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Q1 FY24 – Quarterly Operational Update

Perth, Australia – Tuesday, 31 October 2023. Mader Group Limited (ASX:MAD), a leading global provider of specialist technical services across multiple industries, provides the following update on its performance for Q1 FY24 ('Q1').

	Unit	Q1 FY24	Q1 FY23	Variance (\$)	Variance (%)
			(PCP)		
Revenue					
Australia	[\$m]	133.7	106.6	+27.1	+25%
North America	[\$m]	48.5	26.3	+22.2	+84%
Rest of World	[\$m]	2.4	2.4	-	-
Total Revenue	[\$m]	185.1	135.3	+49.8	+37%
EBITDA	[\$m]	23.8	15.8	+8.0	+51%
EBITDA Margin	[%]	12.9%	11.7%	+1.2%	
Net Debt	[\$m]	40.4	42.7	-2.3	-5%

*For balance sheet items such as net debt, the PCP is the period ended 30 June 2023.

EXECUTIVE SUMMARY:

- **FY24 commenced strongly**, with Mader delivering another record quarterly revenue of \$185.1m, a 37% increase versus the prior corresponding period ('PCP') and a 7% quarter-on-quarter increase.
- The Group's Australian operations delivered revenue of \$133.7m, an increase of 25% on PCP. Demand for **core mechanical services** was sustained, whilst **ancillary services** continued to grow due to **increased customer activity across multiple industry verticals**.
- In North America, **headcount growth and geographical expansion** drove an 84% increase in revenue, generating \$48.5m for the quarter (78% on a constant currency basis). The segment focussed on further **diversifying its customer base across different commodities and regions, to strengthen market position**.
- **Local recruitment strategies** continue to yield solid results, further enhanced by the **Global Pathways Initiative**, which mobilises skilled technicians to regions with unfulfilled demand in the United States, Canada and Australia.
- Given current **market conditions and demand** for Mader's specialist services in multiple industries around the globe, the Group **reaffirms its confidence in delivering FY24 revenue of at least \$770m and NPAT of at least \$50m**.



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Executive Director and Chief Executive Officer, Justin Nuich expressed his confidence in the business's ability to deliver another year of strong results, with the performance of Q1 providing a solid foundation for continued success.

"We are pleased with the positive start to the financial year and are excited for the opportunities that lie ahead. Reporting another record quarter of growth is a testament to our unique business model. The presence of favourable macroeconomic trends, strong customer demand across all operational regions, and continued success in establishing new industry verticals places Mader in a formidable position for the remainder of the financial year.

"Further, our commitment to investing in our people's growth and fostering a resilient workforce underpins our core purpose of being a culture-led business. Our vision extends beyond more than just business success; we aspire to build a global business for our people that creates meaningful opportunities for our team members, both personally and professionally.

"In the quarter, we expanded the impact of our internal adventure division, Three Gears, by delivering a number of events on the East Coast of Australia. Allocating a dedicated resource to the region has enabled us to provide more adventures for employees and their families, creating meaningful engagement with both each other and the business. In the upcoming months we are planning to extend these experiences to North America, marking the final stage in the global rollout of Three Gears.

"Additionally, we delivered a variety of leadership development programs over the quarter to empower and educate our leaders. This investment in frontline and management team growth not only builds a capable management team but it is critically important to the long-term success of the Group as these future leaders will empower the growth rates that Mader is known for.

"We remain dedicated to attracting and nurturing talent locally, our recent international campaigns through Global Pathways have allowed us to cast a global net in our quest for highly skilled specialists. Beyond offering international opportunities for our adventurous workforce, Global Pathways is instrumental in satisfying our customer needs with truly diverse teams with a rich array of skills and experience.

"Striving for excellence and investing in multidimensional programs for our people and culture ensures we are best placed to navigate global challenges and continue to deliver on our strategic objectives."

OPERATIONAL UPDATE

Zero Harm

The pursuit of zero-harm continued into the new financial year with Mader focussing on employee education, leadership development and driver safety, with further enhancements made to the In Vehicle Monitoring Systems across the global fleet of service vehicles.





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Australia

The Australian business generated \$133.7m in revenue for the quarter, with a 25% increase vs PCP. The Group's core mechanical services experienced organic growth nationally, whilst Mader's infrastructure maintenance, rail and ancillary service offerings all expanded in response to growing customer needs. Diversifying revenue streams in various industry sectors is key to further growth.

At the Mader Maintenance Centre in Perth, the team successfully overhauled their first set of 793F Haul Trucks and carried out major works for several tier-one mining customers. Completing a full year since its commissioning in Q1 FY23, the facility has established a solid project pipeline and further cemented its reputation as a leading choice for offsite repairs and rebuilds in Western Australia.

The Trade Upgrade Apprenticeship Program saw four intakes commence; two on the West Coast and two on the East Coast. The quarter also saw three groups of apprentices graduate as dual-trade technicians and join a variety of Mader's mechanical divisions across Australia.

North America

In North America, the business delivered revenue of \$48.5m, an increase of 84% vs PCP (78% on a constant currency basis). Continued strong growth was delivered across all operational areas, reflecting the Group's ability to effectively navigate dynamic markets and deliver results.

The United States experienced strong margins, with the business unit delivering specialist services across multiple states. Mader's strategy for FY24 encompasses both the expansion of its customer base and the proactive pursuit of additional volume within existing customer relationships.

Canada continued to deliver strong headcount growth, with the team of ~190 technicians supporting customers across multiple provinces and territories. A multifaceted recruitment approach of the Global Pathways Program and local efforts underscores Mader's commitment to leveraging both local talent and international experience, which bolsters operational delivery for Mader's customer base. Preparations are well advanced to launch an underground division, which is aimed at widening Mader's talent pool to fulfil significant unmet demand in the region.

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. An additional fleet of RAM 2500 trucks has been delivered to support this growth, whilst blending the vehicle fleet with a more capital light and economical option.

Rest of World

Mader's Rest of World segment delivered revenue of \$2.4m, which was in line with the PCP. During the quarter, Mader supported customers across the Asia and Oceania regions. The business unit is poised to channel efforts into strategic growth initiatives for the remainder of





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FY24, with overseas opportunities a key tool in attracting and retaining skilled specialists within the Company.

FINANCIAL POSITION

The Group's net debt position closed at \$40.4m, a reduction from \$42.7m at 30 June 2023. This is a 5% decrease from year end and reflects continued cash flow conversion strength in Q1 FY24 which has been supported by robust working capital management.

OUTLOOK

Global market dynamics remain strong providing Mader with a solid platform to accelerate growth across a number of significant core and emerging market opportunities.

The compounding effect of additional revenue streams coupled with a robust market outlook and sustained operational discipline, provides Mader with the confidence to reaffirm forecast FY24 guidance of at least \$770m revenue and at least \$50m NPAT.

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About Mader Group Limited

Mader Group Limited (ASX:MAD) is a global leader in the provision of specialist technical services across multiple industries. Today, the Company's well-established labour market platform allows it to connect a global network of over 350 customers to a skilled in-house workforce of approximately 2,900+ personnel on flexible, fit for purpose, and cost-effective terms. Mader was named Large Business of the Year at the 2022 RISE Business Awards, 2022 Employer of Choice by the Australian Business Awards, received an excellence award for Workplace Flexibility at the 2022 Australian HR Awards and were named finalists for Best Candidate Experience Initiative at the 2023 SEEK STAR Awards.

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Approved for release by the Board of Mader Group Limited.

