Macmahon Holdings Limited
ACN 007 634 406

15 Hudswell Road
Perth Airport WA 6105
Australia

PO Box 198
Cannington WA 6987
Australia

(+61) 08 9232 1000
info@macmahon.com.au
macmahon.com.au

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Macmahon Delivers Strong Revenue and Earnings in FY26

- **Record revenue and underlying earnings:**
  - **Revenue of $2.6bn, up 8% (FY25: $2.4bn)**
  - **Underlying EBITDA[1] $393.8m, up 2% (FY25: $387.4m)**
  - **Underlying EBIT(A)[2] $190.1m, up 11% (FY25: $171.4m)**
  - **Underlying NPAT(A)[3] 114.8m, up 12% (FY25: $102.4m)**
  - **Statutory Net Profit After Tax $101.1m, up 37% (FY25: $73.9m)**
  - **Underlying operating cash flow[4] $387.4m, down 5% (FY25: $407.4m)**
- **Strong free cash flow generation has reduced net debt:**
  - **Free cash flow generation of $103.1m, down 27% (FY25: $140.7m)**
  - **Net debt of $111.1m (FY25: $162.5m)**
  - **Gearing[5] at 13.1% (FY25: 19.0%) and Net Debt/EBITDA of 0.28x (FY25: 0.42x)**
  - **Available liquidity at 30 June of $566m (FY25: $538m) (cash on hand of $310m) (FY25: $264m)**
- **Order book higher at $5.9bn[6] (FY25: $5.4bn) and tender pipeline[8] of $25bn (FY25: $24.2bn)**
- **Final dividend increased to 1.25cps (fully franked) bringing FY26 total dividend to 2.20cps (FY25: 1.50cps), up 47%**
- **FY27 guidance[7] increased revenue and earnings:**
  - **Revenue of $2.85bn – $3.05bn ($2.2bn[6] secured for FY27), and**
  - **Underlying EBIT(A) of $205m – $225m**

Macmahon Holdings Limited (ASX:MAH) (**Macmahon** or **Company**) is pleased to deliver a record result for the financial year ended 30 June 2026 (**FY26**), driven by the continued growth in the Underground Mining and Civil Infrastructure businesses.

Macmahon's Chief Executive Officer and Managing Director, Michael Finnegan said:

"Macmahon delivered a strong financial performance in FY26 with continued growth in revenue and underlying earnings, while reducing net debt and increasing returns to shareholders. This is the tenth consecutive year we have met or exceeded market guidance.

"Importantly, we have again delivered on our objective of improving return on average capital employed and are tracking well towards our target of 25%. This is underpinned by our growth strategy focused on continuing to diversify the business by expanding our addressable market and expanding our service offering across the mining value chain.

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Our Surface Mining business was again a strong contributor, with several significant contract extensions and new wins during the year. These included new projects in Indonesia and Australia, and a $792 million 3-year contract extension at Byerwen.

Underground Mining demonstrated strong growth, securing over a $1 billion in new contracts in Australia and Indonesia. The Underground business is well positioned for continued growth over the next two years, aligned to our strategic target of Underground acheiving a run rate of $750 million of revenue per annum by the end of FY28.

Our Civil Infrastructure business has maintained its positive momentum and continued to deliver strong growth, securing over $500 million in new work in the renewables, government infrastructure and resources sectors, and being successfully selected for the Rio Tinto Pilbara Earthworks Panel. I also want to acknowledge our growing presence in Victoria and New South Wales markets with the contract extension at Ison Road and the award of Mamre Road in NSW.

Looking ahead to FY27, we expect Macmahon to have another strong year. As always, we remain focused on executing our growth strategy and delivering value to our stakeholders. We continue to have a strong order book, and our robust tender pipeline offers opportunity to grow all of our core businesses. We are executing on a clear plan for growth and diversification focused on building stronger and more collaborative relationships as we continue to develop our integrated service offering across the mining value chain."

Financial Performance

All business segments contributed positively to the FY26 result with key drivers being efficient delivery of client contracts, and new contract wins across the business. Revenue was in line with guidance, increasing by 8% to a record $2.6 billion (FY25: $2.4 billion). This was primarily driven by continued growth in Underground Mining and Civil Infrastructure.

Underlying EBITDA[1] increased by 2% to $393.8 million and underlying EBIT(A)[2] increased by 11% to $190.1 million, which was at the upper end of the guidance range with a stronger underlying EBIT(A)[2] margin of 7.3% (FY25: 7.1%) reflecting the continued focus on cost management and operational efficiency. Underlying EBITDA[1] margin was 15.0% (FY25: 16%) primarily due to the increase in Civil Infrastructure work providing a higher return on capital, albeit slightly lower EBITDA margin

Statutory Net Profit After Tax (NPAT) was up 37% at $101.1 million (FY25: $73.9 million) and underlying NPAT(A)[3] was also up 12%, at $114.8 million (FY25: $102.4 million).

At the segment level, the Mining businesses, reported FY26 revenue of $1.93 billion and underlying EBIT(A)[2] of $157 million at an improved margin of 8.1%. Our Underground and Surface mining businesses continue to win new work, with almost $1 billion of new work and preferred contractor status announcements released since the end of FY26.

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Our Civil Infrastructure business performed well, contributing substantial growth to the Group, with revenue of $672 million, underlying EBIT(A)[2] of $37 million and an underlying EBIT(A)[2] margin of 5.5%.

FY26 Operational Highlights

Key highlights included:

- Corporate
  - Workforce remains over 10,000 employees in Australia and Indonesia.
  - Total Recordable Injury Frequency Rate (TRIFR) for FY26 was 1.98 (FY25: 2.99) and the Lost Time Injury Frequency Rate (LTIFR) was 0.23 (FY25: 0.43).

