



MADER

Financial Report

**FOR THE HALF YEAR ENDED
31 DECEMBER 2023**

MADER GROUP LIMITED
ABN 51 159 340 397

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In this report references to 'Mader', 'the company', 'the Group', 'we' and 'our' refer to the consolidated entity comprising Mader Group Limited (ABN 51 159 340 397) and its controlled entities, unless otherwise stated.

All amounts are stated in Australian Dollars, unless otherwise stated.

This financial report relates to the six-month period ended 31 December 2023 which is referred to in this report as '1H FY24' or 'the half-year'. The prior corresponding period relates to the six-month period ended 31 December 2022 and is referred to as the 'PCP' or '1H FY23'. References to 'FY23' refer to the twelve-month period ending 30 June 2023 and references to 'FY22' refer to the twelve-month period ended 30 June 2022.

References to AASB refer to the Australian Accounting Standards Board and IFRS refers to the International Financial Reporting Standards. There are references to IFRS and non-IFRS financial information in this report. Non-IFRS financial measures are financial measures other than those defined or specified under any relevant accounting standard and may not be directly comparable with other companies' information. Non-IFRS financial measures are used to enhance the comparability of information between reporting periods. Non-IFRS financial information should be considered in addition to, and is not intended to be a substitute for, IFRS financial information and measures. Non-IFRS financial measures are not subject to audit or review.

DIRECTORS' REPORT

The Directors submit their report with the financial report on the consolidated entity (referred to hereafter as "Mader" or "Group") consisting of Mader Group Limited (the "Company") and the entities it controlled at the end of, or during, the half-year ending 31 December 2023 ("1H FY24").

The following persons were directors of the Company (the "Directors") at any time during or since the end of the half-year and up to the date of this report. Directors were in office for this period unless otherwise stated.

Director Name	Position
Luke Mader	Executive Chairman
Justin Nuich	Executive Director & Chief Executive Officer ("CEO")
Patrick Conway	Executive Director
Craig Burton	Non-Executive Director

Principal Activities

During the half-year, the principal activities of Mader were the provision of specialised labour and support for the maintenance of heavy mobile equipment and fixed infrastructure in the global resources sector. The services provided include maintenance labour, field support (site labour with service vehicles and tooling), shutdown teams for major overhauls, offsite repairs and component rebuilds, training of maintenance teams, and a range of other ancillary services.

Overview and Financial Results

In the first half year of FY24, Mader reported revenue of \$374.4m, an increase of 34% versus the prior half year (ended 31 December 2022, "1H FY23").

The Australian segment performed strongly, with revenue increasing by 26% to \$275.1m. Demand for the Group's core mechanical services remained strong, whilst growth amongst industry verticals in infrastructure maintenance, rail and ancillary was aligned to expectations.

During the period, the Perth-based Mader Maintenance Centre completed a full year since commissioning, with multiple rebuilds and repairs completed for tier one mining customers. The forward order book continues to expand and will see the facility develop its reputation and customer base.

Mader's Trade Upgrade Apprenticeship Program welcomed four new intakes over the period, with both Light Vehicle and Heavy Road Transport Mechanics undertaking their Mobile Plant Certification to become dual-traded technicians. Supporting an evolving industry and creating a cost-effective solution for customers, the program operates in Western Australia, Queensland and New South Wales.

North America generated revenue of \$94.3m, a 64% increase from 1H FY23. In the United States, Mader's market presence continued to build, with the concurrent increase in headcount and customer base laying the foundation for significant growth.

Canada reached a milestone, surpassing headcount of ~200 team members in the region; a combination of local and expatriate technicians. Establishing both an underground division and implementing a Trade Upgrade program, Mader is proactively expanding its addressable talent pool and crafting innovative solutions to meet demand of customers in Canada.

The Global Pathways Program has consistently produced positive outcomes for the region, attracting more than 150 technicians to exciting opportunities. With over 90 specialists actively supporting customers, a further 60+ will be mobilised over 2H FY24.

Mader Energy provided field maintenance support for customers across a variety of shale formations. The business unit is growing in line with headcount and customer base expansion. RAM 2500 trucks have been introduced to the fleet, facilitating a more agile vehicle for adapting off-road, whilst being capital light and economical.

Mader's Rest of World operations delivered revenue of \$5.1m over 1H FY24, an increase of 13% vs PCP. Providing specialist support and training to customers in four countries across Asia and Oceania, the segment remains steady and will further focus efforts of business development.

