Emeco Holdings Limited
HY25 Results

19 February 2025

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AGENDA

PRESENTERS

Ian Testrow
Managing Director & CEO

Theresa Mlikota
Chief Financial Officer

BUSINESS HIGHLIGHTS

HY25 BUSINESS HIGHLIGHTS

Robust earnings growth, strong margin growth and cash generation - resilient business model

Operating NPAT[1] ↑ 15%

HY25	$38M
HY24	$33M

Revenue[2] ↑ 11%

HY25	$387M
HY24	$348M

Operating EBITDA[1] ↑ 6%

HY25	$146M
HY24	$137M

Operating EBITDA Margin[1] ↑ 610bps

HY25	38%
HY24	32%

Operating EBIT[1] ↑ 13%

HY25	$68M
HY24	$61M

Operating EBIT Margin[1] ↑ 360bps

HY25	18%
HY24	14%

Operating Cash Flow[1,3] ↑ 22%

HY25	$49M
HY24	$40M

ROC[4] ↑ 40bps

HY25	16%
HY24	15%

Financial

- Emeco delivered another solid half of earnings growth
  - Strong revenue growth (excl. underground contract mining), up 11%
  - Robust earnings growth, NPAT up 15%
  - Strong margin improvement, EBITDA margin up 610bps and EBIT margin up 360bps
- Improved cash generation - up 22%, cash flow conversion of 94%
- Stronger balance sheet and cash flow - leverage[5] reduced from 1.0x to 0.84x
- NTA $1.28 – up 5% on FY24
- ROC – 40bps higher than pcp and 70bps higher than FY24

Operations

- Major contract extension negotiations with long-term customers well progressed
- Overhead and cost management programme delivered to strengthen business performance
- Further evolved our industry leading site maintenance capability via investment in digitisation and BI reporting tools

Strategy

- Simplified business model – equipment rental and maintenance and rebuild services (field and workshop)
- Build market share through new projects from pipeline of opportunities
- Continued focus on building competitive advantage - superior site maintenance service offering, and strong balance sheet and cost position
- Focus on financial returns - ROC Target of 20% and strong free cash flow generation

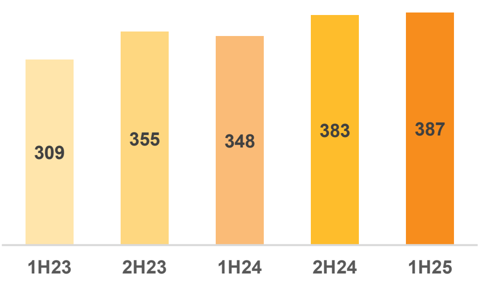
Notes:

1. Operating financial metrics are non-IFRS measures. Refer to Appendix slide Reconciliations - Statutory to non-IFRS disclosure
2. Excludes discontinued underground contract mining services revenue
3. Operating free cash flow before growth capex
4. Return on capital calculated as LTM Operating EBIT over average capital employed
5. Net debt / Operating EBITDA (excludes supply chain funding)

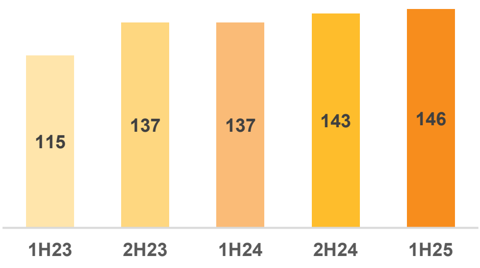
PERFORMANCE HISTORY – HALF ON HALF

1H25 delivered improved returns and cash flow and stronger balance sheet

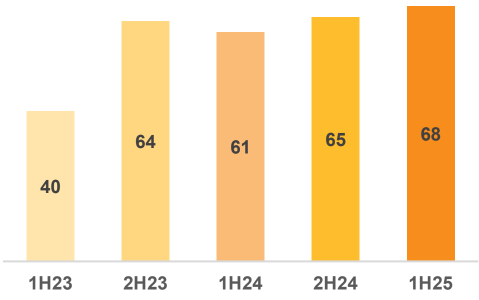
Revenue ($m) [1]



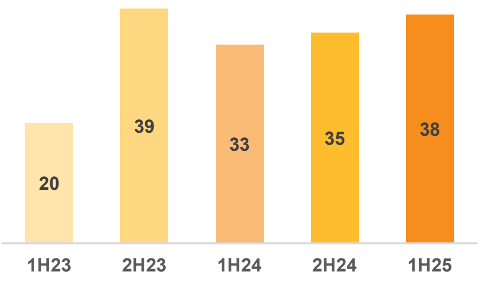
Operating EBITDA ($m) [2]



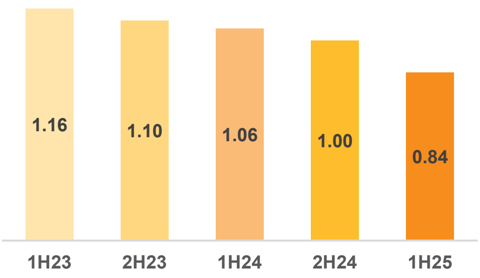
Operating EBIT ($m) [2]



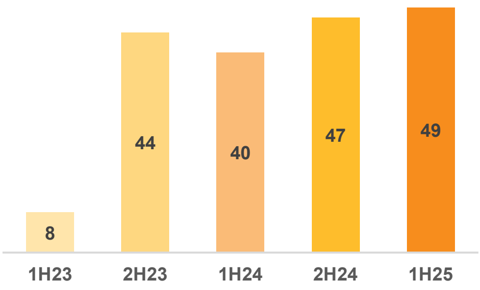
Operating NPAT ($m) [2]



