

# FY21 Financial Results

MADER GROUP LIMITED | 24 AUGUST 2021



**MADER**



# Who We Are

A leading global provider of specialist maintenance support for mobile equipment and fixed infrastructure in mining and civil industries

Global workforce  
**1,600+**  
Skilled Employees

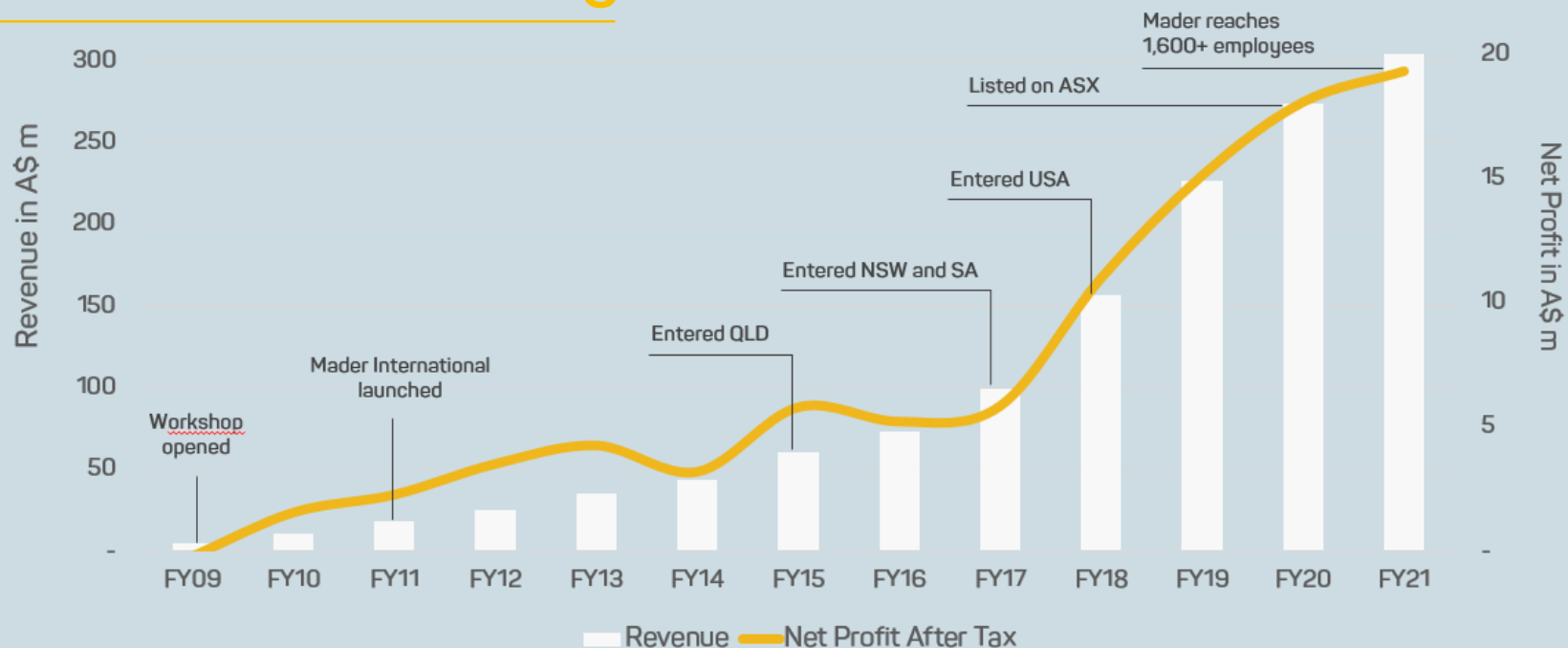
Support vehicles  
**700+**  
Throughout the world

Supporting  
**370+**  
Mine sites

Mining and Civil  
**240+**  
Customers

Operating in  
**7**  
countries

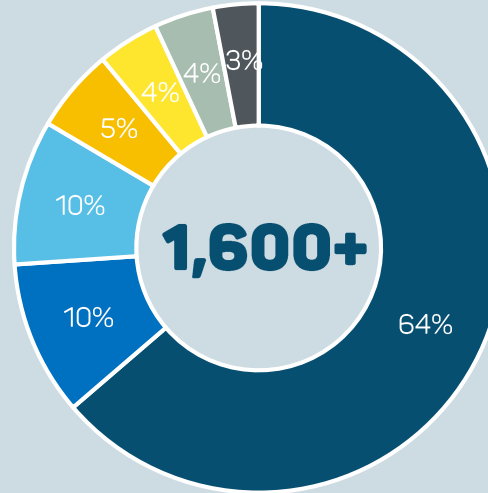
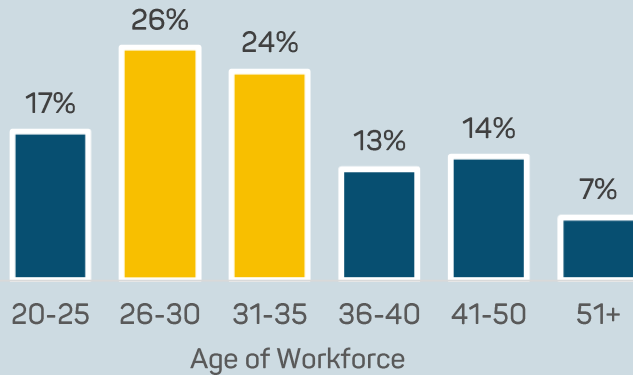
## Our Journey





