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1H FY23 Financial Results

MADER GROUP LIMITED | 21 FEBRUARY 2023



MADER



Who We Are

Mader is a leading global provider of specialist technical services across multiple industries. We are dedicated to helping customers enhance their operations through optimal asset performance.

Global workforce
2,500+
Skilled employees

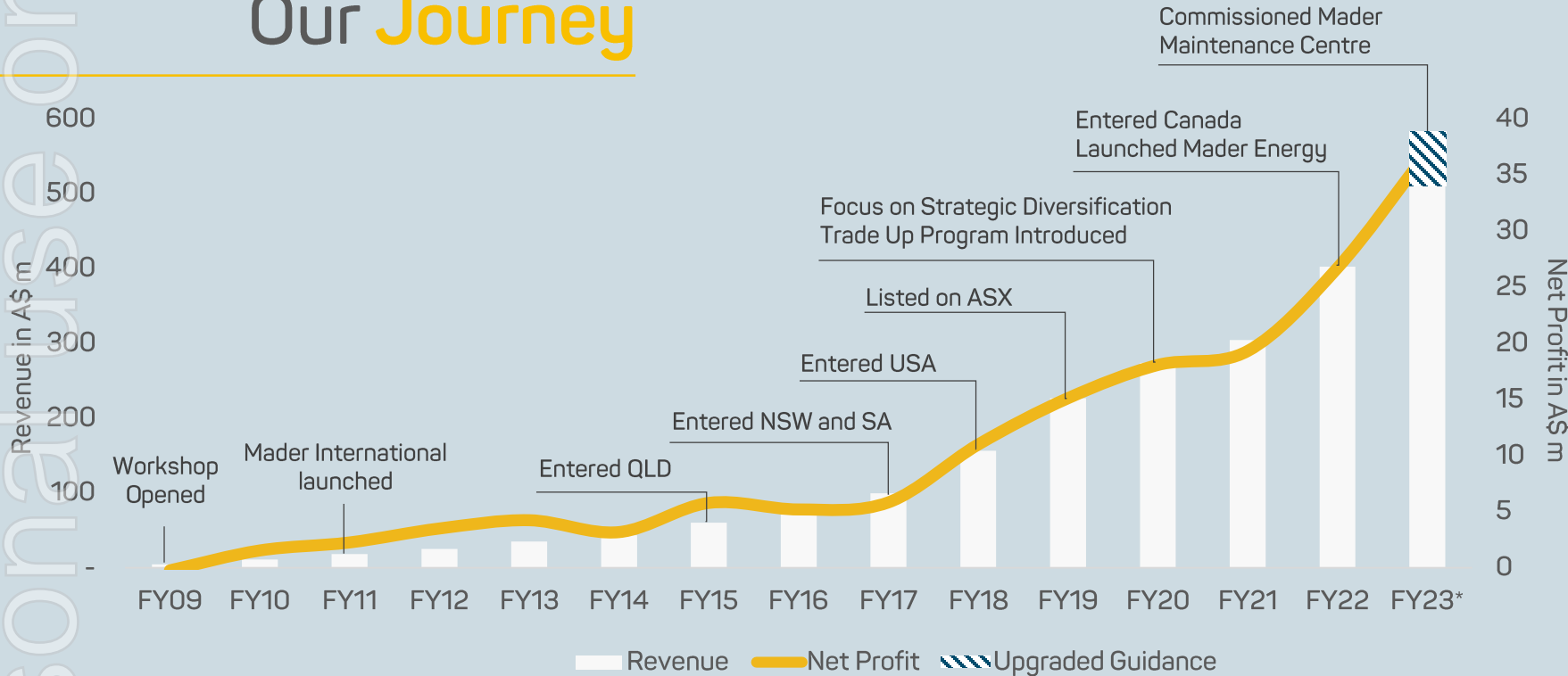
Support vehicles
1,000+
Throughout the world

Supported
520+
Locations

Wide network
335+
Customers

Operated in
8
Countries

Our Journey



*Based on delivery of the Group's FY23 revenue and NPAT guidance



What We Do

Specialist **technical services** covering...

We deliver 'tap on, tap off' technical services designed to support our customers across multiple industries on a global scale.

