

20 November 2025

**ASX: EHL ('EMECO' OR 'THE COMPANY')**

## **Managing Director & CEO's AGM Address**

Good afternoon and welcome everyone,

I would like to begin with safety, and reinforcing Ian's message that it continues to be our top priority. We recorded no Lost Time Injuries during the year, reflecting our strong safety culture. However, the Total Recordable Injury Frequency Rate (**TRIFR**) did increase to 3.4, up from 2.8 in the prior year. Our goal remains a zero-harm workplace, and the engagement of every Emeco employee in safe work practices is vital to achieving this outcome. Our broader Health Safety Environment and Training Strategic Plan (**HSET**) targets a range of areas for improvement including equipment-specific training packages and targeted maintenance inductions for all maintenance personnel to ensure work is performed to the highest safety standards. The team is firmly committed to continuing to improve Emeco's safety performance.

Turning to Emeco's financial performance, at last year's 2024 AGM, our expectation was for FY25 Operating EBITDA to be at least \$300 million. I am pleased to report that we delivered on this guidance, with Operating EBITDA increasing by 7% to \$301 million, on revenue of \$785 million. Operating EBIT increased by 16% with the strong increase in earnings driven by the growth in maintenance services, improved contract management and an ongoing focus on cost control and fleet deployment.

This translated into further improvement in margins with Operating EBITDA and Operating EBIT margins rising from 34% to 38% and from 15% to 19% respectively. Depreciation expense was in line with revenue growth and finance costs were stable, notwithstanding the higher interest rate environment as we reduced debt over the period. Importantly, the Group delivered an operating net profit after tax of \$84 million for FY25, a 22% increase on FY24.

We achieved this growth in earnings by realigning with our core capabilities of equipment rental and workshop rebuilds and maintenance. This strong result was also underpinned by ongoing robust demand from the mining sector.

Our key measure of performance, return on capital (**ROC**), continues to improve in FY25, increasing from 15% to 17%, with a second half closing run-rate of 18%. This translated to strong free cash flow generation of \$114 million, well ahead of expectations. We continued to prioritise the allocation of surplus cash toward debt reduction during the year. The Company completed the financial year with a strengthened balance sheet, with net debt substantially reduced, bringing our leverage down to 0.65x, comfortably below our long-term target of 1.0x.

The Rental business continued to see strong customer demand across all operating regions. Rental revenue increased by 9%, largely driven by growth in our maintenance services, higher underground fleet utilisation and improved contract management. Rental has been consolidated into a single brand and operational structure, with underground workshops and personnel integrated into the broader Emeco and Force structures.

Rental Operating EBITDA and EBIT increased by 6% and 11% respectively, driven by cost control, improved contract management and maintenance services growth. This included a reduction in subcontracted labour and corporate overheads. We also improved procurement practices and lowered repairs and maintenance spend. Surface fleet utilisation averaged 85%, with underground fleet utilisation improving to 57%. Underground utilisation has continued to improve as we have secured new projects and is now running at approximately 70%.

Rental has entered FY26 with a robust pipeline and demand outlook. Production activity in the mining sector remains solid, particularly in bulk commodities and gold. The Rental business is very well positioned on cost, quality and fleet capacity to grow earnings. Our Rental business, separate to our Force business, generates around \$15M in earnings through the provision of maintenance services to external customers, in addition to the equipment rental we also provide. This has been an important addition to our service offering. It provides our customers with a more complete service, making the relationship between Emeco and its customers stronger. We also supply our customers with asset management support through our dedicated Brisbane team, who use advanced technology to monitor equipment performance.

The focus for this year will be on further increasing utilisation, and growing our maintenance earnings further, delivering further growth with minimal growth capital expenditure.

Our Force equipment maintenance and component rebuild business delivered steady performance in FY25. External revenue grew by 2%, and EBITDA was down around 2% on FY24. Activity levels were high with 137 major machine rebuilds completed during the year versus 128 in the prior year. Earnings were slightly lower due to reduction in higher margin rebuild work, which was mitigated by enhanced overhead cost efficiencies.