# Specialised Taskforce

We lead the market in delivering safe and high quality workmanship. Our pursuit of quality is backed by years of investment in our people and culture



## Breakdown of Team

- Heavy Duty Diesel Mechanics
- Auto and HV Electricians
- HRT and LV Mechanic
- Apprentices
- Boilermakers
- Other
- Fixed Plant Mechanics

## AWARD RECOGNITION

### MOST TRUSTED MINING & CIVIL CONTRACTOR

2021 AWARD WINNER  
AUSTRALIAN ENTERPRISE AWARDS

### EMPLOYER OF CHOICE

2020 EXCELLENCE AWARD  
AUSTRALIAN HR AWARDS

### CONTRACT MINER OF THE YEAR

2020 AWARD FINALIST  
AUSTRALIAN MINING PROSPECT AWARDS

### FLEET PRODUCT SAFETY

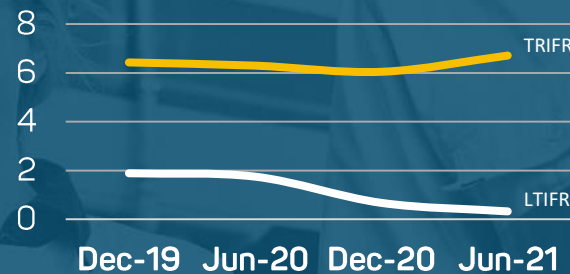
2020 HIGHLY COMMENDED  
AUSTRALASIAN FLEET CHAMPION AWARDS

## Our Safety Goal

"Success is about more than generating earnings, it's about keeping our people and our customers safe. The health, safety and wellbeing of our people is at the forefront of everything we do."

– Justin Nuich, Executive Director and CEO

## Injury frequency rates



## A Bright Future

Investing in the future of mining, with 92 talented mechanics upskilled since introducing our Trade Upgrade Apprenticeship Program in 2019.



## What We Do

Our selection of 'tap on, tap off' specialist services are designed to help customers make light work of heavy equipment maintenance