Heavy Mobile Equipment

Fixed Infrastructure

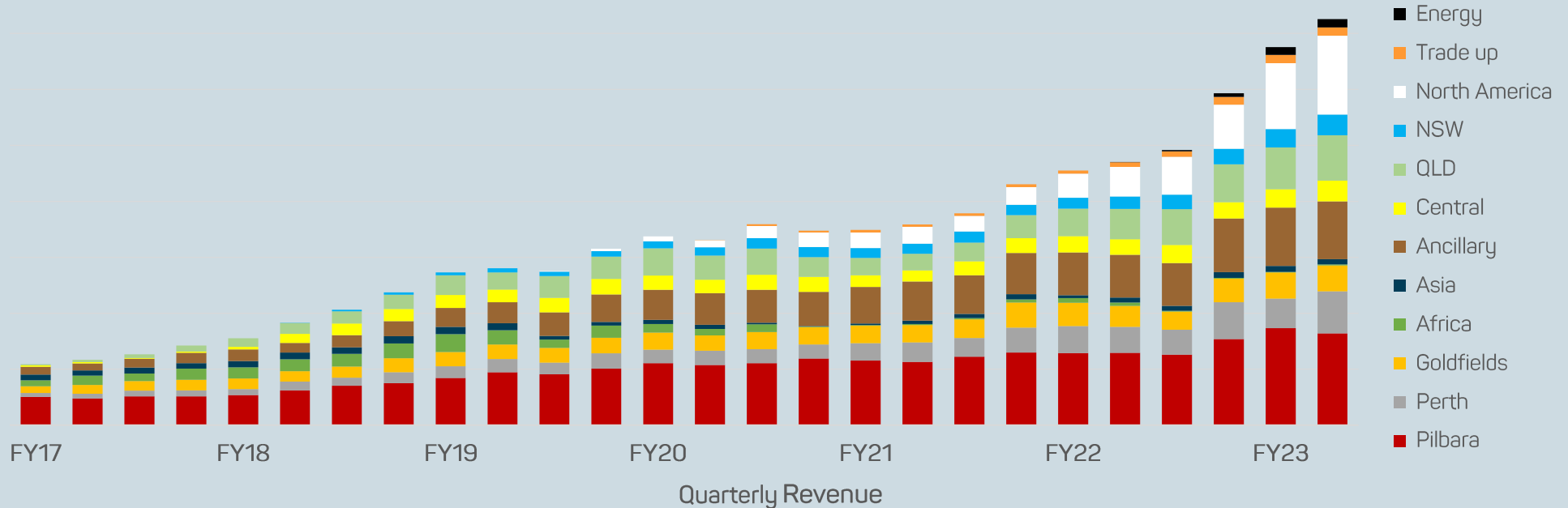
Transport & Logistics

Power Generation & Marine

Energy Sector

Globally Diversified Portfolio

Track record of replicating the business model in new industries and large addressable markets.



Proven growth strategy underpinned by...

Regional Diversification

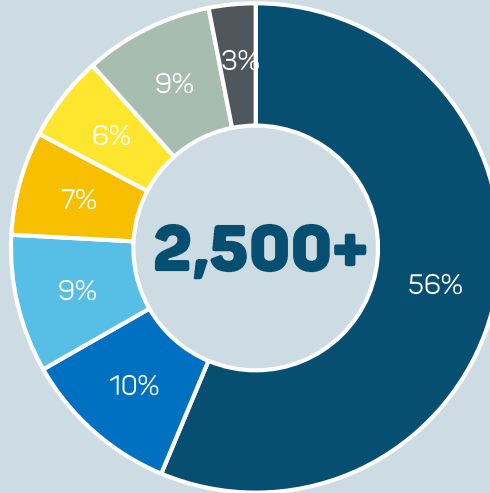
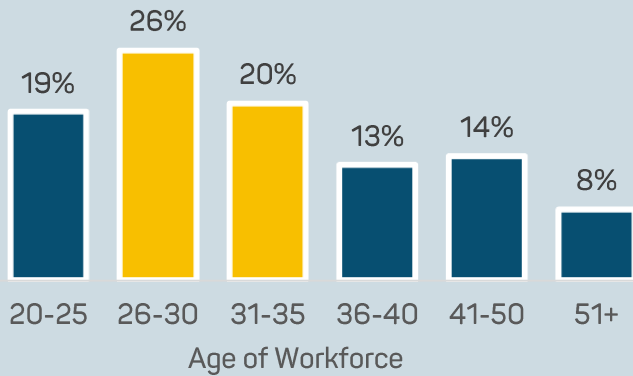
Introduction of new **Service Lines**

Industry Diversification



Specialised Workforce

We lead the market in delivering safe and high-quality expertise. 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

LARGE BUSINESS OF THE YEAR
 2022 AWARD WINNER
 RISE BUSINESS AWARDS
 SPONSORED BY BUSINESS NEWS

EMPLOYER OF CHOICE
 2022 AWARD WINNER
 AUSTRALIAN BUSINESS AWARDS

WORKPLACE FLEXIBILITY
 2022 EXCELLENCE AWARDEE
 AUSTRALIAN HR AWARDS

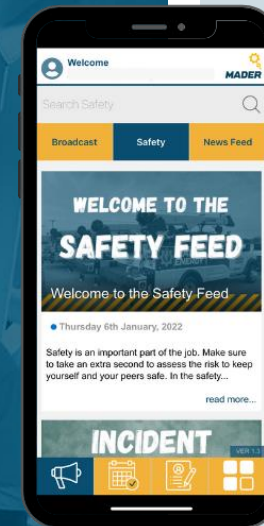
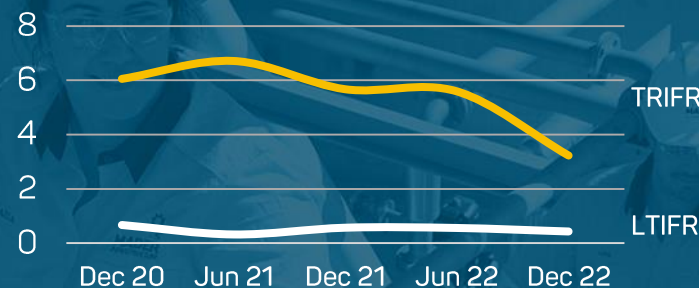


Our Safety Goal

"Our endless pursuit is focused on ensuring all our people go home to their friends and family at the end of every shift. Our continued investment in our team, people and systems are a testament to the importance we place on zero harm."

– Justin Nuich, Executive Director and CEO

Injury frequency rates (per million hours worked)



Digital connectivity and safety-focused technology are key focuses for our business.

Keeping our people safe through the continual enhancement of our In Vehicle Monitoring System across the global fleet.

