

ASX Announcement

23 February 2023

MGH delivers growth of 64.8%¹ in Proforma EBITDA for Half Year ended 31 December 2022

Highlights

- **Strong earnings growth with 64.8% increase in Proforma EBITDA and 62.3% increase in Statutory Net Profit after Tax.**
- **Reaffirms FY23 guidance range of \$150-180m Proforma EBITDA.**
- **Solid platform for continued growth.**

Leading independent Australian construction materials, equipment, and service provider, Maas Group Holdings Limited (“**MGH**” or “**the Company**”), today announced a Proforma EBITDA of \$66.1m for the half year ended 31 December 2022.

This compares to the Proforma EBITDA of \$40.1m for the corresponding half year ended 31 December 2021, representing an increase of 64.8% having also delivered a statutory NPAT of \$23.7m representing a 62.2% increase from the corresponding half year. Appendix A below details the reconciliation of Proforma EBITDA.

	1H22 \$M	1H23 \$M	Change %
Statutory NPAT	14.6	23.7	62.2
Proforma NPAT	16.6	25.3 ²	52.5
Statutory EBITDA	36.9	63.8	72.9
Proforma EBITDA	40.1	66.1	64.8
Statutory EBIT	23.9	43.1	80.3
Proforma EBIT	26.7	45.5	70.4
Half Year Dividend	2.0c/share – fully franked	3.0c/share- fully franked	50.0

¹ Growth compared to results for half year ended 31 December 2021 (PCP)

²Refer MGH Results Presentation Half Year FY2023 for reconciliation

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Financial Performance Analysis

MGH Managing Director and CEO Wes Maas, commented that the strong first half of the year results were especially pleasing given operational challenges which existed relating to inclement weather events, rising interest rates and increasing cost pressures. Mr Maas noted that the performance of the business highlights its diversity and resilience, with a demonstrated ability to grow despite challenging external conditions.

Mr Maas stated that the business delivered solid results and cash conversion for the first half noting:

- Growth of 64.8% in Proforma EBITDA compared to the corresponding period last year, for the combined operating segments.
- Cash flow conversion of 89.0%³, compared to 72.0% for the corresponding period last year with liquidity of approximately \$240m as at 31 December 2022.
- MGH is well positioned for a solid FY 23 result and reaffirms its guidance of Proforma EBITDA in the range of \$150m-\$180m. The outlook for its core markets remain strong. Residential Real Estate continues to face head winds with lower enquiry levels as a result of continued interest rate increases.
- The Company expanded its operating footprint with recent investments in the Construction Materials segment through the acquisition of Dandy Premix in Victoria in December 2022, which provides the Company with a significant growth platform.
- MGH continues to make strong progress on the execution of its strategy, with the Company's strategic investment discipline and value focus, providing the foundations for MGH to achieve long term growth.

³ % of EBITDA before fair value gains, land inventory investment and tax

Dividend

The Board has declared an interim dividend of 3 cents per share fully franked. The Board of MGH has determined that the MGH Dividend Reinvestment Program will not apply to the interim dividend.

Further details in relation to the dividend and key dates will be released separately.

Capital Management

As noted in recent ASX announcements, MGH has commenced an on-market share buyback.

The implementation of the share buyback program reflects the MGH Board's belief in the underlying performance of the business and its strong capital position and supports MGH's ambition to increase sustainable return on equity benefits to shareholders.

This ASX announcement was authorised by The Board of Directors of MGH.

For further information, please contact Candice O'Neill, Company Secretary of MGH on (02) 5852 1800 or companysecretary@maasgroup.com.au.

About Maas Group Holdings Limited

MGH is a leading independent Australian construction material, equipment and service provider with diversified exposures across the civil, infrastructure, mining and real estate markets.

Appendix A – Reconciliation of Proforma EBITDA

	1H22 (\$M)	1H23 (\$M)	Change (%)
Statutory EBITDA	36.9	63.8	72.9
Preacquisition EBITDA of Acquisitions ¹	1.0	-	(100.0)
Non-Recurring Expenses ²	1.9	2.3	21.1
Contingent consideration fair value movements	-	(0.9)	(100.0)
Other ³	0.3	0.9	200.0
Total	40.1	66.1	64.8

¹ Includes pre acquisition earnings for acquisitions subject to lockbox arrangements

² Represents transactions costs for acquisitions

³ Represents share-based payments expense and ERP implementation costs