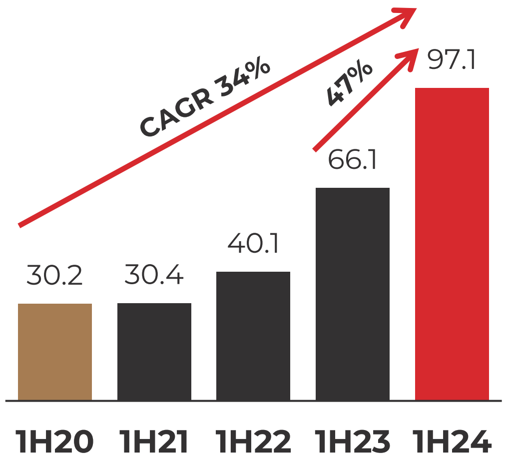
| Underlying Revenue[2] | Underlying EBITDA | Underlying EBIT | Cashflow Conversion[3] |
|---|---|---|---|
| $469.3M ↑ | $97.1M ↑ | $71.2 ↑ | 110% ↑ |
| Increase of 32%, solid pipeline for 2H24 | Increase of 47% on pcp, record half performance | Increase of 56% on pcp, with organic growth of 34% | Up from 89% (1H23) |

| Tangible assets[4] | Statutory NPAT[5] | Leverage ratio[6] | Safety – LTIFR[7] |
|---|---|---|---|
| $1.3bn ↑ | $33.9M ↑ | 2.3X ↓ | 5.6 ↑ |
| Increase of 3% from 30 June 2023 with residential landbank recognised at historical cost ($15k/lot) | Increase of 43% on pcp | Falling to below middle of target leverage range, well within covenants (3.5x), strong asset backing | Increase in LTIFR (3.7 in FY23) highlights need for ongoing focus |

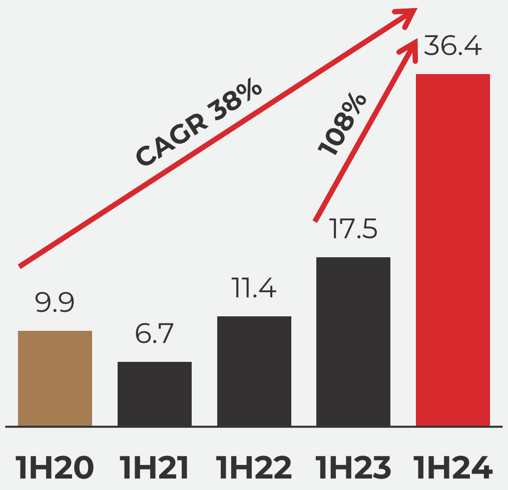
[1] Movement in tables above is 1H24 vs 1H23
[2] Terminology changed from "Proforma" to "Underlying" to align with ASX peers. "Proforma" terminology used historically to highlight the add back of pre-acquisition earnings for businesses acquired during the IPO process and subsequently for businesses acquired under lock box arrangements. No changes have been made to the methodology of adjustments to statutory profit.
[3] % of underlying EBITDA before fair value gains, land inventory investment and tax
[4] 100% of statutory tangible assets less 25% of Austek tangible assets
[5] NPAT attributable to owners of MGH
[6] 31 Dec 23 Australian borrowing group Net debt divided by 31 Dec 23 last 12 months Australian borrowing group EBITDA (includes add back of pre-acquistion earnings)
[7] Lost Time Injury Frequency Rate

# 5 YEAR RECORD OF GROWTH

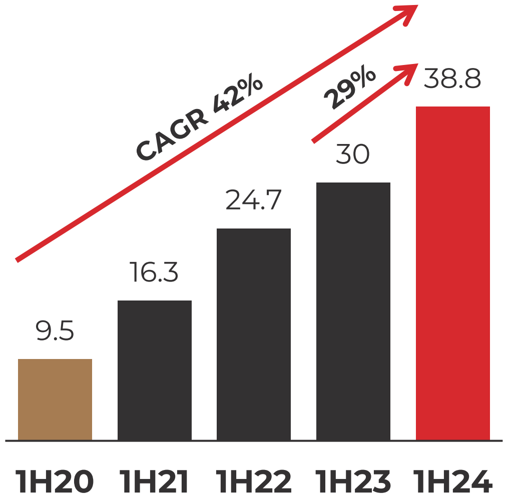
**Maas Group Holdings**
Underlying EBITDA ($M)



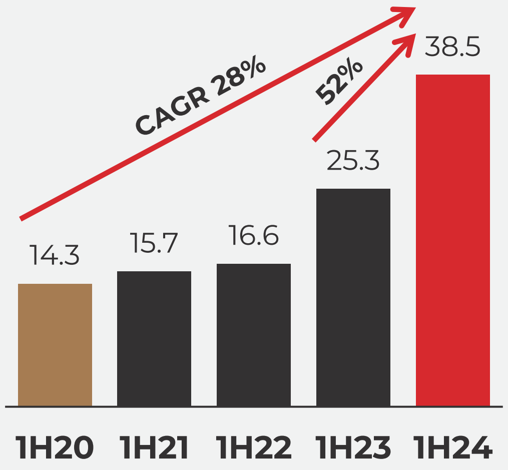

**Construction Materials**
Underlying EBITDA ($M)




**Civil Construction & Hire**
Underlying EBITDA ($M)




**Maas Group Holdings**
Underlying NPAT ($M)

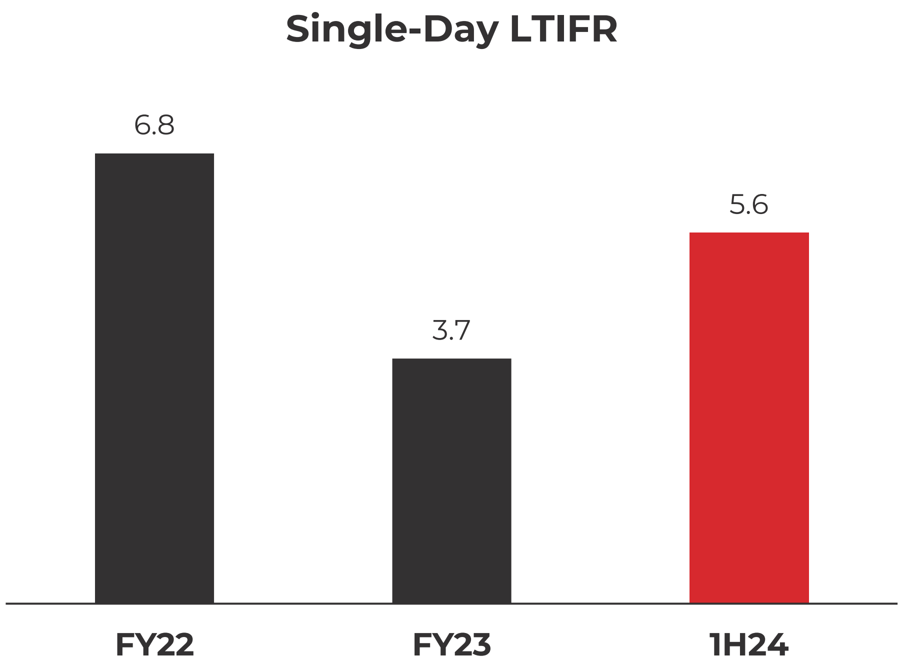



20 YEARS

**20+ years of growth, with a notable acceleration since listing on the ASX in 2020**


# SAFETY

- Our focus is on decreasing injuries across all our Business Units. We have implemented a Safety Activity Calendar across the Company to refocus our businesses on proactive safety management.
- We remain committed to creating a safety culture that empowers our people to look after one another and focus on safe behaviours and mindset through our safety slogan – Think Safe, Act Safe, Look After Your Mate




# SUSTAINABILITY

**Maas is committed to, and maturing on, its journey to reduce environmental and climate related impacts**

## Outlook

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 Board is currently developing a roadmap to meet future sustainability reporting requirements in accordance with Australian Sustainability Reporting Standards (ASRS Standards).

## Initiatives

**Sustainable Asphalt Production**

- Carbonphalt Asphalt, is produced using Recovered Carbon Black extracted from recycled vehicle tyres.
- The Austek asphalt plant also uses recycled tyre derived fuel (Zeroad) as its primary fuel source (as opposed to diesel).

**Hybrid Hydrogen fuel replacement trial**

- Working in partnership with Australian company HYDI

**Recycling in concrete production**

- Returned concrete is either used to:
    - manufacture products which have uses across our construction and quarrying businesses, crushed and sold as recycled aggregate for use in road or other civil construction, or reprocessed through the plant.


# PEOPLE, CULTURE & COMMUNITY

**~1,900**
TEAMMATES

**31%**
FEMALE REPRESENTATION IN SENIOR EXECUTIVE

**72**
APPRENTICESHIP TRADE POSITIONS

## Highlights

- Ongoing commitment to 'growing our own' through supported external training and development opportunities as well as the MGH leadership development program
- In H124 we employed 72 trade apprenticeship positions across the Group.
- Consistent female (15%) and indigenous participation rates (3%). This includes diversity at the Board (20%) and Senior Executive levels (31%).
- Ongoing commitment to the communities we operate in and the causes our organisation cares about including Dolly's Dream, Dubbo Regional Theatre & Convention Centre and various community sporting groups and clubs.