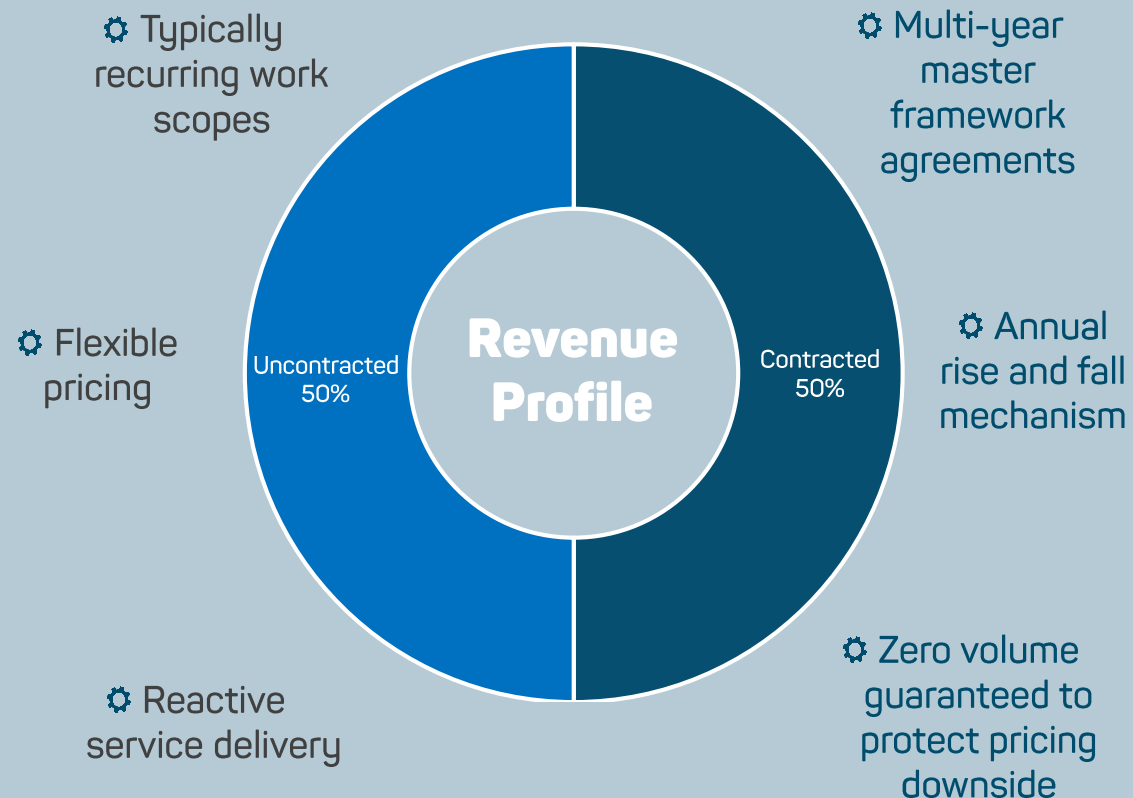
### CORE MECHANICAL SERVICES

- ⚙ Mobile Plant Maintenance
- ⚙ Rapid Response Teams
- ⚙ Excavator Support Teams
- ⚙ Drill Support Teams
- ⚙ Equipment Shutdown Teams
- ⚙ Maintenance Projects
- ⚙ Training and Mentoring
- ⚙ Rostered Support

### GROWTH STRATEGY

- ⚙ Infrastructure Maintenance
- ⚙ Fabrication and Line Boring
- ⚙ Electrical Maintenance
- ⚙ Climate Control Maintenance
- ⚙ Professional Support
- ⚙ Marine and Power Generation
- ⚙ Rail Maintenance
- ⚙ Mader Clean Team

