

Emeco Holdings Limited

Euroz Hartleys Rottneest Island Institutional Conference

Presented by Ian Testrow – Managing Director & Chief Executive Officer
11 March 2025



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OUR BUSINESS & STRATEGY

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



~830 Pieces of Equipment



~240 Projects



~200 Customers

Rental



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



850
fleet size

Workshop



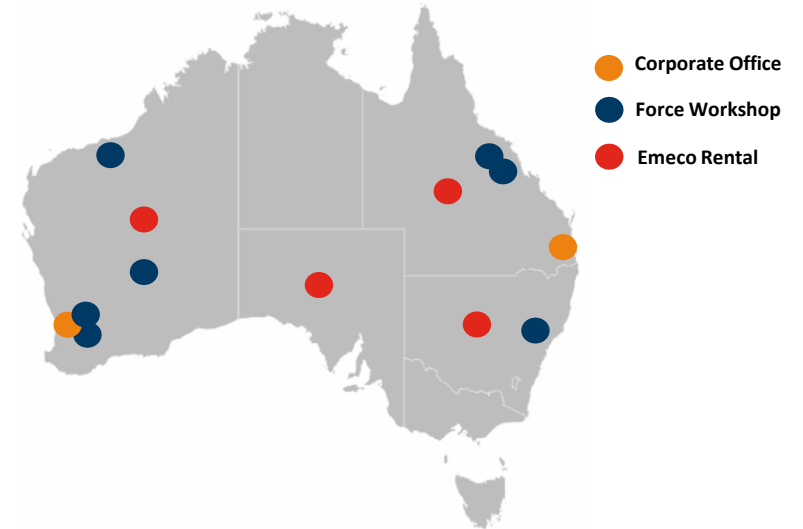
Mining equipment maintenance and rebuild service provider - component and asset rebuild and fabrication



7
workshops
across Australia



c. 900
employees



EMECO CUSTOMER AND REVENUE PROFILE

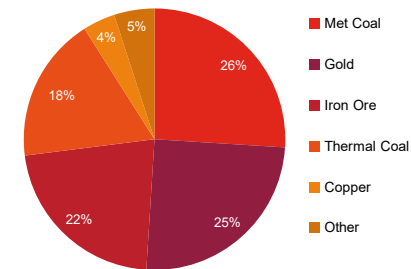
Emeco maintains strong relationships with its high-quality customer base, across a range of commodities and geographies

Strong Customer Relationships

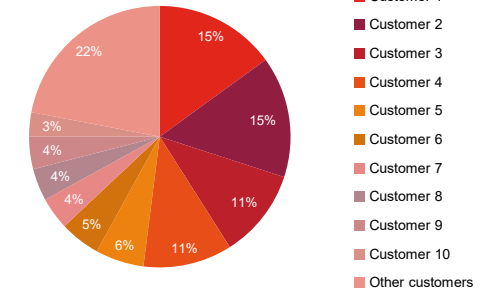
Customer	Commodity	Length of relationship	% of current revenue
Customer 1	Thermal Coal	13	11%
Customer 2	Gold	12	15%
Customer 3	Thermal Coal	11	3%
Customer 4	Met Coal	8	11%
Customer 5	Iron Ore	5	15%
Customer 6	Copper/Iron Ore	5	6%

Diversified Revenue Base with Strong Credit Profile

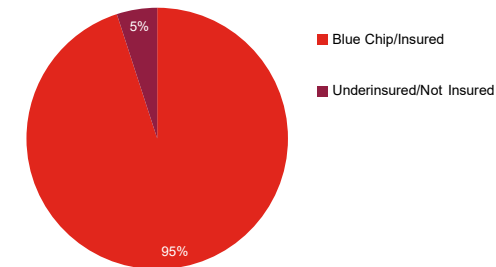
Revenue by commodity



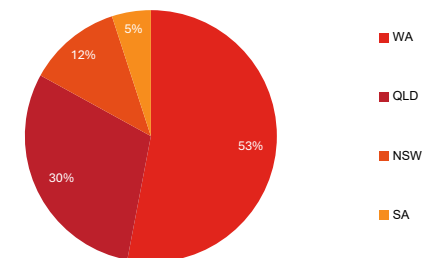
Revenue by customer



Debtors Credit Profile









Revenue by geography









EMECO FLEXIBLE EQUIPMENT FLEET

Emeco's fleet is flexible across a broad range of commodities and applications

Surface Fleet

	Type	Count
	Trucks	374
	Dozers	163
	Loaders	67
	Graders	44
	Excavators	40
	Ancillary	17
Total		705

Underground Fleet

	Type	Count
	LHD Loaders	38
	Trucks	26
	Jumbo Drills & Cable Bolters	16
	Production Drills	8
	Charge Unit	7
	Other	30
Total		125

Key brands in fleet

CATERPILLAR®

KOMATSU

HITACHI

LIEBHERR

SANDVIK



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.