Organisations we support:

Dolly's Dream

DUBBO REGIONAL THEATRE CONVENTION CENTRE

# PRIORITIES & OUTLOOK

## PRIORITIES

- **Safety** – after a very substantial improvement in safety through FY23 the rate of injury (LTIFR) has increased in 1H24 and a top priority for the business is to refocus and ensure everything possible is being done to again reduce the incidences of workplace injury.
- **Ongoing execution of capital recycling program** and identification of further opportunities in line with return on capital discipline and optimisation
- **Integration of acquired businesses** with a particular focus on the Greater Melbourne Construction Materials operations including recently acquired quarry operations and expansion of Dandy quarries at Grantville (sand) and Yarra Valley (hard rock).
- **Capture opportunities as Renewable Energy Zone** related projects commence
- **Prudently managing costs and capex** in residential business while preparing to capture growth as interest rates stabilise
- **ESG** – Defining benchmarks for ESG performance and metrics to measure ongoing progress as well as developing a roadmap to meet future sustainability reporting requirements (ASRS Standards)

## OUTLOOK

- Based on current trading conditions being maintained **reaffirming guidance for FY24 with underlying EBITDA[2] expected to be in the range of $190m – $210m**
- Progress made in 1H24 and with advanced negotiations on a number of commercial properties, **the capital recycling program is on track to achieve targeted $70m proceeds.**

*1 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*

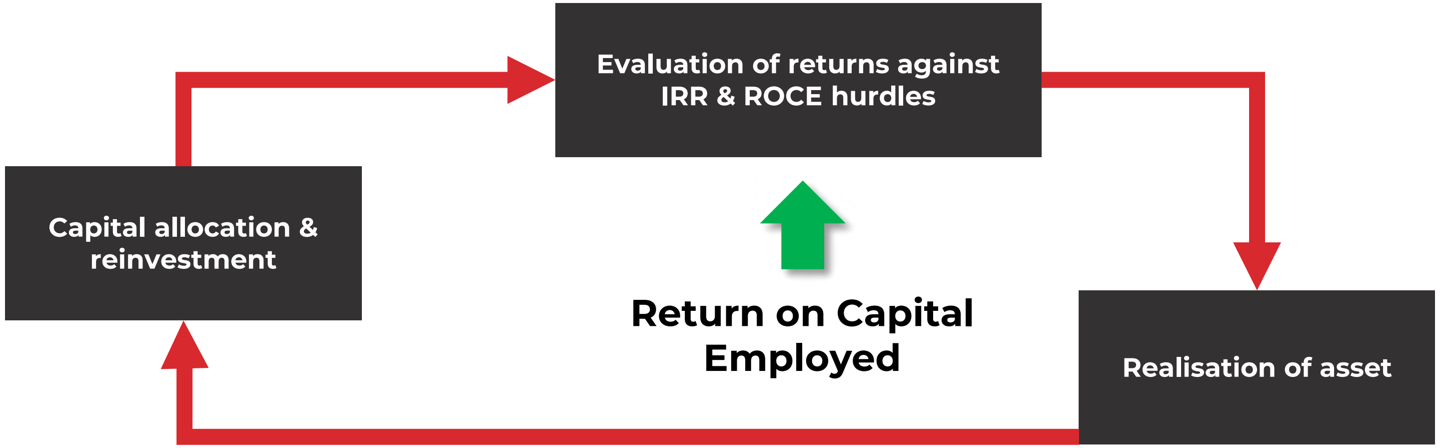
*2 Guidance previously referenced "proforma EBITDA" now changed to "underlying EBITDA" to align with ASX peers, no changes have been made to the methodology of adjustments to statutory profit (terminology change only).*

# CAPITAL RECYCLING

- During 1H24, 3 Commercial property assets were sold along with a range of plant and equipment that yielded $2.6m in excess of book values.
- Currently in advanced negotiations on a number of commercial properties
- Confident Asset recycling target of $70m will be achieved

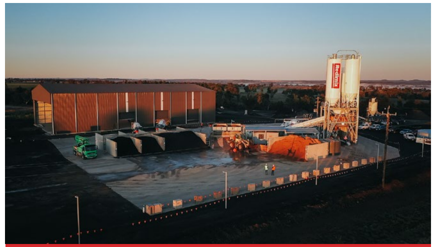
**ASSETS IDENTIFIED FOR RECYCLING INCLUDE**

- Completed Commercial Property
- Quarry & Concrete Property (incl. buffer land)
- Non-core Fleet & Electrical Assets
- Non-core Operating Property




# BUSINESS UNIT OVERVIEW

## INDUSTRIAL OPERATING SEGMENTS



### CONSTRUCTION MATERIALS

- Quarries
- Concrete
- Asphalt
- Geotechnical Engineering
- Logistics

### CIVIL CONSTRUCTION & HIRE

- Equipment Hire
- Civil Construction
- Electrical Transmission and Distribution
- Equipment Repair

### MANUFACTURING & EQUIPMENT SALES

- Equipment sales & Distribution
- Manufacturing

## REAL ESTATE OPERATING SEGMENTS

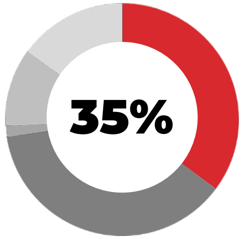
### RESIDENTIAL REAL ESTATE

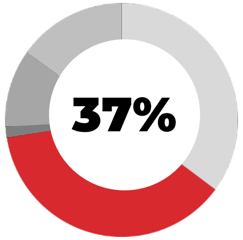
- Residential developments
- Home building
- Build-to-rent
- Land Lease Communities

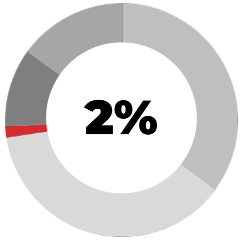
### COMMERCIAL REAL ESTATE

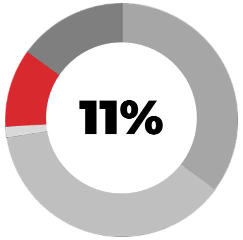
- Commercial developments
- Commercial construction
- Leasing
- Building materials

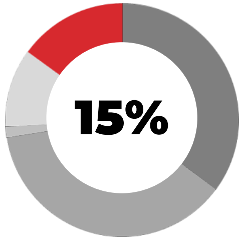
### 1H24 Underlying EBITDA contribution[1]




### 1H24 return on capital[2]

| Construction Materials | Civil Construction & Hire | Manufacturing & Equipment Sales | Residential Real Estate | Commercial Real Estate |
|---|---|---|---|---|
| +12% | +21% | +1% | +14% | +11% |

1 1H24 underlying EBITDA contribution by segment as a percentage of total Group underlying EBITDA excluding corporate and group eliminations
2 Return on capital calculated as 1H24 underlying EBIT divided by average of opening and closing capital employed divided by 2



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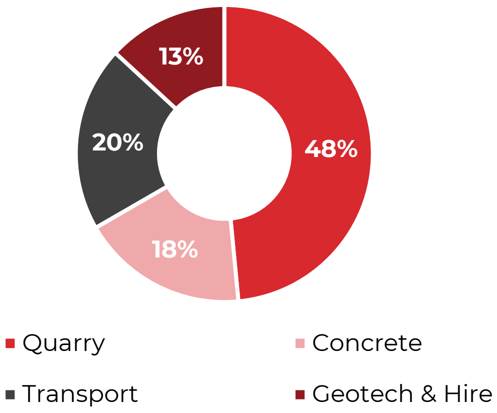
# CONSTRUCTION MATERIALS

- QUARRIES
- CONCRETE
- ASPHALT
- LOGISTICS
- GEO-TECH

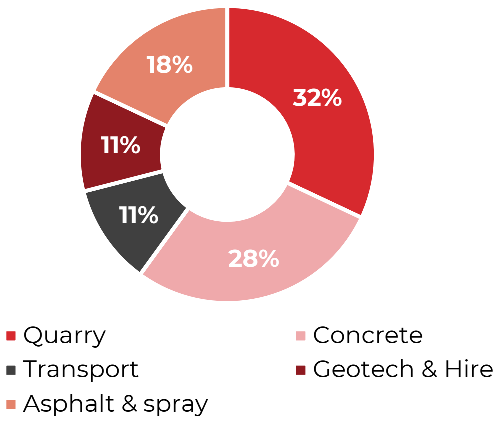
# BUSINESS UNIT PERFORMANCE
## CONSTRUCTION MATERIALS

| $ Million (Underlying) | 1H23 | 1H24 | Movement |
|---|---|---|---|
| **Revenue** | **87.4** | **177.8** | **104%** |
| **EBITDA** | **17.5** | **36.4** | **108%** |
| EBITDA Margin | 19.9% | 20.5% | +0.6ppt |
| **EBIT** | **10.0** | **23.0** | **130%** |
| EBIT Margin | 11.4% | 12.9% | +1.5ppt |
| **Cashflow conversion** | **65%** | **114%** | **+49ppt** |