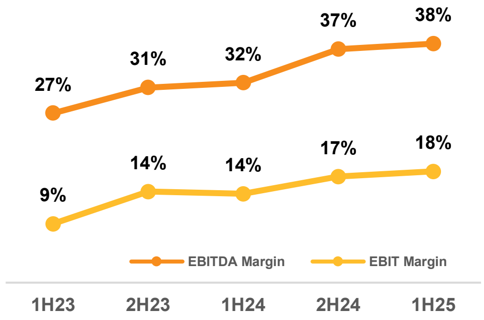
Net leverage (x) [3]



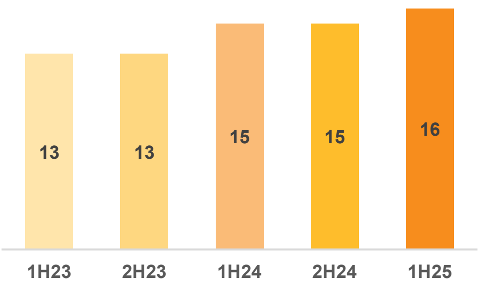
Free cash flow ($m) [4]



Operating EBITDA & EBIT Margin



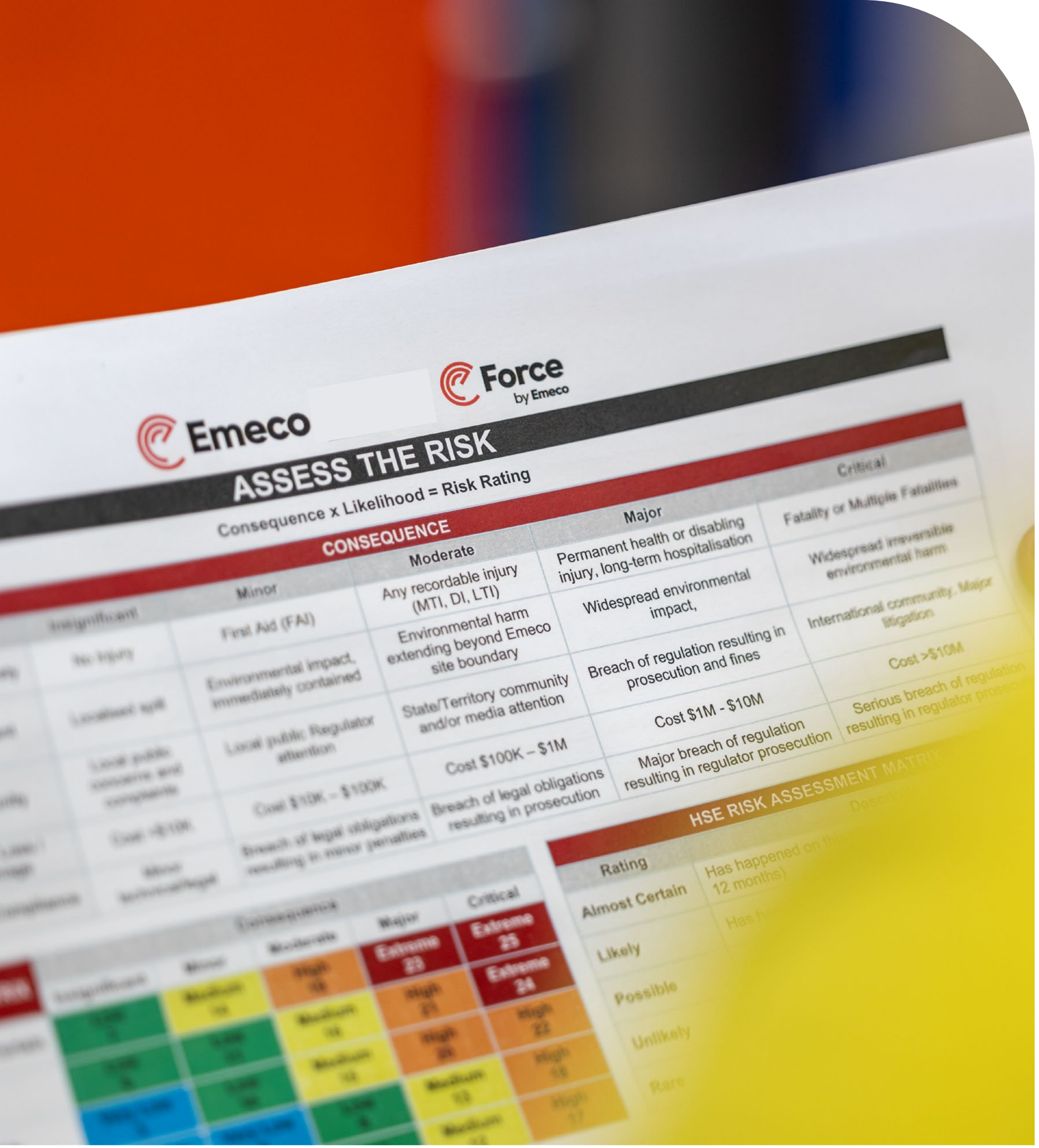
ROC (%) [5]



Notes:

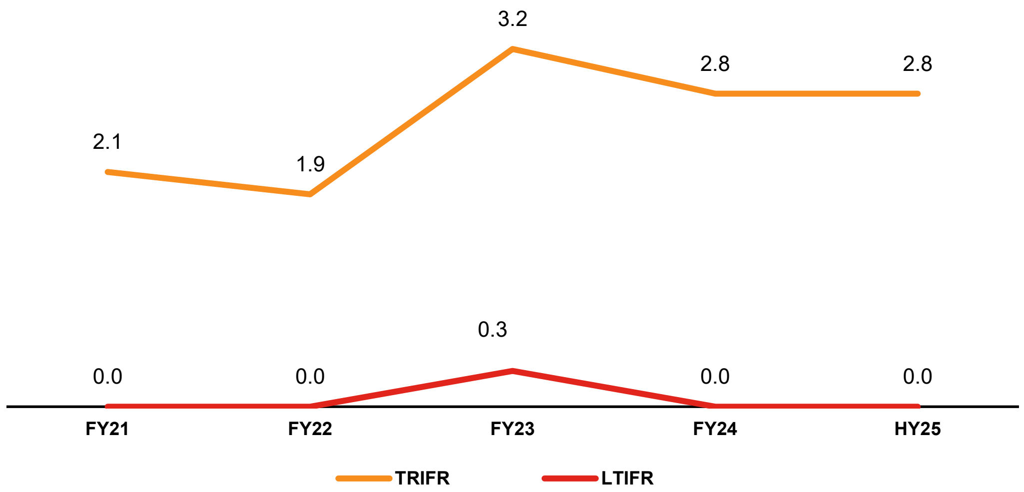
1. Excludes discontinued underground contract mining services revenue
2. Operating financial metrics are non-IFRS measures. Refer to Appendix slide Reconciliations - Statutory to non-IFRS disclosure
3. Net debt / Operating EBITDA (excludes supply chain funding)
4. Operating free cash flow before growth capex
5. Return on capital (ROC) calculated as LTM Operating EBIT over average capital employed

OPERATIONAL OVERVIEW



SAFETY

Safety remains our key priority



- Emeco remains committed to improving safety performance
- Total Recordable Injury Frequency Rate remains stable at 2.8
- FY25 HSET Strategic Plan Priorities include:
  - Development of audit process of client systems
  - Implementation of contaminate monitoring in our workshops
  - Review HSE requirements within our contractor management systems
  - Deliver Project Manager training programme

RENTAL HIGHLIGHTS

Rental remains the driving force behind Emeco's earnings and cash flow growth

Emeco

Australia's largest provider of mining rental equipment and value-added services

	Revenue[1] ↑ 13%	Operating EBIT[2] ↑ 17%	Operating EBITDA[2] ↑ 10%
1H25	$300M	$86M	$159M
1H24	$266M	$73M	$144M

850 *fleet size* | **450+** *employees* | **120** *projects* | **$745M** *WDV*

Highlights

Financial

- Rental revenue grew by 13%, driven by growth projects in surface coal and underground base metals
- HOH earnings growth was strong, driven by lower labour and parts costs, closely managed R&M spend and reduction in regional overheads

Operations

- Major contract extension negotiations with long-term customers well progressed
- Further evolved our industry leading site maintenance capability via investment in digitisation and BI reporting tools
- Underground rental business now fully integrated with surface rental
- Surface rental utilisation 85%, underground rental utilisation 50%

Outlook

- Business well-positioned on cost, quality and fleet capacity to secure new projects with a strong pipeline of opportunities in both open cut and underground
- QLD floods and WA cyclone activity may continue to impact utilisation and timing of new projects, however, we expect increased utilisation as customers recover operations

Notes:
1. Excludes discontinued underground contract mining services revenue
2. Operating financial metrics are non-IFRS measures. Refer to Appendix slide Reconciliations - Statutory to non-IFRS disclosure

FORCE HIGHLIGHTS

Our Force workshop and field service capabilities are our competitive advantage – delivering cost and capital-efficient maintenance and rebuilt equipment for our customers and our rental business

Force by Emeco

Mining equipment maintenance and rebuild service provider – component and asset rebuild and fabrication

	External Revenue ↑ 5%	Operating EBIT[1] ↓ \$1.4M	Operating EBITDA[1] ↓ \$0.8M
1H25	\$87M	\$4.3M	\$7.8M
1H24	\$83M	\$5.7M	\$8.6M

7 workshops across Australia | **~400** employees | **120** projects | **\$8M** WDV

Highlights

Financial

- External revenue grew by 5% with new wins in underground, east coast coal and fabrication services
- Earnings slightly lower due to reduction in high-margin rebuild work with enhanced overhead cost efficiencies assisting to mitigate the impact

Operations

- 66 machine rebuilds delivered
- New customer contracts secured
- Business development activities focused on growth on the east coast and underground

Outlook

- Force is what makes us capital-efficient, it provides a cost and quality advantage that positions us to win work
- Opportunities to expand the service offering will continue to be pursued, including plans to enhance in-field and workshop capabilities for battery-powered fleet

Notes:
1. Operating financial metrics are non-IFRS measures. Refer to Appendix slide Reconciliations - Statutory to non-IFRS disclosure

FINANCIAL RESULTS

OPERATING PROFIT AND LOSS

Emeco delivered robust earnings growth. Cost-out and close operational management of R&M drove margin growth and cash generation

$m Unless otherwise stated	1H24	2H24	FY24	1H25
External revenue (excluding underground contract mining)	348.2	382.9	731.1	**387.3**
Underground contract mining revenue	86.3	5.3	91.6	**-**
External revenue	434.5	388.2	822.7	**387.3**
Operating EBITDA[1]	137.1	143.4	280.5	**145.8**
Operating EBITDA margin	32%	37%	34%	**38%**
Operating EBIT[1]	60.7	64.6	125.3	**68.3**
Operating EBIT margin	14%	17%	15%	**18%**
Operating NPAT[1,2]	33.2	36.2	69.4	**38.3**
Return on capital (ROC)[3]	15%	15%	15%	**16%**

Notes:
1. Operating financial metrics are non-IFRS measures. Refer to Appendix slide Reconciliations - Statutory to non-IFRS disclosure
2. Operating NPAT assumes 30% notional tax expense on non-operating items
3. Return on capital (ROC) calculated as LTM Operating EBIT over average capital employed.

