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2025
**Annual
Report**



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Contents

2

Financial Highlights

8

Chairman's Report

12

**Managing Director's
Report**

17

**Operating &
Financial Review**

23

Sustainability Report

35

Business Risks



41

Directors' Report

49

Remuneration Report

73

Financial Statements

132

Auditor's Report

136

Shareholder Information

140

Corporate Directory

Year at a Glance

Robust earnings growth, strong margin growth and cash generation – resilient business model

Operating NPAT⁽¹⁾

▲ **22%**

2025 \$84M

2024 \$69M

Revenue⁽²⁾

▲ **7%**

2025 \$785M

2024 \$731M

Operating EBITDA⁽¹⁾

▲ **7%**

2025 \$301M

2024 \$281M

Operating EBITDA Margin⁽¹⁾

▲ **420bps**

2025 38%

2024 34%

Operating EBIT⁽¹⁾

▲ **16%**

2025 \$146M

2024 \$125M

Operating Margin EBIT⁽¹⁾

▲ **330bps**

2025 19%

2024 15%

Operating cash flow^(1,3)

▲ **32%**

2025 \$114M

2024 \$87M

ROC⁽⁴⁾

▲ **170bps**

2025 17%

2024 15%

Notes:

- (1) Operating financial measures are non-IFRS measures. Refer to the Statutory to operating results reconciliations contained in the Operating & Financial Review section of this report
- (2) Excludes discontinued underground contract mining services revenue
- (3) Operating free cash flow before growth capex
- (4) Return on capital calculated as LTM Operating EBIT over average capital employed
- (5) Net debt / Operating EBITDA (excludes supply chain funding)



Emeco Customer and Revenue Profile

Emeco maintains strong relationships with its high-quality customer base, across a range of commodities and geographies, with strong demand for our fully maintained project solutions

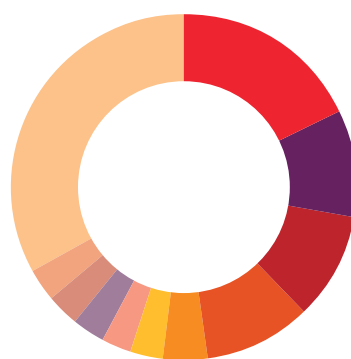
Diversified Revenue Base with Strong Credit Profile

REVENUE BY COMMODITY



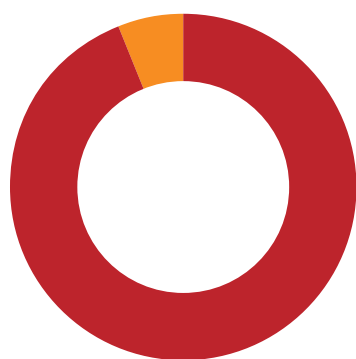
Met Coal
Thermal Coal
Gold
Copper
Iron Ore
Other

REVENUE BY CUSTOMER



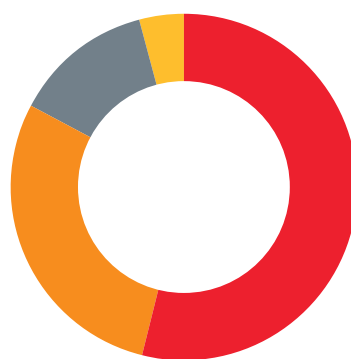
Customer 1
Customer 2
Customer 3
Customer 4
Customer 5
Customer 6
Customer 7
Customer 8
Customer 9
Customer 10
Other Customers

DEBTORS CREDIT PROFILE



Blue-chip/insured
Under-insured/not insured

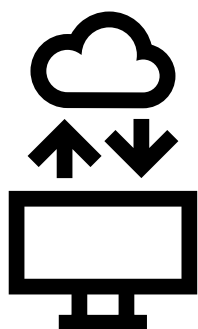
REVENUE BY GEOGRAPHY



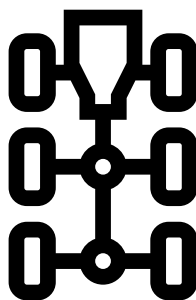
WA
QLD
NSW
SA

Our Scale and Competitive Advantage

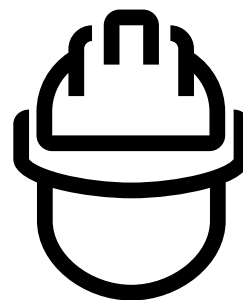
Our mid-life rebuild model and onsite service capability, combined with our asset management and condition monitoring technologies are our competitive advantage. Delivered through our national footprint of workshops and field service units, Emeco provides industry leading, cost-effective rental services for our customers.



**Asset Management
and Condition
Monitoring
Technology**



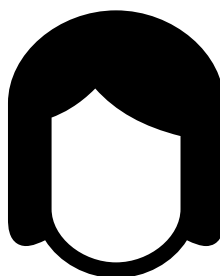
**Mid-life Rebuild
Capability**



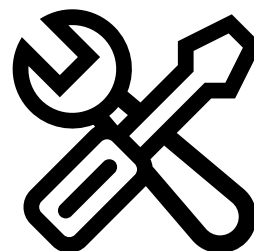
900
Employees



840
Pieces of
Equipment



200
Customers



260
Projects

RENTAL



Australia's largest provider of open cut
and underground rental equipment
and value-added services

840
FLEET SIZE

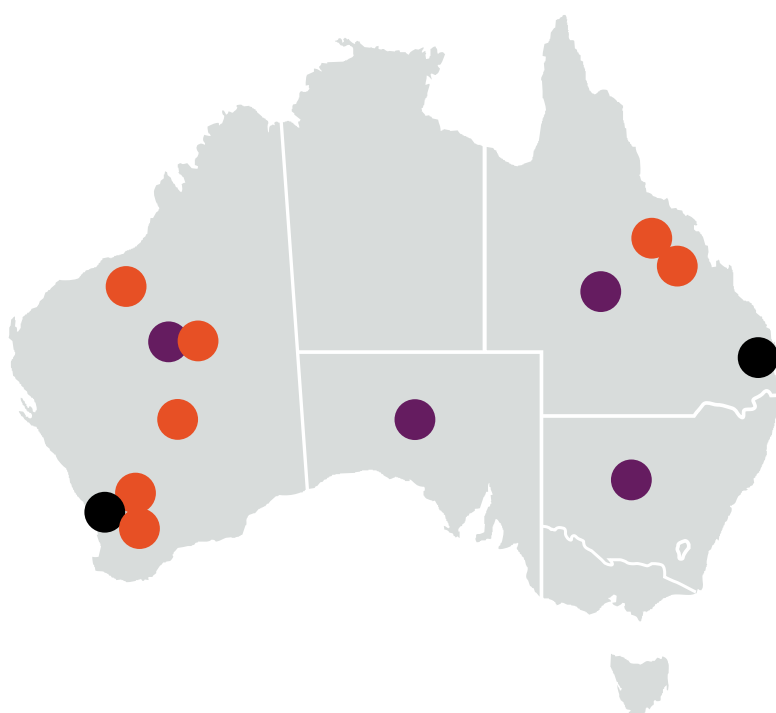
WORKSHOPS



Mining equipment maintenance
and rebuild service provider - component
and asset rebuild and fabrication

7

**WORKSHOPS ACROSS
AUSTRALA**



- Corporate Office
- Force Workshop
- Emeco Rental

Emeco Investment Highlights

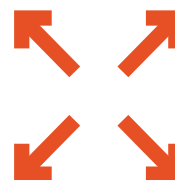
Emeco offers an attractive diversified investment exposure to the Australian mining industry



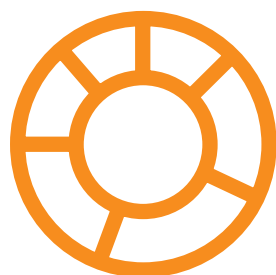
Australia's largest mining equipment rental provider with national footprint



Focused on delivering strong returns and free cash flow generation



Scale and asset management expertise provide cost and quality advantage



Diversified by customer, project and commodity



Strong balance sheet and low leverage



Positive equipment industry demand outlook

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Emeco's Strategy

Emeco's strategic pillars ensure a sustainable and resilient business and the creation of long-term value for shareholders



Chairman's Report

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Dear Shareholders

On behalf of the Board of Emeco Holdings Limited, I am pleased to present the Annual Report for the 2025 financial year (FY25). Emeco has delivered another year of strong performance, building on the strategic reset and positive momentum of FY24. The Company has now delivered 5 consecutive halves of operational earnings growth.

FY25 saw the Company reap the benefits of a simplified business model following our exit from underground contracting, with Emeco now focused squarely on core equipment rental and workshop services. Demand for our rental fleet remained robust across both bulk commodities and metals, as we navigated wet weather and challenging market conditions. 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. This resilience and focus 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.

Financial Performance

Emeco delivered another solid financial and operational performance in FY25.

Emeco delivered a strong rise in Reported Net Profit After Tax (NPAT), up 43% to \$75 million. This drove earnings per share from 10.2 cps in FY24 to 14.5 cps in FY25. Operating NPAT was up 22% to \$84 million, supported by major operational cost and overhead improvements as well as improved contract management. Importantly, earnings growth and disciplined capital management assisted to deliver 32% growth in operating free cash flow.

Strong momentum coming out of FY24 drove Operating EBITDA for FY25 to \$301 million, 7% higher than the \$281 million delivered in FY24. This result highlights the strength of our core Rental and Force Workshop businesses.

Operating EBIT increased by 16% from \$125 million in FY24 to \$146 million in FY25, driving our Return on Capital (ROC) to 17% for the year, a notable improvement from 15% in the prior period and moving closer to our 20% ROC target.

Excluding the discontinued contract mining services, revenue increased by 7%. This deliberate shift in revenue mix, combined with strong cost discipline and improved contract management, delivered higher margins and returns in FY25.

Overall, this year's results underscore the resilience of Emeco's business model and our ability to convert earnings into cash in a challenging environment.

Capital Management

Emeco continues to maintain a prudent and balanced approach to capital management, prioritising 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%, with prudent credit management continuing to drive consistent cash collections.

We exercised strict capital expenditure discipline, sustaining capex for the year was \$149 million (largely in line with depreciation). Growth capex was nil for FY25, as the business focused on maintaining high utilisation levels of its existing fleet. This disciplined approach helped drive stronger cash generation and allowed us to direct surplus cash to debt reduction. I am pleased to report that 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 in favour of debt reduction, placing the Company in a strong position ahead of its future refinancing. Consequently, no interim or final dividend was declared for FY24 and FY25. Lower leverage provides the Company with greater flexibility to consider growth opportunities and capital management options in the future, as well as providing increased resilience through mining cycles.

Looking ahead, with leverage now at a very conservative level and strong liquidity, the Board will remain disciplined in balancing business reinvestment, with returning capital to shareholders in line with our capital management policy. With strong cash generation expected to continue, further deleveraging of the balance sheet will also be considered.

Strategy

During FY25, we continued to execute our strategy of business simplification and operational excellence. This simplification allows us to focus on what we do best: owning, rebuilding and maintaining mid-life mining equipment and providing world-class rental and maintenance services. By exiting lower-margin contract mining services, Emeco can now deploy all capital and management attention to the rental and asset services model that delivers superior margins and returns. 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.

We also made significant progress on key internal initiatives. During the year, Emeco continued to progress the upgrade of its Enterprise Resource Planning (**ERP**) tool, which will modernise and integrate our core systems. This will further drive efficiency and effectiveness through the Group into FY26 and beyond.

In parallel, we continued to roll out the Emeco Operating System (**EOS**), our proprietary fleet telemetry and performance technology. This technology gives our customers real-time insights to improve fleet productivity, enhance safety, and even reduce carbon emissions on their projects. EOS, combined with our asset health monitoring and analytics capabilities, is a differentiator for Emeco and exemplifies how we leverage innovation to add value for our customers and operate more efficiently.

All these strategic initiatives from portfolio simplification to digital transformation are geared towards driving sustainable earnings, free cash flow, and achieving our long-term goal of a 20% return on capital.