**1H23 Revenue Attribution**




**1H24 Revenue Attribution**




## 1H24 HIGHLIGHTS

- Revenue increased significantly on 1H23 driven by strong performance of businesses acquired in FY23 coupled with 9% organic growth
- EBITDA growth in 1H24 of 108% driven by strong contributions from Dandy and Austek alongside 23% organic growth.
- Existing quarry businesses achieved higher margins through volume and ASP growth.
- 1H24 EBITDA margins increased slightly on 1H23 driven by improved quarry margins partially offset by a higher contribution of lower margin revenue from concrete, asphalt and spray seal
- Cashflow conversion improved significantly to 114% (1H23: 65%) driven by working capital discipline
- Greater Melbourne - Wade Quarry Services and a Geotech lab acquired in 1H24

## OUTLOOK

- Renewable Energy Zones associated projects driving solid demand and creating further opportunities
- Price discipline paramount to maintaining margins
- Recent acquisitions strengthen Greater Melbourne position and generate significant opportunities for synergistic growth
- Expansion of the sand washing plant at Grantville completed and external sales to grow

1 New Acquisitions classified as businesses acquired during 1H24, existing businesses classified as any business owned or acquired prior to 30 June 2023
2 Organic businesses defined as businesses acquired prior to 1 July 2022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# CIVIL CONSTRUCTION AND HIRE

- **CIVIL CONSTRUCTION**
- **EQUIPMENT HIRE**
- **ELECTRICAL TRANSMISSION & DISTRIBUTION**


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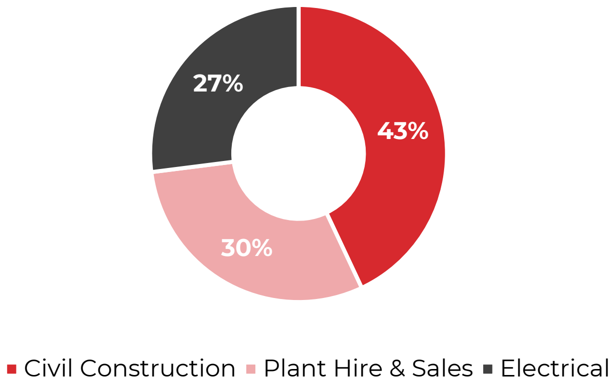
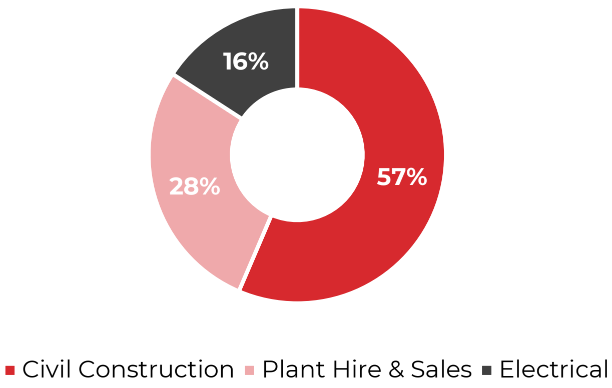
# BUSINESS UNIT PERFORMANCE
## CIVIL CONSTRUCTION AND HIRE

| $ Million (Underlying) | 1H23 | 1H24 | Movement |
|---|---|---|---|
| **Revenue** | **174.1** | **181.2** | **4%** |
| **EBITDA** | **30.0** | **38.8** | **29.4%** |
| EBITDA Margin | 17.2% | 21.4% | +4.2ppt |
| **EBIT** | **17.9** | **28.7** | **60%** |
| EBIT Margin | 10.3% | 15.8% | +5.4ppt |
| **Cashflow conversion** | **92%** | **121%** | **+32ppt** |

**1H23 Revenue Attribution**




**1H24 Revenue Attribution**




## 1H24 HIGHLIGHTS

- Revenue increased on 1H24 driven by organic business growth of 4%
- After a weather impacted 1H23, EBITDA increased by 29% with growth in renewable energy projects the most significant contributor
- EBITDA margins for 1H24 were driven by strong margins achieved on key civil projects compared to weather challenges and project losses recognised in 1H23
- Cashflow conversion improved to 121% (1H23:92%) driven by proactive contract management

## OUTLOOK

- Outlook remains strong with significant pipeline of infrastructure and renewable energy projects continuing to come online over the next 3 - 5 years.
- Typical project term is 6-12 months – this provides agility to manage inflationary pressures.
- Budget cycles related to the development of Renewable Energy Zones expected to create substantial opportunities for the Electrical Services businesses in the future.

# RESIDENTIAL REAL ESTATE

- RESIDENTIAL DEVELOPMENT
- HOME BUILDING
- BUILD-TO-RENT
- LAND LEASE



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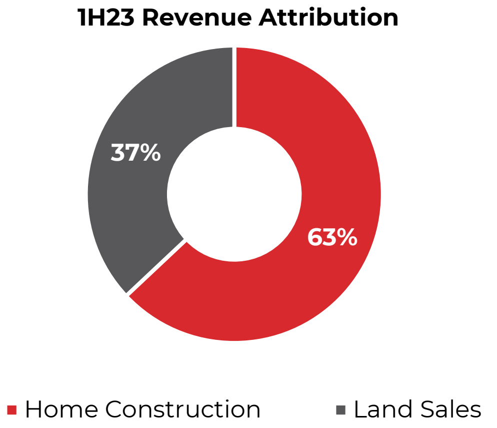
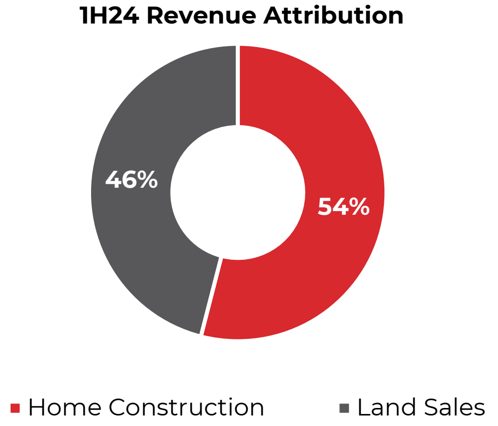
# BUSINESS UNIT PERFORMANCE
## RESIDENTIAL REAL ESTATE

| $ Million (Underlying) | 1H23 | 1H24 | Movement |
|---|---|---|---|
| **Revenue** | **44.3** | **43.6** | **(2%)** |
| **EBITDA** | **5.0** | **11.2** | **123%** |
| EBITDA Margin | 11.3% | 25.7% | +14.4ppt |
| **EBITDA excl. fair value gains** | **2.7** | **10.7** | **293%** |
| **EBIT** | **5.0** | **11.2** | **124%** |
| EBIT Margin | 11.3% | 25.6% | **+127.3ppt** |
| **Cashflow conversion** | **117%** | **62%** | **-47.4ppt** |




## 1H24 HIGHLIGHTS

- Revenue reduced on 1H23 driven by a reduction in external land settlements (1H23: 55 vs 1H24: 34)
- EBITDA increased by 124% driven by an englobo sale representing the effective sale of 60 future lots
- Fair value gain (BTR) of $0.5m (1H23:$2.3m)
- Land gross profit per lot increased to ~$115k (1H23:$82k and FY23: $85k) driven by favourable estate and product sales mix
- The business settled 38 lots in 1H24, including the disposal of 4 build to rent properties
- Home construction margins improved in 1H24 driven by disciplined cost control and completion of aging backlog in 2H23

## OUTLOOK

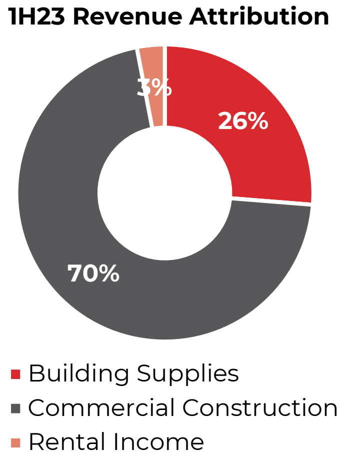
- Unchanged expectation that FY24 external lot settlements remain broadly flat on FY23 (126).
- Prolonged period of rate stability or reversal may improve outlook.
- Medium to long term fundamentals remain unchanged with regional migration trends and continued infrastructure investment in MGH target markets providing the platform to drive longer term sales demand
- Delivering housing availability and affordability aligned with Govt policy will provide future growth opportunities
- Continuing to explore opportunities to realise capital in BTR/ Land lease
- Decisions on timing of development of englobo land for Rockhampton and Griffith pending.

