

ASX ANNOUNCEMENT

24 October 2025

2025 Annual General Meeting - Chair and Managing Director & CEO Address to Shareholders

Chair Address

Macmahon has delivered another year of strong performance at both the operational and financial levels, driven by the successful execution of our strategy, our new operating model and the commitment of the Macmahon team.

The Company again met guidance for the ninth consecutive year, together with record underlying earnings, margin improvement and strong free cash flow generation. This was an excellent track record across a range of market conditions and challenges, demonstrating resilience, disciplined execution and focus across our business.

Our performance was supported by our growing team of over 10,000 people and the successful integration of Decmil. This added significant scale and capabilities to our Civil Infrastructure business and access to increased market sectors. Combined with further expansion in Underground Mining and our Indonesian operation, we were able to exceed our return on average capital employed (ROACE) targets, drive strong free cash generation and significantly reduce our net debt in the second half following the Decmil acquisition. These areas will continue to be a focus for the business.

The safety and wellbeing of our people is an important focus at Macmahon, and you may be familiar with our key initiatives in these areas. Our Strong Minds, Strong Mines program, our Respect@Macmahon program, and the Macmahon Winning Way promote mental health, a culture of respect and inclusivity in the workplace, and the development of our current and future leaders. We saw some tangible results from these efforts with a steady increase in our employee engagement scores year-on-year.

This year we also had a strategic reset for our sustainability reporting driven by the introduction of the Australian Sustainability Reporting Standard AASB S2 Climate-Related Disclosures. To support this transition, Macmahon commissioned an external third-party review to assess our readiness for sustainability reporting, which provided independent assessment on the robustness of our current systems and identified key areas to support future compliance and assurance readiness. This is outlined in more detail in our stand-alone Sustainability Report for FY25.

The Board's capital allocation strategy reflects the importance of paying dividends to our shareholders, balanced with the priority of retaining financial flexibility to enable the continued execution of our growth strategy. We are committed to paying a sustainable dividend in line with this strategy. The Board declared a final dividend of 0.95 cents per share, bringing the total dividend for FY25 to 1.50 cents per share, an increase of 43% on FY24.

The FY25 dividend is consistent with the Company's target payout ratio range of 20% to 35% of underlying earnings per share. Supported by the Company's performance in FY25 and positive outlook, the Board has lifted the target payout ratio range for FY26 going forward to

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30% to 45% of underlying earnings per share. The target payout ratio will continue to be reviewed in line with the Board's capital allocation strategy.

This is my last Annual General Meeting as Chair and a Non-Executive Director of Macmahon, with my retirement commencing at the completion of today's meeting. After nearly seven years as a director, it has been a privilege to be part of the Macmahon team through a period of strong achievements and growth, and to be part of delivering another positive result for FY25.

Taking over as Chair will be Greg Evans, who has deep sector and strategic expertise and is very well positioned to lead the Board through Macmahon's next phase of growth. I have great confidence that the Company will continue to develop under Greg's stewardship, together with our proven Board and management team, and I wish them continued success.

Macmahon's Board will comprise six directors from 1 November 2025 with the recently announced appointment of Ms Suzan Pervan. Further appointments are being considered and, as per the Board's usual process, any new appointments will have regard to the composition, skills and experience required to best deliver its responsibility for the overall governance and strategic direction of Macmahon.

Before I hand over to Mick for his shareholder's address, I would like to make some final thankyou's. On behalf of the entire Macmahon team, thank you to our clients for your ongoing support and trust in our business. To all the Macmahon Team, I would like to thank you for your dedication, professionalism and contribution. To the Executive Management Team, thank you for your leadership during my time on the Board.

And to our shareholders, thank you for your investment, confidence and ongoing support in our business and our people. It would not be possible without you.

I would now like to invite Mick to deliver his Managing Director and CEO's address to shareholders.

Thank you.

Managing Director & CEO Address

Thanks Hamish. Good morning everyone and thank you for joining us today for our 2025 Annual General Meeting.