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Operational Review

JUSTIN NUICH | EXECUTIVE DIRECTOR & CEO



1H FY23 Highlights

Revenue

\$280.3m

Up 51% from
\$185.2m PCP 

EBITDA

\$33.8m

Up 60% from
\$21.2m PCP 

NPAT

\$17.6m

Up 45% from
\$12.1m PCP 

Net Debt

\$50.9m

Up from \$26.7m (June 22)

Dividends

\$4.8m

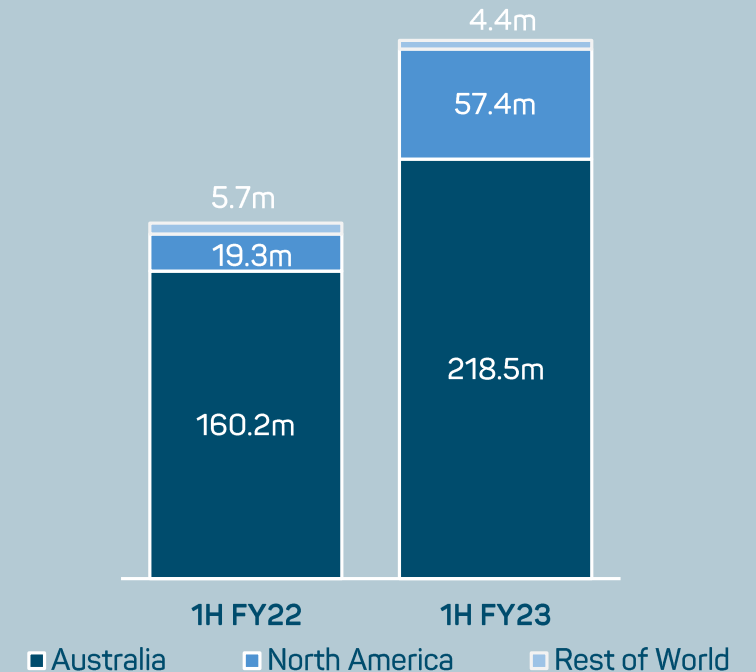
Up 20% vs PCP

EPS Basic

8.78c

Up 45% PCP

Revenue by Region (\$m's)



GROWTH TRAJECTORY

driven by **continued diversification** in new and existing markets

Sustained
strong
demand globally

Invested
in fleet
expansion

Diversified
global
service offerings

Australia

Revenue
36%↑
Growth in 1H FY23

EBITDA*
\$25m
Up 38% in 1H FY23

Infrastructure
92%↑
Revenue growth in 1H FY23

Ancillary
104%↑
Revenue growth in 1H FY23

Apprentices
159
Active in Mader's apprenticeship training programs

Revenue (A\$)



North America

Revenue
198%↑
Growth in 1H FY23

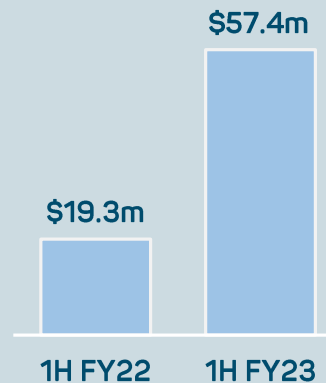
EBITDA*
A\$11m
Up 143% in 1H FY23

Canada
Substantial headcount growth through local and offshore recruitment

Mader Energy
Organic-start up well positioned for a strong 2H FY23

States
25
Active operations in 1H FY23

Revenue (A\$)



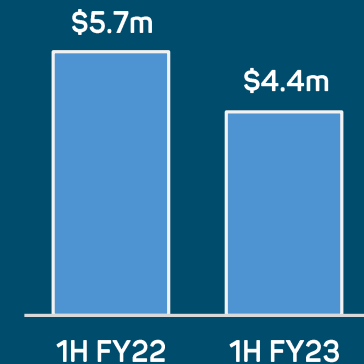
Rest of World

Revenue
21%↓
Decline in 1H FY23

EBITDA*
\$0.8m
Down 33% in 1H FY23

Countries
5
Active operations in 1H FY23

Revenue (A\$)



*EBITDA presented above excludes adjusted corporate overheads of \$3m.

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Financial Review

PAUL HEGARTY | CFO

Financial Performance



A\$'000	1H FY22	1H FY23
Revenue	185,175	280,349
Gross Profit	35,511	58,151
Gross Margin	19.2%	20.7%
EBITDA	21,180	33,824
EBITDA Margin	11.4%	12.1%
EBIT	17,112	26,568
EBIT Margin	9.2%	9.5%
NPAT	12,106	17,570
NPAT Margin	6.5%	6.3%
Earnings per Share (cents)	6.05	8.78
Dividends per Share (cents)	2.00	2.40

HIGHLIGHTS

Group Revenue Growth
(Consolidated)

51% vs PCP



Strong Revenue Growth
(North America)

198% vs PCP



North America Revenue
Contribution

20% vs PCP 10%



Improved Earnings
(EBITDA)

60% vs PCP



Improved Earnings Per Share

45% vs PCP



Increased Dividends

20% vs PCP



Financial Position



A\$'000	Jun-22	Dec-22
Cash & cash equivalents	6,648	10,473
Trade & other receivables	85,649	107,378
Property, plant & equipment	67,944	85,849
Investments & other assets	12,876	18,433
Total Assets	173,117	222,133
Trade & other payables	39,289	39,852
Tax liabilities	3,387	7,433
Provisions	3,902	4,731
Borrowings	33,323	61,393
Other	8,234	8,177
Total Liabilities	88,135	121,856
Net Assets	84,982	100,547

