ASX Release

19 November 2026

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

CEO & MD's Annual Address to Shareholders

Good afternoon and welcome everyone. I'll initially take you through our FY26 results including our safety and sustainability metrics and then I will speak to you about what lies ahead, in particular our maintenance offering, our operational results for the year, recent progress on fleet deployment and I will then finish by providing commentary on the trading update released this morning and our outlook for FY27.

Safety

I will begin with an overview of our FY26 results with safety, as it continues to be our top priority.

Our goal remains to operate a zero-harm workplace, and the engagement of every Emeco employee in safe work practices is important to achieving this outcome.

Our total recordable injury frequency rate decreased to 2.3 for the financial year reflecting continued progress in identifying risks, learning from incidents and driving ongoing improvement in workplace safety. Regrettably, we recorded one lost time injury during the year, a reminder that we can never be complacent and why leadership and continuous improvement in safety is so important.

Through our broader Health, Safety, Environment and Training Strategic Plan, we continued to strengthen our safety systems and practices, identify and manage critical risks, and invest in training and leadership capability. The team remains firmly committed to supporting our people and continually improving Emeco's safety performance.

This year marked a significant milestone in Emeco's sustainability reporting, completing our first mandatory climate-related disclosures under the new legislative framework. Emeco's operational greenhouse gas emissions remain low at 4,555 tonnes of CO_2 equivalent and primarily relate to diesel consumption in our company-operated light vehicles and equipment, and electricity used across our sites, and importantly this is 6% lower than FY25. We have committed to reduce our Scope 1 and Scope 2 emissions by at least 85% from FY25 levels by FY35, and to a long-term goal of net zero emissions across our value chain by 2050.

FY26 Highlights

FY26 demonstrated the resilience of our diversified rental, maintenance and asset management platform. We delivered earnings growth, strong cash generation and further deleveraging despite wet weather in Queensland and geopolitically driven supply and cost challenges that affected fleet utilisation and redeployment in the second half.

Group revenue grew 1% to $792.8 million and Operating EBIT was $148.0 million, up 2%. The increases in revenue and EBIT were driven by growth in maintenance services, particularly on-site maintenance which grew 44% year on year.

Operating NPAT increased by 5% to $89.0 million and Statutory NPAT was $76.7 million, up 2%. Basic earnings per share increased by 2% to 14.8 cents per share.

Importantly, our results delivered another year of really strong cash generation, with adjusted operating free cash flow of $114.5 million, which enabled ongoing deleveraging of the balance sheet, which is the strongest it has been since listing.

Our key measure of performance, return on capital, continued to improve, increasing by 30 basis points to 16.9%.

Our strong balance sheet and sustained cash generation provide flexibility to pursue growth opportunities while also returning capital to shareholders.

As Ian Macliver mentioned, the Board approved an on-market share buy-back of up to 10% of shares on issue and we have been active in our buy-back. The Company has acquired over 6 million shares to date, which is approximately one-tenth of the maximum number of shares that can be acquired. The Board believes the buy-back represents an attractive and high-return use of balance sheet capacity at current trading levels, while preserving flexibility to pursue strategic growth and potential acquisition opportunities.

We will continue to take a disciplined approach to capital allocation, balancing reinvestment in the business, attractive opportunities for sector consolidation and returns to shareholders.

Rental to Fully Maintained

Our business has transformed over the years, and while we remain true to our core as a rental business, we have significantly diversified our business over the last few years. Maintenance services account for approximately half of gross revenue, compared with around one-third of our revenue four years ago, while maintenance earnings have approximately doubled over that period.

This is due to strong growth in what we call our 'fully maintained service', and this is key to our growth this year and in the future.

Our fully maintained service offering increases the value we provide to customers, strengthens customer relationships and project tenure, and builds a more diversified and less capital-intensive earnings base.

Our Rental business delivered a 4% increase in revenue to $637.0 million. This was predominantly driven by a 44% increase in on-site maintenance services. Surface fleet utilisation for FY26 averaged 82% and underground utilisation improved to an average of 67%. Our on-site maintenance service relates to those customer sites where we establish on-site workshops and maintenance capabilities to fully service not just our rental fleet but now to also service our customers' owned fleet. This leverages our people, our expertise and our asset management technology rolled out on our rental assets and our customers' owned assets to deliver improved reliability and availability to maximise their production up-time.

Force, our workshop and asset management business, is a critical part of our fully maintained service offering and Emeco's competitive advantage. The skills, experience and national footprint provide a strong foundation for our maintenance services offering. The rebuild capability allows us to extend the life of mid-life equipment rather than purchasing new assets, supporting capital efficiency and providing a cost and quality advantage that helps us win and retain rental work.

Force delivered total revenue of $276.8 million, a 1% increase on FY25. Internal revenue increased by 17% to $121.0 million as workshop capacity was directed toward internal rebuild activity, while external revenue declined by 8% to $155.8 million.

Additionally, within Force we are expanding our capabilities into battery electric vehicles. This month, the Fortescue and XCMG partnership saw the delivery of four battery-electric prototype assets for testing and support trials, assisted by our Force maintenance service team. Fortescue has indicated that it expects to increase this to a total of 110 assets by early 2029. Force has already trained personnel in high-voltage mobile plant and battery-electric vehicle systems positioning Force to build a first-mover advantage in battery-electric maintenance services.

What this means for us is that we have a strong stable cash generative business underpinned by our rental offering, strengthened by our network of Force workshops and field service personnel and a significant opportunity within maintenance services.