Highlights

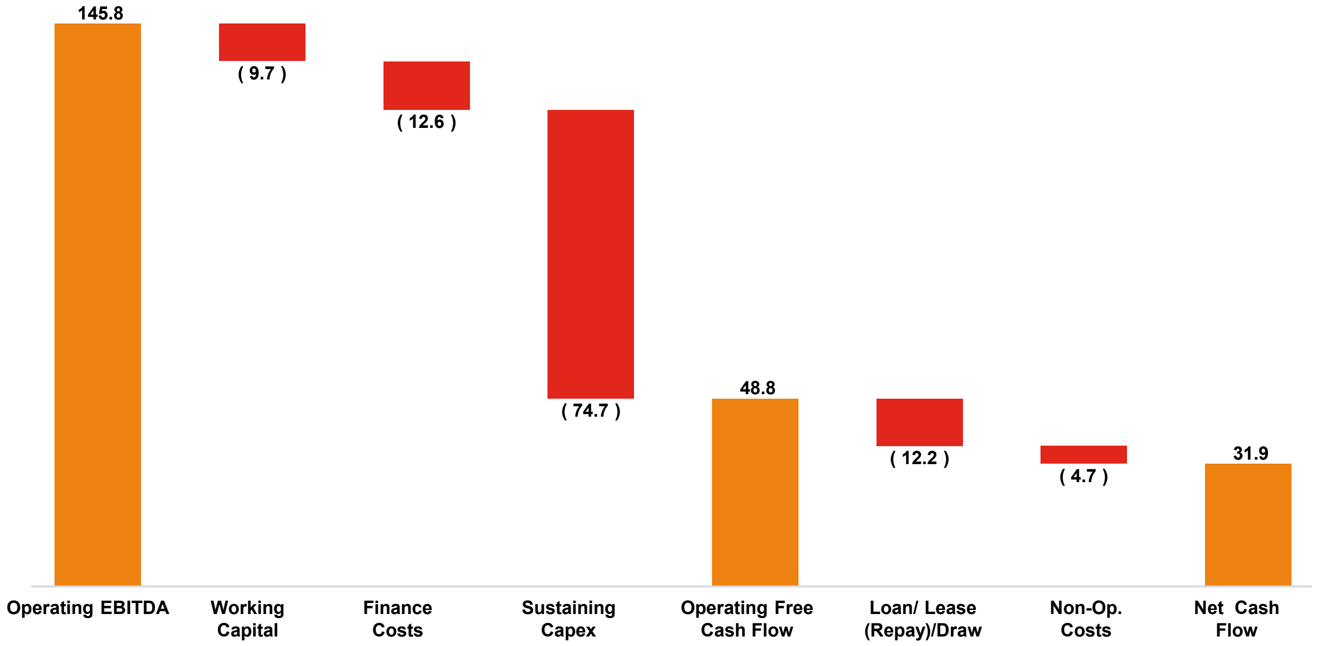
Commentary

- Resilient business model delivered strong earnings growth
- Revenue (excluding underground contract mining) 11% higher than pcp driven by deployment of growth fleet into coal projects
- Operating EBITDA up 6%, Operating EBIT up 13% and Operating NPAT up 15% on pcp
- Margins improved significantly on pcp – EBITDA margin increased from 32% to 38% and EBIT margin increased from 14% to 18%, driven by focus on operational and overhead cost management ($15 million of annualised cost savings)
- Return on capital up by 40bps on pcp and up 70bps on FY24

CASH FLOW

22% increase in operating free cash flow v pcp. Cash conversion of 94%

1H25 Cash Flow ($m)



Overview

- Strong cash conversion of 94%
- Operating Free Cash Flow of $49 million, 22% higher than pcp
- Net sustaining capex of ~$75 million, 96% of depreciation
- Non-op costs - ERP expense of $2.1 million, restructuring costs of $2.1 million and underground sale completion costs of $0.5 million
- No income tax was paid due to the Group's carried forward tax loss position of $281 million at 31 December 2024

Notes:
1. Leverage: Net Debt / Operating EBITDA (excludes supply chain funding)

BALANCE SHEET

Balance sheet strength continues to improve with leverage now at 0.84x

$m	30 June 2024	31 December 2024
Plant & equipment	783.7	807.2
Right-of-use asset	83.7	73.1
Intangibles	8.8	8.5
Fixed asset and intangibles	**876.1**	**888.8**
Receivables	139.2	115.1
WIP, inventory, prepayments, other	81.2	83.6
Payables, provisions & taxes	(178.8)	(173.2)
Working capital	**41.6**	**25.5**
Cash	78.3	110.2
Interest bearing liabilities	(280.0)	(280.0)
Leases and other	(78.8)	(72.4)
Net debt	**(280.5)**	**(242.2)**
Equity	**637.2**	**672.1**
Net leverage[1]	**1.00x**	**0.84x**

Notes:
1. Net Debt / Operating EBITDA to 30 June (excludes supply chain funding)
2. Numbers may not add due to rounding