The Group's net debt position closed the half year at \$35.3m, a reduction from \$42.7m at 30 June 2023. This is a 17% decrease from FY23 and reflects the Group's continued cash flow conversion strength which is underpinned by robust working capital management.

The Group is now targeting to move into a net cash position over the medium-term whilst maintaining strong ongoing growth and a dividend payout ratio of approximately one third of NPAT.

During the half year, Mader successfully renegotiated and renewed its long-term finance facilities within Australia. The renewal of these facilities provides expanded tenure of its working capital facility to support continued growth.

Risk Management

The Company is committed to building a strong risk management culture to ensure Mader continues to deliver on its vision and strategy. The Company has identified various material business risks it considers could impede the achievement of future operational and financial success. Such material business risks are set out below and are not intended to constitute an exhaustive list of all risks applicable to Mader's business.

The Company seeks to manage risk to its business through appropriate risk controls and mitigates, however, if any of the below risks materialise, Mader's business, financial condition and operating results may be adversely impacted. Further information in relation to the Company's risk management process are contained in the Company's Risk Management and Internal Compliance and Control Policy which can be found at: <https://www.madergroup.com.au/investor-centre/corporate-governance>.

Culture

Mader's ability to retain and attract new employees is heavily dependent on its existing culture. A negative change in culture may adversely impact the Company's ability to retain its existing workforce and recruit suitable employees. As Mader is reliant on its workforce to service its customers, any adverse impacts to its workforce may lead to disruptions to business operations and may have a negative impact on Mader's growth prospects. To ensure the longevity of Mader's culture, Mader dedicates significant resources to staff recruitment and retention, including through a dedicated internal recruitment team, providing employees ongoing training and opportunities for career progression through initiatives such as its global secondment program (Global Pathways) and through regular family, adventure and team building events run by its internal adventure division, Three Gears.

Quality of work and delivery

A key value proposition of Mader's business is its ability to provide high quality services at attractive prices and its ability to consistently deliver the services required by customers in a timely manner. Mader mitigates this risk by investing in its comprehensive candidate selection, onboarding and training processes and by investing in continuous improvement initiatives and high-quality equipment to ensure services delivered are of the highest quality. Mader also encourages open and honest communication with customers which allows for feedback to be provided seamlessly, continuous improvement and measurement against appropriate key performance indicators.

Reputation

Over 18+ years Mader has developed a strong reputation associated with the Mader brand and relies on this to establish and maintain relationships with customers. There is a risk that any event by which Mader suffers a loss of reputation, for example by way of dissatisfied customers or poor performance, may result in damage to the Mader brand and may impact on Mader's ability to retain and grow its customer base. Mader mitigates this risk by investing heavily in its processes, staff and equipment, by partnering with customers to facilitate clear and open lines of communication and ensuring employees have the requisite experience before joining the business and thereafter receive ongoing training and development opportunities to ensure the continued delivery of high quality services.

Occupational health and safety

Site safety and occupational health outcomes are a critical element in the reputation of the Company and its ability to retain and attract new customers. While Mader has a core commitment to safety and a strong record in achieving improved safety performance, a serious site safety incident could impact upon the reputation and business of the Company. Additionally, laws and regulations and the requirements of customers are becoming more complex, stringent or the subject of increasing enforcement. Failure to comply with applicable regulations or requirements may result in significant liabilities, suspended operations or increased costs. Industrial accidents may occur in the performance of the Company's services. Such accidents, particularly where a fatality or serious injury occurs, or a series of such accidents occurs, may have serious operational and financial implications for the Company. Mader mitigates these risks by creating and enforcing clear HSE policies and procedures which employees are trained regularly on to ensure they are up to date with HSE requirements. Mader also invests heavily in proactive initiatives to improve safety performance and management as well as monitoring and engagement of employees in all safety matters.

Management of growth

Mader has a strong history of sustained organic growth in revenue and profit which is expected to continue. However, there is a risk that the Company may not successfully execute its growth strategies and the Company's recent growth record may not necessarily be indicative of future growth. The Company has also experienced significant growth in recent years both from an operating and employee perspective. To manage this growth effectively, the Company will need to continue to develop and maintain its operational and financial systems and continue to train, manage and expand its

employee base while at the same time maintaining the Mader culture. An inability to achieve growth effectively may adversely affect the financial performance and financial position of the Company.