## METHOD OF CUSTOMER ENGAGEMENT STABLE MARGINS PRICING PROTECTION



# Operational Review

JUSTIN NUICH | EXECUTIVE DIRECTOR & CEO

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# FY21 Highlights

**Revenue**  
**\$304.3m** ↑  
Up 11.2% from \$273.5m in FY20

**Net Debt**  
**\$23.9m**  
Net leverage of 0.7x

**EBITDA**  
**\$35.7m** ↑  
Up 8.2% from \$33.0m in FY20

**Dividends**  
**\$6.0m**  
Declared for FY21 activities

**NPAT**  
**\$19.3m** ↑  
Up 10.5% from \$17.5m in FY20

**EPS** Basic & Diluted  
**9.67c**  
Up 11% vs PCP

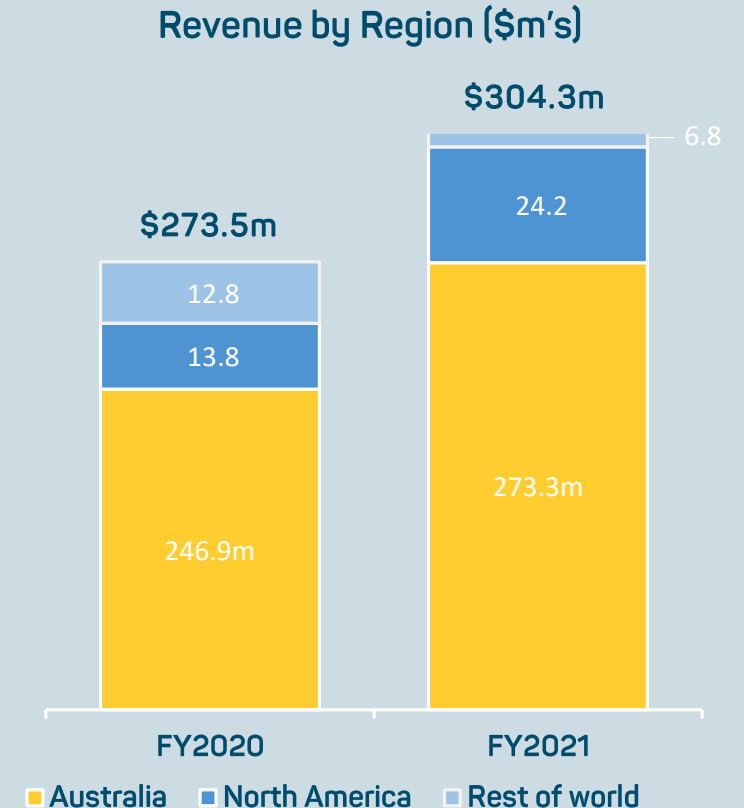


**GROWTH TRAJECTORY**  
driven by **continued diversification** and  
leading market position

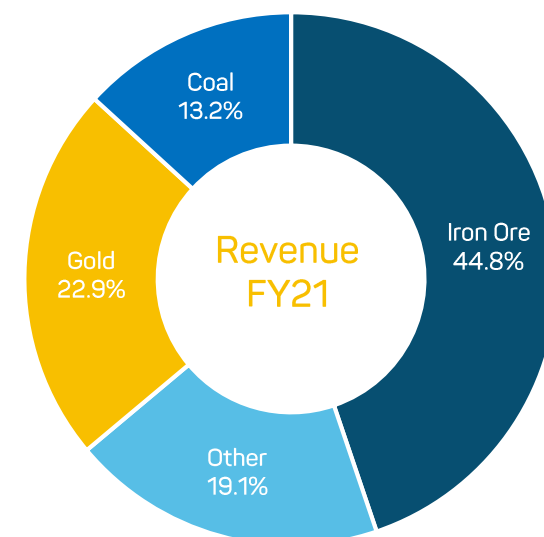
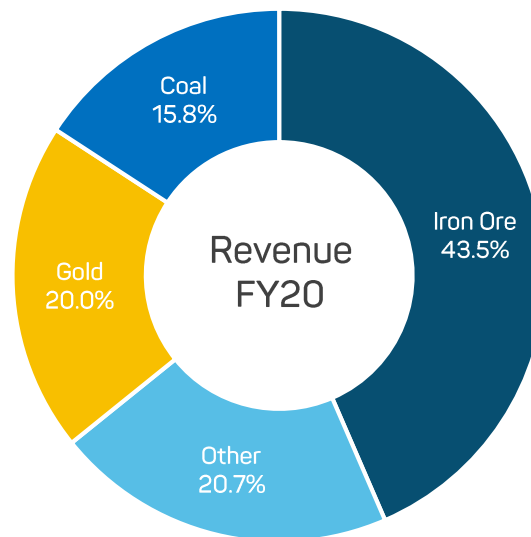
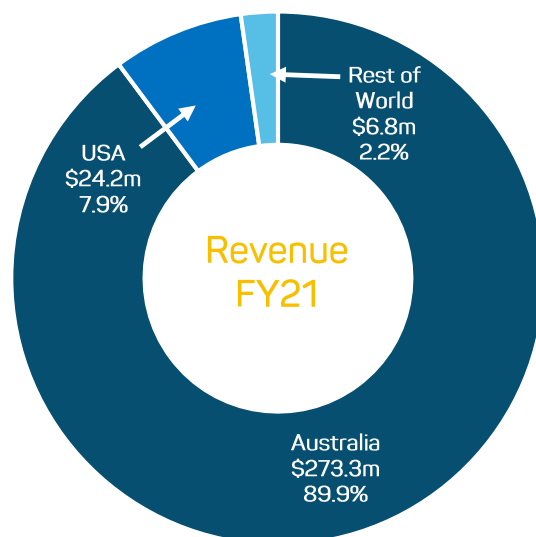
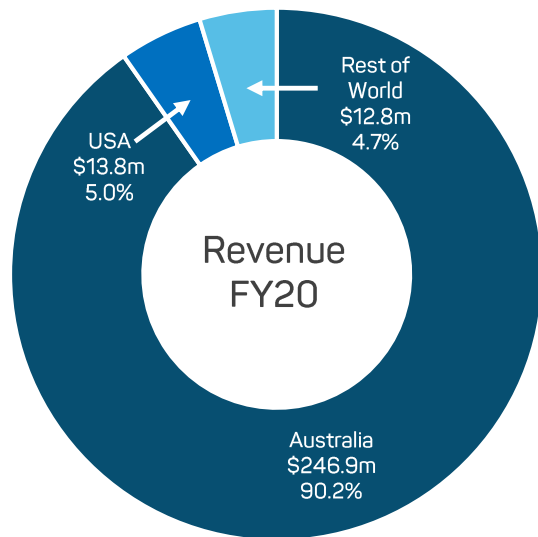
Refocused  
**Growth**  
agenda in Australia

Invested  
**in fleet**  
expansion  
in North America

Returned  
**to work in**  
Africa/Asia  
In Rest of World



# Overview of Operations



# Australia

Revenue  
**11%** ↑  
Growth in FY21

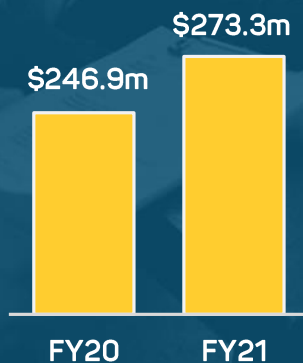
EBITDA\*  
**\$29.4m**  
In FY21

Ancillary  
Revenue growth in FY21  
**21%**

Infrastructure  
Revenue growth in FY21  
**24%** ↑

Apprentices  
In training incl. Trade Up Program  
**98**

Revenue (A\$)



# North America

Revenue  
**75%** ↑  
Growth in FY21

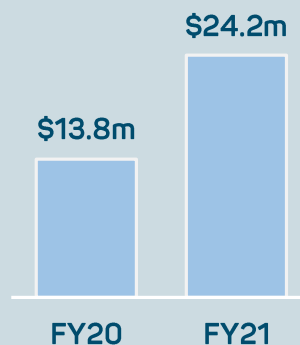
EBITDA\*  
**A\$6.8m**  
In FY21

Canada  
Preparations complete and customer negotiations underway

**14** States  
Active operations in FY21

Investment  
**A\$11.3M**  
Growth capital committed throughout North America

Revenue (A\$)



