Emeco ASX Release

20 November 2025

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

Chair's Annual Address to Shareholders

Before we move to the business of the meeting, I would like to make some brief comments on the 2025 financial year. Ian will provide a more comprehensive operational and financial summary in his remarks later in the meeting including a trading update for FY26.

Financial performance

Emeco delivered a strong performance in Financial Year 2025 (**FY25**). The Company has now achieved 5 consecutive halves of operational earnings growth following the strategic reset of the business in 2023, with further strengthening of the balance sheet and ongoing improvement in our key metric, return on capital (**ROC**).

Demand for our rental fleet remained robust, allowing the business to navigate market challenges including wet weather, elevated costs, and commodity price volatility. Disciplined cost management continued to be a key driver of improved returns, as well as a focus on contract renewals and efficient redeployment of equipment.

The financial results showed improvements across all key measures. Operating revenue from continuing businesses increased by 7% to $785 million in the Financial Year. This, combined with strong cost discipline, led to higher margins and returns. Operating EBITDA for FY25 was $301 million, also 7% higher year on year. Operating EBITDA margins improved from 34% in FY24 to 38% in FY25. This result highlights the strength of our core Rental and Force Workshop businesses.

Reported Net Profit After Tax (**NPAT**) was up 43% to $75 million, driving earnings per share from 10.2 cps in FY24 to 14.5 cps in FY25. Operating NPAT was up 22% to $84 million, which excluded one-off and non-operational costs. Importantly, earnings growth and disciplined capital management underpinned 32% growth in operating free cash flow, helping drive our Return on Capital to 17% for the year. This was a notable improvement from 15% in the prior period and moving closer to our 20% ROC target.

Safety

Our people drive our Company's success, and their safety remains Emeco's highest priority. Ian will cover this in detail shortly, but I wanted to point out that we can proudly say that we reported zero Lost Time Injuries for the year.

Strategy

The Company is now focused on its core business of equipment rental and workshop maintenance services, where we have significant scale, strong customer relationships and a competitive advantage. This, and an emphasis on operational and cost efficiency has put the

Company in a great position to competitively meet the needs of our customers and to deliver strong returns for our shareholders, including achieving our target ROC of 20%.

During FY25, we continued to execute and build upon this strategy. We reduced and optimised overheads where possible, we prioritised increasing fleet utilisation ahead of growth capex, and continued to grow our maintenance offering with our rental customers. The growth of our maintenance service, through both our rental and Force businesses has been somewhat of a quiet achiever given the scale and contribution of our rental business. However, we see our workshop and maintenance services as a strong growth opportunity going forward.

Our mid-life asset rebuild capability, supported by our national workshop network and asset management technology gives us a cost and quality advantage that differentiates us from our competitors, driving sustainable earnings, free cash flow, and achieving our long-term goal of a 20% return on capital.

Sustainability

Emeco's focus is to remain a sustainable business which continues to create cost effective and creative solutions for customers, a safe and supportive workplace, support for our local communities and value for investors. The Company's commitment to positive Environmental, Social, and Governance (**ESG**) performance was further demonstrated in FY25. We commenced tracking Scope 1 and Scope 2 greenhouse gas emissions, and work is also underway to assess our Scope 3 emissions. Our goal is to use these insights to address climate change and chart a carbon reduction roadmap for Emeco as well as continue to invest in innovations that will make our fleet and operations more carbon-efficient and environmentally friendly.

Social initiatives continued to be a core part of Emeco's ESG strategy, including significant investment in training programs for our people. These are focused on health, safety, wellbeing, and upskilling of our workforce. This not only improves our operational performance but also reinforces a culture where employees feel valued and empowered to develop their careers with Emeco.

Capital management

Sustainable earnings and returns are a key focus in the evolution of our business strategy and our prudent approach to capital management. This prioritises both business sustainability and shareholder value. Strong free cash flow generation in FY25 enabled us to fund essential fleet maintenance and further reduce debt. EBITDA to cash flow conversion was high at 97% and we again exercised strict capital expenditure discipline. Sustaining capex for the year was $149 million with no growth capital expenditure as the business focused on maintaining high utilisation levels of its existing fleet. Net debt was reduced from $281 million in FY24 to $195 million at the end of the reporting period, bringing our leverage ratio to 0.65x, well below our long-term target of 1.0x.

The Group's capital management programme was suspended for FY25 in favour of debt reduction, ahead of the Group's debt refinancing, which is expected to complete in coming weeks. With leverage now at a conservative level and strong liquidity, the Board will review the capital management program, but will remain disciplined in balancing business reinvestment, with returning capital to shareholders, as well as considering further deleveraging of the balance sheet.

Conclusion

The outlook for FY26 remains positive, with robust mining activity driving demand. Our leaner cost base, strong balance sheet, integrated service offering and high-quality fleet means Emeco is well positioned to grow its earnings further.

The Board is extremely confident that through the continued leadership of our Managing Director and CEO, Ian Testrow Emeco is well placed to continue evolving and executing its business strategy, and to deliver growth through the mining cycle. I would like to take this opportunity to thank Ian and the entire executive management team for their dedication and leadership in driving operational improvements, cost efficiencies, and strategic initiatives which have been instrumental to Emeco's performance.

I also extend my sincere appreciation to all of our employees across Australia. Your hard work, expertise and commitment to Emeco's values are very much appreciated and are the foundation of our success. It is also important to acknowledge our customers, key suppliers, business partners and financiers for their support and partnership in FY25, and we look forward to continuing and building our relationship in the future.

I would like to close the Chairman's address by thanking my fellow Board members for their guidance and support throughout the year, and most importantly, thank you, our shareholders for your continued trust and support.

Ian Macliver
Chair

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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.

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.