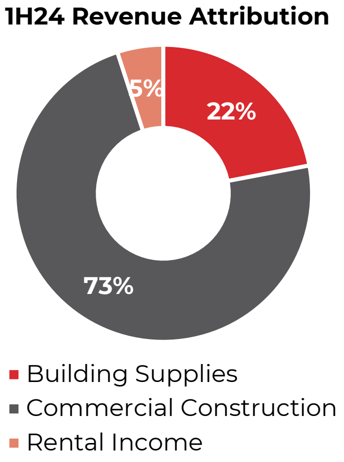
# COMMERCIAL REAL ESTATE

- **COMMERCIAL DEVELOPMENT**
- **COMMERCIAL CONSTRUCTION**
- **BUILDING**
- **LEASING**

# BUSINESS UNIT PERFORMANCE
## COMMERCIAL REAL ESTATE

| $ Million (Underlying) | 1H23 | 1H24 | Movement |
|---|---|---|---|
| **Revenue** | **59.0** | **72.7** | **23%** |
| **EBITDA** | **19.9** | **15.6** | **(22%)** |
| EBITDA Margin | 34.0% | 21.4% | -12.6ppt |
| **EBITDA excl. fair value gains** | **6.7** | **7.3** | **6%** |
| **EBIT** | **19.6** | **15.1** | **(23%)** |
| EBIT Margin | 33.4% | 20.8% | **-11.6ppt** |
| **Cashflow conversion** | 108% | 187% | +79ppt |




## 1H24 HIGHLIGHTS

- Revenue increased on 1H23 driven by strong growth from Commercial Construction
- EBITDA decreased by 22% driven by a reduction in fair value gain on investment properties (1H24: $8.3m, 1H23: $13.2m).
- EBITDA (ex fair value gains) increased by 6% driven by growth across the existing commercial construction and building supplies businesses

## OUTLOOK

- Capital recycling of completed project will materialize during 2024 driven by Return On Capital and strategic considerations
- Continued focus on self storage, childcare and industrial asset classes
- Delivery of existing projects with Development maturity achieved over the next 3-5 years


# GROUP FINANCIAL RESULTS AND REVIEW

**Craig Bellamy**
Chief Financial Officer

# GROUP UNDERLYING PROFIT & LOSS

| $ Million | 1H23 | 1H24 |
|---|---|---|
| Revenue | 353.5 | 463.4 |
| Other Revenue | 1.7 | 5.9 |
| **Revenue** | **355.2** | **469.3** |
| Other Income | 19.2 | 11.6 |
| Expenses | (308.3) | (383.8) |
| **EBITDA** | **66.1** | **97.1** |
| Depreciation | (17.0) | (21.6) |
| Amortisation | (3.7) | (4.4) |
| **EBIT** | **45.5** | **71.2** |
| Net interest | (8.6) | (16.6) |
| **Profit before tax** | **36.9** | **54.6** |
| Income tax expense | (11.6) | (16.0) |
| **NPAT** | **25.3** | **38.5** |
| **Underlying Basic EPS (cents per share)** | **8.2** | **11.8** |

| Key financial metrics | 1H23 | 1H24 |
|---|---|---|
| Revenue growth (%) | 65% | 32% |
| EBITDA growth (%) | 65% | 47% |
| EBIT growth (%) | 70% | 57% |
| NPAT growth (%) | 52% | 52% |
| EBITDA margin (%) | 19% | 21% |
| EBITDA excl. FV gains (%) | 14% | 19% |
| EBIT margin (%) | 13% | 15% |
| EPS growth (%) | 42% | 43% |

- **Revenue growth of 32%,** driven by existing businesses and businesses acquired in FY23. Key drivers of the increase:
    - Increased quarry and concrete volumes driving quarry, concrete and transport sales (increase of $49.7m)
    - New revenue stream of Asphalt & Spray seal revenue ($31.8m)
    - Construction revenue from civil, electrical, commercial and homes constructions (increase of $20.3m)
- **EBITDA growth of 47%,** driven by growth in Construction Materials, Civil Construction & Hire and Residential Real Estate. EBITDA growth from existing businesses of 26%
- **EBITDA Margin of 21%,** improved on 1H23 driven by strong margins in Civil Construction & Hire, Construction Materials and Residential Real Estate.
- **EBITDA excl. FV gains margin of 19%** up from 14% in pcp positively contributing to operating cashflows
- **Other income** comprises:
    - Commercial property fair value increase 1H24 $8.3m (1H23: $13.2m)
    - Residential build to rent fair value increase 1H24 $0.5m (1H23: $2.3m)
    - Profit on sale of assets 1H24 $2.5m (1H23: $1.5m)
    - Profit on sale of investment properties 1H24 $0.2m (1H23: nil)

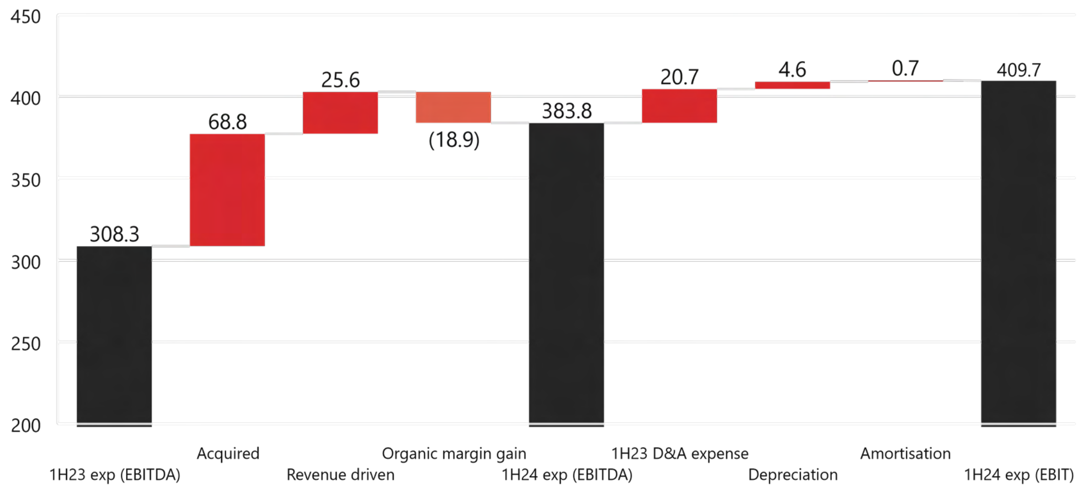
[1] Numbers throughout presentation may not add due to rounding
[2] Terminology changed from "Proforma" to "Underlying" to align with ASX peers. "Proforma" terminology used historically to highlight the add back of pre-acquisition earnings for businesses acquired during the IPO process and subsequently for businesses acquired under lock box arrangements. No changes have been made to the methodology of adjustments to statutory profit.

# EXPENSES

## Expenses driven by acquired and organic revenue growth at improved margins over pcp

| $ Million | 1H23 | 1H24 | Increase % |
|---|---|---|---|
| **Revenue** | **355.2** | **469.3** | **32%** |
| Materials & consumables[1] | 172.5 | 234.7 | 36% |
| Employee benefits expense[1] | 80.3 | 95.4 | 19% |
| Repairs and maintenance[1] | 15.5 | 22.0 | 42% |
| Motor vehicle expenses[1] | 19.3 | 20.6 | 7% |
| Other expenses[1] | 23.7 | 23.7 | 0% |
| Underlying adjustments[2] | (3.2) | (12.6) | 291% |
| **Operating Expenses** | **308.3** | **383.8** | **24%** |
| Depreciation[3] | 17.0 | 21.6 | 27% |
| Amortisation | 3.7 | 4.4 | 18% |
| **Total expenses (excl. interest & tax)** | **328.8** | **409.7** | **25%** |

**Increase in Expenses**




- **Operating expenses** increased by 24%, driven by:
  - $68.8m increase in expenses from businesses acquired in 2H23 & 1H24
  - $6.7m increase in expenses driven by an increase in organic revenue at higher margins than 1H23
- **Underlying adjustments** to expenses includes ~$9.8m relating to 25% minority interest of Austek (JV, 75% owned), $1.3m of ERP implementation costs, $1.1m of share- based payments and $0.3m of transaction costs.
- **Depreciation** increased by $4.6m, driven primarily by depreciation from newly acquired entities, $1.3m related to AASB16 depreciation
- **Amortisation** increased by $0.7m, driven by:
  - $0.7m of acquired customer relationship amortisation from 2H23 acquisitions

**Amortisation**

| $ Million | 1H23 | 1H24 | Increase % |
|---|---|---|---|
| Extraction rights | 1.6 | 1.4 | (10%) |
| Customer contracts & relationships | 2.1 | 2.9 | 35% |
| Other amortisation | 0.0 | 0.1 | 170% |
| **Total Amortisation** | **3.7** | **4.4** | **18%** |