Sustainability (ESG)

Emeco's commitment to Environmental, Social, and Governance (ESG) excellence was further demonstrated in FY25. We have built on the groundwork laid last year in understanding and managing our carbon footprint. Following the Board's approval of Emeco's inaugural ESG strategy, we commenced tracking of the Company's Scope 1 and Scope 2 greenhouse gas emissions. We developed a baseline of our direct emissions (mostly from diesel used in our light vehicles and equipment) and electricity usage, and this year we have refined our data collection and methodology to improve accuracy. Work is also underway to assess our Scope 3 emissions, such as the emissions from the operation of the heavy equipment we rent to clients and also from our supply chain. Our goal is to use these insights to chart a carbon reduction roadmap for Emeco.

We recognise that our mid-life asset model inherently supports sustainability. By rebuilding and reusing heavy equipment, we extend asset life and reduce the need for new manufacturing, thereby contributing to a circular economy and lower lifecycle emissions. Additionally, our technology solutions like EOS help customers optimise fuel efficiency and reduce on-site emissions. We will continue to invest in innovations that will make our fleet and operations more carbon-efficient and environmentally friendly.

Emeco made meaningful strides in terms of its social and governance commitments. We sustained significant investment in our people through training and development programs 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. We modestly improved our workforce diversity and remain committed to fostering an inclusive workplace. Women now represent 12% of Emeco's workforce and First Nations employees 4%, as we continue efforts to increase these numbers in line with our diversity goals.

Finally, from a governance perspective, we uphold rigorous standards of corporate governance, risk management, and ethical conduct across the Group. Emeco's Board and management are aligned in maintaining transparency and accountability, which underpins the trust of our shareholders, customers, employees, and the communities we serve. In everything we do, Emeco strives to create a sustainable enterprise that delivers innovative solutions for our customers, a "family" feel and safe environment for our people, support for our local communities, and attractive returns for our investors. We believe that by living our values and focusing on long-term, sustainable outcomes, we will continue to generate value for all stakeholders.

Looking Ahead

In December 2024, I was formally appointed as Chairman following Peter Frank's term as Interim Chair. I extend my gratitude to Peter for his stewardship during a pivotal period in Emeco's transformation.

As we look ahead, I am confident that Emeco is well positioned to sustain its positive momentum into FY26 and beyond. The mining sector outlook remains robust, and with our leaner cost base, reduced debt levels, and high-quality fleet, Emeco can leverage emerging opportunities to grow earnings further.

We will maintain our disciplined approach by exercising prudence in capital allocation, focusing on customer service and asset productivity, and innovating through technology to ensure we deliver durable returns through the cycle. The Board and I have great confidence that under the continued leadership of our Managing Director and CEO, Ian Testrow, Emeco will continue to execute its strategy and pursue sustainable growth for the benefit of all shareholders.

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 our employees across Australia, your hard work, expertise, and commitment to Emeco's values are the foundation of our success. We also acknowledge our customers, key suppliers, business partners, and financiers for their support and partnership in FY25.

To my fellow Board members, thank you for your guidance and support throughout the year as we have pursued Emeco's strategic goals. Finally, and most importantly, I want to thank you, our shareholders, for your continued trust and support.



Ian MacIver
Chairman

Managing Director's Report

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Dear Shareholders

Emeco delivered another strong result in FY25, consolidating and building upon the gains made in previous years with the reset of the Company's core business activities. The Group delivered strong earnings growth with Operating EBITDA of \$301 million, up 7% and Operating NPAT of \$84 million, up by 22% on FY24. Margins also improved with Operating EBITDA margin up from 34% to 38% and Operating EBIT margin up from 15% to 19%. Return on Capital was up 170 basis points with a strong second half run-rate of 18%. Operating cash flow generation was up by 32% to \$114 million.

Robust mining activity in our key markets continued to drive high demand for our rental fleet and maintenance services. Operationally, disciplined cost control, improved contract management and efficiency initiatives assisted the Company to successfully deliver earnings and margin growth. Following last year's exit from underground contracting, we have fully refocused on our core strengths in equipment rental and workshop services. I am proud to report that this strategy is yielding results.

Emeco is now better positioned than ever to support our mining customers as we leverage our scale and expertise to provide cost-effective, high-quality rental and maintenance solutions across a national mining footprint.

Health & Safety

Our safety performance in FY25 was underpinned by our team's relentless focus on safety as the number one priority. We recorded no Lost Time Injuries (LTI) during the year, reflecting our strong safety culture. However, the Total Recordable Injury Frequency Rate (TRIFR) increased from 2.8 in FY24 to 3.4 for FY25. The team is firmly committed to reversing this trend through greater focus on operational compliance to our safety systems and processes.

We know that when it comes to safety, we can never be complacent, and we remain vigilant in pursuing improvements to our safety outcomes. During FY25, we continued to implement our Health, Safety, Environment and Training (HSET) Strategic Plan with a focus on critical risk management and prevention. We have aligned our critical risk identification and control processes to global best practice and embedded a critical control verification system to support these processes.

Equipping our people with the knowledge and training to work safely is a high priority, this year we rolled out new equipment-specific training packages and introduced targeted maintenance inductions for all maintenance personnel to ensure work is performed to the highest safety standards.

We are committed to improving safety and continue to monitor and enhance our safety systems as part of our broader HSET strategy. Our goal remains a zero-harm workplace, and the engagement of every Emeco employee in safe work practices is vital to achieving this outcome.

Financial Performance

The Group delivered an operating net profit after tax of \$84 million for FY25, a 22% increase on FY24. This strong result reflects the strength of Emeco's core Rental and Force workshop businesses, underpinned by ongoing robust demand from the mining sector.

Our key measure of performance, return on capital, continues to improve, increasing from 15% in FY24 to 17% in FY25, with a second half closing run-rate of 18%. This translated to strong free cash flow generation of \$114 million, well ahead of expectations.

Revenue grew by 7% to \$785 million (adjusting for the divested underground contracting operations in the prior year), with demand for our fully maintained services continuing to grow and an improvement in contract management. Pleasingly, profitability improved: Operating EBITDA and Operating EBIT both increased, by 7% and 16% respectively, driven by the growth in maintenance services, improved contract management and an ongoing focus on cost control and fleet deployment. This translated into improved margins, a continuation of the trend we saw last year, with Operating EBITDA and Operating EBIT margins rising from 34% to 38% and 15% to 19% respectively.

Depreciation expense increased largely in line with revenue growth. Finance costs were stable, notwithstanding the higher interest rate environment, due to our reduction in debt over the period.

The Company ended FY25 with a strengthened balance sheet with net debt substantially reduced, bringing our leverage down to 0.65x, comfortably below our long-term target of 1.0x. This outcome follows the Board's decision to direct surplus capital toward debt reduction, which has positioned us with greater flexibility going forward.

Overall, Emeco's financial performance in FY25 was strong, and we achieved growth in earnings, margins, and returns while also improving our financial resilience.

Operations Review

Rental

Our core Rental business delivered another year of high activity and solid growth. Customer demand remained strong across all operating regions, particularly in commodities such as gold, iron ore and coal. Rental revenue increased by 9%, largely driven by growth in our maintained services, higher underground fleet utilisation and improved contract management.

FY25 was a year of transition for our Underground business. Following the sale of the underground contracting operations to Macmahon in FY24, Emeco retained its fleet of underground equipment and now operates this fleet under the Emeco brand, focusing on equipment rental and asset management in underground mining. This strategic simplification has streamlined our business and allowed us to integrate the remaining underground workshops and support teams into the broader Emeco and Force structures.

Surface fleet utilisation averaged 85%, a slight moderation from the prior year. Underground fleet utilisation improved to 57%, supported by steady equipment deployment across hard-rock mining projects. Utilisation continues to trend positively with new projects secured in underground, now running at approximately 65%. Our team's continued excellence in project delivery has been instrumental in maintaining high utilisation levels.

Rental Operating EBITDA and EBIT increased by 6% and 11% respectively in FY25, driven by cost control and improved contract management. Key cost improvement initiatives included a reduction in subcontracted labour and corporate overheads, improved procurement practices and lower repairs and maintenance spend. The Rental business enters the new year with a robust pipeline of work in both open cut and underground, with the business well positioned on cost, quality and fleet capacity. The production outlook for bulk commodities and gold continues to remain robust. Emeco's unique service offering provides a competitive advantage to retain strong utilisation levels.

Force

Our Force equipment maintenance and component rebuild business delivered a solid performance in FY25, continuing to play a critical role in Emeco's value proposition. External revenue from Force grew modestly year-on-year, up 2%, with an increase in workshop services, such as fabrication and line boring, offsetting a reduction in higher-margin machine rebuilds for external customers. In FY25, Force successfully completed 137 (FY24: 128) major machine rebuilds for Emeco and external clients, an impressive throughput that underscores our workshop capabilities.

Force remains a key competitive advantage for Emeco. It enables us to be capital-efficient by rebuilding mid-life equipment rather than purchasing new, and it delivers a cost and quality edge that helps us win work in the rental market. Our strategically located network of seven workshops across Australia, along with mobile field service units, gives us a broad reach to support our customers.

We continue to pursue growth opportunities for Force, including expanding our service offering. Notably, we have plans to enhance our in-field and workshop capabilities for battery-electric mining fleet maintenance, positioning Force to meet emerging demand as mining customers begin to trial and adopt battery-powered equipment. This forward-looking approach will ensure Emeco stays at the forefront of mining equipment maintenance as the industry evolves.

Technology

We remain committed to our vision of being a technologically empowered business that is agile, data-driven, and innovative. In FY25, we continued to advance a range of technology and digital transformation initiatives to sharpen our competitive edge. A key focus has been on our Emeco Operating System (**EOS**) an operational technology platform that uses on-board telemetry and analytics to help customers monitor fleet performance, improve safety, and reduce emissions. This digital capability has also significantly improved our ability to detect maintenance issues before failures occur, protect our assets, and deliver a superior service outcome for customers through increased equipment uptime.

Internally, we reached an important milestone in our Enterprise Resource Planning (**ERP**) project. After completing the design phase in FY24, we progressed into the build phase of our new Microsoft Dynamics 365 ERP system during FY25. This project represents an important investment in modernising our core business systems to drive efficiency, speed, and data visibility. We have maintained our focus on delivering this project on schedule and expect to begin deploying the new ERP in the coming year.

In addition to the ERP, we continued to invest in other IT and business intelligence tools to streamline processes and support decision-making. Our priorities in technology for FY25 were centred on initiatives that drive direct business value, and we will carry this focus into FY26. In essence, Emeco is becoming a more digitally enabled enterprise with each passing year, one where our people, processes, and assets are connected and informed by data. We are confident that our continued investment in technology and innovation will enhance our operational efficiency, reduce costs, and provide differentiating value to our customers. These efforts are critical in maintaining Emeco's position as an industry leader, especially as our customers increasingly seek providers who can offer tech-driven insights and continuous improvement in project outcomes.

Sustainability, People and Diversity

Emeco maintained a strong commitment to sustainable business practices, our people's wellbeing, and fostering a diverse and inclusive workplace. Our approach to sustainability is multifaceted, encompassing environmental responsibility, community engagement, and the development of our people. This year we built upon the groundwork laid previously by continuing to measure and understand our carbon footprint via Scope 1 and Scope 2 greenhouse gas emissions from our operations. We have been refining our emissions data collection



and calculation methodologies as we gather more information, which will enable us to set baselines and future reduction targets with confidence. While Emeco's direct emissions are relatively modest (given our business model of renting mid-life equipment, which itself promotes reuse and resource efficiency), we are committed to doing our part to improve environmental outcomes. In FY25, we began exploring opportunities to reduce emissions through operational efficiencies (for example, optimising machine idling times and fuel burn via our EOS technology) and by considering new technologies such as hybrid or electric-drive equipment where feasible. We also continued to disclose our climate change approach and performance, with our Climate Change Position Statement and related metrics included in this year's Sustainability Report.

Our social obligations are focussed on the people we employ and the communities in which we operate. The health, safety, and development of our people remain paramount. Emeco operates in a highly competitive labour market for skilled heavy equipment and maintenance personnel, so our ability to attract, retain and develop talent is a critical success factor. In FY25, we placed significant emphasis on enhancing employee engagement and retention. We also implemented strategies to strengthen our employee value proposition, such as refining our reward and recognition programs and offering more flexible work arrangements. These efforts have shown positive early results, with a number of previously subcontracted roles converted to permanent positions and improved staff stability, which we anticipate will continue to benefit the business going forward.

