

Annual General Meeting – CEO's Address

Perth, Australia – 7 October 2021

WELCOME

Good morning all and welcome to Mader Group's third Annual General Meeting.

I'd like to thank everyone in attendance today. Early this year, I transitioned from the role of Non-Executive Director to the position of Chief Executive Officer and Executive Director at Mader Group – and what an experience it has been. Welcomed into the role with overwhelming support by shareholders and the Mader team, it has been a pleasure to get to know everyone in such a profound capacity, and to dive deep into the detail of this fast paced and incredibly unique business.

I would also like to acknowledge the board. Mader Group is backed by an experienced board, that is committed to ensuring investor confidence, maintaining high standards of corporate governance and providing strategic guidance to the Company. Jim, Luke, Pat and Craig - your guidance and contribution over the past 12 months is appreciated by all.

FY21 HIGHLIGHTS

With that said, I would now like to provide a brief overview of our performance for the year, starting with some key highlights.

As announced at our full year result in August, our revenue growth was a key highlight for the period as we achieved two consecutive record quarters of growth. Overall, revenue increased by 11.2% to \$304 million in FY21. In addition to top line growth, EBITDA increased by 8.2% to \$35.7 million and NPAT increased to \$19.3 million, up 10.5% on the prior year.

Within Australia, we refocused our growth agenda. Growth was underpinned by the continued geographical expansion of the service areas for our core offerings of mechanical maintenance. We also placed a dedicated focus on expanding our ancillary and infrastructure maintenance divisions, delivering strong growth across related service lines.

In our Rest of World segment, we returned to work in Africa and Asia; selectively re-engaging customers in former areas of operation. In FY21, we delivered recurring scopes of work in Papua New Guinea, Mongolia, Laos, Zambia and Mauritania.

Lastly, North America has been an exciting growth story for the business. Mader Group strengthened its position by broadening its customer base to actively service 14 states in FY21, including a number of the country's top mineral producing centres. Accordingly, we invested in a fleet expansion plan to facilitate projected growth with 80+ crane trucks now actively servicing customers, and another 50 scheduled to arrive throughout FY2022.

WHO WE ARE

Our journey over the past 16 years of operation, has been consistent and rewarding. A history of successful roll outs of our business model into new regions and services has proven our ability to successfully disrupt mature markets. As a result, we have seen consecutive revenue growth on an annual basis since establishment.

This year was no exception. Over the financial year, Mader Group grew its workforce to more than 1,600 people, providing 3.4 million hours of maintenance services to a diverse network of over 240 customers across more than 370 sites in seven countries.

Our global fleet of service vehicles surpassed 700 for the first time, enabling us to deliver a highly reactive service that is flexible, cost-effective and fit for purpose in the equipment maintenance space. We were pleased to see our fleet receive a high commendation for their vehicle safety systems at the Australasian Fleet Champions Awards and we are continuing to implement initiatives to further improve the safety performance of the Group.

SPECIALISED TASKFORCE

During the financial year, we also received external recognition as the Most Trusted Mining and Civil Contractor at the 2021 Australian Enterprise Awards, we received an Excellence Award in the Employer of Choice category at the 2020 Australian HR Awards, and just this month, we are proud to have received an award in Training Excellence for our Trade Upgrade Apprenticeship Program at the 2021 Australian Business Awards. Introduced in 2019, our Mader Trade Up Program has now commenced its tenth intake with more than 120 Mechanics inducted into the program.

With strong growth in our workforce numbers, it is paramount that we continue to focus on workforce wellbeing, training and development of our people. We continue to lead the market in delivering safe and high quality workmanship. Our high standards of safety, enhanced internal systems and positive workplace culture have been huge factors in our success.

WHAT WE DO

Other factors in our success, include our ability to be innovative and think differently. We think bigger, we encourage new ideas, and continuously adapt to industry evolution and change. Whilst our core mechanical services make up the majority of our operations, we continue to diversify our selection of 'tap on, tap off' specialist services in line with market demand.

Mader Group's Australian operations introduced several new services in FY21, including climate control for equipment cabins; high-level white collar support roles for maintenance planning and scheduling; EMV (Equipped Manual Vehicle) installations to upgrade Autonomous Hauling Systems; power generation station support; and equipment maintenance for marine vessels and port infrastructure. The Company increased revenue generated from its existing ancillary services by 20.6% and infrastructure maintenance by 24.3%. Both service lines are expected to remain key growth drivers in the Australian business moving forward.

OVERVIEW OF OPERATIONS

The Mader Group has developed its strategy around service delivery to multiple geographic regions and commodities which allows the business to diversify its income streams and customer base. A high-level look at our operations will show steady and diverse market share achieved across a range of regions and commodity markets.

As most of you are aware by now, we commenced FY21 with no revenue in our Rest of World segment due to the impacts of COVID-19. Pleasingly, we have returned to operations in a number of Asian and African markets closing the year with \$6.8 million in revenue.

Growth in our North American segment has been particularly fruitful with revenue up 75% (95% on a constant currency basis), closing the year at 12.8 million in revenue.

In the way of commodity markets, Mader Group is well placed to take advantage of growth opportunities and strong commodity markets as they present. A continued growth strategy centred around diversification and an agile business model allows us to mitigate macro market risks and enhance earnings potential.

REPORTING SEGMENTS

Australia

Activity levels in Australia were strong with \$273.3m generated for the year ending 30 June 2021, up 11% as compared to \$246.9m in FY20.

The Group's Australian operations introduced several new services including climate control maintenance for heavy mobile equipment; high-level white collar support roles for maintenance planning and scheduling; EMV (Equipped Manual Vehicle) installations to upgrade Autonomous Hauling Systems; power generation station support; and equipment maintenance for marine vessels and port infrastructure.