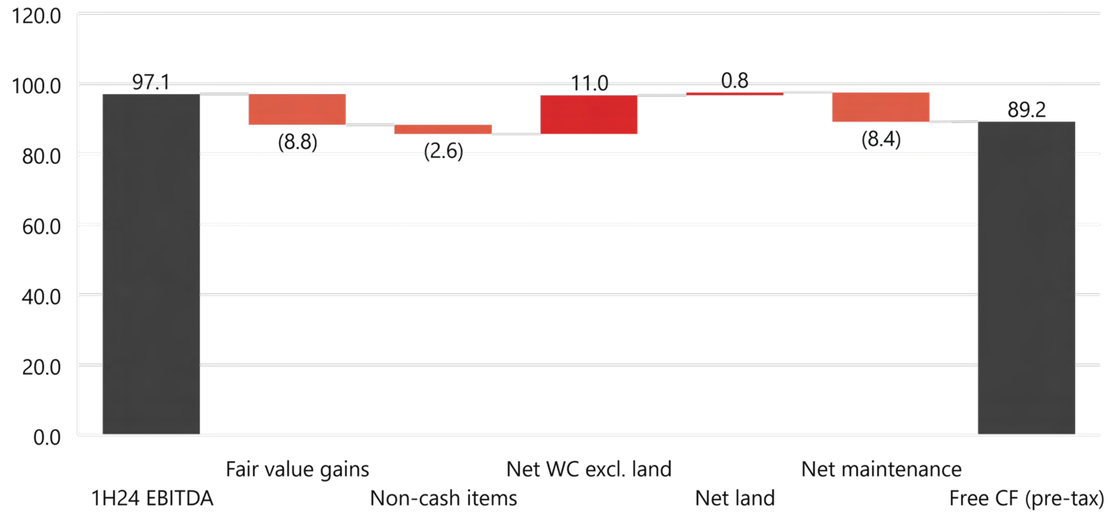
[1] As per statutory financial statements
[2] Underlying adjustments include pre-acquisition expenses, transaction costs, ERP implementation costs, share-based payments and other non-recurring items.
[3] Includes AASB16 depreciation

# UNDERLYING CASH FLOW

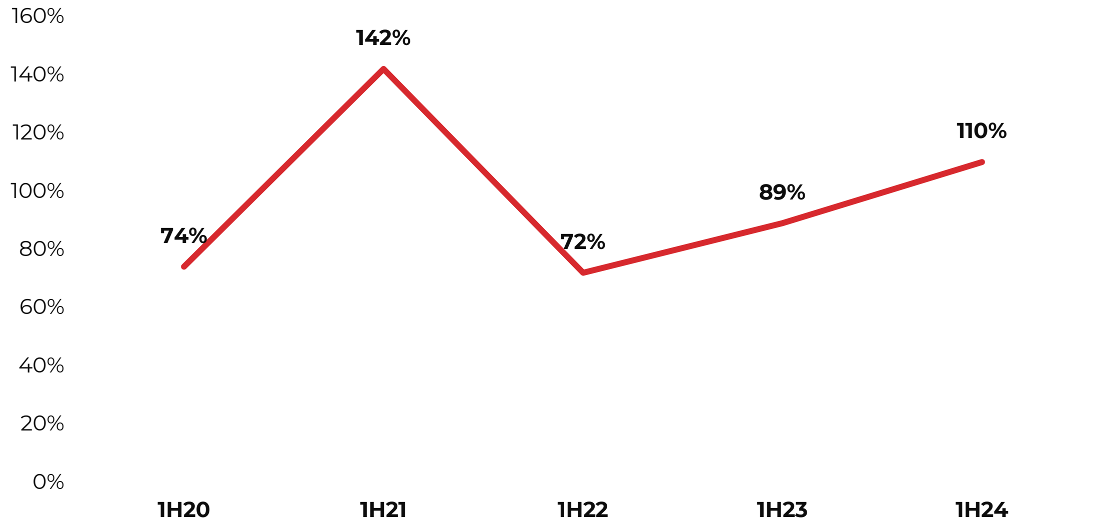
| $ million | 1H23 | 1H24 |
|---|---|---|
| **EBITDA** | **66.1** | **97.1** |
| Fair value gains (FV gains) | (15.5) | (8.8) |
| **EBITDA excl. FV gains** | **50.6** | **88.4** |
| Non-cash items | (0.5) | (2.6) |
| Changes in working capital[1] | (5.2) | 11.0 |
| **Operating Cash Flow (pre-land inventory, FV gains, interest & tax)** | **44.9** | **96.8** |
| **Conversion ratio (% of EBITDA excl. fair value gains)** | **89%** | **110%** |
| Net (increase)/decrease in land inventory[2] | (54.4) | 0.8 |
| **Operating Cash Flow (pre-tax and interest)** | **(9.5)** | **97.6** |
| Net maintenance capex | (7.8) | (8.4) |
| **Free Cash Flow (pre-tax and interest)** | **(17.3)** | **89.2** |

- **Operating Cash Flow (pre-land inventory, FV gains, interest & tax)** for 1H24 is $96.8m, representing a cash conversion of EBITDA ratio of 110% driven by strong working capital management across the group
- **Net decrease in land held for sale** driven by disciplined capital spend in Residential real estate. The group has invested $11.7m into land inventory development in 1H24 (1H23: $29.4m)
- **Net maintenance capex** of $8.4m for 1H24 (1H23: $7.8m)

**Free cash flow (pre land inventory, growth capex, interest and tax)**




**Historical Operating Cash Flow conversion ratio (% of EBITDA excl. FV gains)**




[1] Changes in working capital reflects changes driven by operating activities (i.e., excludes investing and financing related movements) and excludes working capital from acquisitions

[2] Net increase in land inventory represents cash movement in land held for resale (excludes land purchased under vendor finance arrangements and transfers from investment property

# UNDERLYING CASHFLOW BY SEGMENT

| $ million | Construction Materials | Civil Construction & Hire | Residential Real Estate | Commercial Real Estate | Manufacturing | Corporate & Eliminations | Group |
|---|---|---|---|---|---|---|---|
| **EBITDA** | **36.4** | **38.8** | **11.2** | **15.6** | **1.6** | **(6.4)** | **97.1** |
| Fair value gains | - | - | (0.5) | (8.3) | - | - | (8.8) |
| **EBITDA excl. fair value gains** | **36.4** | **38.8** | **10.7** | **7.3** | **1.6** | **(6.4)** | **88.4** |
| Non-cash items | (1.8) | (0.7) | - | (0.1) | - | - | (2.6) |
| Changes in working capital (excl. land inventory movement) | 5.9 | 9.0 | (4.1) | 6.4 | (2.2) | (4.0) | 11.0 |
| **Operating Cash Flow (pre land inventory, fair value gains & tax)** | **40.5** | **47.1** | **6.6** | **13.7** | **(0.6)** | **(10.4)** | **96.8** |
| **Conversion ratio (% of EBITDA before fair value gains) – 1H24** | **111%** | **121%** | **62%** | **187%** | **(41%)** | **162%** | **110%** |
| **Conversion ratio (% of EBITDA before fair value gains) – 1H23** | **65%** | **92%** | **117%** | **108%** | **(44%)** | **n.m.** | **89%** |

**Changes in working capital**

- The working capital dividend in 1H24 of $11.0m (1H23: $5.2m investment) driven by strong working capital management in **Construction Materials ,** **Civil Construction and Hire** and **Commercial Real Estate** segments
- EBITDA cash conversion rate anticipated to increase in FY24 for **Residential Real Estate** and **Manufacturing** segments driven by targeted inventory and accrued revenue reductions

**Non-cash items**

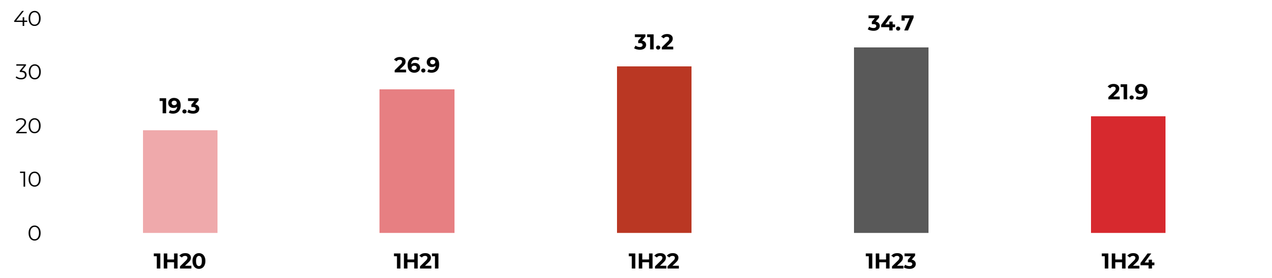
- Fair value gains for **Real Estate**
  - Change in commercial property fair value 1H24 $8.3m (1H23 $13.2m)
  - Residential build to rent fair value increase 1H24 $0.5m (1H23 $2.3m)
- Non-cash for **Construction Materials** and **Civil Construction and Hire** relates to profit on sale of assets