Before I provide an overview of Macmahon's performance for FY25, I wanted to acknowledge the contribution made by Hamish during his time on the Board. This has been a period of continued growth for the Company and I appreciate the support that I have received from Hamish over the years.

Macmahon had another strong year in FY25 with record revenue and underlying earnings following the successful integration of Decmil, as well as continued growth in free cash flow and dividend returns to shareholders. The Company delivered on market guidance, extending

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our track record to nine consecutive years, achieved through strong leadership, improved cost and capital management, and diversification in the business.

Macmahon has remained focused on executing our growth strategy through revenue diversification, improved ROACE and sustainable free cash flow generation. All while maintaining net debt within target levels and continuing to deliver safely and effectively for our clients.

I'm pleased to say we made progress on all fronts during FY25. Our restructured Civil business incorporating Decmil increased revenue diversity and supported the Company exceeding its long-term ROACE target of 20%, allowing us to achieve 20.5% in FY25. As a result, we have increased our ROACE target to 25% for FY26.

Free cash flow generation after capex of \$221 million was strong at \$141 million. This offset the \$115 million to acquire Decmil and enabled the reduction of net debt back to around FY24 levels, in line with our commitment at the beginning of the year. Leverage was 0.42x and gearing was 19.0% at 30 June 2025, within our internal guiderails of 1.0x and 30%, respectively. We expect our Civil business to continue being a strong contributor to growth and reduced capital intensity going forward.

Driving operational efficiencies across Macmahon's expanded business was an important focus during the year. I am pleased to say we delivered an uplift in our EBIT(A) margin to 7.1% in FY25. Continued margin growth will be supported by increasing contributions from the higher margin International and Underground Mining businesses, however, our focus shifts more towards achieving our 25%, cash backed, ROACE target previously mentioned, which translates to improved earnings per share.

With the increased scale of the Civil business, we introduced segment reporting in Macmahon's FY25 Annual Report, comprising Mining (Surface and Underground) and Civil Infrastructure. The simplified segments should provide greater transparency and clarity on our financial performance and strategic objectives. A new corporate operating model to support the new structure has also been implemented to enhance ownership and accountability across the Business.

The Mining segment continued to perform well, with several significant contract extensions and new wins during the year in both Surface and Underground. In Surface, we secured over \$500 million of new work in Indonesia, including the \$80 million Poboya Gold Project and the \$463 million Awak Mas Gold Project. We were also very pleased to be awarded a \$900 million contract extension at Byerwen.

In May 2025 the Surface business signed a Life of Mine, Alliance-style, Mining Services Agreement with Cyprium Metals to accelerate the redevelopment of the Nifty Copper Complex. The Nifty project is an exciting opportunity to provide a whole-of-mine service offering, where we are working with Cyprium to bring the Nifty Complex back into full mine production.

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Underground continued to grow with revenue now accounting for nearly 25% of group revenue. We secured approximately \$579 million of new contracts and extensions which included Daisy Milano, Ulysses, Olympic Dam and Fosterville in Australia and the Poboya Gold Project in Indonesia. Post the completion of FY25, we were really pleased to be awarded contracts at the Majestic and Toka Tindung projects. This positions us well for continued growth towards our 50% growth target over the next 2-3 years, expected from both existing clients and new clients across Australia and Indonesia.

FY25 was a transformational year for our Civil Infrastructure segment. We were very pleased with the seamless integration of Decmil and subsequent new work won which now totals more than \$600 million since acquisition across the resources, renewables and public infrastructure sectors.

Macmahon's workforce has grown to 10,220 employees as we welcomed Decmil to the Group. This marks a significant milestone in the Company's history, with Macmahon now a major employer across Australia and Indonesia.

