

ASX ANNOUNCEMENT

Mader Group Q3 update and FY2020 guidance

KEY HIGHLIGHTS

- Forecast adjusted NPAT¹ of \$17.5m - \$18.0m for FY2020
 - Forecast full year revenues of \$270m - \$275m
 - Q3 revenue of \$72m (+31% PCP)
 - Contract extensions with BHP Iron Ore, BHP Olympic Dam, Nickel West and Fortescue Metals Group
 - New scope of work secured at BHP Eastern Ridge
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Perth, Australia – 29 May 2020: Mader Group Limited (Mader or the Company) (ASX:MAD) is pleased to provide an update on performance for Q3 FY2020 and revised guidance for FY2020.

The Company's response to the COVID-19 pandemic continues to prioritise the health and safety of its workforce. To date, there are no confirmed cases of COVID-19 among Mader Group employees.

Q3 FY2020 saw the Company continue to grow its revenue base, generating revenue of \$72m (+31% over prior corresponding period (PCP)), exceeding its IPO Prospectus forecast for that period of \$71m:

- Western Australia contributed \$46m revenue (+27% over PCP)
- Queensland and New South Wales contributed \$12m revenue (+34% over PCP)
- South Australia and Northern Territory contributed \$5.4m revenue (+3% over PCP)
- International (Africa/Asia) contributed A\$4.0m revenue (-7.1% PCP)
- United States contributed A\$4.4m revenue (+2,482% PCP, +73% q/q)

While there are still some ongoing uncertainties due to the restrictions and challenges related to COVID-19, the Company is well placed to continue its annual growth trajectory into FY2021 and expects to achieve:

- revenue for Q4 FY2020 of \$65m - \$70m; indicating full year revenues of \$270m - \$275m for FY2020 (IPO forecast \$279m; FY2019 \$229m); and
- adjusted NPAT¹ of \$17.5m - \$18.0m for FY2020 (IPO forecast \$19.3m; FY2019 \$15.2m).

The Company is also pleased to report a significant reduction in net debt to \$22.2m at 30 April 2020 (31 December 2019: \$29.1m), notwithstanding payment of the interim dividend of \$3m during that period.

Without COVID-19, the Company would likely be on target to achieve its IPO forecasts for FY2020 and its revenue forecast will almost be achieved in any event. The principal COVID-19 impacts are temporary closure of the International (non-USA) division, some extra costs

due to travel restrictions and changing workforce availability, and a delay in some non-essential maintenance spend by some customers.

The Company expects these impacts to reduce as lockdown restrictions are softened. Mader has focussed on maintaining resources during the COVID-19 period with a strategy to re-emerge from these restrictions with enlarged capacity to service its customers' ongoing maintenance requirements.

During the period, the Company executed the renewal of key contracts with BHP Iron Ore, BHP Olympic Dam, Nickel West and Fortescue Metals Group, and secured a new work scope for BHP Iron Ore at Eastern Ridge to maintain their train load out fleet. This project will commence in late May 2020 with the total contract value approximating \$6.5m over a 12 month period.

As announced on 1 April 2020, Mader made the difficult decision to withdraw its expatriate workforce from International operations in Africa and Asia. The Company is committed to restarting these operations as soon as it is safe and practical to do so.

Note:

1. Adjusted NPAT includes income tax effected adjustments for One-off Offer Costs and the impact of accounting standard AASB 16.

Approved for release by the Board

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About Mader Group Limited

Mader Group Limited (ASX:MAD) is a global leader in the provision of skilled labour for the maintenance heavy mobile equipment (trucks and excavators). Mader's well established and leading labour market platform allows it to connect a global network of over 200 mobile equipment users with a skilled in-house workforce of over 1,200 trade-persons on flexible, fit for purpose, and cost effective terms. Mader was named 2019 Mining Contractor of the Year by Mining Monthly.

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Forward Looking Statements

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