Workforce training and upskilling remained a focus area this year. We continued to invest in our apprenticeship program, with approximately 64 apprentices in training at the end of FY25. Our apprentices are a vital part of our talent pipeline, and we are proud to be developing the next generation of skilled tradespeople for the industry. In addition to formal apprenticeships, we run ongoing in-house training for existing employees to further their technical skills and careers.

We believe that promoting diversity and inclusion is not just the right thing to do but is also essential for meeting the changing needs of our business and the communities in which we operate. As of the end of FY25, women represent approximately 12% of our employees and around 4% of our people are of First Nations heritage, reflecting a modest improvement in representation from the prior year. We acknowledge that our industry has historically low female participation, so we are focused on making Emeco a workplace where women can build rewarding careers through initiatives like flexible work arrangements, targeted recruitment, and career development support.

Strategy and Outlook

Emeco's strategic goal remains clear: to build a sustainable and resilient business that generates long-term value for our shareholders while delivering superior services to our customers. In FY25, we demonstrated solid progress against this goal. We

have fully recalibrated around our core competencies of equipment rental and maintenance services, following the exit from contract mining last year. The business is now squarely focused on our competitive strengths, and this positions us to deliver improved returns on invested capital and strong free cash flow. In FY25 we made good headway towards achieving our ROC target of 20%.

Other strategic priorities we pursued during FY25 included:

- **Improving free cash flow and leverage:** We focused on generating strong operating cash flow from the existing business and our FY24 growth capex programme. Operating free cash flow (pre-growth capex) of \$114 million was 32% higher than the prior period, significantly above expectations. This was directed largely to net debt reduction, with leverage now at 0.65x, which is below our 1.0x target. With the balance sheet in good shape, we have greater flexibility to consider returning capital to shareholders or funding strategic growth initiatives in the future, in line with the Board's capital allocation framework.
- **Driving cost efficiencies and margin enhancements:** We worked closely with our customers on opportunities for contract resetting and structural cost improvements that deliver shared benefits. By collaborating on rise-and-fall mechanisms and service level KPIs, we have been able to protect (and in some cases expand) our margins while also helping customers achieve productivity gains through performance of our equipment. Internally, we continued business improvement programs targeting reduction of subcontractor usage, optimised fleet configuration (ensuring the right equipment on each job for maximum productivity), addressing underperforming projects promptly, and pursuing procurement savings. We also enhanced our risk management in areas like credit control and customer selection, to ensure we engage in business that offers acceptable returns for risk. These initiatives collectively contributed to margin expansion and will remain a focus into FY26.
- **Investing in technology and systems:** As detailed above, we have been upgrading our corporate systems and deploying innovative technologies to improve process efficiency and reduce operating costs. These investments, such as the new ERP and our EOS digital platform, are strategic enablers for Emeco's next phase of growth. They will help us scale more efficiently, respond faster to customer needs, and differentiate our service offering through data-driven insights.
- **Refinancing:** The Company continued to focus on capital management, Return on Capital and retaining cash to maximise future flexibility as it approaches its debt refinancing. Emeco is well progressed and well positioned to refinance its maturing debt facilities. The Group's balance sheet and strong cash generation will support future growth requirements, and provide the flexibility to deliver returns to shareholders or to continue to deleverage the balance sheet.

Looking ahead, the outlook for FY26 remains positive. Mining production volumes in Australia are expected

to remain buoyant, supported by continued demand for commodities. In particular, activity in bulk commodities (such as iron ore and coal) is forecast to remain robust, which should continue to drive demand for large mining equipment and rental solutions. The metals and battery minerals sector (e.g. gold, copper, lithium) also present opportunities, for both surface and underground equipment deployment. Emeco maintains a significant advantage through our mid-life asset rebuild model as we can offer reliable equipment at lower cost to the customer, thanks to our ability to rebuild and maintain machinery to "as-new" condition at a fraction of replacement cost. We will leverage this advantage to pursue select growth opportunities, while remaining disciplined in project selection.

From a financial perspective, we enter FY26 with strong momentum and a fortified balance sheet. Our leverage is now well within our target and our 2H25 return on capital run-rate is 18%. This provides resilience against economic uncertainties and gives us optionality to consider capital management and growth opportunities. We will continue to focus on improving returns on capital aiming to move closer to our 20% ROC goal, and on converting earnings into free cash flow. In the coming year, growth capital expenditure will again be minimised, as we believe our current fleet size is sufficient to capture near-term opportunities.

Our business model, in combination with being Australia's largest provider of mining equipment rental with integrated maintenance services is proving its worth, and we see sustained demand for our offerings. We have a high-quality customer base and a diversified exposure across commodities and regions, which provides greater stability. The work done over the past year to strengthen our operations, reduce costs, and sharpen our strategic focus has set the foundation for continued success. We are confident that Emeco is well positioned for FY26 and beyond.

Acknowledgements

I would like to thank the Emeco Board for their support and guidance throughout the year, and for entrusting me and my team to deliver on our business strategy. I am grateful for the Board's insight and backing as we repositioned the Company for long-term success.

I also wish to extend my sincere thanks to the entire Emeco team across all our operations. Our people are the driving force behind our results, and their commitment, expertise, and hard work have made FY25 another successful year for the Company. I am immensely proud of how our team has adapted to challenges and seized opportunities, all while upholding Emeco's values and delivering outstanding service to our customers.

Additionally, I would also like to thank our customers for their continued loyalty and partnership. Choosing Emeco as a partner is something we never take for granted, and we remain dedicated to helping our customers achieve safe and efficient outcomes in their projects. Likewise, I acknowledge the support of our suppliers, financiers, and community partners, your contributions and collaboration are integral to our business and highly valued by Emeco.

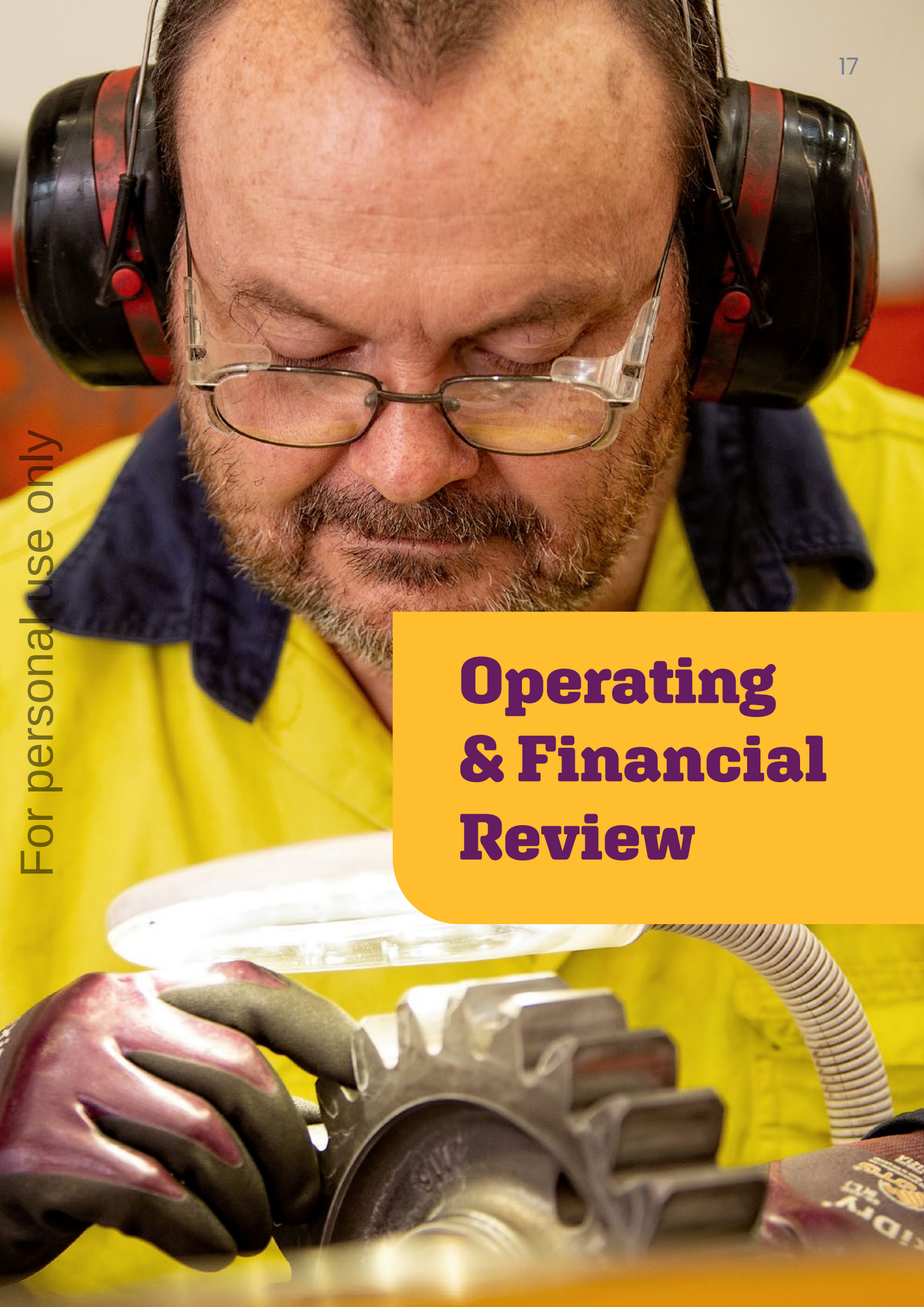
Finally, to our shareholders, thank you for your ongoing support and investment in Emeco. We are committed to rewarding your confidence in us by continuing to execute our strategy and deliver value. As we move into FY26, I am excited about the opportunities ahead for Emeco and confident in our ability to continue performing for the benefit of all our stakeholders.



Ian Testrow
Managing Director & Chief Executive Officer

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Operating & Financial Review



Group Financial Performance

Emeco delivered strong financial results in FY25, building on the momentum set in FY24.

Group revenue of \$785.4 million grew by 7% (excluding the exited contract mining operations), as the Company focussed on its core higher-margin rental and maintenance, improved contract management and increased underground utilisation. Operating EBITDA increased to \$301.1 million (up 7% on \$280.5 million in FY24), driven by cost savings through procurement initiatives, labour, lower repairs and maintenance costs and better contract management. The Operating EBITDA margin expanded to 38% (FY24: 34%) and the Operating EBIT margin increased to 19% (from 15% in FY24).

Operating EBIT rose to \$145.7 million, a 16% increase, (versus \$125.3 million in FY24) and Operating NPAT increased 22% to \$84.5 million (versus \$69.4 million in FY24). Reported NPAT was also higher at \$75.1 million, 43% up from \$52.7 million in FY24. Emeco's Return on Capital (ROC) continued its positive trajectory, ROC increased to 17% in FY25 (from 15% in FY24) driven by higher EBIT and a well-controlled capital base. This result underlines Emeco's strategic focus on improving project returns and managing capital prudently.

Basic earnings per share also increased, reflecting the higher NPAT. These results underscore that Emeco's strategic repositioning – concentrating on its competitive strengths in rental and maintenance – is yielding tangible financial benefits for shareholders.

Table 1: Group Financial Results (Operating vs Statutory)

A\$ millions	Operating FY2025	Operating FY2024	Statutory FY2025	Statutory FY2024
Revenue	\$785.4	\$822.7	\$785.4	\$822.7
EBITDA	\$301.1	\$280.5	\$288.6	\$273.0
EBIT	\$145.7	\$125.3	\$132.2	\$101.4
NPAT	\$84.5	\$69.4	\$75.1	\$52.7
ROC %	17%	15%	14%	12%
EBIT margin %	19%	15%	17%	12%
EBITDA margin %	38%	34%	37%	33%

Notes: Operating results exclude significant non-recurring or non-cash items.

In FY25, these adjustments included the costs of the new ERP implementation and share-based incentive expenses.

ROC = Return on Capital, calculated as Operating EBIT over average capital employed.