The Company's large casual workforce

A significant number of the Company's recoverable staff are employed on a casual basis. Although Mader has demonstrated a strong record of being able to retain staff across all areas, a failure to retain its large casual workforce may materially impact the Company's operations and financial position. The Company may also be approached by casual staff to request to convert to permanent contracts or such staff may be deemed to be permanent rather than casual employees, which could cause further disruption to the Company's business or increased labour costs and other costs and penalties for the Company. To manage these risks, Mader engages with staff regularly to build an environment of open and honest communication, it offers attractive pay packages and regularly reviews its compliance with regulatory requirements.

Labour shortages and costs

The most significant cost in Mader's business is its labour costs. The operations of the Company are labour intensive and the Company currently has over 3,000 employees employed on a permanent, part-time and casual basis. Increases in labour costs, including through changes in laws and regulation, may have a material impact on the financial performance and financial position of the Company. Mader's services are also critically dependent on the availability of skilled and qualified labour. Mader's people are its primary assets and a shortage of skilled personnel for the services which it provides may adversely impact the Company's business.

Although Mader has little ability to control these factors, Mader invests heavily in attracting and retaining appropriately skilled staff and has programs in place to ensure Mader continues to be recognised an employer of choice in the industries it services. Mader also ensures it provides high quality services to customers that it can attract margins sufficient to support a large and highly skilled workforce.

Loss of key personnel

The Company's success largely depends on the experience, knowledge and expertise of its directors and key management personnel for the management of the Company and maintenance of key customer relationships, as well as upon other management and technical personnel for the daily operation of the Company.

The loss of such personnel may result in the Company not being able replace its team with suitable staff with relevant experience and qualifications and who fit within the Mader culture. If a number of such personnel leave, this may have a materially adverse effect on the Company's business and its operations.

Reliance on key customers and projects

The Company derives a significant proportion of its revenue from a group of key customers. In the last full financial year, approximately 28% of the Company's revenue was derived from five key customers and the top 10 customers account for approximately 39% of the Company's revenue. Services are generally provided under a services agreement which is non-exclusive or not subject to any minimum spend obligations. Services may also be without such an agreement in place where rates are agreed per project or scope of work. Any significant variation to the scope, timing and rates charged for the Company's specialised services with key customers may adversely affect the Company's financial position, profitability and financial performance. A reduction in the volume of services purchased by key customers or a breakdown in key customer relationships may also adversely impact the Company's business. To mitigate these risks, Mader aims to collaboratively partner with all its customers to ensure mutually beneficial working relationships are created and maintained. Mader also regularly reviews rates with customers to ensure service rates remain competitive and in line with broader market conditions.

Foreign operations

Mader derives an increasing proportion of its revenue from operations in foreign jurisdictions, in particular throughout North America. While Mader views such geographical diversification as a strategic opportunity, there are certain risks inherent in doing business in international jurisdictions, including unexpected changes in laws and regulatory requirements, taxation, exchange rates, difficulties staffing and managing foreign operations and in some cases political unrest and conflict. While Mader's ability to mitigate these risks is limited, foreign legal and regulatory requirements are regularly reviewed by the Company's legal and professional advisers and the Company has experienced in-country managers in place in key jurisdictions to monitor operations and risks.

Competition

The broader industry in which the Company operates is competitive and there are a number of both large and small companies compete with the Company, including from OEMs, labour houses and other providers. Competition in the industry is expected to continue, presenting the Company with challenges relating to its ability to maintain rates and acceptable margins. If the Company is unable to meet these challenges, it may lose market share to its competitors, experience a reduction in earnings and the Company's financial performance and growth may be adversely affected.

Decline in outsourcing trend

Mader provides specialised contract technical services to the mining, energy and industrial sectors. Mader tradespeople are made available to customers for short or long periods. Mader's services have traditionally been managed with a blend of owner or operator provided workforce and additional specialist technical services provided by Mader. If a trend emerges to undertake such more of such operations in-house, then this is likely to affect the Company's business, operations and growth. Mader mitigates these risks by continuing to diversify the scope of its services and by providing services across many major mining and energy jurisdictions around the world.

Changes in legislation or regulation

The Company's operations are subject to various laws, regulations and guidelines in both Australia and the other jurisdictions in which the Company operates (including Asia, Africa, the USA and Canada). Compliance with these laws and regulations requires continued monitoring of a complex regulatory framework. Changes in laws or regulation in these jurisdictions, including taxation, employment (including Awards or similar) and HSE may affect the Company's competitive position, business or growth. While these risks are largely outside of the Company's control, Mader has local and in-country legal, financial and professional advisers to ensure compliance and changes in these areas are discussed at the executive level and with key stakeholders.

