



**MADER**

## ASX ANNOUNCEMENT

### Mader Group – FY2020 update

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#### HIGHLIGHTS

- End of financial year unaudited results meet our guidance released 29 May 2020:
  - FY2020 Revenue of \$274m (+20% on FY2019)
  - FY2020 EBITDA<sup>1</sup> of \$33.1m (+30% on FY2019)
  - Reduction in net debt to \$18.5m (31 December 2019: \$29.1m)
- Mader appointed preferred supplier for Roy Hill
- Strategy to return limited service to customers in Africa and Asia
- Intent to pay final dividend of 1.5 cents per share

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**Perth, Australia – 10 Aug 2020:** Mader Group Limited (Mader or the Company) (ASX:MAD) provides the following update on the Company's FY2020 performance. This update is based upon management accounts which remain subject to completion of the Company's external audit and financial year end processes. In summary:

- Mader provided approximately 2.7 million hours of skilled contract labour services in FY2020 to over 200 customers, up from 2.3 million hours in FY2019.
- FY2020 Revenue of \$274m, up 20% from \$228.6m in FY2019.
- FY2020 EBITDA<sup>1</sup> of \$33.1m, up 30% from \$25.4m in FY2019.
- Reduction in net debt to \$18.5m at 30 June 2020 (31 December 2019: \$29.1m).

Despite the ongoing restrictions and challenges related to COVID-19, Mader has continued to grow its revenue base and maintain stable operations in line with guidance announced on 29 May 2020. Accordingly, the Directors are pleased to confirm intent to pay a final dividend of 1.5 cents per share fully franked, which will likely be paid in September 2020. This final dividend will be in addition to the interim dividend of 1.5 cents per share fully franked paid on 17 March 2020.

FY2020 saw steady growth in the Company's Western Australian operations and higher than anticipated revenue growth in the USA and New South Wales, partially offset by the impact of COVID-19:

- Western Australia contributed \$181m revenue (FY2019: \$146m; +24%)
- Queensland and New South Wales contributed \$45m revenue (FY2019: \$34m; +32%)
- South Australia and Northern Territory contributed \$21m revenue (FY2019: \$20m; +5%)
- International (Africa/Asia) contributed A\$13m revenue (FY2019: A\$27m; -52%)
- United States contributed A\$14m revenue (FY2019: A\$1m; +1,400%)

Mader renewed key contracts with Rio Tinto and was appointed a preferred supplier for Pilbara iron ore miner, Roy Hill. The Company was also signed off as a supplier for John Holland, supporting Fortescue Metals Group's Eliwana Railway Integrated Project scheduled for completion in December 2020.

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Additionally, the Company introduced a Trade Upgrade Program upskilling experienced tradespeople for entry into the Western Australian mining sector. This is a scalable program which serves to increase the availability of skilled labour in the long term.

Mader was selected as a top ten finalist for the Australian HR Awards 2020, Employer of Choice (>1000 Employees) category. This national recognition is a testament to the Company's people-focused business model and team culture.

Mader's operations in Australia remain impacted by some workforce availability limitations and some extra costs due to COVID-19 travel restrictions and isolation regulations.

The Company's USA operations are seeing increased customer demand, particularly in Nevada and Florida. Higher client and regional diversification are improving the quality of the Company's revenue base in this market.

Mader recently implemented plans to step back into international markets (Africa/Asia), following its decision to withdraw its expatriate workforce from Africa and Asia in April 2020. The Company now has a small team of tradespeople servicing customers in Papua New Guinea and Laos.

In summary, Mader has delivered strong growth and operational performance in FY2020 notwithstanding the challenges presented by COVID-19. Subject to audit, the adjusted NPAT<sup>2</sup> is expected to be in the range of \$17.8m - \$18.0m. The Company is commencing FY2021 with a strong balance sheet and solid customer demand.

The outlook for FY2021 is for continued revenue and earnings growth, particularly in Western Australia from iron-ore and gold mining customers and the USA, which continues to ramp up. The preliminary full year results and outlook will be announced on 27 August 2020.

Notes:

1. Earnings before Interest, tax, depreciation and amortisation ("EBITDA") is a non-IFRS term which has not been subject to audit or review.
2. Adjusted NPAT includes income tax effected adjustments for One-off Offer Costs relating to the IPO and the impact of accounting standard AASB 16.

**- End -**

**Approved for release by the Board**

**About Mader Group Limited**

Mader Group Limited (ASX:MAD) is a global leader in the provision of skilled labour for the maintenance of heavy mobile equipment (mostly trucks and excavators). The Company's well established labour market platform allows it to connect a global network of over 200 mining and civil customers with a skilled in-house workforce of over 1,300 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**

This announcement may include “forward looking statements”. Such forward looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of Mader. Actual results, performance or achievements may vary materially from any projections and forward looking statements and the assumptions on which those statements are based. Mader assumes no obligation to update such information.

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