Table 2: FY25 Statutory to operating results reconciliation

\$Am	FY25			FY24		
	EBITDA	EBIT	NPAT	EBITDA	EBIT	NPAT
Statutory Result	288.6	132.2	75.1	273.0	101.4	52.7
Tangible asset impairments	-	1.0	1.0	-	16.4	16.4
Long term incentive program	2.7	2.7	2.7	3.5	3.5	3.5
Restructuring expenses	3.3	3.3	3.3	2.9	2.9	2.9
ERP implementation costs	6.4	6.4	6.4	3.1	3.1	3.1
Gain/(loss) on lease modification	0.2	0.2	0.2	(0.2)	(0.2)	(0.2)
Gain on sale of PNP assets	-	-	-	(1.8)	(1.8)	(1.8)
Tax effect of adjustments	-	-	(4.3)	-	-	(7.2)
Operating result	301.1	145.7	84.5	280.5	125.3	69.4

Operating results are non-IFRS measures and exclude the following:

- **Tangible asset impairments:** Totalling \$16.4 million in FY24 recognised on assets no longer fit for purpose in underground rental business following the sale of PNP contracts to Macmahon. Asset impairments for FY25 totalled \$1.0 million.
- **Long-term incentive program:** During FY25, Emeco recognised \$2.7 million of non-cash expenses relating to the employee incentive plan (\$3.5 million in FY24).
- **Loss/(gain) on lease modifications:** Relates to AASB16 treatment of corporate office lease.
- **Gain on sale of PNP assets/contracts:** Relates to the non-recurring gain on PNP asset sale to Macmahon in FY24 only.
- **Restructuring costs:** In FY24 relate to termination costs for non-transferring PNP employees made redundant following the sale of PNP contracts to Macmahon. In FY25 relate to major redundancy programme totalling \$3.3 million.
- **ERP costs:** \$6.4 million in ERP costs (\$3.1 million in FY24).
- **Tax effect of adjustments:** notional tax on above adjustments at 30%.



Segment Performance

Emeco's operating segments for FY25 have been consolidated into two key segments - Rental and Force Workshops. Key segment highlights include:

- **Rental (Surface and Underground Equipment):** The core rental division performed strongly. External rental revenues (excluding the exited contract mining operations) grew by \$50.3 million, driven by a significant growth in maintenance services revenue and improved contract management. Average utilisation of the surface rental fleet remained solid at 85% during the year, reflecting continued strong demand from mining customers. Underground fleet utilisation improved to 57%, supported by steady equipment deployment across newly awarded hard-rock mining projects. The Rental segment's operating EBITDA increased by 6% year-on-year, with margin expansion from prudent cost management, fleet right-sizing and improved contract management.
- **Force Workshops (Maintenance & Rebuilds):** Emeco's Force Workshops division delivered a solid performance for the year. Workshops revenue rose 2% to \$170.0 million (FY24: \$166.2 million), with particularly strong activity in fabrication, line boring and new business on the east coast. This was partially offset by the reduction in high margin rebuilds for external customers, which impacted margins. Force completed 137 major machine rebuilds (internal and external combined) in FY25 (FY24: 128) to extend fleet life for customers and Emeco's own equipment. The Workshops continue to be a critical part of Emeco's model supporting fleet reliability and generating diversified income from external maintenance jobs.

Operating Costs and Margins

Emeco maintained strict cost discipline in FY25, achieving further cost efficiencies following a solid programme of cost improvements in FY24. Table 3 below summarises the Group's operating cost profile (on an operating results basis):

Table 3: Operating cost summary (operating results)

A\$ millions	FY25	FY24
Revenue	785.4	822.7
Operating expenses:		
Repairs and maintenance	(107.9)	(140.1)
External mining & maintenance services	(198.0)	(188.5)
Employee expenses	(69.6)	(104.4)
Cartage and fuel	(23.4)	(27.7)
Net other expenses	(85.4)	(81.5)
Operating EBITDA	301.1	280.5
Depreciation and amortisation	(155.4)	(155.2)
Operating EBIT	145.7	125.3

Repairs and maintenance (**R&M**) costs of \$107.9 million, were lower than the prior year (FY24: \$140.1 million) in line with the reduction in underground contracting activity and improvements in R&M expenditure associated with rental, which was well-controlled through improved procurement and maintenance planning. Emeco continues to optimise its mid-life asset maintenance strategy to minimise cost per hour without compromising reliability.

External mining and maintenance services expense increased by \$9.5 million (from \$188.5 million in FY24). This increase was predominantly due to growth in maintenance service revenue which was partially offset by the reduction in underground contracting activity. Emeco has worked to reduce its reliance on external labour hire and contracted services, refocussing on internal sourcing and converting higher cost subcontracted labour to full time employees.

Employee expenses were lower at \$69.6 million (versus \$104.4 million in FY24). The prior year included a large workforce of underground operators and staff, mostly transferred as part of the sale of the contracting business to Macmahon. In addition to this, further savings were made across the Group as a result of restructuring undertaken during the year to right size our workforce, contributing to higher margins. These savings helped offset inflationary wage pressures in the competitive labour market.

Cartage and fuel costs reduced to \$23.4 million (FY24: \$27.7 million). This reduction is in line with revenue at 3% for both FY24 and FY25.

Other operating expenses (which exclude non-operating items), as shown in the table above, of \$85.4 million, were up on last year (FY24: \$81.5 million) largely due to costs associated with hired-in fleet.

Non-operating items totalled \$13.7 million (FY24: \$24.0 million), including ERP spend of \$6.4 million (FY24: \$3.1 million), \$2.7 million in share-based payments (FY24: \$3.5 million), \$3.3 million in restructure costs (FY24: \$2.9 million), \$1.0 million (FY24: \$16.3 million) in impairments related to asset write downs, nil in gain on sale of PNP assets (FY24:\$1.8 million) and \$0.2 million in lease modifications (FY24: \$0.2 million gain).

Capital Expenditure and Fleet Management

Investment in Fleet and Capital Expenditure

Emeco has a disciplined capital investment strategy, centred on its mid-life equipment business model, which continues to generate strong returns. During FY25, the Company significantly curtailed growth capital expenditure, prioritising the optimisation and high utilisation of its existing fleet. Growth capex was effectively nil in FY25, following the major fleet reinvestment undertaken in FY24. Fleet rebuilt in FY24 was fully deployed into projects providing strong support for revenue growth in FY25.

Total capital expenditure in FY25 was limited to essential sustaining spend, consistent with Emeco's guidance and largely in line with depreciation. Stay-in-business (sustaining) capex totalled \$161.8 million and net sustaining capex after disposals proceeds of \$12.6 million, was \$149.2 million, significantly lower than the prior year (FY24: \$154.4 million net of disposals). This sustaining investment was directed towards replacement of major components (engines, transmissions, etc.) and mid-life overhauls across the fleet to maintain equipment reliability and performance. Emeco's mid-life asset model involves buying quality used "core" machines and systematically rebuilding them; thus, sustaining capex is largely the scheduled component replacement and refurbishment needed to extend asset lives. In FY25, sustaining capex was carefully matched to fleet utilisation and project requirements, and it remained broadly equal to depreciation effectively keeping the fleet's operating condition steady year-on-year. The Company also disposed of surplus or end-of-life assets during the year, with proceeds offsetting new component purchases. No significant acquisitions of fleet occurred in FY25, and as noted, no separate growth capex projects were undertaken (versus the \$47.0 million spent on growth capex in FY24). Emeco's capital allocation was deliberately conservative, reflecting a strategy to maximise free cash flow and to accelerate de-leveraging in FY25.

Emeco continues to actively manage its fleet portfolio to meet customer demand and optimise returns. The Company regularly reviews fleet composition and identifies underutilised or non-core assets for divestment and seeks to routinely dispose of assets that have come to the end of their natural lives. In FY25, assets with WDV \$8.5 million were classified as held-for-sale, this compares with \$15.7 million held for sale in FY24. Emeco's fleet at year-end is more focused on high-demand, high-ROC equipment classes, aligned with strong commodity sectors (like coal, iron ore, gold).

Table 4: Equipment Fleet Composition (Balance sheet values)

A\$ millions	2025	2024
Equipment fleet (at WDV)	\$833.4	\$815.1
Assets held for sale	8.5	15.7
Total fleet assets	\$841.9	\$830.8

Note: WDV of equipment fleet includes deployed rental fleet, support equipment, right-of-use equipment assets, capital work in-progress, and component inventory. Assets held for sale are those identified for disposal (surplus to requirements or obsolete).



During FY25, Emeco's fleet size and utilisation remained robust. The Group's rental fleet (surface and underground) comprises 840 major equipment units, making it one of the largest mining equipment fleets in Australia. Emeco achieved average utilisation of 85% on its core surface fleet. The underground rental fleet utilisation increased from 40% at the start of the year to average 57% for the full year. With new projects secured during the period, underground fleet utilisation is now run rating at around 65% at the date of this report. Emeco's workshops division supports this utilisation by minimising downtime through the Company's strategic network of rebuild workshops across key mining regions (Perth, Kalgoorlie, Mackay, etc.) and in-field maintenance service provision. This enables quick turnarounds and high mechanical availability of fleet. Demand for large mining equipment remained strong through the year, underpinned by healthy production levels in key commodities (coal, iron ore and gold). In contrast, some softness was observed in markets like nickel and lithium, but Emeco's broad customer base and commodity exposure allowed fleet deployment to be optimised across regions. By leveraging its national fleet pool, Emeco can achieve high utilisation and respond to regional shifts in demand and equipment availability.

Emeco also continued to invest in technology and systems to enhance fleet performance. In FY25, the Company progressed the build phase of its new ERP system (Microsoft D365). This modern enterprise system will improve asset management, maintenance scheduling, and overall operational efficiency once fully implemented. Additionally, Emeco advanced its operational technology (OT) initiatives, including a fleet health monitoring solution that uses IoT sensors and machine learning to track equipment condition in real time. These technology investments, while modest in capital cost, are expected to yield benefits in fleet uptime, maintenance optimisation, and customer service, further strengthening Emeco's fleet capabilities.

Cash Flow

Capital Management and Leverage

FY25 delivered a significant improvement in cash generation, as Emeco's higher earnings, good working capital management and disciplined capex translated into free cash flow of \$114.3 million (a 32% increase on FY24) after net sustaining capex of \$149.2 million. Cash conversion remained very strong, with EBITDA to operating cash flow conversion of 97% for the year.

Strong operating free cash flow comfortably funded all maintenance capex requirements and interest costs, with a substantial surplus which was applied to debt reduction and strengthening the Company's balance sheet.

The table below outlines the Group's cash flow movements (operating cash flow and free cash flow) on an operating results basis:

Table 5: Free Cash Flow Summary (Operating basis)

A\$ millions	2025	2024
Operating EBITDA	301.1	280.5
Net movement in working capital	(12.7)	(14.2)
Net sustaining capital expenditure (incl. componentry)	(154.1)	(146.8)
Acquisition/usage of component inventory	4.9	(7.8)
Net finance costs (cash interest paid)	(24.9)	(24.8)
Operating free cash flow (pre-growth capex)	114.3	86.9
Growth capital expenditure	-	(47.0)
Loan to related party	-	-
Net free cash flow	114.3	39.9

Net interest paid was \$24.9 million, consistent with last year, with the benefits of lower average debt offset by a higher interest rate environment. Emeco's interest costs remain well-covered (12.1x cover by Operating EBITDA). Emeco opted to suspend its capital management programme during the year (no dividends or buy-backs in FY25,) in order to prioritise debt reduction. This disciplined approach has yielded a significantly stronger leverage and liquidity position at 30 June 2025:

Table 6: Net Debt and Gearing Summary

A\$ millions	2025	2024
Interest-bearing debt – Secured Notes (AUD)	250.0	250.0
Interest-bearing debt – Revolving Credit Facility	-	30.0
Lease liabilities and other financing	71.3	78.8
Total debt	321.3	358.8
Cash and equivalents	126.4	78.3
Net debt	194.9	280.5
Net leverage (Net Debt / Op. EBITDA)	0.65x	1.00x
Interest cover (Op. EBITDA / Net cash interest)	12.1x	11.3x

Net debt of \$194.9 million, \$85.6 million lower than \$280.5 million in FY24. Drawn debt included the \$250 million of AUD Medium Term Notes and \$71.3 million of lease and other financing liabilities. The Company's liquidity position of approximately \$220 million, includes \$95 million in undrawn revolving credit facilities and over \$125 million in cash, which provides flexibility for further deleveraging, capital management options or future strategic investments. The maturity dates of the Company's debt facilities are as follows:

- Australian Medium Term Note \$250 million (fully drawn at 30 June 2025) matures 10 July 2026.
- Revolving Credit Facility \$95 million (undrawn at 30 June 2025) and \$5 million guarantee facility (drawn to \$2.9 million) matures on 5 December 2025.