\*EBITDA presented above excludes corporate overheads of \$2.6m

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# Rest of World

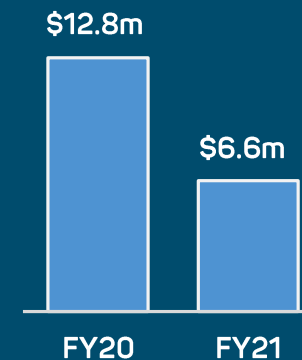
Revenue  
**47%** ↓  
Fall from FY20 due to COVID impacts

EBITDA\*  
**\$2.2m**  
In FY21

Revenue  
**117%** ↑  
H1 to H2

Countries  
**5** Re-entered in FY2021

Revenue (A\$)







# Financial Review

PAUL HEGARTY | CFO

# Financial Performance

| A\$'000                     | FY20    | FY21    |
|-----------------------------|---------|---------|
| Revenue                     | 273,547 | 304,300 |
| Gross Profit                | 54,743  | 58,375  |
| Gross Margin                | 20.0%   | 19.2%   |
| EBITDA                      | 33,026  | 35,732  |
| EBITDA Margin               | 12.1%   | 11.7%   |
| EBIT                        | 26,425  | 28,206  |
| EBIT Margin                 | 9.6%    | 9.3%    |
| NPAT                        | 17,504  | 19,342  |
| NPAT Margin                 | 6.4%    | 6.4%    |
| Earnings Per Share (cents)  | 8.75    | 9.67    |
| Dividends Per Share (cents) | 3.00    | 3.00    |

## Highlights

Group Revenue Growth  
(Consolidated)  
**11%** Vs PCP

Strong Revenue Growth  
(North America)  
**75%** Vs PCP

North America Revenue  
Contribution  
**8%** Pre-corporate overheads  
(PCP: 5%)

Strong Revenue Growth  
(Rest of World)  
**117%** H1 FY21  
to H2 FY21

Improved Earnings Per  
Share  
**11%** Vs PCP

Profit Payout Ratio  
**31%** Consistent Returns  
To Shareholders

# Financial Position

| A\$'000                     | Jun 20         | Dec 20         |
|-----------------------------|----------------|----------------|
| Cash & cash equivalents     | 6,456          | 3,209          |
| Trade & other receivables   | 55,059         | 67,881         |
| Property, plant & equipment | 32,542         | 36,922         |
| Investments & other assets  | 6,690          | 14,498         |
| <b>Total Assets</b>         | <b>100,747</b> | <b>122,510</b> |
| Trade & other payables      | 18,898         | 21,543         |
| Tax liabilities             | 3,227          | 6,895          |
| Provisions                  | 1,906          | 2,558          |
| Borrowings                  | 24,915         | 27,159         |
| Other                       | 3,684          | 3,683          |
| <b>Total Liabilities</b>    | <b>52,630</b>  | <b>61,838</b>  |
| <b>Net Assets</b>           | <b>48,117</b>  | <b>60,672</b>  |