# CAPITAL INVESTMENTS

| 1H24 Capital Investments $ million | |
|---|---|
| Construction materials acquisitions[1] | 10.5 |
| **Total acquisitions[1]** | **10.5** |
| Commercial land acquisitions | 27.1 |
| Development of Commercial Property | 10.5 |
| Development of Residential Property | 4.8 |
| Proceeds from sale of investment properties | (4.7) |
| **Total investments** | **37.7** |
| Electrical equipment expansion | 2.0 |
| Above ground hire fleet expansions | 2.4 |
| Crushing trains, transport fleet and fixed plant upgrades | 8.5 |
| Testing and Geotech | 0.5 |
| Deposit for future acquisitions | 0.5 |
| **Total Growth Capex** | **13.9** |
| **Total Growth investment** | **62.1** |
| Maintenance capex | 20.0 |
| Proceeds on sale | (11.6) |
| **Net maintenance Capex** | **8.4** |
| **Total capital investments** | **70.5** |

- **Acquisitions** for 1H24 include Wade Quarry Services (Construction Materials) and Geotech Lab in Victoria (Construction Materials).
- **Commercial land acquisitions** of $27.1m include an Industrial site in Newcastle ($24.3m) and a block of land in Dubbo ($2.8m)
- **Development of Commercial Property** portfolio continued in 1H24 on industrial, childcare and self-storage sites with continued capital allocation to deliver commercial projects over coming periods
- **Proceeds on sale of Investment Property** includes 4x residential build to rent property sales and 2x commercial property sales in line with the Groups' capital recycling plans.
- **Growth Capex** includes:
  - fixed plant upgrades at Dubbo coupled with the continued expansion of the concrete fleet
  - continued expansion of the above ground hire fleet in the Civil Construction and Hire segment
- **Net maintenance capex** of $8.4m for 1H24 (1H23:$7.8m)

**Historical Net Capex[2] $ million**




[1] Net cash outflow/(inflow) from acquisitions inclusive of working capital acquired and does not include any scrip consideration
[2] Includes growth capex and maintenance capex net of proceeds on sale excluding deposits for future acquisitions

# CAPITAL MANAGEMENT

| Net Debt as at 31 December 2023[1] | |
|---|---|
| **$ Million** | **31 December 2023** |
| **Borrowings** | |
| Current | 48.3 |
| Non-current | 499.6 |
| **Total borrowings** | **547.9** |
| Cash and cash equivalents | (68.2) |
| **Net debt** | **479.7** |
| **Net debt excl. AASB16 property leases** | **450.8** |
| Leverage ratio[2] | 2.3 x |
| Interest Cover Ratio[3] | 5.8 x |

| Banking Facilities as at 31 December 2023 | | | |
|---|---|---|---|
| **$ Million** | **Limit** | **Drawn** | **Undrawn** |
| Cash Advance Facility | 365.0 | 352.2 | 12.8 |
| Asset Finance Facility | 165.0 | 146.9 | 18.1 |
| Multi-option Facility[4] | 70.0 | 36.3 | 33.7 |
| Approved development funding | 8.0 | 8.0 | - |
| **Total Australian Facilities** | **608.0** | **543.4** | **64.6** |
| Vietcombank Facilities | 4.6 | 4.6 | - |
| **Total Banking Facilities** | **612.6** | **548.0** | **64.6** |
| Cash at Bank | | | 68.2 |
| **Liquidity at 31 December 2023** | | | **132.8** |

- 1H24 Weighted average cost of debt of 5.6%[5] (margin range of 1.8% - 2%)
- ~25% of banking facilities are under fixed rate contracts
- Share buyback facility extended
- Board Policy of dividend pay-out ratio of 20%-40% Cash NPAT
    - Interim Dividend declared – 3.0¢ per share fully franked
    - Franking Account Balance at 31 December 2023 of $63.3m
- Cash advance and multi-option term extended to FY26
- Average term of Asset finance contract ~4 years, agility to enter fixed or floating contracts
- Borrowing restructure including syndication targeted for 2H24

[1] Balances displayed includes 75% of Austek assets and liabilities
[2] 1H24 Australian borrowing group Net debt divided by 31 December 2023 last 12 months Australian borrowing group EBITDA (includes add back of pre-acquistion earnings)
[3] Underlying 1H24 EBITDA/1H24 underlying net finance costs
[4] Drawn bank guarantee not recognised on balance sheet (contingent liability)
[5] Excludes present value discounting interest on contingent liabilities and provision for rehabilitation

# GROUP BALANCE SHEET

| Balance Sheet[1] | | |
|---|---|---|
| **$ million** | **30 June 2023** | **31 December 2023** |
| **Assets** | | |
| Cash and cash equivalents | 69.0 | 68.2 |
| Receivables, contract and other assets | 163.7 | 134.2 |
| Inventories: | | |
| - *Operating inventories*[2] | 82.7 | 91.3 |
| - *Land inventory* | 166.9 | 166.5 |
| Property, plant and equipment | 520.2 | 530.5 |
| Intangibles | 178.1 | 175.7 |
| Investments: | | |
| - *Commercial property portfolio* | 183.8 | 212.5 |
| - *Residential build to rent portfolio* | 26.3 | 28.6 |
| - *Residential land lease communities* | 16.5 | 16.5 |
| - *Investment in associates* | 8.8 | 8.8 |
| - *Investment properties held for sale* | 2.0 | 18.1 |
| Tax assets (current and deferred) | 28.7 | 23.3 |
| **Total Assets** | **1,446.6** | **1,474.1** |
| **Liabilities** | | |
| Payables and contract liabilities | 124.2 | 114.6 |
| Borrowings: | | |
| - *Australian facilities* | 500.4 | 506.5 |
| - *Vietnam facilities* | 3.7 | 4.6 |
| - *Vendor & other loans* | 7.9 | 7.9 |
| - *AASB16 property leases* | 32.2 | 28.9 |
| Provisions and employee liabilities | 17.4 | 18.0 |
| Contingent and deferred consideration | 47.4 | 46.2 |
| Tax liabilities (current and deferred) | 86.4 | 93.8 |
| **Total Liabilities** | **819.7** | **820.5** |
| **Net Assets** | **626.9** | **653.6** |

- **Property, plant and equipment** increased by $10.3m from 30 June 2023 driven by the acquisition of Wade Quarry Services
- **Investments** increased by $47.1m from 30 June 2023 driven by commercial land acquisitions of $27.1m, Residential BTR development costs of $4.6m, Commercial development costs of $10.2m and $8.8m of fair value gains partially offset by $4.4m of property sales.
- **Net debt excluding AASB 16 property leases** increased by $7.9m from 30 June 2023 driven by drawdowns to fund 1H24 business acquisitions ($10.1m), Commercial land acquisitions ($27.1m), offset by strong operating cashflows

| Balance Sheet Metrics | | |
|---|---|---|
| **$ million** | **30 June 2023** | **31 December 2023** |
| Net debt excluding AASB16 property leases | 442.9 | 450.8 |
| Equity | 626.9 | 653.6 |
| **Total Tangible Assets** | **1,268.4** | **1,298.4** |
| Net Working Capital (excl. land inventory) | 104.6 | 92.9 |
| Land Inventory | 166.9 | 166.5 |
| Investments | 237.3 | 284.5 |
| PPE & Intangibles | 698.3 | 706.2 |
| Net Tax | (57.8) | (70.5) |
| **Total Capital Employed** | **1,149.5** | **1,179.6** |

| Australian Facilities Drawn Reconciliation | |
|---|---|
| **$ Million** | **31 December 2023** |
| Australian Drawn Facilities (as per capital structure slide) | 543.4 |
| Less: Multi-option bank guarantees (not on balance sheet) | 36.3 |
| Less: Capitalised borrowing costs | 0.7 |
| **Drawn Australian Facilities as per balance sheet** | **506.5** |

[1] Balance sheet includes 75% of Austek assets and liabilities
[2] Operating inventories includes raw marerials, finished goods and machines held for resale

# CAPITAL EMPLOYED

**Capital Employed by Segment**

| $ million | Balance 30 June 2023 | Business Acquisitions | Working capital | Land Inventory | Other[1] | Capital Employed During 1H24 | Balance 31 December 2023 | Underlying EBIT | 1H24 ROCE[2] | 1H23 ROCE[2] |
|---|---|---|---|---|---|---|---|---|---|---|
| Civil Construction & Hire | 273.5 | - | (9.0) | - | 4.7 | (4.3) | 269.2 | 28.7 | 21% | 13% |
| Construction Materials | 383.4 | 10.5 | (5.9) | - | 0.5 | 5.0 | 388.4 | 23.0 | 12% | 7% |
| Residential Real Estate | 161.3 | - | 4.1 | (1.1) | 1.5 | 4.5 | 165.8 | 11.2 | 14% | 7% |
| Commercial Real Estate | 269.2 | - | (6.4) | 0.3 | 43.3 | 37.2 | 306.4 | 15.1 | 11% | 23% |
| Manufacturing | 50.3 | - | 2.2 | - | (1.5) | 0.7 | 51.0 | 0.2 | 1% | 13% |
| Corporate & eliminations | 11.8 | - | 4.0 | - | (17.1) | (13.1) | (1.3) | (7.0) | n.m. | n.m. |
| **Group Capital Employed** | **1,149.5** | **10.5** | **(11.0)** | **(0.8)** | **31.5** | **30.1** | **1,179.6** | **71.2** | **12%** | **10%** |