The Group has a strong balance sheet with leverage improving from 1.0x EBITDA in FY24 to 0.65x in FY25 – well below the company's target of 1.0x. Resumption of the Group's capital management programme will be considered against options for growth and further debt reduction. Overall, Emeco enters FY26 with lower leverage and enhanced financial resilience, giving it capacity to invest in growth or return capital as conditions merit.

The Directors have reviewed the financial performance and balance sheet of the Group and expect that, based on the Group's operational plans and financial forecasts and its progressed discussions with advisors (including receiving "highly confident" commitment letters and discussions with existing and potential new debt providers), it is well positioned to refinance its maturing debt facilities ahead of the maturity date of those facilities.



Sustainability Report

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1. Emeco's commitment to sustainability

This is the Sustainability Report for Emeco Holdings Limited and its related bodies corporate (**Emeco** or the **Company**) covering the financial year ending 30 June 2025 (**FY25**). Throughout FY25, Emeco has reinforced its commitment to enhancing the wellbeing of our people, minimising environmental impacts, and contributing positively to the communities where we operate. This report provides insights into the actions taken and progress made towards sustainable practices, reinforcing our dedication to long-term business success and social responsibility.

1.1 Report boundary

This report applies to all operations of Emeco Holdings Limited, unless otherwise specified. *Table 1 outlines the geographical and operational scope of our footprint during FY25.*

Table 1: Operational footprint during FY25

States	Workshops	Warehouses and Distribution Centres	Field Service Coverage
Western Australia	Perth (2)	Perth	WA
Queensland	Kalgoorlie	Mackay	QLD
New South Wales	Port Hedland, Newman		
South Australia	Mackay (2)		SA

1.2 Our stakeholders

Table 2 outlines Emeco's key stakeholder groups, the methods of engagement with each, and their relevant topics and concerns. These topics were addressed through our activities and disclosures throughout the FY25 reporting period.

Table 2: Stakeholder engagement

Stakeholder Group	Methods of engagement	Topics and concerns
Investors and proxy advisors	Investor relations meetings and calls; investor conferences; semi-annual financial performance reporting; annual general meeting; email communications	• Company performance • Strategy and outlook • Financial and non-financial risk mitigation • Capital management • Corporate governance • ESG objectives – including climate change • Executive remuneration
Customers	Meetings, emails, phone calls; management meetings; monthly site meetings; tender processes; site visits. Our engagement with customers is through a multi-level relationship approach from the Managing Director/CEO to operational site-based staff.	• Safety • Contract terms and conditions • Customer requirements • Customer future needs • Emeco performance • ESG objectives – including climate change
Employees	In-person communication, surveys, email communications; Emeco's intranet; staff inductions and in-house training; regular staff and safety meetings; HR communications	• Job security, remuneration and benefits • Safety, health and risk management • Training and development • Work prioritisation • Company performance, outlook and strategy • Performance reviews



Stakeholder Group	Methods of engagement	Topics and concerns
Suppliers	Supply-related inquiries; tender and quote responses; ongoing relationship management with key suppliers	• Supply chain opportunities and/or issues • Security of supply • Pricing and discounts • Contractual terms and conditions • Modern slavery considerations
Financiers and rating agencies	Financier meetings and calls; semi-annual financial performance reporting; email communications	• Company performance • Strategy and outlook • Financial and non-financial risk mitigation • Capital management • Corporate governance • ESG objectives – including climate change

2. Material sustainability risks

Emeco identifies key risks that could impact our sustainability, including economic, environmental, social, and health and safety risks. We continually monitor and mitigate these risks as part of our ongoing commitment to responsible and sustainable business practices. Below is an overview of these material sustainability risk areas and our approach in FY25 to mitigating each:

2.1 Economic

The economic risks affecting Emeco include shifts in market demand, fluctuations in commodity prices, and broader macroeconomic conditions. We manage these risks through strategic business planning and proactive engagement with stakeholders, ensuring our operations remain adaptable to changing market conditions.

2.2 Environmental

We are dedicated to minimising the environmental footprint of our operations. Emeco follows a comprehensive Environmental Management Policy to ensure that we meet or exceed regulatory standards, particularly around waste management and the use of hazardous substances. Additionally, we focus on reducing our carbon footprint by improving energy efficiency and investing in technologies that lower our greenhouse gas emissions. Our ongoing work to enhance climate reporting is in preparation for Australia's evolving regulatory landscape on climate change.

We have adopted a "measure to manage" philosophy to improve our understanding of our environmental risks, and we continue to engage with our industry partners (suppliers, customers, etc.) on Emeco's environmental impacts and considerations. During FY25, we continued to build our capabilities in emissions data collection and analysis. Section 4 of this report shares some of our greenhouse gas (GHG) emissions estimates, which will be refined as we collect more data and develop our calculation methodologies. This work was also undertaken in preparation for the introduction of mandatory climate-change reporting in Australia under the new regime established by the *Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Act 2024 (Cth)*, which adopts the Australian Sustainability Reporting Standards (ASRS) and is applicable for the Group for FY26.

2.3 Social

Emeco recognises that social risks, including health and safety concerns, are crucial to our long-term success. We continue to foster a safe and inclusive workplace for all employees, as well as prioritising the well-being of the communities we serve. We invest in training and resources for employees focused on health, safety, wellbeing and upskilling. Emeco identifies threats to the health and safety of our workforce and the communities in which we operate as a material social risk, which we actively seek to minimise. Significant risks in Emeco's operations that could result in serious injury or fatality have been identified and categorised into a number of critical focus areas, managed through Emeco's Core Risk Control Protocols (supported by Emeco's set of Lifesaving Rules). Further details on Emeco's people and safety initiatives are included in Section 3 of this report.

2.4 Supply chain

Throughout FY25 our procurement program delivered substantial value and strategic alignment across the organisation, demonstrating Emeco's commitment to financial sustainability and continued improvement on our ESG journey. Notably:

- We successfully reduced our supplier base from over 2,000 to fewer than 1,000. This has streamlined operations, enhanced supplier relationship management and enabled stronger negotiation and value attraction positions through aggregation of spend.
- We grew our spend under contract from 26% to 65%, significantly improving cost predictability, compliance and risk mitigation. This underscores our commitment to structured, value-driven sustainable procurement practices.
- Emeco increased engagement with First Nations suppliers through embedding indigenous participation in sourcing activities, adding five new First Nation businesses to our supplier base. Emeco also utilises distributorship arrangements for the industrial hardware and stationary categories, leveraging their existing relationships to channel spend to indigenous suppliers.
- In an effort to reduce emissions Emeco has reviewed its light vehicle fleet and is aiming to displace 10% of the current fleet with alternative fueled or hybrid vehicles by the end of FY26.

2.5 Modern slavery

Emeco is committed to continuously improving our human rights and modern slavery governance framework in order to create meaningful value and be a partner of choice in our industry. We assess and seek to mitigate the risks of modern slavery in our operations and supply chain at the time of vendor engagement. The Company conducts periodic analysis of our supplier pool and spend profile has consistently indicated that the risk of modern slavery for Emeco is relatively low. This analysis will continue at regular intervals to help identify any spend categories, suppliers or supplier groups that may present heightened modern slavery risk factors. Emeco engages a third party to do a deep analysis of the human rights risk in our supply chain annually, providing increased visibility of risk and allowing action as required.

Each year, in accordance with our reporting requirements under the Modern Slavery Act 2018 (Cth), Emeco publishes a Modern Slavery Statement summarising the Group's actions in this area. Prior years' statements are available on the Company's website. Emeco's FY25 Modern Slavery Statement will be published during FY26 (covering the actions and undertakings of the year just ended).

2.6 Technology

Emeco continues to prioritise Technology investment across three key areas to drive business performance and enable a resilient, modern and digital enterprise.

- Enterprise Digitisation (Internal) - Emeco continues to invest in digital systems and automation across the enterprise to drive operational efficiency and enable our people to execute at their best. This includes standardising work practices, enhancing field productivity, improving data integrity and reporting, and ensuring secure, scalable systems that support consistent execution across the business.
- Operational Technology Enablement (Internal) - Emeco leverages operational technology to deliver a reliable and high-performance mid-life asset solution. Through the integration of machine telemetry, condition monitoring, and centralised asset management services, we are rapidly progressing to real-time diagnostics and predictive maintenance, leading to asset protection. These growing capabilities underpin improved fleet performance and availability for our customers.
- Commercial Technology Solutions (External) - Our externally facing operational technology (OT) solutions enable our mining customers to manage their fleet onsite and improve operational performance, safety, and reduce carbon emissions. Emeco's commercial technology solutions are additional value-add solutions, focused in and around fleet and aligned with our core business

FY25 key programs include:

- Continued advancement of our Emeco Operating System (EOS) platform for both internal and external benefit. As part of EOS 2.0 due in FY26 we expect to enhance our ability to measure actual fuel use by our machines being deployed at our customers' projects. This knowledge will augment the OEM published generic information to enable us to refine our emissions calculations. As of June 2025, we have EOS installed on approximately 260 machines, and plan to upgrade 200 of these to EOS 2.0 in FY26.
- Modernisation of our Enterprise Resource Planning (ERP) and Human Capital Management (HCM) platforms.
- New Field Digital Work Management Solution to improve standard work, data capture, quality control, and field productivity. Contract and Project Management Standardisation and Digitisation to improve overall commercial contract lifecycle.
- Business Intelligence Platform - continued adoption of business intelligence reporting to enable informed and fast decision making, drive performance, cost management, and competitive advantage.
- IT Infrastructure, Cybersecurity, and End-User-Computing life cycling, improvement and up-keep programs.



3. People

3.1 Health and safety

Ensuring the safety of our workers is our highest priority. We are committed to creating a safe and healthy work environment by implementing comprehensive safety and health processes, providing regular training, and fostering a culture of awareness and responsibility. Every worker has the right to work in a safe and supportive setting, and we strive to uphold the highest standards of safety to protect our most valuable asset – our people.

Our priorities align with the key objectives of our Health, Safety and Environment and Training (**HSET**) strategy, which aims to embed safety in the workplace. We believe a safe workplace is the foundation of a strong organisation. To this end, we have established health and safety protocols that are regularly reviewed and updated in keeping with industry standards and regulations. The HSET Plan brings focus to our safety culture and continually improves the physical safety of our workplaces and systems of work. In FY25, we maintained a significant focus on identifying and eliminating critical risks that could lead to a fatality or serious incident with a focus on disciplined safety fundamentals, including review of our Critical Risk Bowties, transition of our critical control verifications to our existing Safety Management System and further implementation across the Group.

3.2 Risk management

We safeguard our people, reputation, assets, and the environment by understanding and managing risk, as well as by ensuring that we identify opportunities to best serve the long-term interests of all our stakeholders. Risk management at Emeco, including specific elements of financial risk management, is overseen by the Board through the Audit and Risk Management Committee, which is chaired by an independent non-executive director. The Committee operates in accordance with an approved Charter and assists the Board with overseeing and monitoring the Company's risk management system. The Committee is tasked with periodically reviewing, and suggesting any necessary amendments to, the Company's risk management framework, risk register and risk appetite positions.

At an operational level, providing a safe place of work requires significant effort to ensure workplace hazards are recognised and that the risks posed by these hazards are managed. We focus on the most significant hazards and on the critical activities, systems, and hardware that control our people's exposure to those hazards. This effort is guided by a safe system of work that encompasses the policies, standards, processes, and procedures that direct our people on how work is to be done – with particular focus on the critical controls.

3.3 Safety performance

The ultimate success in achieving a zero-harm workplace depends on the engagement of Emeco's people. We continue investing in the training and development of our personnel to enhance our capabilities as an organisation, particularly with respect to safety performance. Emeco's safety performance for FY25 is summarised below:

- There were zero fatalities recorded across the Group's operations (zero in both FY25 and FY24).
- The Lost Time Injury Frequency Rate (**LTIFR**) was zero as of 30 June 2025 (unchanged from zero in the prior year).
- The Total Recordable Injury Frequency Rate (**TRIFR**) was 3.4 up from 2.8 in FY24.

Table 3 below presents our safety performance frequency rate measures for FY25 compared to the prior year, and Table 4 provides a five-year view of Emeco's LTIFR and TRIFR performance trends.