## Highlights

Simple Balance Sheet

**700+**

Service vehicles located throughout the world

Strong Balance Sheet

**\$61m**

Net Asset Position

Net Debt Position

**\$23.9m**

June 20: \$18.4m

Low Net Leverage

**0.7x**

Net Debt ÷ FY21 EBITDA

Investment in Growth

**\$11.2m**

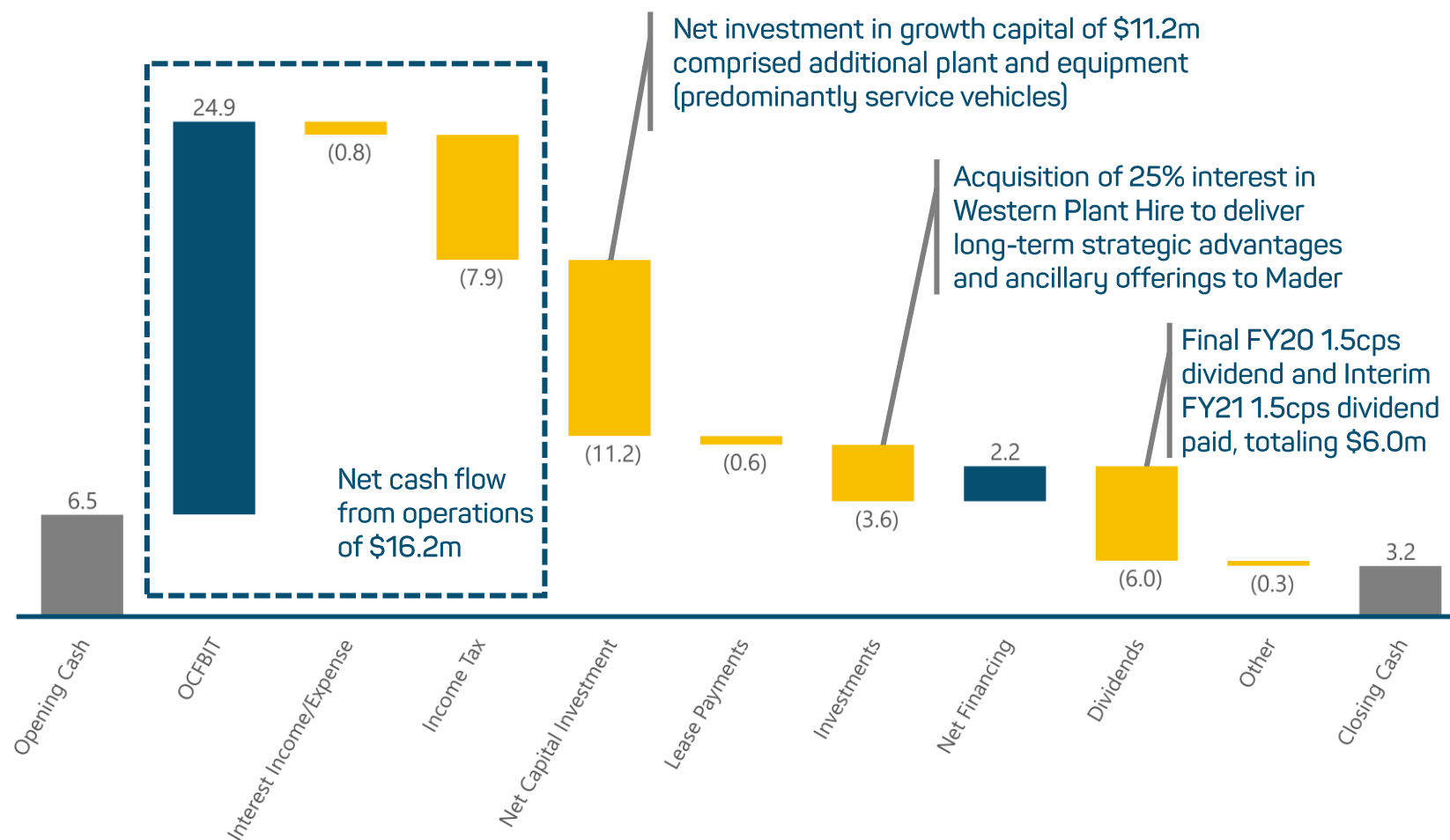
Growth Capital Deployed in FY21

Positioned for Growth

**\$40m**

Unutilised Debt Facilities

# Cash Flow



## Highlights

Solid Op. Cash Flows

**\$16.2m** Cash flow from operations

Strong Cash Conversion

**84%** Cash flow from operations ÷ NPAT

Investment in Growth

**\$11.2m** 100% Growth Capex



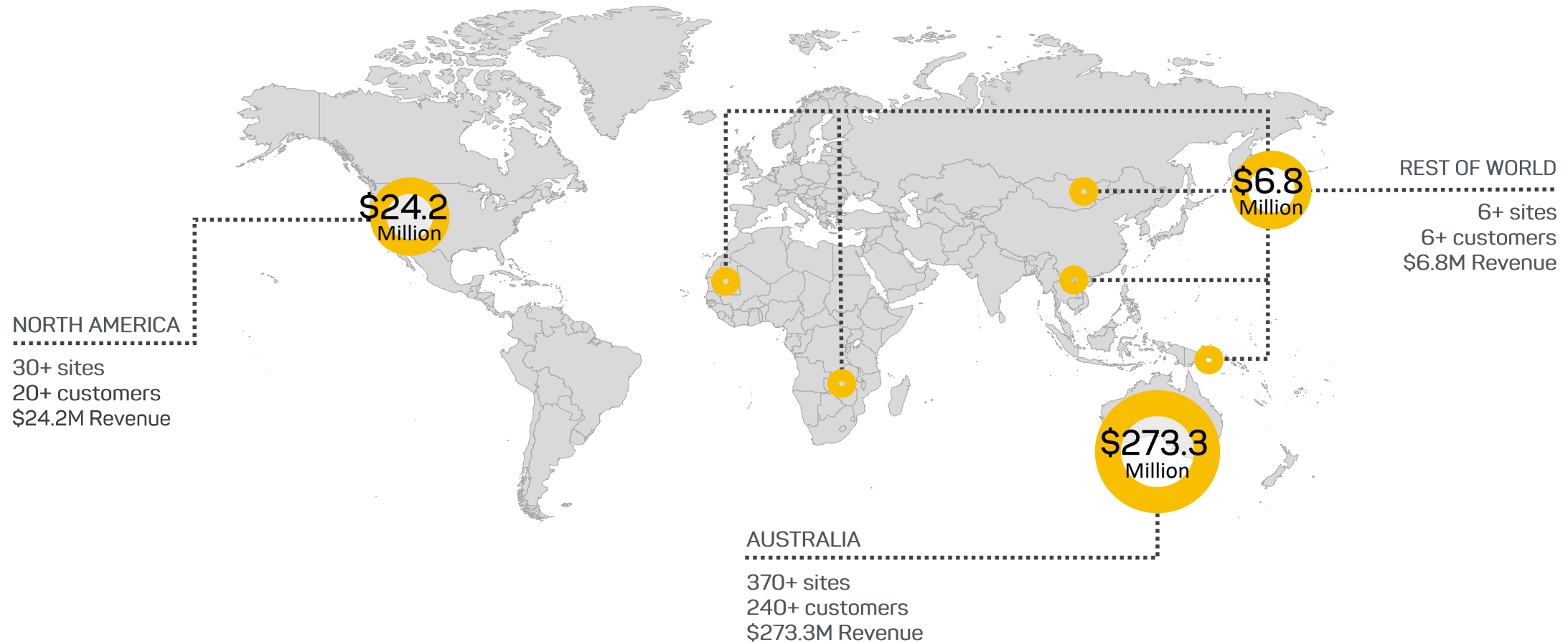
# Outlook

JUSTIN NUICH | EXECUTIVE DIRECTOR & CEO