Force is a key part of Emeco's competitive advantage, enabling our business to enhance capital-efficiency by rebuilding mid-life equipment rather than purchasing new. It differentiates us from competitors and complements our rental scale advantage. It allows our business to deliver a cost and quality edge that helps win work in the rental market. Our strategically located network of seven workshops across Australia, along with mobile field service units, gives us a broad reach to support our customers.

We see our maintenance services as a strong source of future growth. We can use our existing capabilities to grow this part of our business, particularly through the extension of our field service offering and by extending our maintenance offering to customer owned fleet. Our partnership with XCMG also provides the opportunity to expand our capabilities into the service and maintenance of battery-powered fleet in the near term, which we believe will grow significantly in the medium to long-term.

We have a strong workforce who provide a large range of maintenance capabilities including, heavy duty diesel fitters, electrical technicians, fabrication boilermakers, power generation technicians and drill specialists.

Technology has seen increased interest by investors across all sectors recently. Emeco has been a leader in our industry with investment in technology being a key part of our business model. We remain committed to our vision of being a technologically empowered business that is agile, data-driven and innovative. Key initiatives we have been progressing include the development of our Emeco Operating System (**EOS**), the rollout of our Enterprise Resource Planning (**ERP**) project and continued investment in IT tools to streamline processes and support decision-making.

EOS/Revalo is an operational technology platform that uses on-board telemetry and analytics to help customers monitor fleet performance, improve safety and reduce emissions. It has

significantly improved our ability to detect maintenance issues before failures occur, protect our assets, and deliver a superior service outcome for customers through increased equipment uptime. Our ERP upgrade project is in the user acceptance testing (UAT) phase and is expected to be rolled out to employees in April 2026. This investment will modernise our core business systems to drive efficiency, speed, and data visibility. Emeco is becoming a more digitally enabled enterprise and we are confident that our continued investment in technology and innovation will enhance our operational efficiency, reduce costs, and provide differentiating value to our customers.

Our asset management capability is unique in the Australian market. Our asset planning, reliability and equipment monitoring technology development and support provide a genuine competitive advantage

- Our scale means we can invest in the best technologies and asset management capability
- Our asset management capability and equipment monitoring technologies provide our customers with up-time certainty
- We set high equipment availability targets with our customers and support this with a national workshop footprint and on-site and field service capabilities
- Our national workshop footprint and field service capability provide our customers with a priority service
- Our second hand rebuild model helps us deliver cost-effective rental solutions for our customers
- Our extensive fleet range means we can deliver full fleet solutions with back up support and flexibility for expansion
- We guarantee the quality of our work

Ultimately, this gives our customers confidence that we can deliver.

I would like to wrap up my address with some comments on our outlook for FY26 and our strategic objectives for the year. Firstly, Emeco's strategic goal remains unchanged: to build a sustainable and resilient business that generates long-term value for our shareholders, whilst delivering superior services to our customers. We demonstrated solid progress against this goal in FY25. Our simplified business model recalibrated around our core competencies of equipment rental and maintenance services is now squarely focused on our competitive strengths.

From a financial perspective, we enter FY26 with good momentum and a fortified balance sheet. We will continue to focus on improving returns on capital, aiming to move closer to our 20% ROC goal, and on converting earnings into free cash flow. We have been on a 2-year journey so far and have delivered significant improvements to our business which have translated to increased ROC and cash flow. As mentioned before, we closed FY25 at 17%, and we are currently run-rating at around 18%. Equipment utilisation will be critical to achieving our 20% target, with many of our other levers having already been delivered upon in prior periods.

