

19 February 2026

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

Emeco maintains positive momentum, now poised for growth

Financial and Operational Highlights

- Emeco continues to deliver strong operational and financial performance
- Earnings and cash flow continue to improve - six consecutive half-year periods of growth
 - Operating Cash Flow¹ \$67M (+37% vs 1H25), cash flow conversion of 110% driven by improvement in working capital, including timing benefits
 - Group Revenue \$421M (+9% vs 1H25)
 - Operating EBITDA² \$155M (+7% vs 1H25) and Operating EBIT² \$77M (+13% vs 1H25)
 - Operating NPAT² \$46M (+21% vs 1H25)
 - Statutory NPAT \$39M (+15% vs 1H25)
 - Improved safety performance with a TRIFR of 2.5 (3.4 as at 30 June 2025)
- Balance sheet and key financial metrics in great shape, providing Emeco with flexibility to grow
 - ROC³ 18% (+230bps vs 1H25, +100bps FY25)
 - Net leverage⁴ of 0.5x at bottom of new long-term target range of 0.5x - 1.0x
 - Refinancing successfully completed, providing additional flexibility for growth
 - NTA \$1.44/share

Strategy & Outlook

- Operating conditions in the mining sector remain positive, with a robust production volume outlook, despite recent commodity price volatility
- Business strategy and capital management program now focussed on disciplined organic and inorganic growth
- 2H26 will focus on:
 - Ongoing improvement of key metrics – ROC target of 20%, cash flow, increasing existing fleet utilisation
 - Growth in our fully maintained rental projects and expansion of our low-capital maintenance services offering, now ~50% of our gross revenue base and growing
 - Actively monitoring competitors for consolidation opportunities
 - Continuing to build our competitive advantage - improving cost and operational performance, further digitisation of the business and development of AI and OT

¹ Pre growth capex

² Operating financial metrics are non-IFRS measures. Refer to 1H26 Results Presentation for reconciliation to the statutory results

³ ROC calculated as LTM Operating EBIT / average capital employed

⁴ Net leverage calculated as Net Debt (excluding supply chain finance) / Operating EBITDA

Results Overview

Emeco, a leading provider of equipment rental and maintenance and rebuild services to the mining sector, today reported its operational and financial results for the six-month period ending 31 December 2025 (1H26). The Group delivered another strong financial performance with growth and improvements across key metrics including Revenue, Operating EBITDA, Operating Cash Flow, Net Profit After Tax and Return on Capital.

Emeco's CEO and Managing Director Ian Testrow said:

"Emeco has delivered another very solid half year performance in 1H26, consolidating the strong gains achieved in 2H25. This is an excellent result given the magnitude of the earnings improvement in FY25 following the business model reset in FY24, and I am extremely proud of the Emeco team in maintaining this high level of performance.

"The focus on cost and capital discipline has generated almost \$230M in operating cash flow¹ over the last four half-year periods. This has transformed our balance sheet with leverage improving from the top end of our new long-term target range to being comfortably at the bottom end.

"Importantly, this demonstrates the strength and resilience of Emeco's rental and maintenance business, our scale and competitive advantage in providing world-class equipment rental and onsite and offsite rebuild and maintenance services, and our ability to translate this into cash generation.

"The business is well positioned to maintain first half performance into the second half period, subject to unusual weather events affecting mine production and equipment utilisation. Operating conditions in the mining sector remain positive, with a robust medium-term production volume outlook, despite recent commodity price volatility.

"Emeco continues to deliver strong operational and financial performance. The business has generated strong growth in earnings and cash generation for six consecutive halves. The balance sheet is in great shape, providing flexibility. Our business strategy and capital management program are now focused on disciplined organic and inorganic growth.

"The businesses strategic priorities will now focus on growing our portfolio of fully maintained rental projects and expanding our low-capital maintenance service offering which now represents ~50% of our gross revenue. We will also continue to develop our existing AI and operational technology capabilities to expand our competitive advantage and actively monitor competitors for consolidation opportunities.

"Maintaining a strong balance sheet will also be a priority, which with our strong cash flow generation, supports operational and financial resilience and provides optionality and flexibility in driving future disciplined investment in growth.

1H26 Financial Performance

\$M Unless otherwise stated	1H25	2H25	FY25	1H26
External revenue	387.3	398.1	785.4	420.8
Operating EBITDA ²	145.8	155.3	301.1	155.5
Operating EBITDA margin ²	38%	39%	38%	37%
Operating EBIT ²	68.3	77.4	145.7	77.0
Operating EBIT margin ²	18%	19%	19%	18%
Operating NPAT ²	38.3	46.2	84.5	46.5
Return on capital (ROC) ³	16%	17%	17%	18%

Emeco has reported 1H26 revenue of \$421M, an increase of 9% on pcp. The increase in revenue was largely driven by growth in maintenance services.