**Capital Employed Funded By**

| $ Million | 30 June 2023 | 31 December 2023 |
|---|---|---|
| Equity | 626.9 | 653.6 |
| Borrowings | 544.1 | 547.9 |
| Contingent consideration | 47.4 | 46.2 |
| Deferred consideration | - | - |
| Cash | (69.0) | (68.2) |
| **Capital employed** | **1,149.5** | **1,179.6** |

- Strategic business acquisitions in Construction Materials
- Restrained investment into residential land inventory in 1H24 in response to market demands
- Net PPE Capex investment lowest since 1H20 as capital recycling opportunities taken
- Significant capital recycling initiatives underway to maximise return on capital employed

1 Includes movement in PPE, intangibles, investments and tax
2 1H24 underlying EBIT divided by average of opening and closing capital employed divided by 2

# KEY MESSAGES

- Record six month result underpinned by solid organic growth
- Cashflow conversion of 110% driven by working capital discipline
- Reaffirm FY24 guidance of underlying EBITDA range of $190m-$210m
- Reaffirm the capital recycling program is on track to achieve targeted $70m proceeds
- Quarry acquisitions increase focus on Construction Materials, strengthening position in strategic Greater Melbourne area
- Positive outlook with building blocks in place to capitalise on strong pipeline and opportunities in FY24 and beyond

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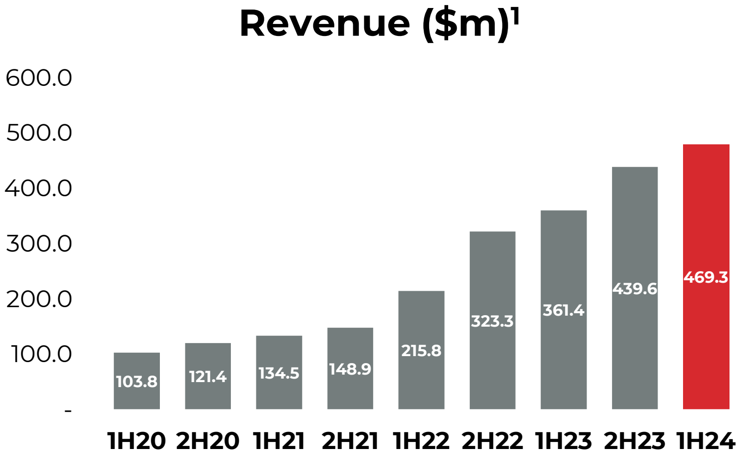
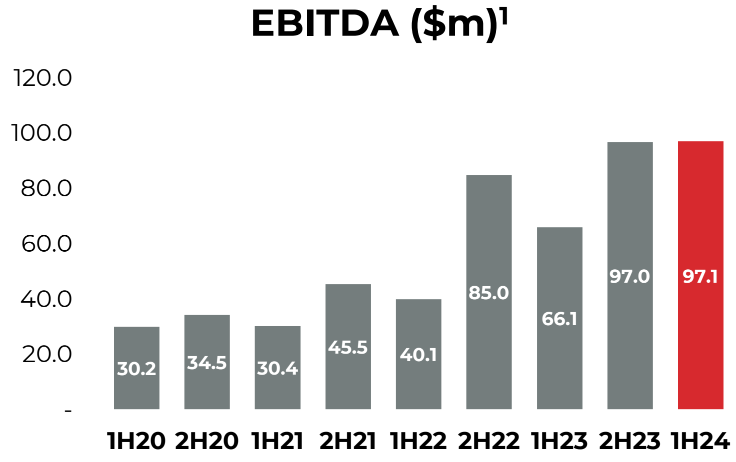
# Q&A