Dividends

On 19 February 2024, the Company declared an interim fully franked dividend of 3.8 cents per share. The total value of the dividend payment is \$7.6m. The record date is 21 March 2024 with a payment date of 4 April 2024.

A summary of the dividends that have been paid or declared during or in relation to the half-year is set out below:

Dividend Type	Dividend Paid	Total Value	Payment Date
Final FY23 fully franked dividend	3.4 cents per share	\$6.8m	4 October 2023
Interim FY24 fully franked dividend	3.8 cents per share	\$7.6m	4 April 2024

Events Subsequent to the End of the Half-Year

On 18 January 2024, the Group received favourable Private Binding Rulings from the Australian Taxation Office in relation to the income tax treatment of transactions relating to its Employee Equity Plan and its Employee Share Trust.

As a result of these rulings, Mader will receive certain tax deductions upon the issue of equity instruments under the Plan which in turn will decrease future tax payments resulting in a positive cash flow impact. The rulings will not have an impact on profit or loss. Mader are in the process of assessing the full impact of the rulings on the Group and expects to finalise this assessment prior to the end of the current financial year.

Other than the above and the Company declaring a dividend as described above, there have been no other matters or circumstances that have arisen after the reporting period that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

Rounding

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in this directors' report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Auditor's Independence Declaration

The auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 7.

Signed in accordance with a resolution of Directors made pursuant to s.306(3) of the *Corporations Act 2001*.

On behalf of the Directors



Luke Mader
Executive Chairman
Perth, 19 February 2024

DECLARATION OF INDEPENDENCE BY DEAN JUST TO THE DIRECTORS OF MADER GROUP LIMITED

As lead auditor for the review of Mader Group 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 Mader Group Limited and the entities it controlled during the period.



Dean Just

Director

BDO Audit (WA) Pty Ltd

Perth

19 February 2024

Condensed consolidated Statement of Profit or Loss & Other Comprehensive Income

For the Half-Year Ended 31 December 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Revenue	4	374,425	280,349
Cost of sales		(290,549)	(222,198)
Gross profit		83,876	58,151
Distribution expenses		(2)	(7)
Marketing expenses		(1,144)	(856)
Administration expenses	5	(46,559)	(31,974)
Other operating expenses		(255)	(145)
Finance costs		(2,153)	(1,498)
Other income		926	1,399
Profit before income tax		34,689	25,070
Income tax expense		(10,439)	(7,500)
Profit for the period		24,250	17,570
Other comprehensive income/(loss):			
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences arising on translation of foreign operations		(1,468)	866
Total comprehensive income for the period		22,782	18,436

Earnings per share

Basic earnings per share (cents per share)	12.12	8.78
Diluted earnings per share (cents per share)	11.44	8.49

The above Condensed consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the notes to the financial statements.

Condensed consolidated Statement of Financial Position

As at 31 December 2023

	Note	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current assets			
Cash and cash equivalents		22,546	13,010
Trade and other receivables		121,581	122,819
Other assets		9,856	4,861
Total current assets		153,983	140,690
Non-current assets			
Property, plant and equipment	6	109,056	100,163
Right of use of asset		7,327	8,086
Other assets		355	441
Deferred tax assets		4,136	3,317
Total non-current assets		120,874	112,007
Total assets		274,857	252,697
Current liabilities			
Trade and other payables		46,902	49,968
Lease liabilities		1,657	1,394
Provisions		6,096	5,314
Tax liabilities		5,881	2,644
Borrowings	7	19,812	15,056
Total current liabilities		80,348	74,376
Non-current liabilities			
Lease liabilities		6,424	7,298
Deferred tax liabilities		12,510	10,723
Borrowings	7	38,016	40,656
Total non-current liabilities		56,950	58,677
Total liabilities		137,298	133,053
Net assets		137,559	119,644
Equity			
Issued capital		2	2
Reserves		7,564	7,099
Retained earnings		129,993	112,543
Total equity		137,559	119,644

The above Condensed consolidated Statement of Financial Position should be read in conjunction with the notes to the financial statements.

		Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payment Reserve \$'000	Total \$'000
	Note					
Balance at 1 Jul 2023		2	112,543	2,686	4,413	119,644
Comprehensive income						
Profit for the period		-	24,250	-	-	24,250
Other comprehensive income for the period		-	-	(1,468)	-	(1,468)
Total comprehensive income for the period		-	24,250	(1,468)	-	22,782
Dividends paid or provided for the period	8	-	(6,800)	-	-	(6,800)
Equity settled share based payment		-	-	-	1,933	1,933
Total transactions with owners		-	(6,800)	-	1,933	(4,867)

		Issued Capital \$'000	Retained Earnings \$'000	Foreign Currency Translation Reserve \$'000	Share Based Payment Reserve \$'000	Total \$'000
	Note					
Balance at 1 Jul 2022		2	82,835	735	1,410	84,982
Comprehensive income						
Profit for the period		-	17,570	-	-	17,570
Other comprehensive income for the period		-	-	866	-	866
Total comprehensive income for the period		-	17,570	866	-	18,436
Dividends paid or provided for the period	8	-	(4,000)	-	-	(4,000)
Equity settled share based payment		-	-	-	1,129	1,129
Total transactions with owners		-	(4,000)	-	1,129	(2,871)

The above Condensed consolidated Statement of Changes in Equity should be read in conjunction with the notes to the financial statements.

Condensed consolidated Statement of Cash Flows

For the Half-Year Ended 31 December 2023

	Note	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Cash flows from operating activities			
Receipts from customers		413,230	284,481
Payments to suppliers and employees		(369,990)	(274,239)
Interest received		25	-
Finance costs		(2,022)	(1,295)
Income tax paid		(6,233)	(4,173)
Net cash provided by operating activities		35,010	4,774
Cash flows from investing activities			
Proceeds from sale of plant and equipment		-	3
Payments for plant and equipment		(19,502)	(24,555)
Net cash (used in) investing activities		(19,502)	(24,552)
Cash flows from financing activities			
Proceeds from Borrowings	7	11,363	36,988
Repayment of Borrowings		(10,136)	(9,502)
Payment of dividends		(6,800)	(4,000)
Net cash (used in)/ provided by financing activities		(5,573)	23,486
Net cash increase in cash and cash equivalents held		9,935	3,708
Effect of exchange rates on cash and cash equivalent holdings		(399)	117
Cash and cash equivalents at the beginning of the financial period		13,010	6,648
Cash and cash equivalents at the end of the financial period		22,546	10,473

The above Condensed consolidated Statement of Cash Flows should be read in conjunction with the notes to the financial statements.

Notes to the Condensed consolidated Financial Statements

1. General Information

The half-year financial report is a general purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standards IAS 34 *Interim Financial Reporting*. The half-year report does not include notes of the type normally included in an annual financial report and should be read in conjunction with the most recent annual report.

The condensed consolidated financial statements have been prepared on the basis of historical costs, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars (\$), unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2023 annual financial report for the financial year ended 30 June 2023. The accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Company is a company of the kind referred to in *ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191*, dated 24 March 2016, and in accordance with that Corporations Instrument, amounts in the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

(b) New and amended standards that are effective in the current period

The Company 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.

(c) New and amended Standards and Interpretations on issue not yet effective

The Directors have reviewed all the new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory to the current reporting period.

The adoption of these standards has not had any impact on the disclosures or amounts reported in these financial statements.

2. Significant Changes from the Annual Financial Statements

There have been no significant changes since the Group's most recent annual financial statements for the year ended 30 June 2023.

3. Segment Information

Management has determined that the strategic operating segments comprise of Australia, North America, Rest of World and Corporate. These reporting segments provide a balanced view of cross-operational performance across business units, recognising and compensating for inter-regional differences in relation to technical methodologies and processes, the cost of labour, the existence of competition and differing customer requirements that may affect product pricing.