HIGHLIGHTS

Simple Balance Sheet

1,000+ 

Service vehicles located throughout the world

Strong Balance Sheet

\$101m 

Net Asset Position

Cash Collection Improved

15%↑ 

DSO reduced to 65 days from 77 in June 22

Low Net Leverage

0.75x 

Net debt ÷ Annualized 1H FY23 EBITDA

Investment in Growth

\$25.1m 

Growth Capital Deployed in 1H FY23

Well Positioned for Growth

\$98.8m 

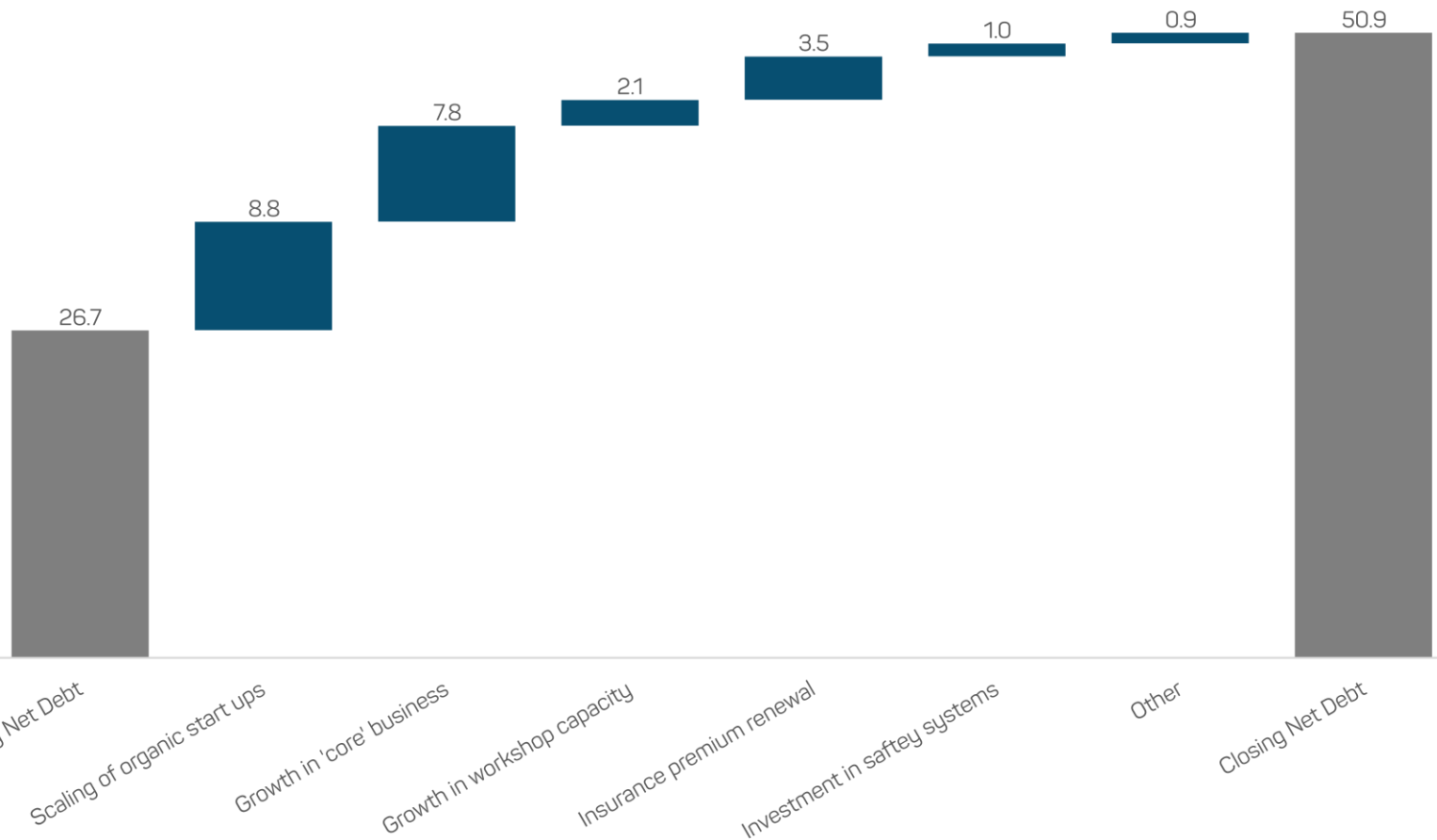
Available finance facilities



Net Debt



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SUMMARY

Scaling New Revenue Streams

\$8.8m



Increased working capital requirements to support continued revenue growth

Supporting a Bigger Business

\$9.9m



Invested in working capital requirements to fund growth in the 'core' business.

Global Finance Facilities Expanded

\$74.4m



Additional finance facilities established in North America to provide flexibility and regional funding independence.

