

Media/ASX and NZX Release

21 August 2025

DOWNER DELIVERS 82% STATUTORY NPAT AND 33% UNDERLYING NPATA GROWTH, AND ANNOUNCES \$230 MILLION SHARE BUY BACK

Downer EDI Limited (Downer) (ASX:DOW) today released its financial results for the 12 months ended 30 June 2025 (**FY25**), delivering:

- Statutory NPAT of \$149.1 million, up 81.6% on prior corresponding period (**pcp**)
- Underlying NPATA of \$279.4 million up 33.0% on pcp, at the top end of the FY25 guidance range
- Underlying EBITA of \$474.2 million, up 24.5% on pcp
- Underlying EBITA margin of 4.4%, up from 3.2% on pcp - our strongest full year margin in more than a decade - and exceeding the management target of 4.2%
- Cumulative annualised gross cost out of \$213 million, exceeding the upsized target of \$200 million
- Cash-backed earnings with a normalised cash conversion of 97.9%, exceeding the >90% target
- Improvement in gearing with net debt to EBITDA reducing to 0.9x, well under the 1.5x target leverage
- Final dividend declared of 14.1 cents per share (**cps**), fully franked, representing a 65% payout ratio

Downer today announced its intention to undertake an on-market share buy-back of up to \$230 million (~5% of issued capital) and will be dependent on market conditions, prevailing share price, trading volumes and other relevant factors.

\$m	FY25	FY24	Change
Statutory			
Revenue	10,531.5	11,050.8	(4.7)%
NPAT	149.1	82.1	81.6%
Total dividend	24.9cps	17.0cps	46.5%
Final dividend	14.1 cps 100% franked	11.0 cps 50% franked	28.2%
Underlying (excluding individually significant items)			
EBITA	474.2	380.8	24.5%
EBITA margin %	4.4%	3.2%	1.2pp
EBITDA margin %	7.3%	5.9%	1.4pp
NPATA	279.4	210.1	33.0%
NPAT	264.7	193.9	36.5%
Normalised cash conversion	97.9%	104.4%	(6.5)pp
Net debt to EBITDA	0.9x	1.4x	(0.5)x
Pro forma (Underlying, and excluding contribution from divestments and assets held for sale in the period)			
Revenue	10,566.2	10,832.2	(2.5)%
EBITA	458.7	382.9	19.8%
NPATA	264.2	211.3	25.0%

To be read in conjunction with the notes and the important notice and disclaimer on slides 40 and 41 of the FY25 results presentation dated 21 August 2025.

The difference between underlying and statutory results relate to individually significant items which principally relate to impairments and asset-related charges, transformation and restructuring costs and divestment-related losses and exit costs.

Managing Director and Chief Executive Officer, Peter Tompkins, said a back to basics focus on operational discipline across the business had delivered an EBITA margin of 4.4%, ahead of our management target and the highest in more than 10 years.

"Over the past two-and-a-half years, we have reshaped Downer into a more focused and higher performing organisation with consistent period-on-period improvement," Mr Tompkins said.

"By simplifying our portfolio, focusing on delivery, enhancing risk management, and embedding a culture of accountability, we are setting up for long-term value creation. While we are making steady progress in our turnaround, there is more work to do to reach our potential.

"With ongoing margin improvement, strong cash conversion and successful execution of our portfolio simplification strategy, and a strengthened balance sheet, we are well positioned to return value to shareholders while maintaining capital management flexibility.

"The on-market share buy-back announced today of up to \$230 million, alongside delivery of dividend growth and an increased payout ratio target range, are signals of our improving operational performance.

"We enter FY26 with momentum and growing confidence that the foundations are in place for the next phase of our transformation and are targeting medium term sustainable growth."

Safety

In FY25, operational leaders completed more than 67,000 field safety engagements largely focused on critical risk verification.

Downer's lagging indicators improved in FY25.

At 30 June 2025, the Lost Time Injury Frequency Rate (LTIFR) decreased to 0.83 from 0.88 per million hours worked, and the Total Recordable Injury Frequency Rate (TRIFR) decreased to 2.04 from 2.54 per million hours worked, compared to 30 June 2024.

Portfolio simplification

During the year, we divested several non-core businesses – including New Zealand Catering, Australian Cleaning, and New Zealand Cleaning (completed on 31 July 2025) – and completed our exit from the Australian laundries business.

We also entered into an agreement with Keolis Group to sell our 49% interest in Keolis Downer, with completion, subject to Foreign Investment Review Board approval and customary conditions, expected by late 2025.

These divestments largely complete our portfolio simplification program, which has sharpened the Group's focus on core markets and growth opportunities aligned to our technical strengths and market leading positions.