Segment information provided to the Chief Executive Officer for the half-year ended 31 December is as follows:

31 Dec 2023	Australia \$'000	North America \$'000	Rest of World \$'000	Corporate \$'000	Total \$'000
Financial Performance					
Maintenance services	241,568	82,727	4,859	-	329,154
Hire recoveries	393	-	-	-	393
Direct expense recoveries	33,181	11,480	217	-	44,878
	275,142	94,207	5,076	-	374,425
Other income	931	96	(101)	-	926
Revenue	276,073	94,303	4,975	-	375,351
EBITDA	33,167	19,439	574	(4,689)	48,491
Depreciation and amortisation	(4,815)	(6,037)	-	(797)	(11,649)
EBIT	28,352	13,402	574	(5,486)	36,842
Finance costs	(1,228)	(528)	(19)	(378)	(2,153)
Income tax (expense)/benefit	(7,868)	(3,055)	(247)	731	(10,439)
Net profit after tax	19,256	9,819	308	(5,133)	24,250
Other Segment Information					
Assets	162,818	92,747	6,164	13,128	274,857
Liabilities	83,015	42,013	1,048	11,222	137,298

31 Dec 2022	Australia \$'000	North America \$'000	Rest of World \$'000	Corporate \$'000	Total \$'000
Financial Performance					
Maintenance services	201,428	46,379	4,124	-	251,931
Hire recoveries	153	-	-	-	153
Direct expense recoveries	16,871	10,979	415	-	28,265
	218,452	57,358	4,539	-	280,349
Other income	1,507	48	(167)	11	1,399
Revenue	219,959	57,406	4,372	11	281,748
EBITDA	25,073	11,030	755	(3,034)	33,824
Depreciation and amortisation	(3,384)	(3,236)	(6)	(630)	(7,256)
EBIT	21,689	7,794	749	(3,664)	26,568
Finance costs	(971)	(299)	(18)	(210)	(1,498)
Income tax (expense)/benefit	(6,210)	(2,091)	(332)	1,133	(7,500)
Net profit after tax	14,508	5,404	399	(2,741)	17,570

30 Jun 2023	Australia \$'000	North America \$'000	Rest of World \$'000	Corporate \$'000	Total \$'000
Other Segment Information					
Assets	150,519	84,027	5,607	12,543	252,696
Liabilities	80,929	40,905	966	10,253	133,053

4. Revenue

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Operating revenue:		
Maintenance services	329,154	251,931
Hire recoveries	393	153
Direct expense recoveries	44,878	28,265
	374,425	280,349
Timing of revenue recognition		
At a point in time	44,878	28,265
Over time	329,547	252,084
	374,425	280,349

5. Expenses

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Expenses:		
Depreciation	11,649	7,256
Employee benefits expense	253,363	189,165
Share based payments	1,933	1,129
Finance costs		
Interest expense	2,022	1,295
Other finance costs	131	203

6. Property, Plant & Equipment

	Buildings and property \$'000	Office furniture and equipment \$'000	Plant equipment and motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
31 Dec 2023					
Cost	5,416	2,892	149,529	11,632	169,469
Accumulated depreciation	(645)	(1,622)	(58,146)	-	(60,413)
	4,771	1,270	91,383	11,632	109,056
Movement in property, plant and equipment					
At 1 Jul 2023	3,461	1,218	81,660	13,824	100,163
Additions	1,445	258	22,468	(2,192)	21,979
Disposals	-	(1)	(1,120)	-	(1,121)
Depreciation	(118)	(156)	(10,338)	-	(10,612)
Foreign exchange movement	(17)	(49)	(1,287)	-	(1,353)
	4,771	1,270	91,383	11,632	109,056

	Buildings and property \$'000	Office furniture and equipment \$'000	Plant equipment and motor vehicles \$'000	Capital work in progress \$'000	Total \$'000
30 Jun 2023					
Cost	3,973	2,766	129,863	13,824	150,426
Accumulated depreciation	(512)	(1,548)	(48,203)	-	(50,263)
	3,461	1,218	81,660	13,824	100,163
Movement in property, plant and equipment					
At 1 Jul 2022	860	1,153	55,305	10,626	67,944
Additions	2,826	551	41,823	3,198	48,398
Disposals	-	(8)	(1,879)	-	(1,887)
Depreciation	(227)	(486)	(14,646)	-	(15,359)
Foreign exchange	2	8	1,057	-	1,067
	3,461	1,218	81,660	13,824	100,163

7. Borrowings

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Current		
Secured borrowings – asset financing	15,466	14,410
Unsecured borrowings – other	4,346	646
	19,812	15,056
Non-current		
Secured borrowings – working capital	31,916	8,000
Secured borrowings – asset financing	6,100	32,656
	38,016	40,656

The Group has access to the following lines of credit:

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Facilities used:		
Secured borrowings – asset financing	47,382	47,066
Secured borrowings – working capital	6,100	8,000
Unsecured borrowings – other	4,346	646
	57,828	55,712
Facilities not used:		
Secured borrowings – asset financing	71,254	73,089
Secured borrowings – working capital	41,240	39,530
	112,494	112,619
Facilities available:		
Secured borrowings – asset financing	118,636	120,155
Secured borrowings – working capital	47,340	47,530
Unsecured borrowings – other	4,346	646
	170,322	168,331

Borrowings comprise (a) committed and uncommitted working capital facilities held with the Group's primary Australian lender and secondary US based lender, and (b) asset facilities held with the Group's primary Australian lender and secondary lenders in Australia, Canada and the USA.