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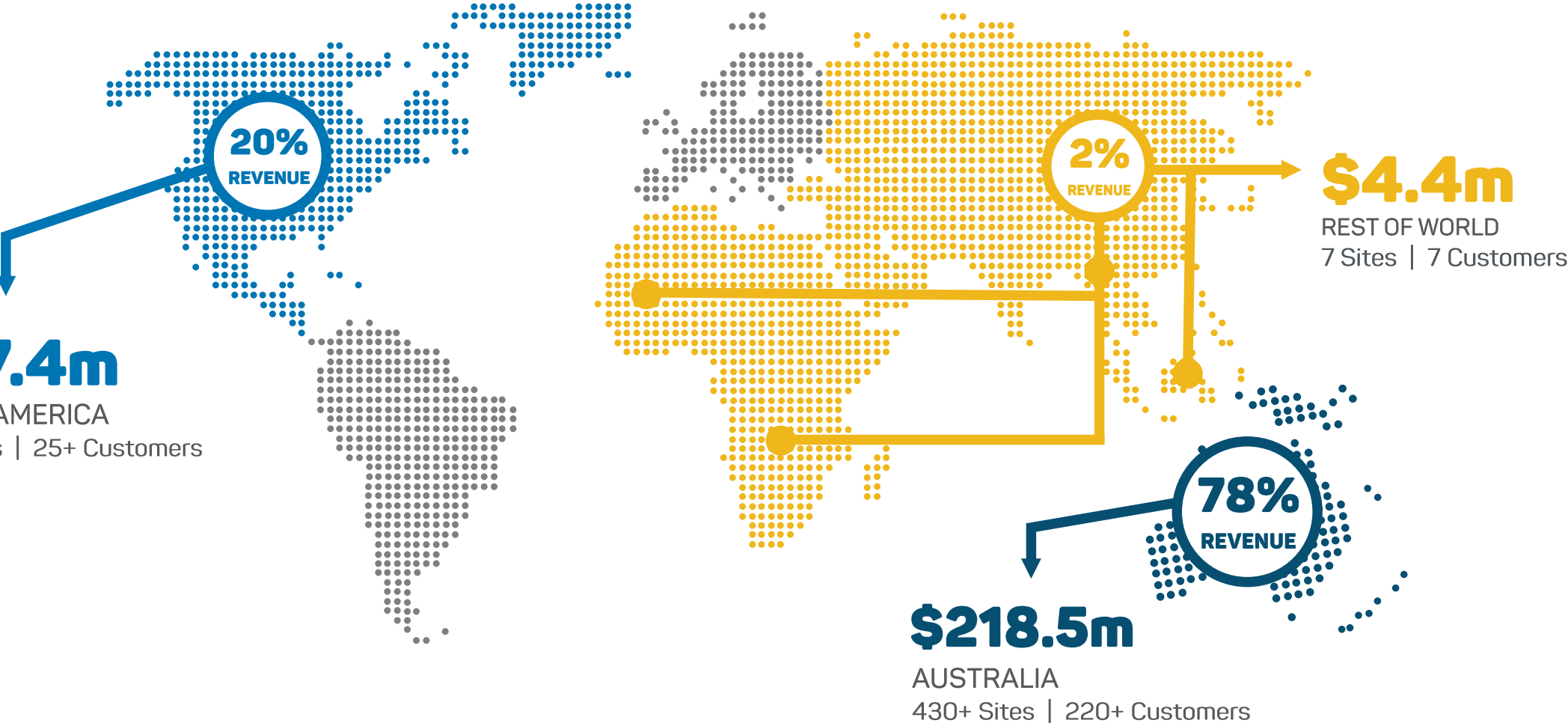
Outlook

JUSTIN NUICH | EXECUTIVE DIRECTOR & CEO



Geographical Footprint in 1H FY23

Revenue, site and customer data relates to Mader Group operations carried out in 1H FY23



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Unlocking a Global Workforce

Global Pathways is a program that connects skilled technicians with incredible opportunities across the world.

A significant number of Mader employees have signed up to overseas adventures to expand their skills and expertise.

The program provides Mader access to international talent pools, and the best technicians worldwide.

Two-way transfers between North America and Australia are underway, with transfers from Australia to Canada already commenced.



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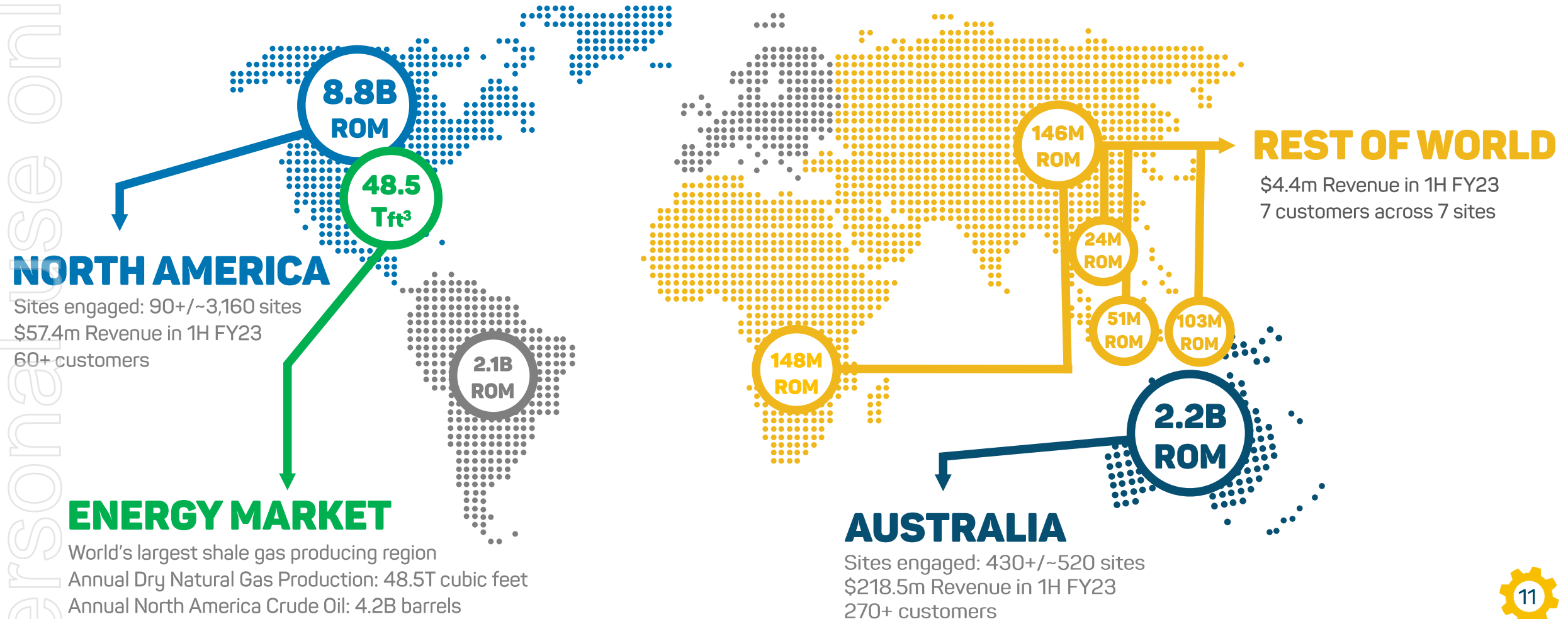
Growth Opportunities and Addressable Market