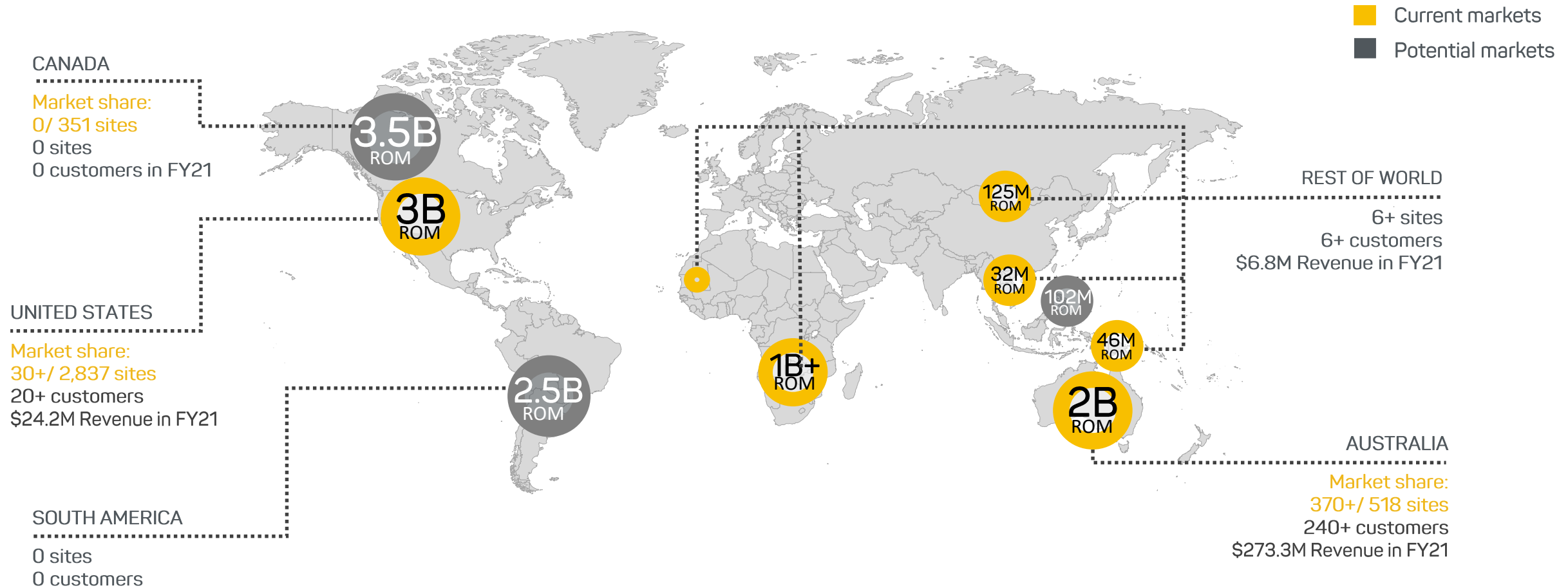
# Geographical Footprint in FY2021

Revenue, site and customer data relates to Mader Group operations carried out in FY2021



# Growth opportunities and addressable market

Market Share: Sites Mader Group services versus total operational mine sites  
ROM: Run of Mine Production in Metric Tonnes



Source: "GlobalData Intelligence Center" for total site operations and CY2020 ROM data

# Group Outlook & Guidance

## SUMMARY

- Mader Group operations are well adapted to operate within the limits of the COVID-19 landscape
- Focus on regional and service diversification to mitigate market risks and enhance earnings potential
- Potential to grow business operations through targeted acquisitions