- Surface Mining
  - Secured $792 million 3-year extension at Byerwen with 2-year extension option to increase value to $1.32 billion.
  - Awarded $32 million 7-year contract extension at Langkawi (Malaysia).
  - Secured $150 million 34-month contract with Wolfram to restart mining at Mt Carlton.
  - Secured $190 million 5-year Letter of Intent (LOI) with Manuka at Wonawinta.

- Underground Mining
  - Awarded $355 million 3-year contract at Mt Marion.
  - Awarded $406 million 5-year contract at Snowy River in New Zealand.
  - Awarded $55 million 12-month contract and 12-month extension at Majestic.
  - Secured $38 million LOI for Groundrush Project.
  - Secured $33 million contract at Toka Tinding (Kopra Project) in Indonesia.
  - Awarded 34-month contract at Kucing Liar (Indonesia) valued at $36 million in first 12-months.
  - Secured $100 million LOI at Mt Carlton.

- Civil Infrastructure (Decmil)
  - Over $500 million of new civil work added to Macmahon's order book during the year with new contract wins across a broad range of civil construction projects, including bulk earthworks, mine site accommodation, roads, dams and wind farms.
  - Awarded $50 million Mamre Road Stage 2 - Early Works contract with Transport for NSW.

Cash Flow and Balance Sheet

Cash flow generation remained strong with underlying operating cash flow (excluding interest, tax and M&A costs) of $387.4 million (FY25: $407.4 million) representing an overall cash conversion rate from underlying EBITDA[1] of 98.4%.

Free cash flow generation after all capital expenditure, financing costs, taxation expenses and other investing activities was $103.1 million (FY25: $140.7 million). Free cash flow was down 27% with the final FY25 tax payment made in FY26.

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After making dividend payments of $40.7m (FY25: $24.5m) free cash flow was applied to debt reduction, with net debt decreasing 31.6% to $111.1 million at 30 June 2026 from FY25 $162.5 million. Gearing as at 30 June 2026 was 13.1% and Net Debt / EBIT(A)[2] 0.28x.

Return on Average Capital Employed (ROACE[9]) improved to 22.0% (FY25: 20.5%) and Return on Equity (ROE[10]) improved to 16.0% (FY25: 15.4%). The continued improvement in returns reflects the positive earnings and cashflow performance during FY26 while the capital intensity of the business is reducing. This has been achieved through discliplined capital and risk management approaches across a more diversified business model with strong cash backed earnings.

Cash and unutilised bank facilities at financial year end totalled $566 million (FY25: $538m illion) including cash on hand of $310 million (FY25: $264 million), with Macmahon very well positioned to meet future growth needs.

Dividends

The Board has declared an increased final dividend of 1.25 cents per share for the year ended 30 June 2026. This brings the total FY26 dividend payment to 2.20 cents per share, up 47% on FY25. The total dividend represents a payout ratio of 41%, consistent with the Company's dividend policy payout range of 30 - 45% of underlying earnings per share. This range has been updated to 35% - 45% of underlying earnings per share from FY27 onwards.

The final dividend is fully franked, has a record date of 21 September 2026, and will be paid to shareholders on 12 October 2026.

Outlook and FY27 Guidance

Macmahon remains well positioned to continue delivering earnings growth and improved returns in FY27.

Macmahon has significant exposure to gold, copper and lithium which are benefiting from positive investor sentiment and investment by mining companies. Furthermore, bulk materials including iron ore and coal have robust ongoing production profiles. Levels of activity in the lower capital intensity underground mining and civil sectors remain strong and support Macmahon's diversification strategy.

The Company has entered FY27 with a diversified order book of $5.9 billion, $2.2 billion of work in hand secured for FY27, and is supported by a strong balance sheet. The tender pipeline of identified opportunities has grown to $25 billion, of which $13.8 billion is currently expected to be awarded in the next 12 months, and continues to provide a clear longer-term pathway to deliver ongoing growth in revenue and earnings.

Guidance[7] for FY27 is for increased revenue of $2.85 billion – $3.05 billion and underlying EBIT(A) of $205 million – $225 million.

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***** ENDS *****

This announcement was authorised for release by the Macmahon Board of Directors.

For further information, please contact:

Tony Dawe
investors@macmahon.com.au
+61 8 9232 1705

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.

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Notes

1. *Underlying EBITDA is earnings before interest, tax, depreciation and amortisation from continuing operations and excludes various one-off items. A reconciliation of Non-IFRS financial information is contained on slide 27 of the Company's Full Year Results Presentation*
2. *Underlying EBIT(A) is earnings before interest and tax from continuing operations and excludes various one-off items. A reconciliation of Non-IFRS financial information is contained on slide 27 of the Company's Full Year Results Presentation*
3. *Underlying NPAT(A) is earnings after interest and tax from continuing operations and excludes various one-off items*
4. *Underlying operating cash flow excluding interest and tax and various one-off cash costs.*
5. *Gearing = Net Debt / (Net Debt + Equity)*
6. *Contracts and LOI awards as at 30 June 2026 and announced to the date of this presentation. Excludes the $240m Medallion preferred contractor award announced on 12 August 2026, short term civil and underground churn work and future contract cost escalation recoveries.*
7. *Guidance excludes one-off items. Revenue guidance does not take into account future contract cost escalation recoveries and includes Macmahon and Decmil revenue.*
8. *As at 11 August 2026*
9. *Return on Average Capital Employed = Underlying EBIT(A) / Average ((Total Assets excluding Cash) – (Current Liabilities excluding Debt))*
10. *Return on Equity = Underlying NPAT(A) / Average Equity*