Table 3: Safety performance frequency rate measures

	TRIFR	LTIFR	RWIFR	MTIFR
FY25	3.4	0.0	2.1	1.3
FY24	2.8	0.0	0.3	2.3

Table 4: Five years of average annual LTIFR & TRIFR performance

	FY25	FY24	FY23	FY22	FY21
LTIFR	0.0	0.0	0.3	0.0	0.0
TRIFR	3.4	2.8	3.2	1.9	2.1

RWIFR = Restricted Work Injury Frequency Rate. MTIFR = Medically Treated Injury Frequency Rate.
FY23 TRIFR was restated from 2.9 to 3.2 due to a data correction.

3.4 Training management

Training is the cornerstone of our health and safety strategy. We provide ongoing education and training programs to ensure that all workers are well-versed in safety practices and procedures. This includes initial training for new workers as well as continuous learning opportunities for existing employees. Detailed reviews have been undertaken of each work area's training needs to ensure our training content reflects the requirements of our workforce and our business. We continually review, standardise and deliver training programs associated with the identification and control of hazards, including structured processes such as Job Safety Environmental Analysis (JSEA), Hazard Identification and Risk Management training.

To ensure workers arrive on site job-ready, face-to-face (classroom) maintenance inductions are held each week. This induction includes general maintenance information, verification of competency on specific equipment, and training in Emeco's safety system. Emeco's HSET Plan brings focus to our safety culture, and in FY25 it continued to drive the development and implementation of a range of initiatives, including:

- Updated training requirements and operator manuals: Completion of updated operational training requirements across all business units, including the rollout of new equipment-specific mobile plant operator training manuals and associated workshop equipment.
- Implementation of Project Manager / Supervisor Training Program for new and existing leaders.
- Review and update Emeco's HSET Management Plan.
- Statutory Supervisor training: Ongoing delivery of statutory supervisor training to ensure all supervisors meet regulatory and company requirements.
- Internal safety audits: Continued internal Safety Management System audits conducted at multiple sites to verify compliance and identify improvement opportunities.
- Commenced developing contaminant monitoring program for our Force Workshops
- Document management system upgrade: Adoption of a new internal document management system with enhanced features for document sharing and version control.
- Undertake transition of Critical Control verification to existing Safety Management System and rollout applicable training.

These initiatives build upon the foundation laid in the prior year and are aimed at continuously strengthening Emeco's safety management system and culture

3.5 People and culture

Our apprenticeships program, and upskilling of employees in general, remain important focus areas for Emeco's People & Culture strategy. We aim to have up to two intakes of apprentices each year. During FY25, around 11 new apprentices commenced their training with us, and about 15 apprentices completed their training. At the end of FY25, we had approximately 64 apprentices progressing through their training.

Emeco's People and Culture team also drives our Community Grants program, where employees can nominate community groups to receive grants that help fund those groups' activities. The program, launched in FY21, has been making modest contributions to community causes that our employees identify as meaningful to them. The grants totalled approximately \$174,895 in FY25, up from about \$120,000 in FY24. Our criteria for community giving have so far focused on projects that promote youth and junior sports and physical activity, or that care for the mental wellbeing of our workers and their families.



Emeco uses “Myosh” – a health, safety and environment management platform – to capture a variety of workplace interactions and data. In FY25 we continue to use the “People and Workplace Culture Discussion” module in Myosh, to formally recorded interaction to help us learn from conversations about workplace culture. The module consists of a set of questions designed to prompt and guide managers when checking in with team members, with the objective of encouraging our teams to consider workplace culture as an integral contributor to, and driver of, health and safety outcomes. The guide within this module is centred around Emeco’s core values of accountability for our work, pride in our work, open communication, personal and professional growth, family, and teamwork. The information gathered from these interactions help to surface and address any cultural issues that might impact safety or wellbeing.

3.6 Workforce profile

In FY25, our focus was on the retention and growth of our skilled workforce. We recognise that workforce stability and quality are essential to fostering a positive workplace culture – which is crucial for delivering exceptional service to our customers and creating value for our investors and the communities in which we operate. Consequently, our ongoing efforts have been directed towards reducing dependency on subcontracted labour by attracting, retaining and developing a high-quality permanent workforce. Following the divestment of Pit N Portal in FY24, Emeco rightsized the business to ensure workgroups aligned with our operational needs. As of 30 June 2025, Emeco’s total headcount was 909, down from 942 in FY24.

Detailed below are the numbers of employees at FY25 year end, broken down by employment type, job classification, gender and age demographics.

Table 5: Workforce by contract type

	Full time	Part time	Casual	Total
FY25	791	8	110	909
FY24	832	15	95	942

Table 6: Workforce by job classification, gender and age

Job classification	Total	Gender		Age (years)			
		Female	Male	< 30	31-40	41-50	51+
CEO	1		1				1
Key Management Personnel	1	1					1
General Managers and Senior Managers	21	4	17		6	10	5
Other Managers	32		32	2	14	10	6
Professionals	99	29	70	11	43	21	24
Sales	8	1	7		2	2	4
Clerical & Administrative	77	57	20	29	22	14	12
Technicians and Trades	546	6	540	154	187	133	72
Apprentices and Trainees	64	2	62	59	4	1	
Machinery Operators & Drivers	27	2	25	3	6	13	5
Labourers	33	3	30	8	12	8	5
Total	909	105	804	266	296	212	135

3.7 Diversity

At Emeco, we value and embrace diversity and inclusion as fundamental pillars of our organisational culture. We believe that a diverse workforce – inclusive of various backgrounds, perspectives, and experiences – fosters innovation, enhances decision-making, and drives business success. Our commitment to creating an inclusive environment ensures that every team member feels respected, valued, and empowered to contribute to their fullest potential.

Each year, Emeco's Board sets measurable objectives to achieve greater workplace diversity. These objectives aim to build a more diverse workforce and to promote diversity and inclusion across all levels of the organisation. At the Board level, gender diversity remains a priority when considering changes to the Board's composition, with Emeco striving to meet the gender diversity objectives set out in the ASX Corporate Governance Principles and Recommendations.

Overall, women represent 12% of our total workforce, and approximately 34.6% of employees in non-technical/support roles, as at the end of FY25. Women made up about 9.3% of new hires across all roles during the year, and 22.9% of new starters in non-trade/non-technical roles. Female representation at senior management levels is approximately 22.7%, we are committed to developing and promoting female talent in leadership positions. We continue to focus on improving these metrics, and we remain focused on initiatives to recruit, develop, and retain women at Emeco.

Where an employee has self-identified as having family heritage from Australia's First Nations peoples, we record this information. Based on available data, around 4% of our workforce at the end of FY25 identify as Aboriginal or Torres Strait Islander, and we are working to improve the completeness of this information through voluntary self-identification opportunities.

Workplace Gender Equality Agency (WGEA) Report: In accordance with the requirements of the Workplace Gender Equality Act 2012 (Cth), Emeco's annual compliance report is submitted to the Workplace Gender Equality Agency each year by the required date. Emeco's FY25 WGEA report was submitted in line with all WGEA reporting requirements.

4. Climate Change

We recognise that climate change is one of the most significant challenges facing the world today. We acknowledge the Australian mining industry has a role to play in driving the transition to a lower carbon economy. Emeco has operations in all key mining regions of Australia, with customers including mining companies and contractors across gold, iron ore, metallurgical coal, nickel, thermal coal and copper. As a responsible business in the mining sector, we place value on identifying, assessing and reporting on our actions to address climate change. Our Climate Change Statement is on our website (www.emecogroup.com/sustainability)

The legislation underpinning mandatory climate-related financial disclosures – the Treasury Laws Amendment (Financial Market Infrastructure and Other Measures) Bill 2024 (Cth) – passed Parliament on 9 September 2024. Emeco is a liable entity under this legislation. Mandatory reporting for Emeco will commence from 1 July 2025 for the FY26 year, meaning that our first mandatory climate change disclosures will be included in our end-of-year reporting in next year's Annual Report (FY26).

We are currently working across the Board and Management to complete a work program aligned to the requirements set out in the legislation and in the new Australian Accounting Standards Board's standard S2 Climate-related Disclosures. Our current gaps are largely linked to our Scope 3 greenhouse gas (GHG) emissions, which materially outweigh our operational emissions. As a result, we are working with our customers and supply chain partners to better understand and quantify our Scope 3 emissions. This information is critical to setting meaningful targets and developing a transition plan for our full supply chain. Working with our upstream suppliers and our downstream customers who rent our equipment is an opportunity to forge even stronger relationships.

We are also updating our governance and risk management and frameworks to ensure that our business is well attuned to climate change risks and opportunities. In FY25, Emeco established its inaugural ESG Committee to manage ESG risks and opportunities and to prepare the Company for its mandatory reporting obligations. Membership of this committee includes key executives including the Chief Executive Officer, Chief Financial Officer, Chief Technology Officer, General Counsel, General Manager of HSE and General Manager of HR. The board is represented by the Managing Director and Chief Executive Officer at this Committee. Emeco recognises climate change as a material risk – further details are outlined in the Business Risks section of this annual report. This work will continue during FY26.



4.1 Greenhouse Gas Emissions

With respect to GHG emissions, Emeco has adopted definitions set out in the National Greenhouse and Energy Reporting (NGER) Scheme and summarised below:

- **Scope 1 emissions** are emissions released into the atmosphere as a direct result of the activities at an organisation's facilities.
- **Scope 2 emissions** for a facility represent emissions that are released outside the facility boundary to produce electricity that is imported into the facility and used.
- **Scope 3 emissions** are indirect emissions other than Scope 2 emissions. These occur outside the boundary of an organisation as a result of the organisation's actions.

FY23 is our base year. Our operational GHG emissions – Scope 1 + Scope 2 emissions – are very low. As a result, Emeco is below the threshold for mandatory reporting under the NGER Scheme. Significantly higher levels of emissions have been identified across our value chain, and we are developing methodologies with our customers and suppliers to refine our estimates of Scope 3 emissions.

We have used emissions factors for the relevant years from the National Greenhouse Accounts (NGA) Factors published by the Commonwealth Department of Climate Change, Energy and Water. The most recent NGA Factors 2024 can be found at <https://www.dcceew.gov.au/climate-change/publications/national-greenhouse-accounts-factors-2024>

4.1.1 Operational GHG Emissions

We have determined that our main source of Scope 1 emissions is the diesel we purchase and use in our light vehicles and equipment operated by the Company. This excludes the diesel used in mining equipment which we rent to customers – as we do not operate, nor supply fuel for, the rental equipment. The GHG emissions from the diesel combusted in our rental fleet by our customers are included in our Scope 3 emissions.

As our company-operated light vehicles and equipment reach effective life and are retired, we plan to incorporate into our fleet vehicle models that are marketed as being more fuel efficient than conventional or older diesel models. Where feasible, Emeco is committed to the transition of its light vehicle fleet to hybrid and full electric vehicles. We will monitor our fuel usage and compare this with the advertised fuel efficiency, to guide future decisions around model selection. We are exploring deployment of in-vehicle monitoring systems (IVMS) in the majority of our light vehicles, which will enable us to optimise fuel usage by our employees through enhanced monitoring systems.

Electricity is purchased for use at sites we control. All such sites are leased, not owned, by the Group. We do not control the sites of our customers and of other third parties, where our equipment is supplied for rental, and our workforce is deployed at times. During FY25, we had control of, and paid for electricity supplied to, 15 operational sites located across four electricity networks, as outlined in Table 2 and 3.

Of the 15 sites included in this estimate, 9 sites each had over 100 MWh of electricity usage during FY25; and 7 sites had over 300 MWh each. During FY25, we worked with solar technology providers and owners of some of our larger sites to assess the feasibility of introducing solar generation to those sites, with a view to reducing our reliance on network electricity. As a result, we made an investment in solar PV panels on the roof of our Kalgoorlie workshop. At the end of the year, the investment into solar PV panels for our Kalgoorlie workshop has reduced the facility's Scope 2 emissions by over 24 tonnes of carbon dioxide equivalent (tCO₂e) and reduced electricity costs by about \$7,000. It is anticipated that the Guildford and Forrestfield workshops will have solar PV panels installed and operational in FY26.

Aside from the operational sites included in the estimate in Table 3, we pay for electricity at a number of other locations, predominantly residential properties provided for staff accommodation in remote locations. We estimate the 15 sites included in this report account for over 90% of the total electricity we purchased in FY25.