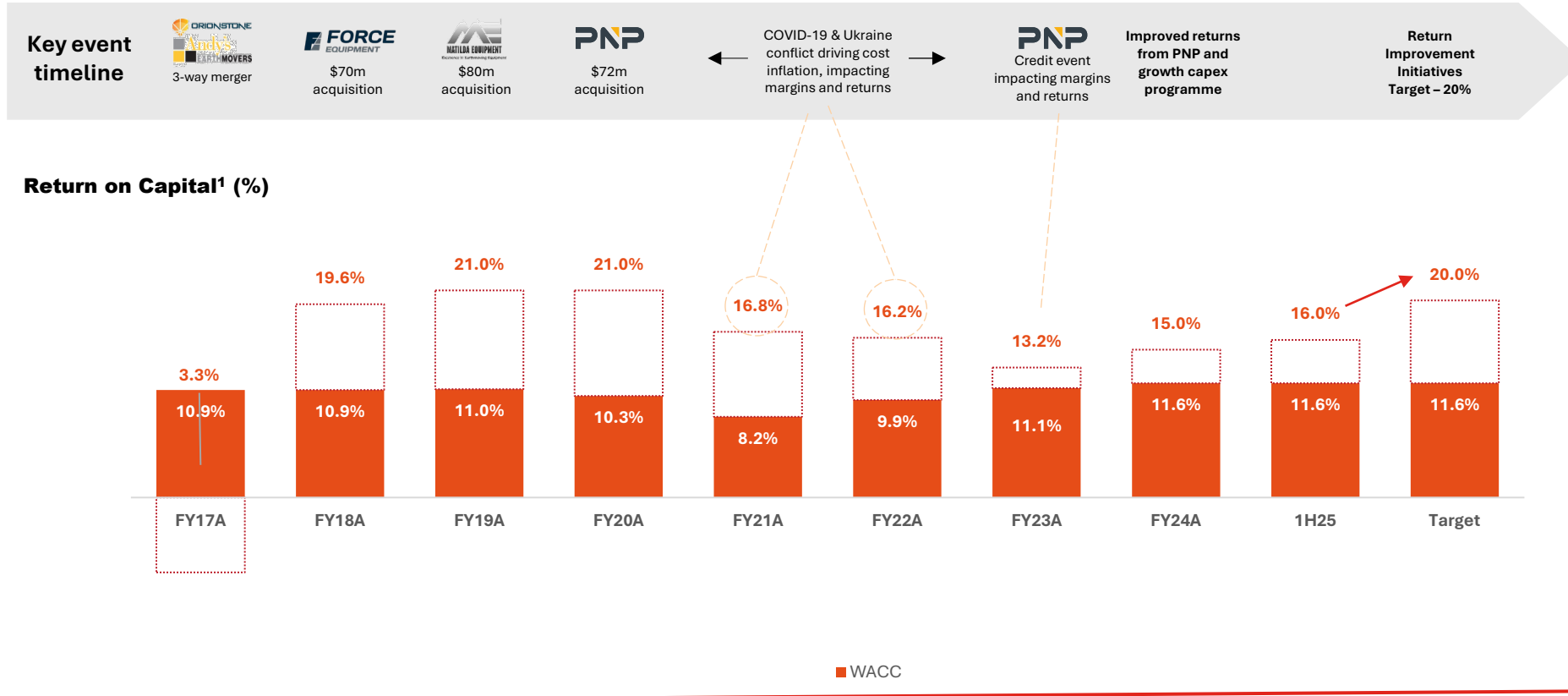


03 Exercise disciplined capital management

- 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.