Operating EBITDA² was up 7% to \$155M on pcp, driven by growth in maintenance services and disciplined cost and contract management. Operating EBIT² was up 13% to \$77M on pcp.

Operating EBITDA² and Operating EBIT² margins of 37% and 18% respectively, versus 38% and 18% in 1H25. Margin performance was driven by a shift in revenue mix, with growth in lower margin, low-capital maintenance services, which also drove improved return on capital. The Operating EBIT² margin was maintained, with lower depreciation driven by equipment on-hire fleet mix.

The Company reported Operating Net Profit After Tax² of \$46M, an increase of \$8M or 21% on pcp. This improvement was further driven by lower finance costs due to lower debt levels and lower base rates, compared to the pcp.

Return on capital³ for the period was 18%, up 230bps versus pcp and 100bps versus FY25, with earnings from low-capital maintenance services, being the key driver.

Operations Overview

Rental (surface and underground)

Total Emeco Rental revenue of \$342M increased by \$42M, or 14% on pcp. This growth was largely underpinned by the increase in services across fully maintained projects including the successful ramp-up of a fully maintained operation in Queensland where Emeco provides mining fleet as well as full maintenance services to both Emeco and the customer's fleets.

Half-on-half earnings growth remained positive with Operating EBITDA² increasing 6% to \$168M and Operating EBIT² up 9% to \$94M. Earnings also benefited from integrated surface and underground rental overheads and workshops. Surface fleet utilisation remains healthy at 85%. Underground utilisation increased to 69% and is now running at 75%. The business will focus on increasing utilisation with good operational leverage within existing fleet to grow earnings, limiting any need for growth capex.

Our fully maintained service offering provides Emeco with a unique competitive advantage. In combination with disciplined capital expenditure and a lean cost structure which provides a pricing advantage, Emeco is well positioned to capitalise on new deployment opportunities for existing mining fleet. The medium-term production outlook for key commodities including coal and iron ore remains robust. As with prior years the rental business remains focused on fleet utilisation and optimisation, expansion of its fully maintained service offering and careful cost and capital management.

Force Workshops

Force delivered total revenue of \$141M, stable versus 1H25 (\$143M). Internal revenue increased by \$7M to \$62M, as workshop capacity was redirected to service Emeco's rental fleet. External revenue of \$79M, decreased by \$9M on 1H25.

Total Force earnings (before intercompany eliminations) were marginally higher with Total Operating EBITDA² of \$18M and Total Operating EBIT² of \$15M, 2% and 4% higher respectively on pcp. Internal earnings grew by \$2M, partially offset by external earnings which were down by \$1M.

Labour utilisation remains high and the business completed a higher portion of internal works to support the Company's rental fleet nationally. Workshops delivered 84 machine rebuilds (1H25: 66), with average job sizes being smaller year on year. The Company continued to provide support services to XCMG for their battery-powered fleet, in preparation for delivery to Fortescue.

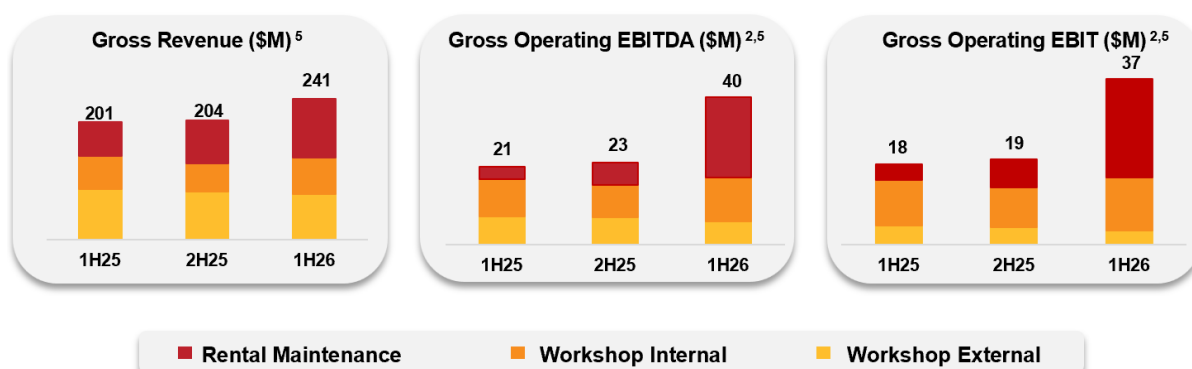
Business development is focused on maintaining a pipeline of offsite rebuild and heavy fabrication works in both the eastern and western regions. The integration of underground capability has opened new opportunities for maintenance services. Field-based services continue to be in demand and the Company is looking at ways to expand volumes in this area.