The safety and wellbeing of our people is our top priority, and we remain committed to ongoing improvement in safety and mental health across the business. Our Strong Minds, Strong Mines program remains an integral part of our wellbeing strategy. Designed to reduce mental health stigma and provide meaningful resources for employees and their families. The program has seen strong growth in engagement, and we remain committed to its ongoing delivery and improvement. Our Respect@Macmahon program also continues to make a positive impact across the business. Focused on building a culture of respect and inclusivity, it provides training, tools and a clear framework to help prevent bullying, harassment, and discrimination. The work in this space is critical to maintaining a stable workforce and we will continue to drive this with the Winning at Macmahon program to enhance effective leadership.

During FY25, we embarked on a journey to evolve our employee value proposition. We held focus groups at 15 sites across Australia and Indonesia to ensure that our people can have input on this important project. We also continue to invest in the development of our people. Our Grow Our Own program delivered 19 graduates, 150 apprentices, 274 trainees and 243 leaders through structured leadership training.

Disciplined execution of a consistent strategy has been critical to Macmahon's demonstrated track record of revenue and earnings growth delivery across changing market conditions. Macmahon's growth strategy maintains focus on strong underlying margins, cash flow generation and ROACE through diversifying the earnings mix and reducing the capital intensity of the business.

We are well progressed on achieving our targeted revenue mix which includes equal contributions across Surface, Underground, and Civil Infrastructure. Over the next three years, we are focused on Underground achieving 50% revenue growth, Civil Infrastructure growing to \$1 billion revenue per year and Indonesia achieving 15% to 20% of total Group revenue.

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Following a strong start in FY25, the focus in our Civil business will shift towards winning larger projects, typically exceeding \$100 million in size, given that the business has the people, balance sheet strength, systems, and processes to do so within the Macmahon Group. Potential partnerships with large international tier one players in the civil sector may offer additional opportunities to secure these larger projects. With the successful achievement of this, we should see a sustained improvement in ROACE towards the new target of 25% and beyond.

Before I conclude with the outlook, I would like to recap Macmahon's capital allocation strategy. Our strategy continues to reflect the importance of balancing dividend payments to our shareholders and retaining financial flexibility to enable the continued execution of our strategy.

The charts on the slide show our track record, and you can see that we have managed our debt within our guiderails while growing earnings per share (EPS) and dividend returns to shareholders. We are well positioned to continue this, and the dividend payout ratio range of 20% to 35% of underlying EPS is being increased to 30% to 45% in FY26. This has been a result of our focus on strategic growth, but also achieving strong business performance, disciplined cost management, and delivering for our clients.

The Company has entered FY26 with a healthy balance sheet and positive earnings momentum underpinned by a robust order book with \$5.4 billion of work in hand at 30 June 2025, including \$2.1 billion secured for FY26. The tender pipeline of opportunities coming into the year valued at \$24.2 billion provides a clear, longer-term pathway to deliver continued growth in earnings and cash flow.

As always, we will remain focused on delivering value to our clients and shareholders, while also prioritising the safety and wellbeing of our people, and the environment. The Company is well-positioned for future growth and success, with a strong focus on executing and delivering its strategic objectives.

I would like to close by thanking all our stakeholders for their ongoing trust and support in executing our growth strategy and in particular, our shareholders and clients for their shared approach to supporting and protecting the health and wellbeing of our people.

I would like to join Hamish in acknowledging the crucial contribution and support of the entire Macmahon team in delivering another year of growth and improved performance.
I will now hand back to Hamish.

Thank you.

***** ENDS *****

This announcement was authorised for release by Michael Finnegan, Managing Director and Chief Executive Officer of Macmahon.



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About Macmahon

Macmahon is an ASX listed company offering the complete package of mining and civil infrastructure services throughout Australia and Southeast Asia.

Macmahon's extensive experience in surface mining, underground mining and civil infrastructure has established the Company as the contractor of choice for resources, non-resources, public infrastructure and renewables projects across a range of locations and sectors.

Macmahon is focused on developing strong respectful relationships with its clients whereby both parties work in an open, flexible and transparent way to ensure mutually beneficial outcomes whilst also minimising risks for both parties.

Visit www.macmahon.com.au for more information.