As shown in Table 10, our total operational emissions in FY25 were 5,402 tCO₂e.

Table 7: Diesel purchased for company owned and operated vehicles (kilolitres)

	FY25	FY23	FY23
Diesel purchased	892	1,169	1,096
Variance vs PY	-15%	+7%	

Table 8: Main sites using purchased electricity

WA – Southwest	WA – Northwest	QLD	NSW
Perth workshops, warehouse and head office (x4) Kalgoorlie workshops and warehouse (x2)	Port Hedland and Newman workshops (x2)	Mackay workshops and warehouse and Brisbane office (x5)	Rutherford and Gunnedah premises (x2)

Table 9: Electricity purchased (MWh)¹

Electricity purchased	FY25	FY24	FY23
WA – Southwest	1,980	1,955	1,771
WA – Northwest	459	680	745
QLD	881	913	826
NSW²	572	656	692
Total	3,892	4,204	4,034
Variance vs FY23	-7%	+4%	

Table 10: Operational GHG emissions (tCO₂e)

Electricity purchased	FY25	FY24	FY23
Scope 1 emissions	2,988	3,178	2,978
Scope 2 emissions	2,414	2,570	2,474
Total	5,402	5,748	5,452
Variance vs FY23	-6%	+5%	

¹ Electricity quantities are estimated from purchase records and vendor provided meter readings

² Quantity reported for NSW includes approximately 80% which is passed through to a sublease of our Rutherford site.

4.1.2: Scope 3 Emissions

Emeco is the largest provider of rental equipment to the mining sector in Australia. We are also Australia's largest maintenance and component rebuild services provider, with workshops located in all key mining regions. Our business supports the circular economy by extending the working life of key assets in the mining sector. As a result, less virgin materials are required to produce new equipment. This approach reduces GHG emissions across the value chain for the mining sector in Australia. In addition, we refurbish our own powertrain and engines in-house, further promoting the circular economy by enabling local rebuilds and reducing the need to transport used components to distant facilities.

We are progressing work to map our Scope 3 emissions. We expect that the largest source of our Scope 3 emissions is the combustion of diesel fuel in the heavy mining equipment which we supply for hire. Our customers (or their customers) operate and supply fuel for this rental equipment, which results in the associated emissions being outside the boundary of our organisation.

We have made preliminary estimates using service meter units (**SMUs**), operating hours logged by our surface mining fleet (i.e. excluding underground equipment), and medium load fuel consumption statistics provided in a recent edition of the Caterpillar Performance Handbook. This estimate is in the vicinity of 500,000+ tCO₂e per year of Scope 3 emissions from mapping nearly 90% of SMUs for our surface mining fleet during FY25, FY24 and FY23.

Emeco Operating System (**EOS**) is Emeco's fleet-optimisation technology platform which tracks shift performance in real-time. As we further develop our EOS technology, we expect to enhance our ability to measure actual fuel use by our machines being deployed at our customers' projects. This knowledge will augment the OEM published generic information to enable us to refine our emissions calculations. EOS is being developed to provide actionable insights to help identify machines with higher-than-expected fuel burn or emissions, enabling targeted maintenance interventions that will improve overall fleet efficiency. As of June 2025, we have EOS installed on approximately 260 machines, and plan to install EOS across another 50 machines in FY26.



Emeco, through its wholly owned subsidiary Force, has partnered with equipment manufacturer XCMG, to support the introduction of a battery-powered fleet into one of Emeco's customer's mining operations in Western Australia. Services to be provided to XCMG include equipment commissioning, training, onsite labour and field maintenance, warranty servicing and repairs, offsite rebuild and engineering services, as well as project management and advisory services. Force's existing national workshops and labour footprint will be utilised in partnership with XCMG's technicians, parts and equipment inventory.

Key elements of Emeco's strategy have been enhancing our technology-driven capabilities, as well as supporting the energy transition in the mining industry. Our partnership with XCMG is our first step into next generation battery-electric technology and provides a pathway to become a leading Australian provider of maintenance services for battery-electric mining fleet.

We expect another material source of our Scope 3 emissions to be from the production of iron and steel which is used in machinery parts that we purchase for our own fleet and for our customers' machines. We will work with manufacturers and industry partners to explore a robust methodology for estimating these upstream emissions.

4.2: Scenario analysis

During FY25, senior Emeco management engaged in scenario analysis to test the resilience of our strategies under both a 1.5°C scenario for transition risks and opportunities and a 3-4°C scenario for physical climate change risks.

4.2.1: Transition risks and opportunities: 1.5°C scenario

In 2021, the International Energy Agency (IEA) published its World Energy Outlook (WEO-2021) which included a new scenario for net zero emissions (NZE) by 2050. In this NZE scenario, CO₂ emissions are net zero in 2050 globally, and the rise in temperature reaches a maximum level of just over 1.5 °C around 2050 and by 2100 the rise in temperature falls to around 1.4°C.

It is this rapid reduction in GHG emissions over the period 2020-2050 that makes this scenario a stress test for assessing transition risks and opportunities.

Key global signposts for Emeco taken from IEA's NZE scenario include:

- Global energy-related and industrial process CO₂ emissions fall from a peak of ~37 gigatonnes (Gt) in 2022 to ~21 Gt in 2030 and to net zero in 2050. CO₂ emissions in advanced economies as a whole fall to net zero by about 2045.
- Carbon prices in advanced economies increase from \$US75 per tonne CO₂ in 2025; to \$130 by 2030; to \$205 in 2040; and to \$250 in 2050. Rising carbon prices provide the incentive to drive technological innovation and consequently reduce emissions.
- The fastest and largest reductions in global emissions are in the electricity sector, with emissions dropping in this sector by nearly 60% by 2030 mainly due to major reductions in generation from coal-fired plants.
- All subcritical coal-fired plants are phased out by 2030 and all plants without carbon capture, use and storage (CCUS) are phased out by 2040.
- In order to meet the net zero emissions outcome in this scenario, thermal coal demand falls quickly in the 2020s, declining by 7% on average each year to 2030. The sharp demand for thermal coal means that there are no new coal mines or coal mine lifetime extensions.
- As a result of the lower demand for thermal coal, coal prices fall in major markets in 2030, and prices are even lower by 2050.
- The share of renewable energy more than doubles from 2020 to 2030 and reaches 88% by 2050.
- In the transport sector, average fuel consumption of internal combustion engines (ICE) heavy truck fleets improves dramatically from 2020-2050.
- There is a transition away from oil in the transport sector - the share of electric, hydrogen and hybrid vehicles in total heavy vehicle sales increases from zero in 2020; to 30% in 2030; 84% in 2040; and 99% by 2050. By 2050, nearly all heavy trucks sold are electric or fuel cell.
- With the growth in renewable generation, new transmission and distribution infrastructure and battery storage, the demand for some minerals will grow. Demand for critical minerals for clean energy applications quadruples between 2022 and 2030.

These signposts from IEA's NZE scenario give Emeco confidence that opportunities will exist to offer options for diesel replacement - our biggest source of emissions in the value chain. We will continue to work with OEMs and our customers to monitor signposts for the availability of heavy-duty vehicles that are not reliant on fossil fuels. With this information, we will partner with OEMs and our customers to trial new low-emission vehicles. In parallel, we will explore bridging technologies such as hybrid systems and hydrogen injection to reduce emissions and extend the viability of our existing fleet during the transition.

The signposts for the global outlook for thermal coal are also important as thermal coal mining represents about 18% of our revenue. We recognise the opportunity to work with customers in the forward-facing commodities and emerging critical minerals. The scenario signposts are useful in reviewing our strategy through a different lens. Using the scenario analysis and observing the signposts for emerging trends we can build confidence that our own strategies are aligned with the transition to a lower carbon future.

4.2.2: Physical climate change risks: 3-4°C scenario

We explored physical risks under 3-4°C scenarios using data from the IPCC's Sixth Assessment Report and various Australian specific reports including from the CSIRO and Bureau of Meteorology. There is strong value in using high emissions scenarios to stress test how extreme events could potentially impact our operations.

Risks related to the potential physical impacts of climate change include acute risks resulting from increased severity of extreme weather events and chronic risks resulting from longer-term changes in climate patterns, rising temperatures and rising sea levels.

It was noted that mining operations in Australia are often in zones prone to extreme weather events and are therefore exposed to potential disruptions. Physical climate change risks are potential threat multipliers for our operational risks, for example the operational risk of flooding at a customer site is a potential threat to not only asset integrity, but to our people and our bottom line.

It is important to integrate our physical climate change risks and planning into our risk register, insurance negotiations and decision-making processes, for example in any new mining services contract we should request that our customers provide their risk assessments of physical climate change risks and their plans to build climate resilience into their activities.

While our workshops, equipment used on customers' sites and our people can be exposed to physical impacts, adaptation plans for mining operations are largely the responsibility of our clients. Opportunities to collaborate and expand our learning are therefore crucial to ensure risks are managed in partnership with others and maladaptation is avoided.

A summary of climate change physical impacts under 3-4°C scenario is provided below.

- Flood
 - Disruptions to customers' onsite operations e.g. failure of tailings storage facility; pit flooding; equipment failure or damage from water exposure can all impact Emeco's financial performance
 - Emeco's own equipment can be impacted by in pit flooding
- Water stress/ drought
 - Disruptions to customers' onsite operations due to failure of tailings storage; lack of water for dust suppression; and general water supply constraints can all impact Emeco's financial performance
- Heat extremes
 - Increased stress on employees – health and safety risks – both at customers' sites as well as at Emeco's workshops
 - Reduced productivity
 - Disruptions to customers' onsite operations from rail buckling which impacts on supply chains and can impact Emeco's financial performance
- Bushfire
 - Safety risk to Emeco employees at customers' sites
 - Disruption to customers' onsite operations and supply chains can impact Emeco's financial performance
- Tropical cyclones
 - Safety risk to Emeco employees at customers' sites and at Emeco's workshops in northern Australia
 - Disruptions to customers' onsite operations due to wind and flood damage can impact Emeco's financial performance
- Coastal infrastructure inundation and damage
 - Disruptions to customers' operations and supply chains can impact Emeco's financial performance



Business Risks



Emeco's short to medium term operational and financial success may be impacted by a number of risk factors which may be material to the Company if multiple risks eventuated at the same time or for a prolonged duration. Some of the more material risks and mitigation strategies include, but are not limited to:

Risk		<i>Risk profile (italicised) and mitigation strategies</i>
People and Culture	HSE and Training Serious injury or fatality.	<i>There are a range of potential safety hazards to which Emeco's employee and contractor workforces, and visitors are exposed. Where a serious risk results in the worst-case scenario, it can lead to serious injury or fatality to persons while undertaking activities or attending locations in connection with the Emeco business. Apart from the direct workers' compensation expense, this may adversely impact operational performance or the Company's ability to continue operations. Further, an employer who is found to be engaged in negligent conduct that results in a workplace death, may face penalties, imprisonment, legal costs, and reputational impacts.</i> Emeco endeavours to continuously improve its management and mitigation of this risk through ongoing enhancements to safety plans, processes and resources. Emeco promotes a culture of 'safety first' and takes a robust approach to mapping and auditing controls across key processes, and developing and delivering training to ensure workers are appropriately skilled and aligned to the Company's focus on safety. Senior leadership meet regularly to review and address safety related incidents and patterns of compliance to training.
	Labour Shortage Inability to recruit/retain sufficiently qualified/skilled people in a highly competitive labour market.	<i>Emeco's growth and profitability may be limited by loss of key operating personnel, inability to recruit and retain skilled and experienced employees or by increases in employee costs. The industry has experienced labour shortages (particularly skilled labour) at different times in the commodity cycle.</i> To mitigate against this, Emeco has a 'People and Culture' team dedicated to ensuring employees and potential employees become embedded in the Company and feel part of the team. In addition, Emeco does regular benchmarking to ensure employees are remunerated appropriately and in line with the market in order that we remain competitive. Emeco also engages in offshore sourcing of labour to increase skilled labour supply into the Australian market.
Compliance	Legal and Regulatory Breach of key regulatory requirements due to inadequate continuous monitoring of laws or failure of a key control, possibly resulting in fines, legal proceedings or loss of social licence to operate.	<i>Pertinent to Emeco's operations are laws and regulations governing employment and labour relations, taxation, competition and consumer practices, intellectual property, data privacy, environmental protection, financial regulation, etc.</i> We focus on maintaining compliance with laws and regulations applicable to the regions we operate within, and ensuring adequate controls are in place to manage the risk of legal proceedings. Emeco employs a range of initiatives to meet or exceed regulatory compliance including employment of specialists to support operational staff in areas such as legal, human resources, health and safety; use of engineering solutions to improve operations and safety; and regular training and competency testing of employees. Emeco continues to develop and invest in its approach to risk management and ESG strategies to foster a proactive and preventive compliance culture. Internal audit plans include reviews of policies and procedures to ensure ongoing regulatory compliance.
Operational Technology	Technology	<i>The technology landscape is evolving quickly. Emeco is exposed to the impacts of new and competing technologies in the mining services sector.</i> Emeco is increasingly engaging in industry networks and developing relationships with equipment and parts manufacturers and technology providers. This keeps Emeco informed of changes that can be embedded into future strategies. In addition to monitoring alternative drivetrain technologies, Emeco is focused on immediate advances that increase the structural life of its equipment, improve emissions profiles, and reduce failures that hinder material reuse. By integrating these advancements, Emeco enhances the durability and sustainability of its fleet, ensures compliance with evolving environmental standards and maintains a competitive edge in the market. Through our Force business, Emeco are in a unique position to leverage expertise and customer relationships to explore decarbonisation developments. The Company's mid-life asset model minimises exposure to equipment becoming obsolete.