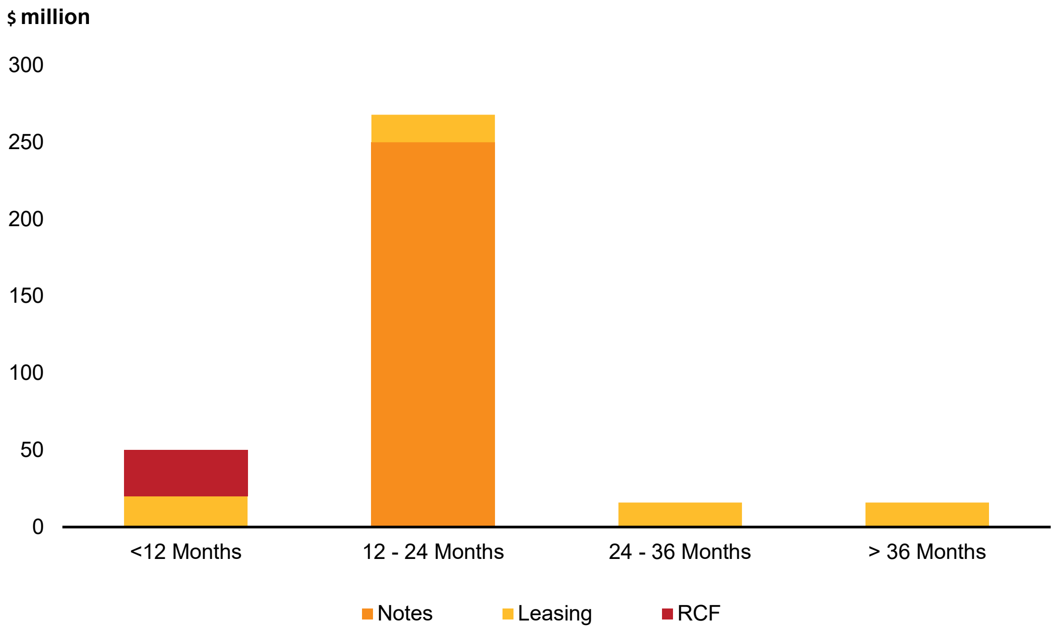
Overview

- Balance sheet strength continues to improve. Net leverage[1] improved to 0.84x, with net debt reduction of $38M
- Strong cash flow generated by higher earnings
- Good cash collections, resulted in reduced receivables
- Exit from underground contracting business, resulted in lower debtors and creditors
- Net sustaining capex of $75 million, 96% of depreciation
- Modest increase in fixed assets driven by transfer of assets from "assets held for sale"
- Non-cash movements include movement in DTL and settlement of sale of underground assets to Macmahon
- AMTN AUD notes of $250 million have a fixed interest rate of 6.25% and mature in July 2026
- Strong liquidity – circa $175 million including $110 million in cash and $65 million in undrawn revolving credit facility
- Moody's credit rating Ba3, Fitch BB-
- Company well-positioned ahead of refinancing

DEBT MATURITY PROFILE AND LIQUIDITY

Committed and undrawn facilities provide flexibility

Drawn debt maturity at 31 December 2024



$m	30 June 2024	31 December 2024
AMTN AUD Notes[1]	250.0	250.0
Term facilities – RCF[2] (excludes bank guarantee facilities)	95.0	95.0
Leasing facilities	76.3	67.3
Total committed facilities	**421.3**	**412.3**
Undrawn debt facilities	65.0	65.0
Cash	78.3	110.2
Total liquidity	**143.3**	**175.2**

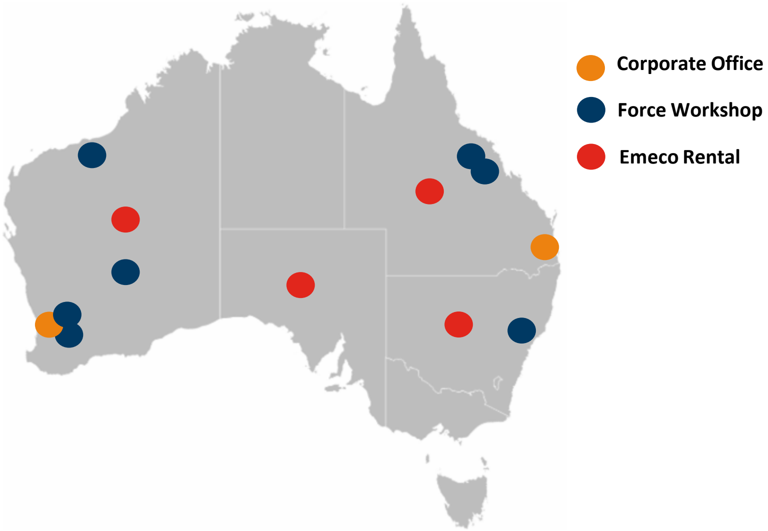
Notes:
1. AMTN AUD Notes mature July 2026
2. RCF matures December 2025

STRATEGY AND SUSTAINABILITY

OUR SCALE AND COMPETITIVE ADVANTAGE

Our mid-life rebuild model and onsite service capability, combined with our asset management and condition monitoring technologies are our competitive advantage. Delivered through our national footprint of workshops and field service units, Emeco provides industry leading, cost-effective rental services for our customers.

Asset Management and Condition Monitoring Technology	Mid-life Rebuild Capability	~900 Employees	~850 Pieces of Equipment	~240 Projects	~200 Customers



Rental

Emeco

Australia's largest provider of open cut and underground rental equipment and value-added services

850
fleet size

Workshop

Force by Emeco

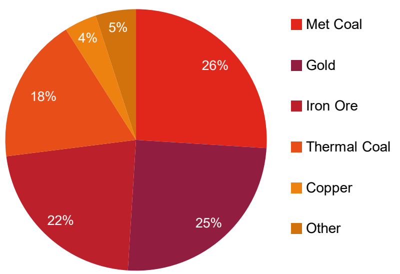
Mining equipment maintenance and rebuild service provider - component and asset rebuild and fabrication

7
workshops across Australia

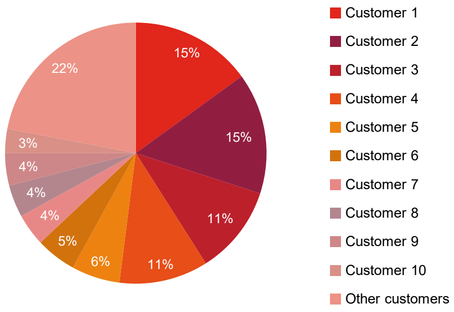
c. 900
employees

Diversified Revenue Base

Revenue by commodity



Revenue by customer



EMECO'S STRATEGY

Emeco's strategic pillars ensure a sustainable and resilient business and the creation of long-term value for shareholders

01 Be Australia's lowest cost, highest quality, technology- driven mining equipment rental provider

- Enhance Emeco's core capabilities in equipment rental through technology.
- Develop Emeco's skilled workforce, rebuild capability and strategic workshop network.
- Leverage Emeco's position as the largest provider of rental equipment to the mining sector.