Workshop & Maintenance Services

Maintenance services provide Emeco with a strong source of low-capital earnings from both segments of the business – Workshops and Rental. Maintenance and asset management services are at the core of Emeco's competitive advantage. Growth in the provision of these services has been a key driver of Emeco's earnings growth, ROC improvement and stronger cash flow generation.

Gross revenues⁵ from maintenance services totalled \$241M for the period, a 20% increase on the pcpc. Gross operating EBITDA^{2,5} from maintenance services (before intercompany eliminations) totalled \$40M for the period, an 88% increase on the pcpc, whilst Gross Operating EBIT^{2,5} more than doubled to \$37M on the pcpc. Maintenance services now represent ~50% of gross revenue⁵ for the Group.

Demand for on-site maintenance services through our fully maintained equipment hire offering continues to drive returns and earnings growth, in combination with new demand for standalone maintenance services from customers seeking Emeco's expertise in the maintenance and condition monitoring of client-owned fleet.



Cash Flow and Balance Sheet

Net cash generated by operating activities increased by \$26M, or 22%, to \$145M in 1H26 (1H25: \$119M). The increase was driven by stronger operating performance and continued discipline in working capital management.

Net sustaining capital expenditure for the period was \$87M, with no growth related capital expenditure. Operating cash flow¹ was a healthy \$67M, up 37% on 1H25. EBITDA cash flow conversion was 110%, due to improvement in working capital (including timing).

Emeco's balance sheet remains robust, with a low net leverage ratio⁴ of 0.5x as at 31 December 2025. This is at the bottom of our new long-term target range of 0.5x - 1.0x. The Group closed the period with a healthy cash balance of \$171M and net debt of \$143M, underscoring disciplined capital management and a strong liquidity position. The \$250M Australian Medium-Term Notes (AMTN) due to mature on 10 July 2026, were repaid subsequent to the reporting date via a new \$355M revolving syndicated debt facility executed on 28 November 2025, which matures in December 2030. The new \$355M facility comprises a \$350M revolving credit facility plus a \$5M guarantee facility and the AMTN facility was redeemed on 19 January 2026.

The Company maintained ratings from Moody's (Ba3) and Fitch (BB-), respectively.

⁵ Gross Revenue, Gross Operating EBITDA and Gross Operating EBIT – quoted in the Workshop & Maintenance Services section of this release includes revenue and earnings before intercompany eliminations. Refer to Maintenance earnings reconciliation in the 1H26 Results Presentation

Capital Management & Growth

Emeco's business continues to perform strongly – generating strong returns and cash flow.

The Company is actively assessing low-capital vertical and horizontal opportunities to complement core business and is also actively monitoring competitors for consolidation opportunities.

The Company's strong balance sheet provides resilience and flexibility to pursue growth. The Board have elected to preserve capital and to prioritise growth opportunities expected to emerge over the next 12 months. Consequently, no dividend or share buy-back has been recommended for 1H26.

Strategic Priorities & Outlook

Strategic Priorities

Emeco continues to deliver strong operational and financial performance. The business has delivered six consecutive halves of period-on-period earnings and cash flow growth. The balance sheet is in great shape providing Emeco with good flexibility to grow. Our business strategy and capital management program are now focussed on disciplined organic and inorganic growth.

Emeco's strategic priorities will focus on:

- Growing our portfolio of fully maintained rental projects
- Expansion of our low-capital maintenance services offering
- Further development of artificial intelligence and OT to expand competitive advantage
- Actively monitoring competitors for consolidation opportunities

Emeco will also continue to focus on disciplined capital expenditure and cost efficiencies to drive returns and cash flow. With strong operational leverage to grow earnings with existing fleet, growth capex will be limited.

Preparations for the Company's transition to reduce greenhouse gas emissions and for the delivery of FY26 sustainability reporting requirements are well underway.

Outlook

Operating conditions in the mining sector remain positive, with a robust medium-term production volume outlook, despite recent commodity price volatility.

2H26 will focus on:

- Continued strong safety record
 - Ongoing improvement of financial metrics, with a particular focus on ROC target of 20% and increased cash flow
 - Fleet utilisation and optimisation
 - Growth in our fully maintained rental projects
 - Expansion of our maintenance services offering
 - Continuing to build our competitive advantage – improving cost and operational performance and further digitisation of the business
- FY26 SIB capex expected to be circa \$170 – 175M. Growth capex limited until fleet util. >90%.
 - FY26 depreciation expected to be circa \$160 – 165M
 - FY26 non-recurring cash expenditure ~\$15M – ERP, takeover defence, restructuring, refinancing costs

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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.

Emeco Holdings Limited (ASX:EHL) is an ASX listed company providing open cut 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.