Revenue and work-in-hand

Pro forma revenue, adjusted for the contribution of divested businesses and assets held for sale, of \$10.6 billion declined by 2.5%. This reflects our deliberate focus on improving revenue quality, enhancing risk guardrails and exiting underperforming businesses. Growth in Power, Water and Rail was offset by subdued activity in Australian Road Services, reduced discretionary maintenance spend in New Zealand, and softer activity levels in Industrial & Energy and Telecommunications following the completion of significant projects.

Work-in-hand of \$35.1 billion reflects our disciplined approach to revenue quality and the timing of major tendering processes. Material contracts awarded post 30 June and those where Downer holds preferred bidder status are valued at approximately \$4.5 billion. Significant tendering activity is anticipated in 1H26 across Defence, Road Services, Water, Power Projects, Rail, Facilities Management and Social Housing.

Segment performance

Transport pro forma EBITA increased 11.1% on FY24 to \$278.0 million, driven by improved project delivery and overhead cost reductions. New Zealand Road Services benefited from increased Transport Agency activity and legacy contract resets, while softer volumes in Australian Road Services were partially offset by airport runway projects. Rail & Transit Systems delivered margin growth from manufacturing projects.

Energy & Utilities delivered a 43.9% uplift on FY24 in pro forma EBITA to \$121.7 million, reflecting improved project delivery and the completion of underperforming contracts. The integration of Utilities and Industrial & Energy enhanced technical capabilities to pursue energy transition opportunities, supported by refreshed leadership focused on business development and cost optimisation.

Facilities delivered another solid result, with pro forma EBITA up 1.5% on FY24 to \$150.7 million. Growth in Government, Integrated Facilities Management and Defence Estate Maintenance supported strong margin performance. We continued to invest in modernising our technology platforms including our Asset Works Management System to enhance service delivery and operational efficiency.

Cash and balance sheet

Free cash flow of \$323.9 million increased 14.0% on FY24, driven by operating cash flow of \$562.5 million and normalised cash conversion of 97.9%, exceeding the >90% target.

This strong cash performance, underpinned by disciplined project delivery, portfolio simplification and capital discipline contributed to a further strengthening of the balance sheet, with net debt to EBITDA improving to 0.9x from 1.4x at 30 June 2024.

Dividend

The Board has declared a final ordinary dividend of 14.1 cents per share (**cps**), 100% franked, representing an increased payout ratio of 65%. The dividend is payable on 2 October 2025 to shareholders on the register at 4 September 2025.

This brings the FY25 total dividend to 24.9 cps, an increase of 46.5% on the prior year (17.0 cps in FY24), representing a full year payout ratio of 63%.

In alignment with the Group's commitment to shareholder returns, the dividend payout target range has been increased to 60% to 70% of NPATA, targeting fully franked dividends in FY26.

The Company's Dividend Reinvestment Plan remains suspended.

Outlook¹

We enter FY26 with good momentum, confidence in our market positions, and greater stability in our business following the completion of our portfolio simplification.

In the short term, market conditions are expected to be stable, with Australian Transport Agency spend expected to remain subdued.

In the medium term, the outlook for sustainable growth is positive, assisted by New Zealand transport infrastructure programs and favourable sector exposures; energy transition, defence spending, population growth and local industry revitalisation.

The next phase of our transformation will include investments in modernising our work practices with further standardisation, digitisation and adoption of AI to drive productivity, improved customer experience and cost efficiency benefits.

In FY26 we are targeting both underlying earnings and EBITA margin improvement, with underlying revenue forecast to be flat to slightly lower than FY25 pro forma revenue.²

FY25 results and market briefing

This ASX announcement should be read in conjunction with Downer's FY25 corporate reporting suite available at: <https://www.downergroup.com/downer-investors>

Downer will conduct a market briefing at 10.00am (AEST) today, Thursday 21 August 2025. Register for the webcast at: <https://publish.viostream.com/app/s-r11oacc>

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Authorised for release by Downer's Board of Directors.

For further information

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Downer (ASX:DOW)

Downer EDI Limited (Downer) is a leading provider of integrated services across Australia and New Zealand, delivering and maintaining essential infrastructure that enables communities to thrive.

The demand for our services is shaped by investment in the energy transition, defence capability, government services and infrastructure expansion necessary to support population growth, and local industry revitalisation.

The sectors where we operate include roads, rail, ports and airports, power, gas, water, telecommunications, energy networks, health, education, defence, and other government sectors.

Downer is one of Australia's and New Zealand's largest private sector employers, with approximately 26,000 people, who are united by our high-performance culture, known as 'The Downer Difference'.

For more information visit www.downergroup.com.

¹ Forward looking statements are to be read in conjunction with the important notice and disclaimer on slide 41 of the FY25 results presentation dated 21 August 2025.

² FY25 pro forma revenue was \$10.566 billion.