RETURN ON CAPITAL

Emeco's ROC is consistently above WACC with key drivers in place to reach our 20% target



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

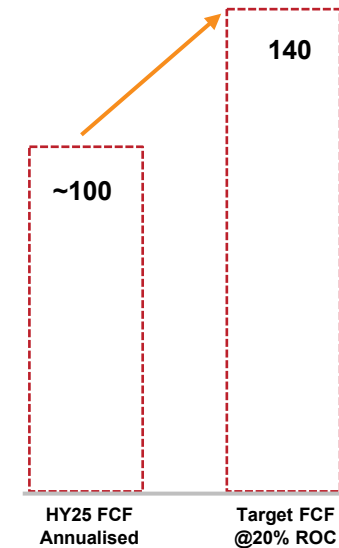
TARGETING 20% ROC AND IMPROVED CASH GENERATION

Good progress on our journey to deliver 20% ROC target

Return on Capital¹ drivers %



Free Cash Flow \$million (before growth capex)²



Notes:

1. ROC – LTM Operating EBIT / Average Capital Employed.

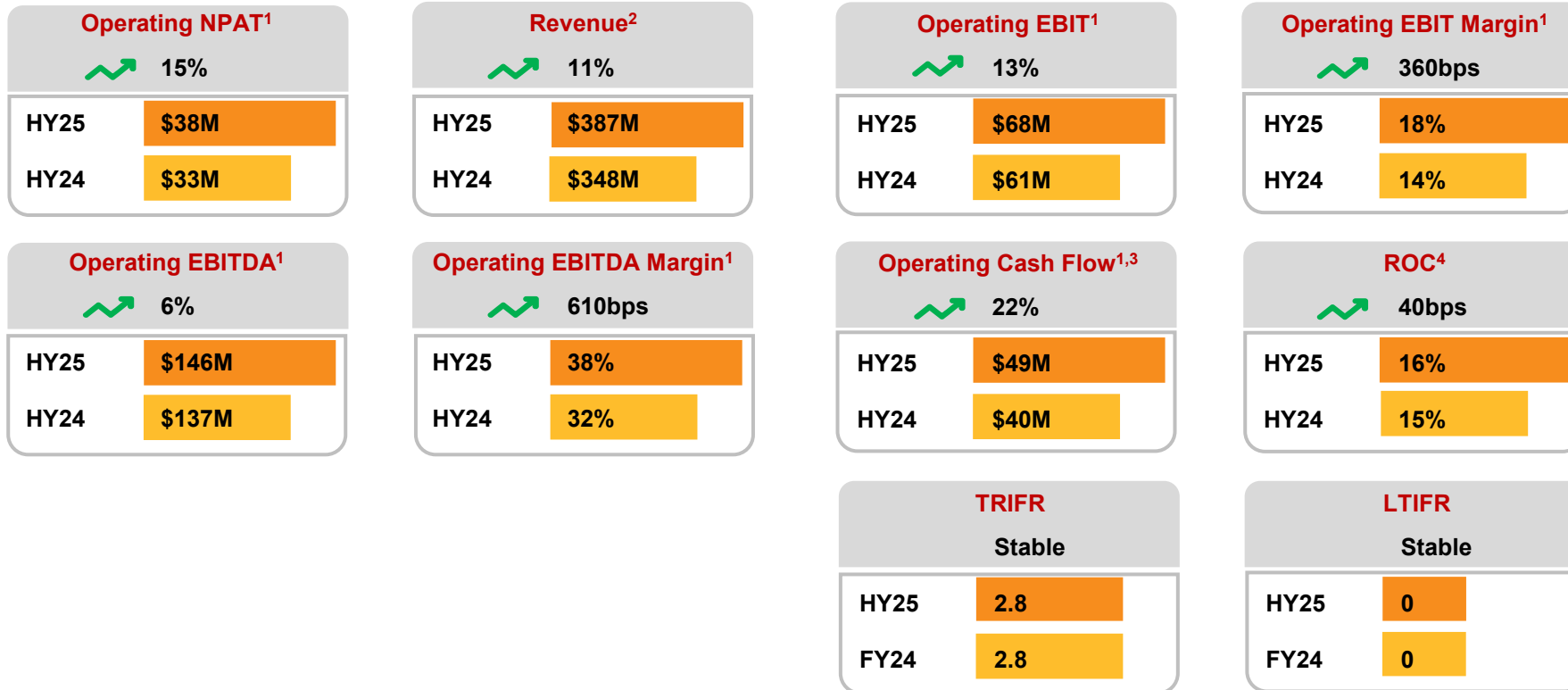
2. FCF before growth capex



BUSINESS HIGHLIGHTS

HY25 BUSINESS HIGHLIGHTS

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



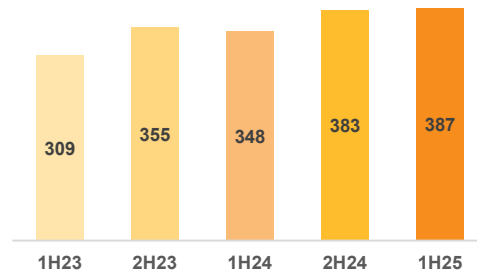
Notes:

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)

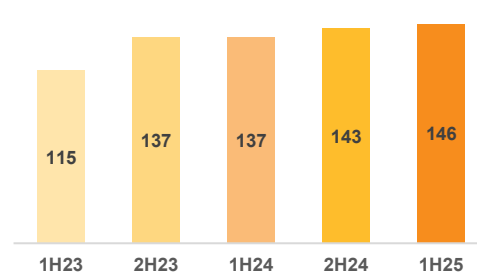
PERFORMANCE HISTORY – HALF ON HALF

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

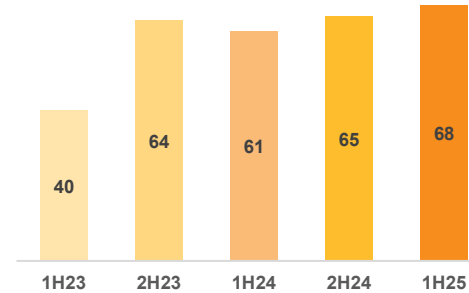
Revenue (\$m) ¹



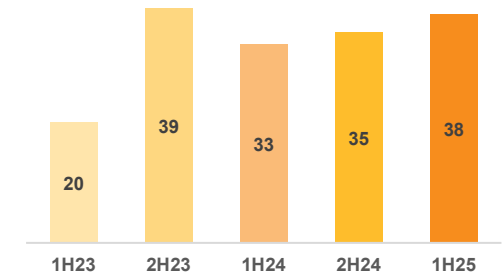
Operating EBITDA (\$m) ²



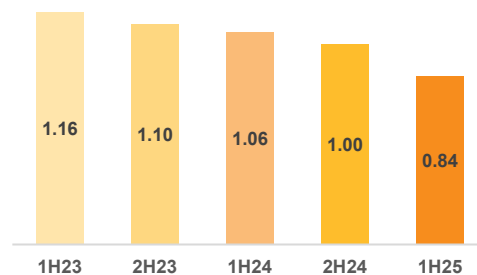
Operating EBIT (\$m) ²



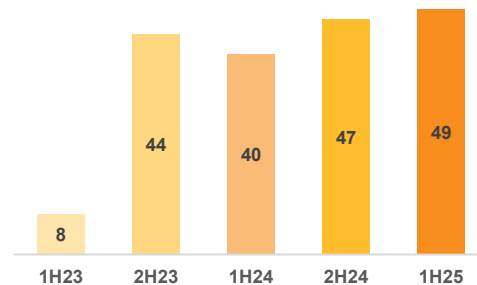
Operating NPAT (\$m) ²



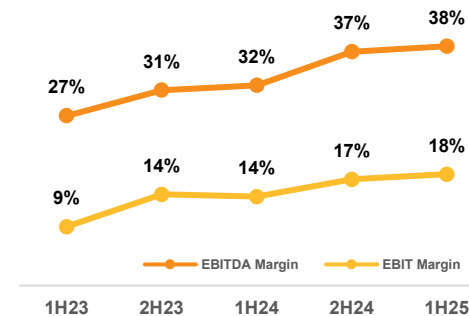
Net leverage (x) ³



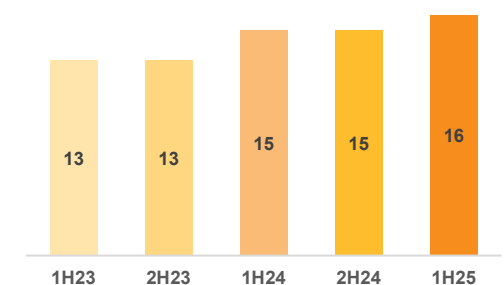
Free cash flow (\$m) ⁴



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



2H25 PRIORITIES AND OUTLOOK

BUSINESS PRIORITIES

Emeco's priorities are focused on improving returns and free cash flow, utilising the existing asset base