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

Sources: GlobalData Intelligence Centre for total site operations, 2022 site data and North America Gas & LNG Market Outlook. *US Crude Oil Market Update – H2 2021 Report* Global Data.

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Structural Growth Drivers

GROWTH DRIVERS



North America



Energy



Infrastructure Maintenance



Rail Services



Ancillary



Power Generation & Marine



Foundation laid for growth drivers

Strong, flexible business model and continuous business improvement

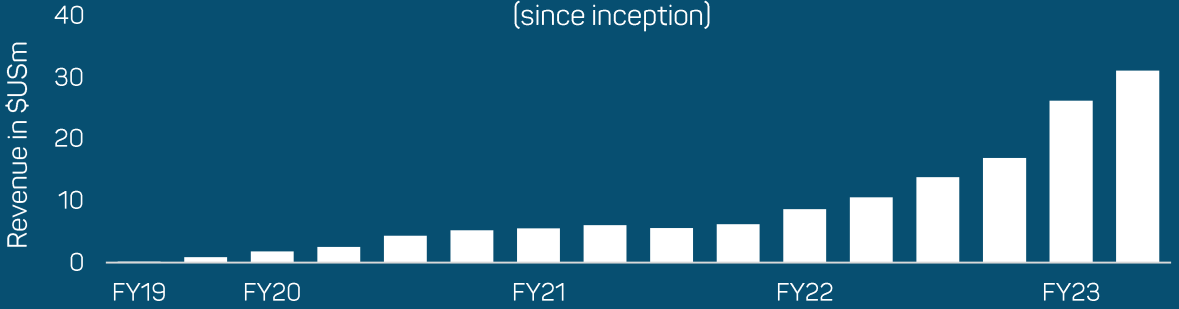


Continued diversification



New geographical markets and service offerings

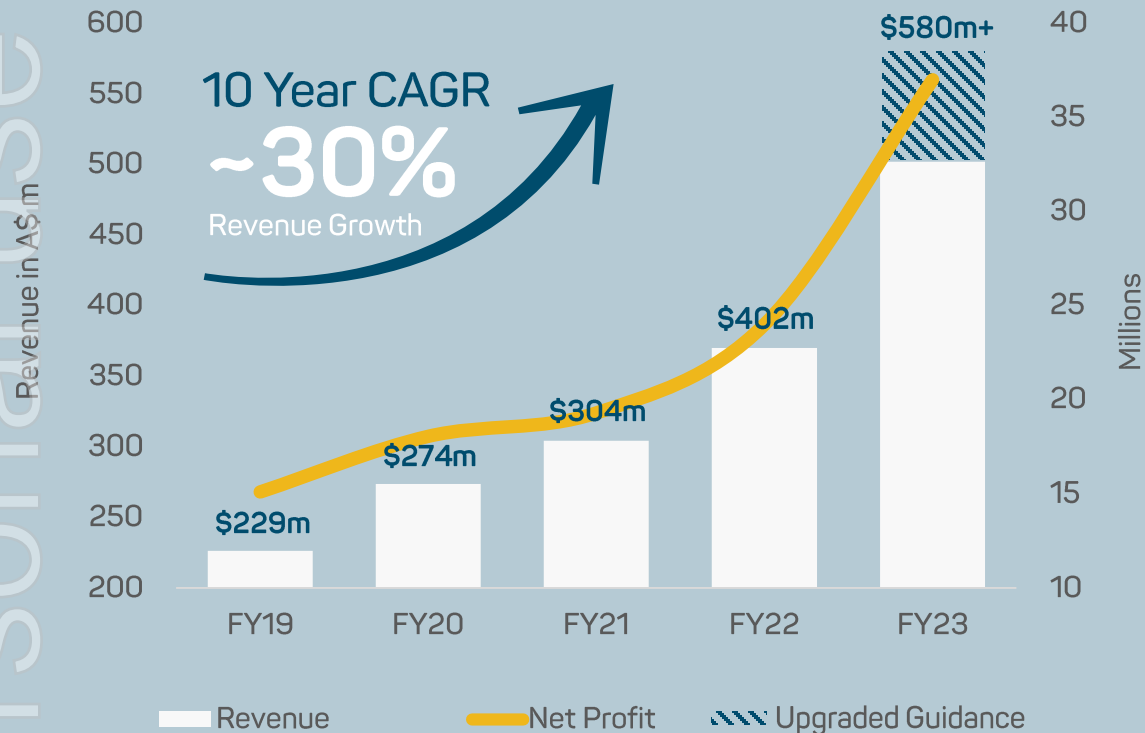
North America – Quarterly Revenue (since inception)