## AUSTRALIA

- Varied growth opportunities and well performing commodity markets
- Continued scaling of ancillary and infrastructure services
- Structural advances as large owner-miners continue to develop multibillion-dollar resource projects

## NORTH AMERICA

- Strong growth expected to continue
- Large addressable markets remain in the United States of America and Canada
- Entering Canadian market with capital committed

## REST OF WORLD

- Global conditions further stabilising and markets re-opening
- Targeting re-entry of these markets

## FY22 GUIDANCE

- Revenue forecast is expected to be in the range of \$355m - \$365m, up from \$304.3m in FY21
- NPAT forecast is in the range of \$23m - \$25m, up from \$19.3m in FY21

# Investment Case



Market Cap  
**\$216m**  
At market close  
23 August 2021

Shares  
**200m**  
on issue

Share Price  
**\$1.08**  
At market close  
23 August 2021



TRACK RECORD  
OF DELIVERY &  
SUCCESSFUL  
ROLL OUTS

PROVEN  
DISRUPTIVE  
BUSINESS MODEL

RELATIVELY  
LOW CAPITAL  
INTENSITY

ORGANIC &  
SUSTAINABLE  
GROWTH PROSPECTS

LARGE  
ADDRESSABLE  
MARKETS &  
SIGNIFICANT  
UPSIDE

POSITIVE  
INDUSTRY  
TRENDS

UNIQUE PEOPLE  
& CULTURE  
FOCUS

SIMPLE BALANCE  
SHEET &  
FINANCIAL  
FLEXIBILITY





# Appendices

MADER GROUP LIMITED

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# Corporate Social Responsibility



Mader Group aim to empower communities, improve social dynamics and lessen inequality by sponsoring initiatives that support socio-economic development in remote areas and disadvantaged communities. We help fund a growing number of initiatives across the globe, with programs extending throughout Australia and into Asia, Africa and the US. In addition to providing financial aid our people also volunteer time to support local charities.



'Home for Dinner' Volunteer Program  
Ronald McDonald House Charities Perth, WA, Australia



Building Bikes for 'At Risk' Youth  
Dismantle, Perth, WA, Australia



Salvation Army Food and Toy Christmas Drive  
Initiative across USA and Australia

# Board of Directors



**Jim Walker**  
Non-Executive  
Chairman

Over 45 years' experience in the resources sector. Former MD of WesTrac and a Director of Seven Group Holdings and National Hire Group. Former Non-Executive Chairman of Macmahon Holdings Ltd. Chairman of Austin Engineering Ltd, MLG OZ Ltd, Australian Potash Ltd, State Training Board, WA Motor Museum, RACWA Holdings Pty Ltd and RAC Insurance Pty Ltd.



**Luke Mader**  
Founder and  
Executive Director

Founder of Mader Group. Trade qualified with over 20 years' experience in the mining services industry. Cultivated a large, skilled workforce after realising an underserved 'niche' whilst working in marketing for a Caterpillar dealer network.



**Justin Nuich**  
Executive Director and  
Chief Executive Officer

Over 20 years' experience in the mining and oil and gas industries globally. Has held senior roles with Fortescue Metals Group, Mineral Resources Limited, BHP and AMCi Wireless. Mr Nuich has a MBA and a Graduate Diploma of Maintenance Management.



**Patrick Conway**  
Executive Director and  
Director of Emerging  
Businesses

Former CEO and CFO of Mader Group. Member of CPA Australia and Associate Member of Chartered Governance Institute. Mr Conway has a Bachelor of Commerce, CPA and a Graduate Diploma in Applied Corporate Governance.



**Craig Burton**  
Non-Executive  
Director

A venture capital investor in emerging companies, projects and businesses. A track record of providing financial backing and strategic advice to successful business teams and start-up entrepreneurs.



# Glossary



|                       |                                                                     |
|-----------------------|---------------------------------------------------------------------|
| <b>TRIFR</b>          | Total recordable injury frequency rate per one million hours worked |
| <b>LTIFR</b>          | Lost time injury frequency rate per one million hours worked        |
| <b>HV Electrician</b> | High Voltage Electrician                                            |
| <b>LV Mechanic</b>    | Light Vehicle Mechanic                                              |
| <b>HRT Mechanic</b>   | Heavy Road Transport Mechanic                                       |
| <b>FY2021</b>         | The period 1 July 2020 to 30 June 2021                              |
| <b>FY2020</b>         | The period 1 July 2019 to 30 June 2020                              |
| <b>PCP</b>            | The Prior Corresponding Period, being FY2020                        |
| <b>EBITDA</b>         | Earnings before interest, tax, depreciation and amortisation        |
| <b>EBIT</b>           | Earnings before interest and tax                                    |
| <b>NPAT</b>           | Net profit after tax                                                |
| <b>Net Leverage</b>   | Net Debt / annualised EBITDA                                        |
| <b>OCFBIT</b>         | Operating Cash Flow before interest and tax                         |

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