02 Maintain a balanced and diversified portfolio

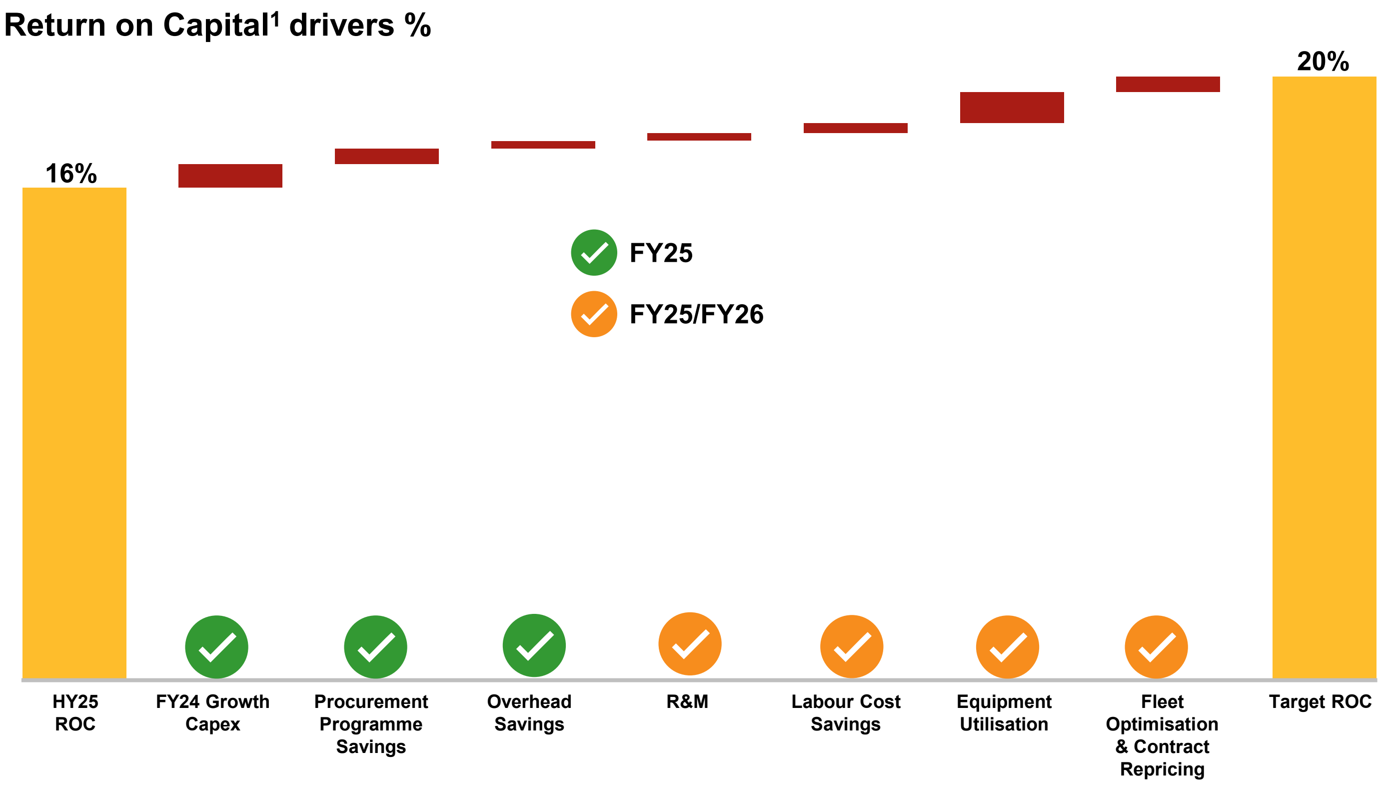
- Target a balanced portfolio by customer, project, commodity and region.
- Maintain flexibility to service a broad range of customers via a highly diversified fleet portfolio.
- Achieve ESG objectives and support the energy transition.

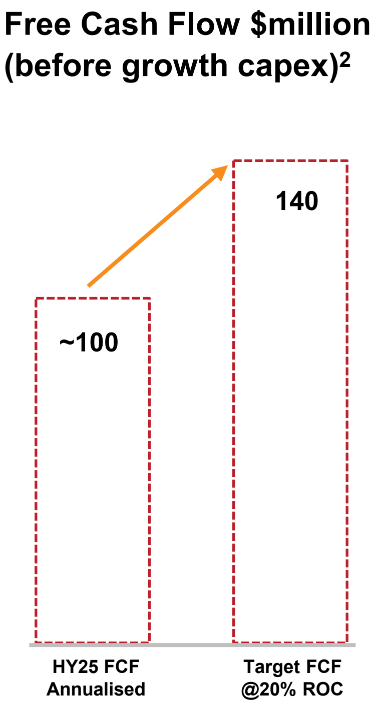
03 Exercise disciplined capital management

- Target net debt / EBITDA around 1.0x to support resilience through mining cycles.
- Disciplined capital allocation to maintain free cash flow and target 20% ROC.
- Retain flexibility to reinvest in the business and return capital to shareholders.