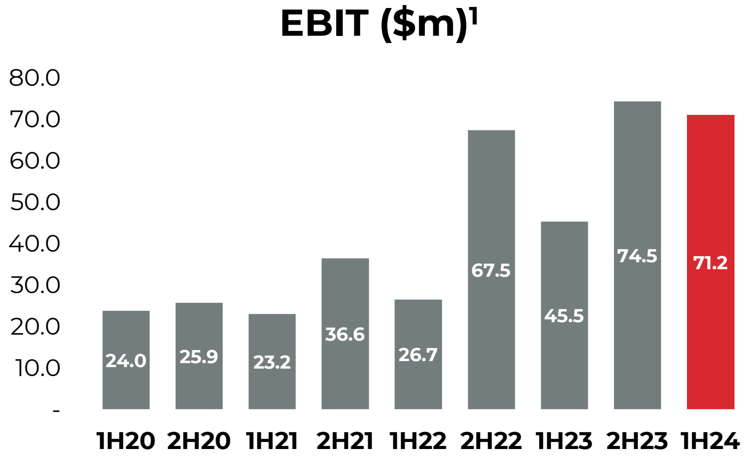
# APPENDIX

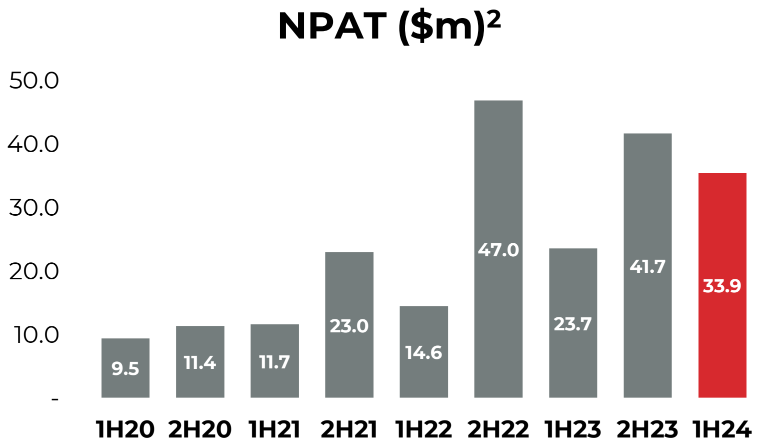
MAAS

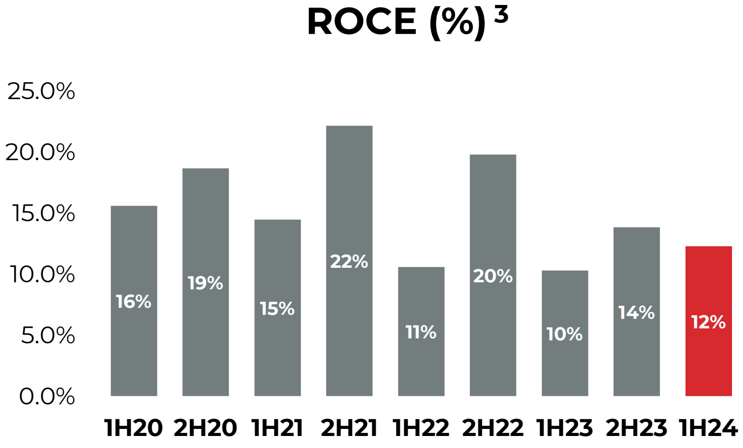
# HISTORICAL FINANCIAL PERFORMANCE



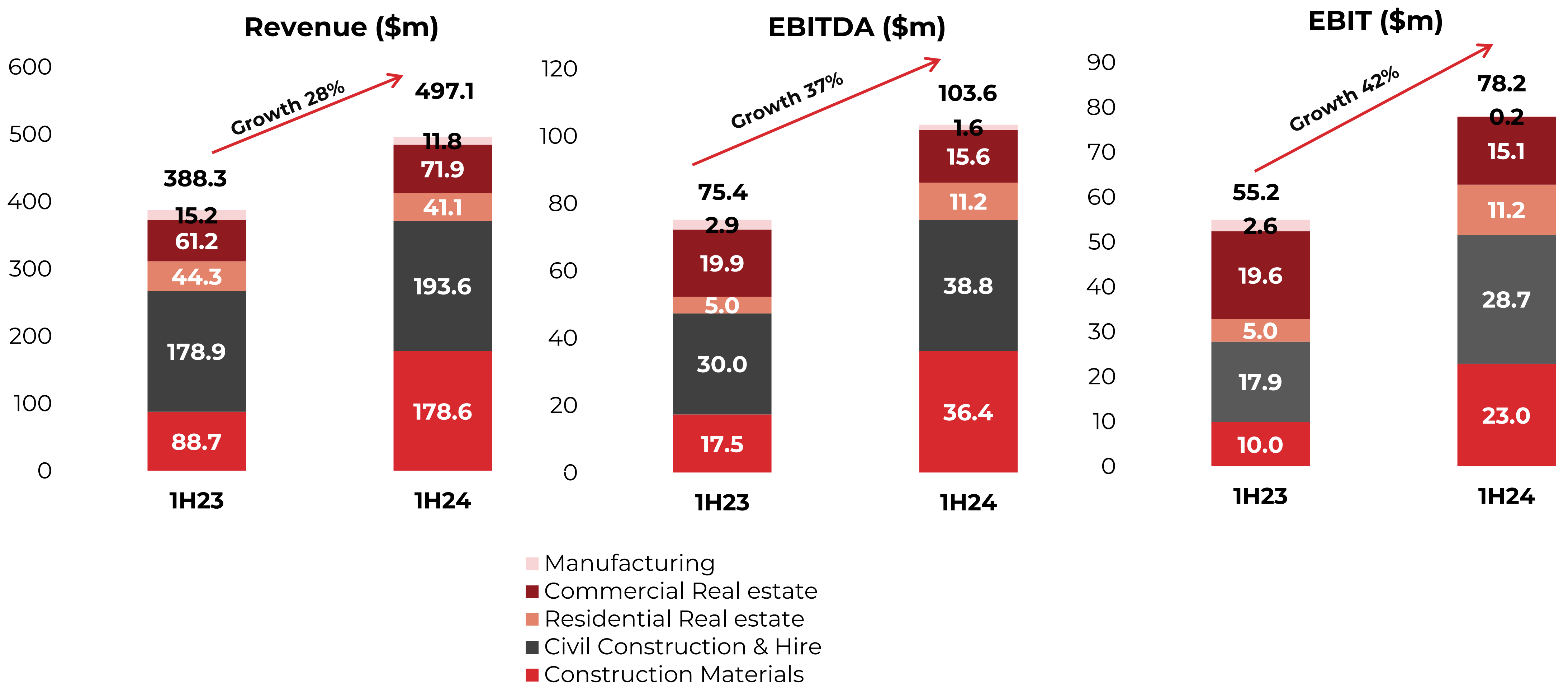




1 Underlying Revenue, EBITDA & EBIT. Terminology changed from "Proforma" to "Underlying" to align with ASX peers. "Proforma" terminology used historically to highlight the add back of pre-acquisition earnings for businesses acquired during the IPO process and subsequently for businesses acquired under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

2 Statutory NPAT attributable to owners of MGH
3 ROCE for FY19- FY22 adjusted for pre-acquisition EBIT.

# UNDERLYING SEGMENT PERFORMANCE

**Strong growth from Construction Materials, Civil Construction and Hire and Residential Real Estate**




[1] Pre-corporate overheads and consolidation eliminations

# GROUP STATUTORY PROFIT & LOSS

## Statutory Net Profit after Tax (NPAT)

| $ Million | 1H23 | 1H24 |
|---|---|---|
| Revenue | **353.5** | **474.3** |
| Other Revenue | 1.7 | 6.2 |
| **Revenue** | **355.2** | **480.5** |
| Other Income | 20.0 | 7.8 |
| Expenses | (311.4) | (396.4) |
| **EBITDA** | **63.8** | **91.9** |
| Depreciation | (17.0) | (21.8) |
| Amortisation | (3.7) | (4.4) |
| **EBIT** | **43.1** | **65.8** |
| Net interest | (8.6) | (16.7) |
| **Profit before tax** | **34.6** | **49.1** |
| Income tax expense | (10.9) | (14.4) |
| **NPAT (before minority interest)** | **23.7** | **34.7** |
| Minority interest | - | (0.8) |
| **NPAT Attributable to owners of MGH** | **23.7** | **33.9** |
| **Earnings per share (Basic)** | **7.7** | **10.4** |

## Reconciliation of Statutory to Pro forma NPAT

| $ Million | 1H23 | 1H24 |
|---|---|---|
| **Statutory NPAT attributable to owners of MGH** | **23.7** | **33.9** |
| Pre-acquisition NPAT | - | - |
| Share based payments | 0.5 | 1.1 |
| Contingent consideration fair value movements | (0.9) | 3.9 |
| Transaction costs on business acquisitions | 2.3 | 0.3 |
| ERP implementation costs | 0.4 | 1.3 |
| Tax effect of adjustments | (0.7) | (2.0) |
| **Underlying NPAT** | **25.3** | **38.5** |

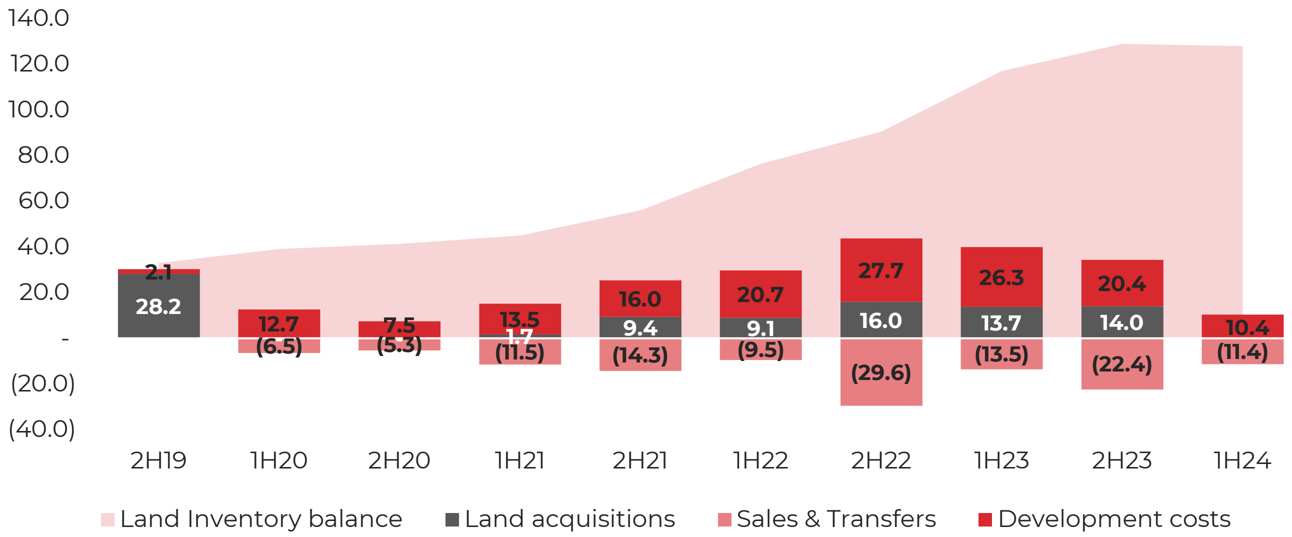
- 1H24 Statutory Revenue increased by **35%**
- 1H24 Statutory EBITDA increased by **44%**
- 1H24 Statutory NPAT attributable to owners of MGH increased by **43%**

# LAND INVENTORY

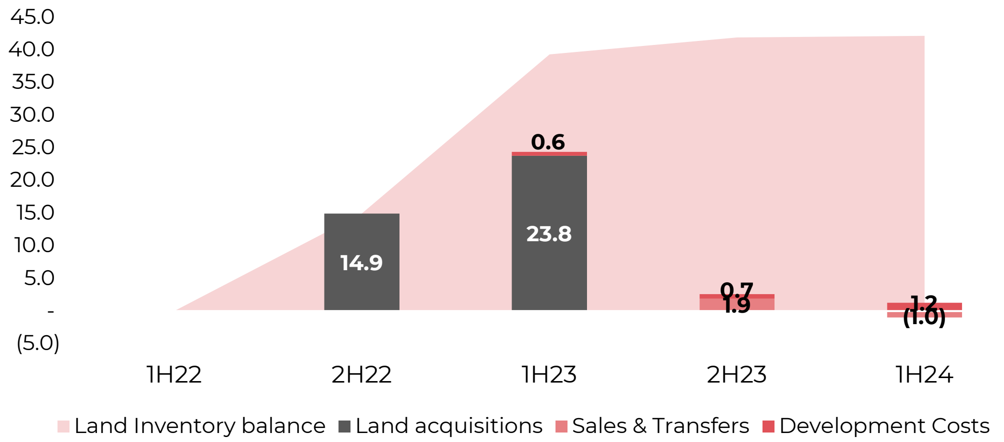
| Land Inventory movement | | | | |
|---|---|---|---|---|
| **$ million** | **Residential** | **Commercial** | **Elimination** | **Group** |
| **Opening Land Inventory** | **128.9** | **41.9** | **(3.9)** | **166.9** |
| Land acquisitions | - | - | - | - |
| Development costs | 10.4 | 1.2 | - | 11.7 |
| Sales & Transfers (incl. BTR) | (11.4) | (1.0) | 0.3 | (12.1) |
| **Closing Land Inventory** | **128.0** | **42.2** | **(3.7)** | **166.5** |

- **Residential land** multi-year lag between englobo acquisition to land settlements as estates are developed. Land settlements to date made from land acquired pre-April 2021.
- **Residential land inventory development** during 1H24 was reduced in line with market demand. Spend in the half includes development in Dubbo ($8.1m), Tamworth ($0.7m), Mudgee ($0.5m) and Orange ($0.1m). Land inventory development plan remains agile to adjust to market demand.
- **Commercial land inventory (acquire to sell)** includes an industrial site in Tweed Heads, NSW, land at 103 Prince Street in Orange NSW and residential land in Dubbo to be transferred to Residential real estate segment in 2H24.

## Residential Land Inventory Investment




## Commercial Land Inventory Investment




[1] RAAF Base residential land included in Commercial Real Estate segment until land is legally transferred into Residential Real Estate segment anticipated by 30 June 2023


MAAS