The outlook for FY26 remains positive. Mining production volumes in Australia are expected to remain buoyant, supported by continued demand for commodities. In particular, activity in bulk commodities (such as iron ore and coal) is forecast to remain robust. This should continue to drive demand for large mining equipment and rental solutions. Also, a continuing strong gold sector where our rental and maintenance solutions can drive improved production and returns also presents growth opportunities for us.

Whilst we will continue to drive costs and efficiencies in our business where we can, in FY26 we will be increasing focus on business development to drive higher utilisation. This will include building our market share through new projects from our pipeline of opportunities, as well as leveraging our Force business to expand and grow fully maintained projects where our service offering is differentiated.

Our technology priorities include completing implementation of our ERP programme and continuing the digitisation of our business to leverage data to improve our business offering and outcomes for our customers. On ESG, we will complete our roadmap for FY26 sustainability reporting and set targets for carbon emissions reduction. As I said earlier, safety is a top priority, and we will continue to focus on improving health and safety.

In the coming year, growth capital expenditure will again be minimised, as we believe our current fleet size is sufficient to capture near-term opportunities.

We expect to deliver moderate earnings growth, with significant free cash flow and deleveraging.

As previously advised:

- SIB Capex will be in the order of \$170 – 175 million or (\$155 – 160 million net of disposals)
- We expect nil growth capex.
- Depreciation will be in the order of \$160 – 165 million; and
- ERP spend to in in the order of \$6 million.

I would like to close by thanking Ian and the Emeco Board. They have entrusted me and my team to deliver on our business strategy, and I am very grateful for their guidance and support as we execute on this.

I also wish to extend my sincere thanks to the entire Emeco team for contributing to another successful year for the Company. I am again immensely proud of how our team has delivered the results expected of us by our shareholders, all while upholding Emeco's values and delivering outstanding service to our customers.

Our customers, of course, always have a choice in selecting their service providers. I would like to thank them for continuing to choose Emeco and for their continued loyalty and partnership. Choosing Emeco as a partner is something we never take for granted, and we remain dedicated to helping our customers achieve safe and efficient outcomes in their projects. Likewise, I acknowledge the support of our suppliers, financiers, and community partners, your contributions and collaboration are integral to our business and are highly valued by Emeco.

Finally, I would like to thank our shareholders for their ongoing support and investment in Emeco. I am excited about the opportunities for Emeco in FY26 and beyond. We have a strong business that is well positioned for continued growth, a great team, and we remain confident in our ability to continue performing for the benefit of all our stakeholders.

Ian Testrow  
Managing Director & Chief Executive Officer

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### **Investor enquiries**

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This announcement was authorised to be provided to the ASX by Penny Young, Company Secretary of Emeco Holdings Limited

### **Company overview**

Emeco Holdings Limited (ASX: EHL) is an ASX listed company providing surface and underground mining equipment, maintenance and project support solutions and services. The Company supplies safe, reliable and maintained open cut and underground equipment rental solutions, together with onsite infrastructure to its customers. Emeco also provides repair and maintenance, and component and machine rebuild services and supplies operator, technical and engineering solutions and services to the mining industry.

### **Forward looking statements**

This ASX Release may include forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, these statements are not guarantees of future performance, and involve both known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. As a result, actual results or developments may differ materially from those projected in forward-looking statements contained in this ASX Release. Accordingly, investors are cautioned against undue reliance on such statements. The Company makes no representation, warranty or assurance, express or implied, as to the accuracy or likelihood of the forward-looking statements or any outcomes expressed or implied in any forward-looking statements contained in this ASX Release being achieved or proved to be correct.

### **Non-IFRS Financial Information**

This ASX Release may use non-IFRS financial information including Operating EBITDA, Operating EBITDA margin, Operating EBIT, Operating EBIT margin and Operating NPAT, net debt and return on capital (ROC). These measures are used to measure both Group and operational performance. Certain of these measures may not be comparable to similarly titled measures of other companies and should not be construed as an alternative to other financial measures determined in accordance with Australian accounting standards.