TARGETING 20% ROC AND IMPROVED CASH GENERATION

Good progress on our journey to deliver 20% ROC target





Notes:
1. ROC – LTM Operating EBIT / Average Capital Employed.
2. FCF before growth capex

ENVIRONMENTAL, SOCIAL & GOVERNANCE

Our focus continues to ensure that our business model drives creative solutions for our customers, in a safe and thriving environment for our employees, whilst supporting the communities in which we operate and delivering sustainable returns for our shareholders.

- Climate Change Position Statement now published
- ESG Strategy continues to evolve with a key focus on:
  - TCFD and alignment road map ahead of legislated changes commencing in FY26, including development of reporting methodology for Scope 3 emissions
  - Evolution of ESG Committee activities to drive Social and Environmental initiatives beyond carbon
- Further develop our existing EOS dashboard to include more data metrics for clients and to assist with reducing idle fuel burn
- HSET Strategy – continue to improve and enhance our standards for workplace health, safety, wellbeing and training
- Governance – conduct ongoing workplace assessment to ensure our policies are effectively being applied

2H25 PRIORITIES AND OUTLOOK

2H25 PRIORITIES & OUTLOOK

Business Priorities

Core Business

- Continued focus on disciplined capital expenditure and cost efficiencies to drive returns and cash flow
- Build market share through new projects from pipeline of opportunities
- Expand and grow fully maintained projects where our service offering is differentiated
- Pursue opportunities to expand the Force service offering, including plans to enhance in-field and workshop capabilities for battery-powered fleet

Technology

- Deliver build phase of D365 ERP project
- Commence design and build of HR Workplace for implementation in 2026
- Digitisation of operational technology to expand our competitive advantage

ESG

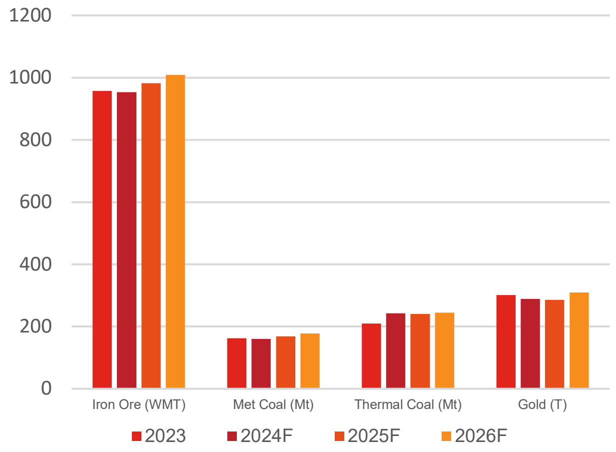
- Develop roadmap for FY26 sustainability reporting
- Continued focus on improving health and safety

2H25 Outlook

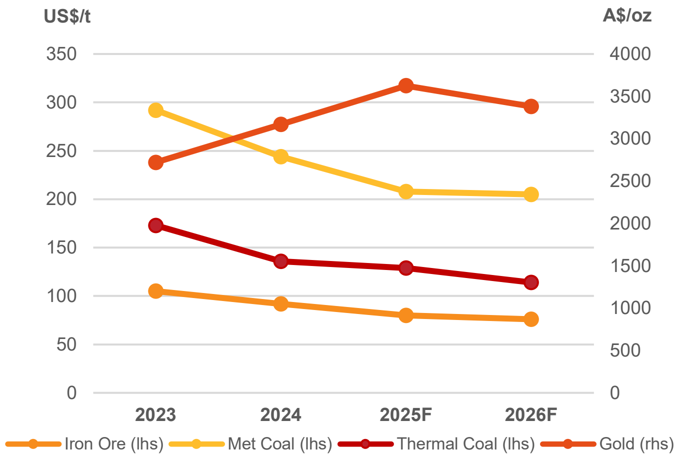
Guidance

- Reiterate previous Operating EBITDA target of $300M for FY25. However, QLD floods and WA cyclone activity may continue to impact utilisation and timing of pipeline opportunities. We expect increased utilisation as customers recover operations
- Target 2H25 Operating EBIT run-rate expected to drive ROC to ~18%
- FY25 SIB capex expected to be circa $160 – 165M ($155 – 160M net of asset disposals). Nil growth capex
- FY25 depreciation expected to be circa $160 – 165M
- FY25 ERP spend expected to be in the order of $7M

Mine Production Outlook



Prices Outlook



Source: Department of Industry Science and Resources Quarterly Report – December 2024

EMECO INVESTEMENT HIGHLIGHTS

1 Australia’s largest mining equipment rental provider with national footprint

2 Focused on delivering strong returns and free cash flow generation

3 Scale and asset management expertise provide cost and quality advantage

4 Diversified by customer, project and commodity

5 Strong balance sheet and low leverage

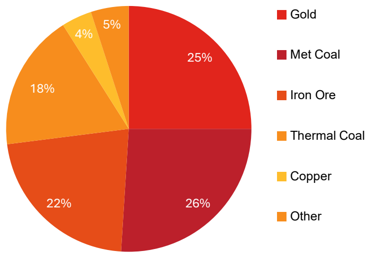
6 Positive equipment industry demand outlook