We have already, in the last four years, almost doubled our earnings from maintenance services. With the potential to provide this offering to Australian based mining companies we have a significant opportunity ahead of us.

Positioned to Return to Growth

Following a sustained period of growth, we have experienced a challenging period for utilisation in calendar year 2026 as a number of key projects reached their natural conclusion and we also experienced delays in redeployment in the first half of the calendar year due to uncertainty caused by diesel price and supply.

The chart on slide 10 of our AGM Presentation shows the drop in utilisation during calendar 2026 and the steady improvement we have made during the second quarter of FY27, with approximately 80 pieces of equipment deployed in FY27 to the end of October. I am very proud of the work the team has done to get our fleet out to work again. Utilisation levels have been increasing, with current utilisation levels for surface and underground at 83% and 73% respectively. We expect these improvements to accelerate in the second half as equipment redeployment and mobilisation continues.

We remain confident in our progress to date and expect to see utilisation levels at approximately 90% for surface and approximately 80% for underground by 30 June 2027, positioning the Company well to achieve its ROC target of 20% in FY28.

Focused on Mobilisation and Redeployments

Returning to our prior growth trajectory has meant we have experienced one of our busiest periods in my history as CEO, as the team has been actively working to redeploy fleet over the last few months.

They have been working closely with customers and suppliers, building momentum and improving our utilisation levels with significant mobilisation this half for both new and existing customers.

One of our newer projects at Argo Natural Resources (**Argo**)'s New Burton site near Mackay includes our fully maintained service and our EOS system rolled out across the fleet. EOS provides our team and Argo with live data to improve reliability and create efficiencies within the fleet while maximising safe production from the operations.

It is anticipated that we will see a staged rollout of ~75 machines and ~25 auxiliary machines at this site, with more than 60 Emeco employees directly supporting the operations.

We have safely completed the first stages with ~30 machines and ~15 auxiliary machines deployed on site and the final stages will be completed in Q3 of FY27.

We recently celebrated the official opening and look forward to continuing to roll out additional fleet at this project in the new year and working closely with their team to drive reliability and availability across the fleet on site.

Outlook

We have executed significant equipment redeployment over the past months with further equipment mobilisations planned, as we continue to demonstrate to new and potential customers the value of our rental and maintenance offering.

Given the timing of mobilisations, we expect Operating EBITDA to be within the range of $275 million to $285 million for the full financial year with a stronger weighting to the second half with an approximate 45/55 split.

More importantly, as we continue to gain momentum in the second half of FY27 and through FY28, we remain confident of our exit rate utilisation for FY27 of approximately 90% for surface and approximately 80% for underground, positioning us to deliver growth in the second half and through FY28.

Our FY27 expectations include capital expenditure of approximately $155 million to $160 million net of asset disposals, ERP spend of around $5 million and depreciation of approximately $140 million to $145 million.

Emeco's business model, combined with our position as Australia's largest provider of mining equipment rental with integrated maintenance services, has delivered resilient financial and operational performance. We have a high-quality customer base and diversified exposure across commodities and regions. The work we've done over the past few years to improve our operations, reduce costs, and strengthen the balance sheet sets a solid foundation for growth.

Our priorities are to continue to increase fleet utilisation, grow fully maintained rental projects, expand our maintenance services platform, continue improving cost and operational performance, further digitise the business, and pursue opportunistic and attractive sector consolidation.

In FY28, we expect the utilisation run rate to deliver earnings growth in line with our 20% return on capital target. Fleet utilisation will be critical to achieving that target, while further growth in maintenance services provides additional upside and diversification.

I would like to close by thanking Ian Macliver and the Emeco Board. They have entrusted me and my team to deliver on our business strategy, and I am very grateful for their guidance and support as we execute on this.

I also wish to extend my sincere thanks to the entire Emeco team for their contribution during the year. I am immensely proud of how our people delivered resilient results in challenging conditions while upholding Emeco's values and continuing to provide outstanding service to our customers.

Our customers always have a choice in selecting their service providers. I would like to thank them for continuing to choose Emeco and for their loyalty and partnership. Choosing Emeco as a partner is something we never take for granted. I also acknowledge the support of our suppliers, financiers and community partners. Their contributions and collaboration are integral to our business.

Finally, I would like to thank our shareholders for their ongoing support and investment in Emeco. We have a resilient, cash-generative business, a strong balance sheet, a growing maintenance and technology offering, and a clear pathway to higher utilisation and our 20% return on capital target. We remain confident in our ability to continue performing for the benefit of all our stakeholders.

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This announcement was authorised to be provided to the ASX by the Board of Emeco Holdings Limited.

About Emeco Holdings Limited

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.

To stay up to date on Emeco's recent announcements please visit our Investor Centre.

Future and past performance

Certain statements in this document are forward-looking in nature and are provided as a general guide only. These statements are based on information available at the date of publication and reflect Emeco's current expectations, assumptions and estimates. Actual outcomes may differ materially due to a range of factors. Any forward-looking statements in this document are not guarantees or predictions of future performance, and involve both known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. Investors are strongly cautioned not to rely on forward-looking statements, and no representation or warranty is made by any person as to the likelihood of achievement of any forward-looking statements, forecast financial information or other forecast. Similarly, past performance should not be relied upon as (and is not) an indication of future performance. Operating EBITDA, Operating EBIT, Operating NPAT, adjusted operating free cash flow and return on capital (ROC) are non-IFRS measures. A reconciliation of FY26 non-IFRS measures to statutory results is included in the FY26 Results Presentation released on 20 August 2026.