Australian based working capital facilities and relevant asset finance facilities are subject to a general security charge over the current and future assets of the applicable obligor group but excluding security over specific assets financed by secondary lenders. Asset finance facilities held with secondary lenders (both onshore and offshore) are subject to individual security arrangements over the assets financed and in some cases an ultimate parent entity guarantee.

During the half-year, the Group completed a refinance of its Australian facilities which extended tenure and reduced borrowing costs.

Borrowings held with the Group's primary lender and secondary US based lenders are subject to annual review and customary covenant reporting.

8. Dividends

	31 Dec 2023 \$'000	31 Dec 2022 \$'000
Dividends Paid:		
Dividends declared and paid during the period		
– Final fully franked ordinary dividend for the year ended 30 June 2022 of 2.0 cents per share paid on 27 September 2022 franked at the tax rate of 30%	-	4,000
– Final fully franked ordinary dividend for the year ended 30 June 2023 of 3.4 cents per share paid on 4 October 2023 franked at the tax rate of 30%	6,800	-
	6,800	4,000

Dividends declared after 31 Dec 2023:

– The Company has resolved to declare an interim fully franked ordinary dividend of 3.8 cents per share payable on 4 April 2024 franked at the tax rate of 30%	7,600	-
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9. Commitments and Contingencies

	31 Dec 2023 \$'000	30 Jun 2023 \$'000
Capital Expenditure Commitments:		
Committed at the reporting date but not recognised as liabilities:		
– Property, plant and equipment	17,479	17,813
	17,479	17,813
Contingencies:		
– Contingent asset or liabilities	-	-
	-	-

10. Related Party Information

There are no material changes with related party transactions for the period.

11. Events Subsequent to the End of the Half-Year

On 18 January 2024, the Group received favourable Private Binding Rulings from the Australian Taxation Office in relation to the income tax treatment of transactions relating to its Employee Equity Plan and its Employee Share Trust.

As a result of these rulings, Mader will receive certain tax deductions upon the issue of equity instruments under the Plan which in turn will decrease future tax payments resulting in a positive cash flow impact. The rulings will not have an impact on profit or loss. Mader are in the process of assessing the full impact of the rulings on the Group and expects to finalise this assessment prior to the end of the current financial year.

Other than the Company declaring a dividend as described above, there have been no other matters or circumstances that have arisen after the reporting period that have significantly affected, or may significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

DIRECTORS' DECLARATION

The Directors declare that:

- (a) In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable; and
- (b) In the Directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Group.

Signed in accordance with a resolution of the Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Luke Mader
Executive Chairman
Perth, 19 February 2024

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Mader Group Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Mader Group 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 (WA) Pty Ltd

A handwritten signature in black ink, appearing to read 'Dean Just', is written over a faint, light blue BDO logo.

Dean Just

Director

Perth

19 February 2024

CORPORATE DIRECTORY

Directors

Luke Mader	Executive Chairman
Justin Nuich	Executive Director & Chief Executive Officer
Patrick Conway	Executive Director
Craig Burton	Non-Executive Director

Company Secretary

Sarah Wilson

Registered Office and Principal Place of Business

Hkew Alpha Building
2 George Wiencke Drive
Perth Airport WA 6105

Share Registry

Computershare Investor Services Pty Ltd
Level 17, 221 St Georges Terrace
Perth WA 6000

Bankers

Australia	United States	Canada
National Australia Bank 100 St Georges Terrace Perth WA 6000	UMB Bank 1670 Broadway Denver CO 80202	RBC Royal Bank 20 King St West Toronto M5H 1C4

Auditors

BDO Audit (WA) Pty Ltd
Level 9, Mia Yellagonga Tower 2
5 Spring Street
Perth WA 6000

Stock Exchange Listing

Australian Securities Exchange (ASX)
ASX Code: MAD

Company Websites

www.madergroup.com.au
www.madergroup.com
www.maderenergy.com