APPENDIX:
ADDITIONAL INFORMATION

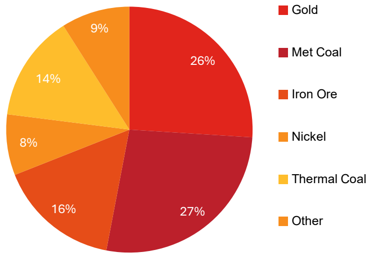
REVENUE ANALYSIS

Revenue by commodity

1H25

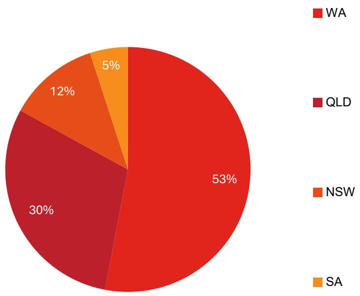


FY24

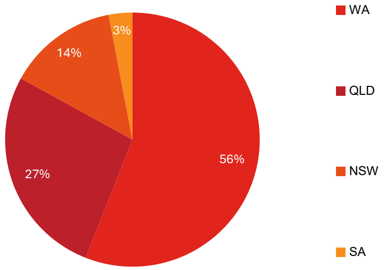


Revenue by geography

1H25

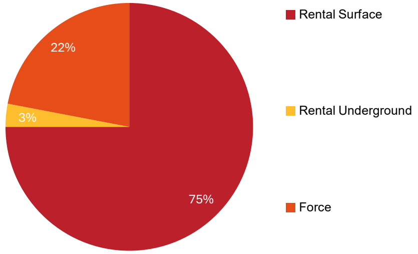


FY24

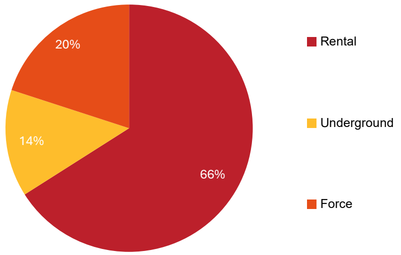


Revenue by type

1H25

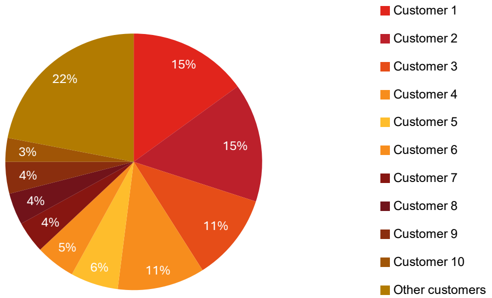


FY24

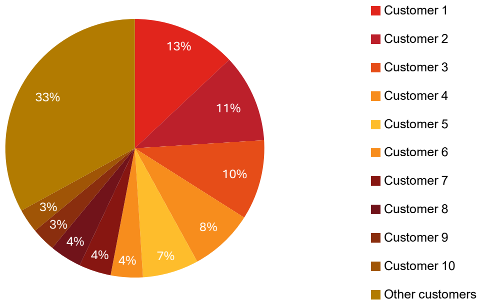


Revenue by customer – Top 10

1H25



FY24



RECONCILIATIONS
STATUTORY TO NON-IFRS DISCLOSURE

RECONCILIATIONS – STATUTORY TO NON-IFRS DISCLOSURE

1H24
Statutory to operating reconciliation

$m	NPAT	EBIT	EBITDA
Statutory	**19.4**	**41.0**	**133.3**
Tangible asset impairment (exit PNP)	15.9	15.9	-
Long-term incentive expense	1.8	1.8	1.8
Gain on lease modifications	(1.2)	(1.2)	(1.2)
Restructuring costs	1.2	1.2	1.2
ERP costs	2.0	2.0	2.0
Tax effect on non-operating items	(5.9)	-	-
Operating	**33.2**	**60.7**	**137.1**

Note: Figures may not add due to rounding

1H25
Statutory to operating reconciliation

$m	NPAT	EBIT	EBITDA
Statutory	**33.6**	**61.5**	**139.3**
Tangible asset impairment	0.3	0.3	-
Long-term incentive expense	1.8	1.8	1.8
Gain on lease modifications	-	-	-
Restructuring and sale completion costs	2.5	2.5	2.5
ERP costs	2.1	2.1	2.1
Tax effect on non-operating items	(2.0)	-	-
Operating	**38.3**	**68.3**	**145.8**

- Tangible asset impairments: Net impairments totalling $0.3 million were recognised across the business on assets held for sale. The majority of the $15.9 million in 1H24 related to Pit N Portal assets
- Long-term incentive program: During 1H25, Emeco recognised $1.8 million of non-cash expenses relating to the employee incentive plan ($1.8 million in pcp)
- Gain on lease modifications: Relates to AASB16 treatment of corporate office lease
- Restructuring costs: Relate to termination costs on overhead reduction and in 1H24 for non-transferring PNP employees made redundant following the sale of PNP contracts to Macmahon.
- ERP costs: $2.1 million in 1H25 (1H24: $2.0 million)
- Tax effect of adjustments: Notional tax on above adjustments at 30%

RECONCILIATIONS – STATUTORY TO NON-IFRS DISCLOSURE

Cash flow reconciliation

$m	HY24	HY25
Operating EBITDA	**137.1**	**145.8**
Working capital	(6.7)	(9.7)
Net financing costs	(12.7)	(12.6)
Cash from operating activities (statutory)	**117.7**	**123.5**
Net sustaining capex	(77.6)	(74.7)
Operating free cash flow (non-IFRS)	**40.1**	**48.8**
Non-operating costs	(2.0)	(4.7)
Free cash flow (non-IFRS)	**38.1**	**44.1**
Net debt and lease repayments	8.9	(12.2)
Capital management activities	(7.0)	-
Financing cash flows (statutory)	**1.9**	**(12.2)**
Growth capex	(22.2)	-
Investing cashflows (excl sustaining capex)	**(22.2)**	**-**
Net cash movements	**17.8**	**31.9**
Opening cash	46.7	78.3
Closing cash	**64.5**	**110.2**

Net debt and leverage reconciliations

$m	30 June 2024	31 December 2024
AMTN AUD secured notes	250.0	250.0
Revolving credit facility	30.0	30.0
Lease liabilities and other	78.8	72.4
Total debt	**358.8**	**352.4**
Cash	(78.3)	(110.2)
Net debt	**280.5**	**242.2**
Operating EBITDA	280.5	289.4
Leverage ratio	**1.00x**	**0.84x**

Thank You

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