Group Outlook & Guidance

Current market conditions have provided Mader with the confidence to forecast FY23 revenue of at least **\$580m** delivering NPAT of at least **\$37m**

Financial Forecast



Foundation laid for growth



Strong, flexible business model and continuous business improvement

Targeted growth in North America



A significant pillar in our long-term growth strategy

Geographical diversification



Targeting new regions around the world

Service diversification



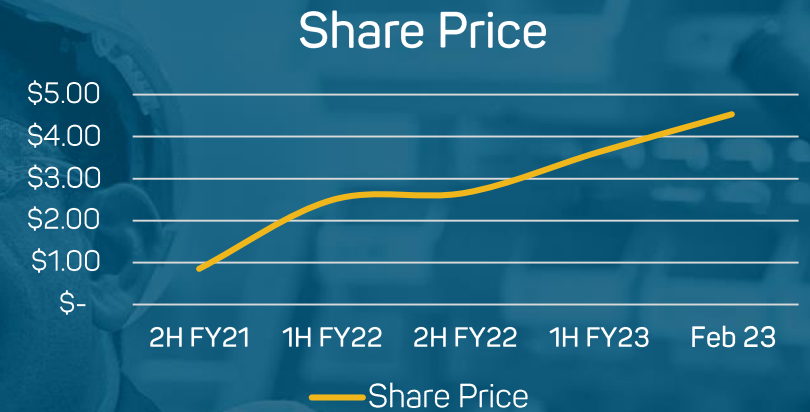
Targeting new markets and service offerings

Investment Case

Market Cap
\$906m
At market close
20 February 2023

Shares
200m
on issue*

Share Price
\$4.53
At market close
20 February 2023



PROVEN
TRACK
RECORD

DISRUPTIVE
BUSINESS
MODEL

CAPITAL
LIGHT
OPERATIONS

SUSTAINABLE
GROWTH
PROSPECTS

LARGE
ADDRESSABLE
MARKETS

POSITIVE
INDUSTRY
TRENDS

UNIQUE
WORKPLACE
CULTURE

SIMPLE BALANCE
SHEET &
FINANCIAL
FLEXIBILITY

* Undiluted, excludes 9.84m FY24 and FY26 Performance Rights and 1.8m FY24 Share Appreciation Rights.

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Appendices

MADER GROUP LIMITED



Board of Directors



Jim Walker

Non-Executive
Chairman

Jim has over 45 years' experience in the resources sector. He was the former Managing Director of WesTrac and a Director of Seven Group Holdings and National Hire Group. Jim is currently Chairman of Austin Engineering Ltd, MLG OZ Ltd and State Training Board (WA) and Motor Museum of WA.



Luke Mader

Founder &
Executive Director

Founder of Mader, Luke is trade qualified with 20 years' experience in the mining services industry. Luke leads Mader's strategic growth and development and has built Mader into a leading global provider of specialist technical services across multiple industries.



Justin Nuich

Executive Director &
Chief Executive Officer

Justin has over 20 years' experience in the mining and energy industries in Australia and globally. Currently Mader's Executive Director and CEO, Justin is well versed with the business having sat on the Board since January 2019.



Patrick Conway

Executive Director &
Director of Emerging
Businesses

Formerly the CEO and CFO of Mader, Patrick has been with the Company for over 8 years and has a background in Public Practice accounting and business advisory. Patrick plays a pivotal role in influencing the Group's strategic direction as the Director Emerging Business.



Craig Burton

Non-Executive
Director

Craig is a venture capital investor in emerging projects and businesses. He has a track record of providing financing backing and strategic advice to successful management teams and start-up entrepreneurs.



Our Services

Our selection of specialist services are designed to help customers make light work of heavy equipment maintenance