Mader Group's Trade Upgrade Program (an integrated training platform which upskills Light Vehicle and Road Transport Mechanics into qualified Heavy Duty Diesel Mechanics) inducted 65 new candidates into its program during the financial year. In response to a tightening labour market and increased customer demand, Mader Group made the decision to expand the program nationally, delivering training in Western Australia and Queensland.

During the financial year, the East Coast management team closed its regional offices in Mackay (QLD) and Hunter Valley (NSW), relocating each team to a central hub in Brisbane (QLD). The new facility provides added flexibility and mobility for the Group's Eastern State operations and a unified leadership structure whilst remaining geographically close to customers and workforce in both regions.

North America

Revenue generated in the United States increased to A\$24.2m in FY21, up 75% as compared to A\$13.8m in FY20 (95% on a constant currency basis). Mader Group strengthened its position by broadening its customer base and regional service areas to deliver heavy mobile equipment maintenance across 14 states.

During the financial year, Mader Group sent its 80th specialised crane truck into operation and committed additional capital and human resources to local operations. Our operations in North America have achieved strong workforce growth, with over 90% of our high quality team made up of local US technicians.

Rest of World

During the onset of COVID-19, Mader Group made the decision to withdraw its expatriate workforce from Africa and Asia in April 2020. Subsequently, the Group commenced FY21 with no operational activity or revenue in this reporting segment.

Plans to re-enter international markets were implemented in Q1 FY21 with the division selectively re-engaging customers in former areas of operation. Whilst demand for Mader's services internationally remained high, new opportunities were assessed on a case-by-case basis to protect the health and wellbeing of employees and customers.

During the financial year, the Company provided limited services in Africa and Asia with small teams mobilised to provide breakdown support, preventative maintenance and training of maintenance teams. We closed the year, delivering recurring scopes of work in Papua New Guinea, Mongolia, Laos, Zambia and Mauritania.

Mader Group generated A\$6.8m in revenue for the year ending 30 June 2021, down 47% as compared to A\$12.8m in FY20. Although the segment saw a fall in revenue vs PCP; activity levels regained momentum quarter on quarter.

GEOGRAPHICAL FOOTPRINT

Mader's proven disruptive business model continues to be deployed into large addressable markets that have an appetite for significant maintenance solutions. Currently, the majority of our operations are in Australia with Mader servicing around 220 customers across approximately 350 sites, however our Rest of World and North America segments are deemed key growth areas for the business. In FY21, our Rest of World segment serviced 6 customers across 6 sites, and in North America we serviced around 20 customers across approximately 30 sites.

GROWTH OPPORTUNITIES AND ADDRESSABLE MARKET

Looking forward, we are optimistic about Mader Group's future as we build on our technical strengths and explore new growth opportunities. An analysis of global run of mine (ROM) production data from over 100 raw and unprocessed mineral commodities indicates significant opportunities exist across the world with roughly 2 billion metric tonnes moved in Australia each year and 6.5 billion metric tonnes moved annually in North America.

Geographically, our short to mid-term growth strategy places a dedicated focus on our North America and Rest of World segments. In North America, we have executed a fleet expansion plan to facilitate projected growth with 130 service vehicles scheduled to be actively servicing customers by the end of FY22. This fleet will also support our organic start up in Canada with work scope now secured and operations scheduled to commence in Alberta. In the near term, operations in our Rest of World segment remain impacted by mobility and travel restrictions however underlying demand for Mader Group's expertise remains strong.

Domestically, growth is underpinned by both geographical expansion and the diversification of our services. We are scaling growth on a wide range of complementary services which supplement or add value to our core service offerings in mechanical maintenance. New service lines have been introduced into established regions of operation and are seeing robust financial gains as a result.

GROUP OUTLOOK & GUIDANCE

Today, Mader Group is well adapted to operate within the limits of the COVID-19 landscape and we are pleased to provide guidance for the outlook of FY22.

All of our core business divisions continue to grow in large addressable markets and our strategy to scale growth in new service lines is expected to increase the size of these addressable markets. We also have potential to grow business operations through targeted acquisitions.

We continue to see structural improvements in the Australian market as large owner-miners continue to develop multibillion-dollar resource projects, ultimately increasing the size of the maintainable mining fleet.

The Group's revenue forecast is expected to be in the range of \$355m to \$365m (FY21: \$304.3m) delivering a forecast NPAT of between \$23m to \$25m (FY21: \$19.3m).

INVESTMENT CASE

Since listing on the Australian Stock Exchange, we are proud to report that our earnings have exceeded third party broker forecasts. The gears in our expansion plan are in full motion and we continue to innovate and improve our unique value proposition which provides us a distinct competitive advantage from others in the industry.

I'd like to commend the team for their continued hard work and outstanding achievements. With a team more unified and adaptable than ever, we look forward to seeing what we can achieve in the financial year to come.

I also wish to thank our valued clients and shareholders who have supported us since listing on the ASX. Myself and the Board are confident that Mader Group is in a strong position to grow through the ongoing attraction of high quality people and the penetration of new and existing markets.

Thank you everyone.

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About Mader Group Limited

Mader Group Limited (ASX:MAD) is a global leader in the provision of heavy equipment and infrastructure maintenance labour. The Company's well-established labour market platform allows it to connect a global network of over 240 mining and civil customers with a skilled in-house workforce of approximately 1,600 trade-persons on flexible, fit for purpose, and cost-effective terms. Mader Group was named 2021 Most Trusted Mining and Civil Contractor by the Australian Enterprise Awards.

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Approved for release by the Board of Mader Group Limited