Operational Priorities	<ul style="list-style-type: none">▪ Production outlook and pipeline for 2H25 remains robust▪ 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
Investment Priorities	<ul style="list-style-type: none">▪ Focus on delivery of free cash flow from existing asset base<ul style="list-style-type: none">▪ Capital investment continues to target 'high demand' Rental fleet, to meet customer demand. More competitive asset classes will be de-prioritised as part of the Group's SIB capex programme▪ SIB capex for FY25 expected to be circa \$160 – 165M (\$155 – 160M net of asset disposals)▪ Growth capex expected to be nil▪ ERP upgrade spend expected to be approximately \$7 million in FY25▪ Improvement in return on capital investment expected to run-rate at ~18% in 2H25
Capital Management Priorities	<ul style="list-style-type: none">▪ Free cash flow prioritised towards debt reduction▪ Leverage targeted to being sustainably below 1.0x Operating EBITDA
Guidance	<ul style="list-style-type: none">▪ Delivering Operating EBITDA target of \$300M for FY25 (subject to extreme weather events which may continue to impact utilisation and timing of pipeline opportunities)


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

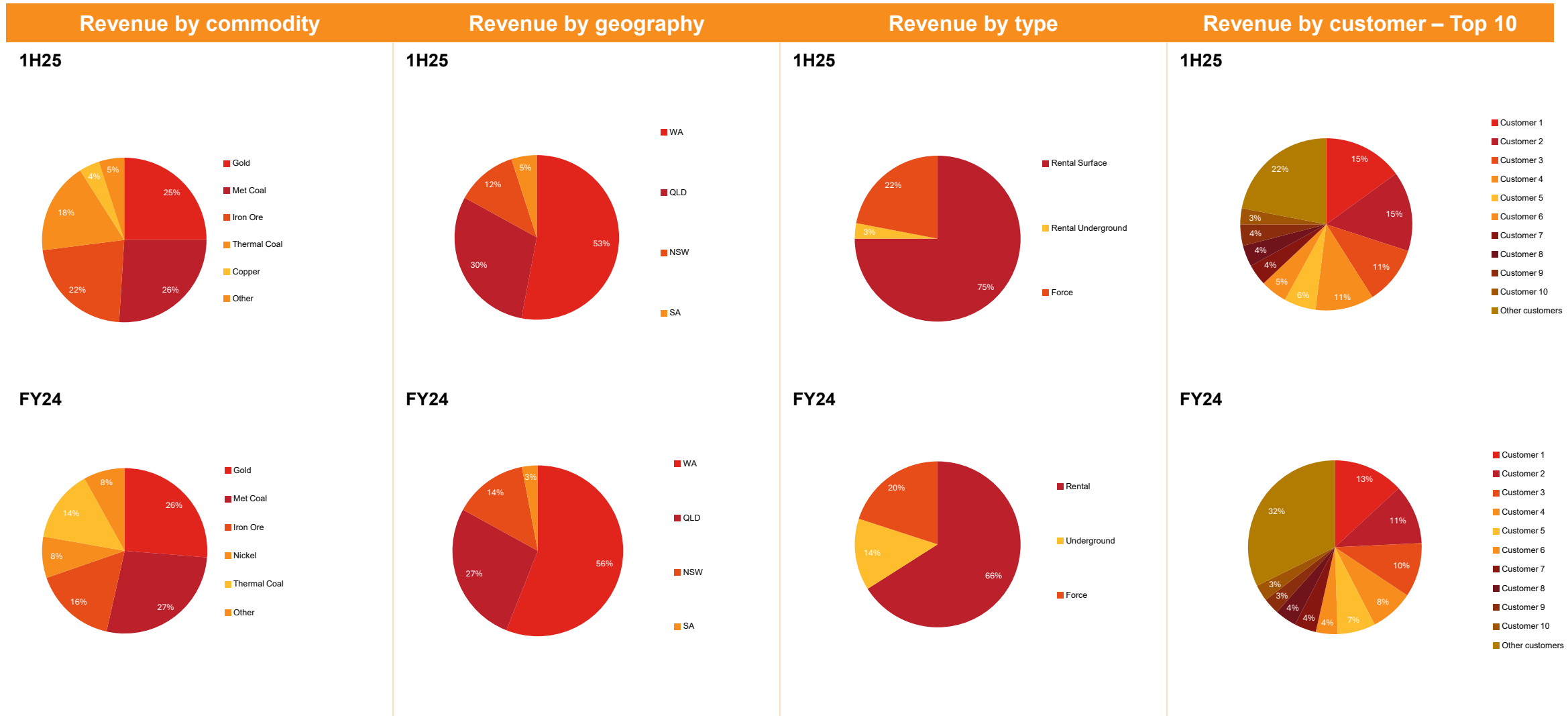


Positive equipment industry demand outlook



APPENDIX: ADDITIONAL INFORMATION

REVENUE ANALYSIS





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

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 pcg)
- 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%

Notes

1. Figures may not add due to rounding

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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