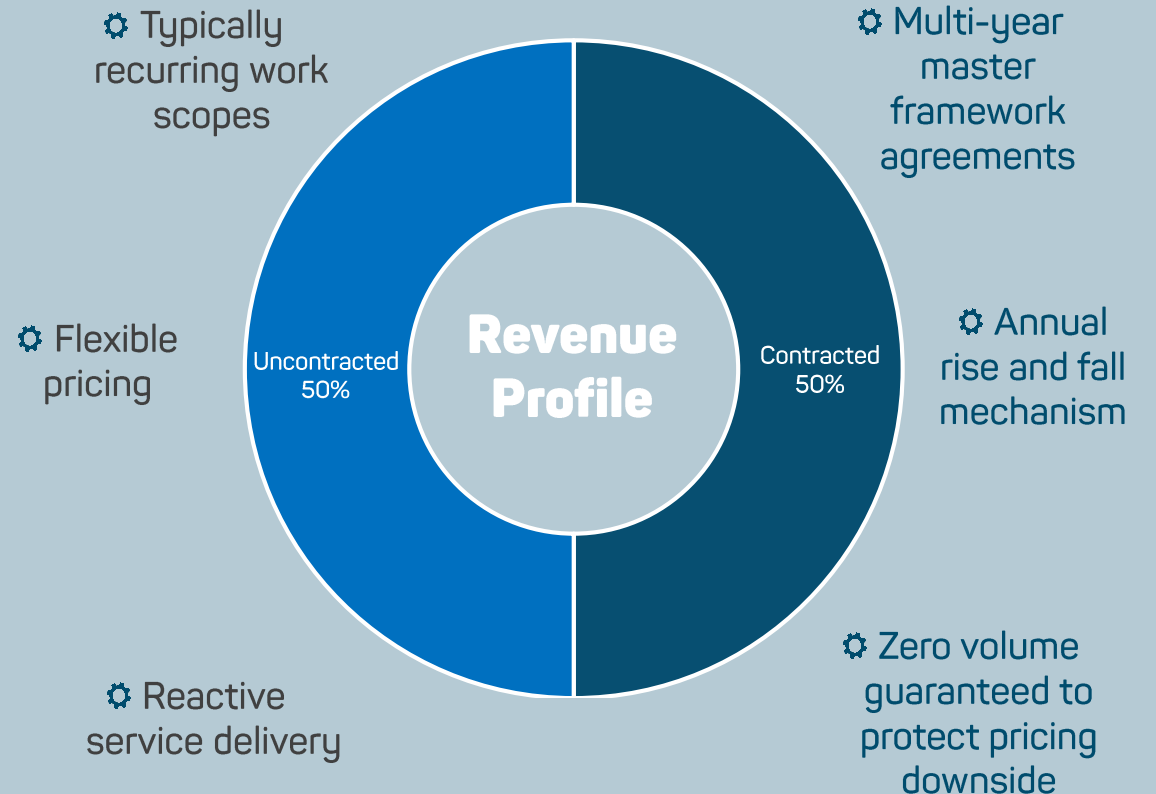
CORE MECHANICAL SERVICES

- ⚙ 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
- ⚙ Marine and Power Generation
- ⚙ Rail Maintenance
- ⚙ Mader Clean Team
- ⚙ Oil and Gas Industries
- ⚙ Road Transport Maintenance

METHOD OF CUSTOMER ENGAGEMENT
 STABLE MARGINS
 PRICING PROTECTION



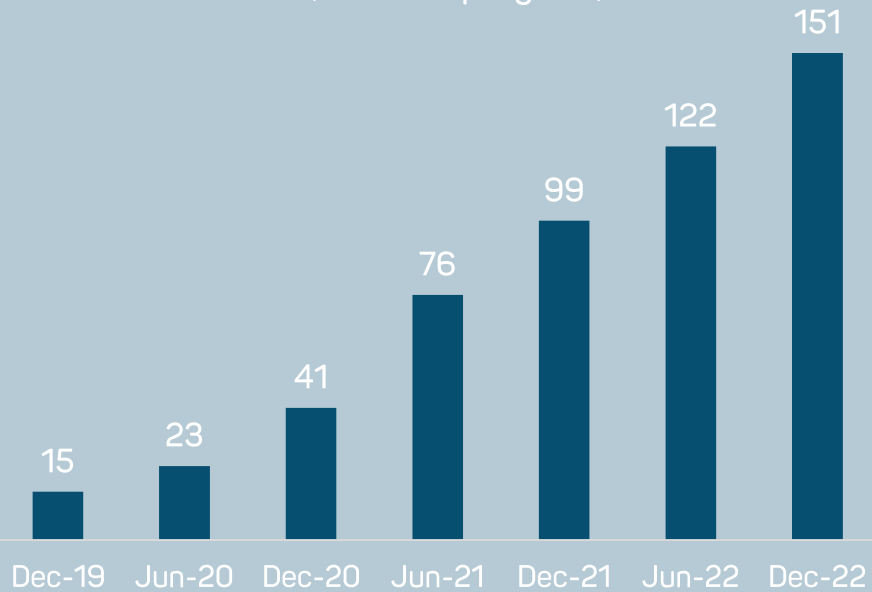


Planning for the Future

Our Trade Upgrade Apprenticeship Program aims to bridge the skills gap. Through this initiative, we work closely with our industry partners to feed quality tradespeople into mining across Western Australia and Queensland.

We are proud to have inducted 260+ participants into our Trade Upgrade Apprenticeship Program since inception in 2019.

Trade Up Program Participants
(active in program)



89%
RETENTION



151
ACTIVE



260
INDUCTED
SINCE 2019



4%
FEMALE

Tools for Life

Tools for Life aims to equip individuals and communities with the tools they need to build a better future and succeed in life.

With a focus on youth, education and support, we are proud to be encouraging the future generation to identify available pathways and build sustainable careers within the industry.



Supported our charity partner, the Kijilamatambo School, Solwezi, Zambia.



MACA Cancer 200 Ride for Research WA, Australia



STEM/Engineering & Trades Career Expo WA, Australia

Glossary

TRIFR	Total recordable injury frequency rate per one million hours worked
LTIFR	Lost time injury frequency rate per one million hours worked
HV Electrician	High Voltage Electrician
LV Mechanic	Light Vehicle Mechanic
HRT Mechanic	Heavy Road Transport Mechanic
1H FY23	The period 1 July 2022 to 31 December 2022
1H FY22	The period 1 July 2021 to 31 December 2021
PCP	The Prior Corresponding Period, being 1H FY22
CAGR	Compound Annual Growth Rate
NPAT	Net profit after tax
Net Leverage	Net Debt / annualised 1H FY23 EBITDA
OCFBIT	Operating cash flow before interest and tax

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