Risk		<i>Risk profile (italicised) and mitigation strategies</i>
Information Technology	ERP Replacement	Emeco is nearing completion of the Build phase for its ERP replacement project. Key risks for the remainder of the project include schedule delays (which may arise for multiple reasons such as design misalignment, milestone elongation, resource under sizing, etc.), cost overruns, critical resource departures and change resistance. To control and mitigate risks for the project, we are taking actions including: • Peer review of design by Microsoft and independent system integrator. • Audit of project governance, to ensure the project team is set up for success and audit recommendations are implemented. • External review by reputable third parties of delivery strategy, schedule and resource profile. • Regular project engagement surveys and continuous improvement of team collaboration, cohesiveness and retention. Critical resource review, cross discipline training, refinement of documentation and retention strategies.
	Cybersecurity Business disruption due to a cybersecurity incident.	The potential of cybersecurity attacks, misuse and release of sensitive information pose ongoing risks to the operational and financial results of the Company. Emeco remains vigilant to cyber threats and has taken a number of actions to improve cybersecurity posture and maturity across the business, and reduce cybersecurity risk. These include undertaking annual cybersecurity audits across the business and addressing findings in a timely manner. Emeco has also engaged an external cybersecurity services provider that is providing ongoing cybersecurity advisory services to improve policies, practices, technical architecture reviews, as well as cybersecurity monitoring services. Emeco employees also receive annual cyber risk awareness training.
Financial	Cash and Liquidity Lack of capital.	Emeco is capital intensive and relies on banks and other institutions to source its funding needs. A failure to access sufficient liquidity may limit the Company's ability to grow its earnings and may prevent the Company paying its debts as and when they fall due. Further, where the Company does not maintain access to multiple funding sources across a range of tenors, it may be subjected to increased establishment and interest expense. Emeco adopts a conservative approach to capital management and seeks to maintain low gearing, ensuring the balance sheet can withstand market shocks and retain the flexibility to fund opportunities which deliver earnings growth. The Company is well progressed in its plans to refinance maturing facilities, with multiple refinancing pathways available for execution at the date of this report.
	Customer Credit Risk	Customer credit risk remains an inherent part of Emeco's business. Over the years the Group's customer profile has expanded with revenue growth. However, balancing growth in the portfolio against potentially increased exposure to lower quality credits, requires increased management of individual customer accounts. Changes in commodity prices and customer specific issues affecting cash flows available to settle accounts are factored into the level of credit extended to any customer. However, these are subject to change in a dynamic environment. Management assesses customer credits based on internal policies and procedures. Credit insurance (or alternative security such as a bank guarantee or security deposit) and payment terms are considered as part of this process. The Group's debtor portfolio is currently >90% covered under trade insurance cover.

Risk	<i>Risk profile (italicised) and mitigation strategies</i>
Business Acquisitions and Integration	<i>If financial, operational, market, legal and regulatory, human resource etc. risks materialise during a business acquisition or integration, they can significantly impact the success of the transaction. These risks can result in loss of capital, decreased productivity, reduced profitability, legal action, reputational damage, and loss of talent and institutional knowledge.</i> Rigorous and prompt actions to identify, assess, and prioritise risks associated with any contemplated acquisition and integration, allows the Company to develop strategies to mitigate the risks and ensure the success of the transaction. M&A remains a key strategy to enhance the business operating model. Emeco actively monitors and considers opportunities to enhance market presence and deliver acceptable returns for shareholders. Emeco's M&A and business development efforts focus on diversifying its revenue streams across different services, commodities, and geographic areas. This diversification strategy helps spread risk and strengthen the Company's overall resilience.
Macroeconomic and Geopolitical Risk Exposure to geopolitical and macroeconomic uncertainty including, changes to royalty and taxation policy, inflationary pressures, international trade agreements, fluctuations in interest rates and foreign currency.	<i>This exposure may lead to increased uncertainty and volatility in financial markets, making it more difficult to access capital, the tightening of labour markets, rising operating costs and reduced margins.</i> <i>Emeco's primary customer base is the resources sector of Australia. Its financial performance is closely tied to the performance of customers within those markets that are cyclical and affected by various factors beyond Emeco's control including: commodity price performance, investment in mining projects, regulation affecting the mining sector, the availability and cost of labour, equipment and parts.</i> Emeco's M&A and business development priorities seek to diversify Emeco's revenue base from a service offering, commodity and geographic perspective. Emeco's diversified portfolio of customers provides a more balanced exposure to fluctuations in commodity prices and regional events (e.g. wet weather), thus minimising single event exposure risks. Emeco's rental projects have gradually steered towards maintained hire models to increase contract tenure and diversify our service offering. The Company maintains strong financial disciplines with respect to investment decisions, operational spending and financial reporting and forecasting to measure and maintain resilience in its financial position. Emeco also engages professional advisors to keep it apprised of changes in regulatory requirements, macroeconomic conditions and geopolitical risks.
Inflationary Cost Pressures	<i>Emeco procures goods and services from a range of suppliers, that are critical to its business operations. These goods and services are subject to availability shortages and price inflation, which may not be within Emeco's control – in particular, parts and labour. The rate of cost inflation may outpace the Company's ability to adjust contract pricing, which may negatively impact Emeco's financial performance.</i> To offset inflationary pressures, Emeco engages with customers regarding out-of-cycle rate increases, and also ensures appropriate mechanisms are included in its revenue contracts for periodic review of pricing i.e. rise and fall adjustment. There is also a tight focus on cost management and appropriate back charging of costs to customers, including cost of outsourced labour. Further, performing works in-house through our Force business also assists to mitigate cost pressures.
Vulnerability to Mining and Commodity Cycles	<i>Emeco's financial performance is influenced by the level of activity in the resources and mining industry, which is impacted by a number of factors beyond Emeco's control. These include:</i> <i>• Demand for mineral production which may be influenced by factors such as global growth, commodity prices, exchange rates and the competitiveness of Australian mining operations.</i> <i>• Government policy on rebates, spending, royalties and taxes.</i> <i>• Policies of mine owners including their decisions to undertake operations using their own equipment or rented equipment.</i> In recent years, Emeco has focused on building a sustainable business that generates shareholder value through economic and commodity cycles. To mitigate the risks posed by the cyclical nature of the industry, Emeco has significantly reduced its cost base and its capital intensity, particularly through its mid-life asset rebuild model. The acquisition of Force has assisted with this as it allows Emeco to rebuild its own equipment components and assets, cost effectively.

Risk	<i>Risk profile (italicised) and mitigation strategies</i>
Portfolio Optimisation	Competition Risk Failure to remain competitive with Emeco's peers in the market due to a lack of continuous innovation and/ or competitive pricing, possibly resulting in loss of revenue impacting the long-term profitability of the Company. <i>The mining services industry in which Emeco operates, consists of numerous peers and competitors all seeking to improve business performance. The coming years will see a shift in the way organisations operate, with use of renewable energy, automation and AI expected to increase. Emeco will need to ensure it remains in step with the ever-changing industry. Further, Emeco remains at risk of not being able to maintain sufficient pricing flexibility to offset inflationary costs, resulting in margin deterioration.</i> Emeco seeks to maintain competitive cost advantages through its unique asset management and mid-life rebuild model, coupled with disciplined cost control measures to ensure operational efficiency. Emeco differentiates itself through continuous innovation and technology integration, such as the EOS platform, which includes an equipment health module that will enhance internal operations and add value to customers by improving productivity and efficiency. Emeco has a network of workshops to support operations and customers across major mining markets within Australia, ensuring efficient access and high service standards. Strong customer and supplier partnerships and collaboration opportunities remain critical to us being a preferred supplier. These are actively nurtured by all levels of management. Emeco fosters a "can do" approach through strong leadership, maintaining a reputation as an employer of choice with competitive remuneration, flexible work arrangements, and an inclusive culture. Fleet configuration is continuously reviewed to focus on competitive strengths and identify underperforming categories, allowing Emeco to adapt and prioritise equipment classes that offer the best long-term returns for shareholders.
Sustainability / Social Licence to Operate	Sustainability / Social Licence Climate change risk / Environmental, Social and Governance (ESG) considerations. <i>Emeco is exposed directly and indirectly to climate change risks, including exposure to coal customers, which gives rise to risks such as:</i> <i>Regulatory and policy risk – Growing regulatory pressures and societal demands require companies like Emeco to be more accountable for their ESG performance. Regulatory requirements and government policies to combat climate change and reduce greenhouse emissions are increasing. These regulations can lead to increased costs, operational constraints, and potential penalties for non-compliance.</i> <i>Market and financial risk – As countries and industries shift towards cleaner energy sources, the demand for coal may decline, leading to reduced market value and potential financial losses for companies heavily reliant on coal. Financiers and investors are increasingly considering climate-related risks and may choose to divest from companies with high exposure to carbon intensive assets. This may impact Emeco's ability to secure cost-efficient funding to maintain and grow its operations.</i> <i>Emeco's revenue derived from thermal coal projects represents 19% of total revenue in FY25. Diversification strategies through underground rental and Force workshops continue to be pursued to lower thermal coal exposure.</i> <i>There is a risk that Emeco may not meet community and/or other stakeholder expectations regarding its business activities or other ESG performance, potentially leading to loss of contracts, loss of reputation, higher compliance costs, loss of investor confidence and an inability to secure labour.</i> Emeco has undertaken transitional work to evaluate the scale of its Scope 1 and Scope 2 carbon emissions, which are not considered material. The Company has an established pathway to comply with legislated changes to ESG related reporting (particularly with respect to climate change). In due course this will extend to measuring and establishing targets for reducing Scope 3 emissions.
Operations	Short Term Contracts, Contract Terminations <i>Emeco's traditional sources of revenue are often subject to short-term contractual arrangements with mechanisms for termination by the customer, for reasons outside Emeco's control. This may adversely affect Emeco's ability to deliver financial performance in line with the expectations of the market.</i> In recent years, Emeco has focused on increasing the average tenure of its contracts, including by increasing the level of service provided to customers in order to embed itself in customers' operations and secure longer contract tenure. The Company maintains strong customer relationships to understand fleet requirements in order to plan fleet allocation and minimise the time fleet is "off hire" between projects.

Risk	<i>Risk profile (italicised) and mitigation strategies</i>
Under-performance of Contracts	<i>Emeco's earnings are dependent on profitable contracts and, from time to time, there may be underperforming contracts. Execution and delivery of projects involves judgement regarding the planning, development and operation of complex operating facilities and equipment. As a result, Emeco's operations, cash flows and liquidity could be affected if the resources or time needed to complete a project are miscalculated, if it fails to meet contractual obligations, or if it encounters delays or unspecified conditions. Financial performance of contracts can be impacted by matters outside the Company's control, including wet weather, customer funding, mine economics and planning and commodity price cycles.</i> Emeco maintains a broad portfolio of contracts and customers, with a broad commodity and geographic spread. Contract are managed carefully from a commercial and cost perspective to achieve expected outcomes. Operational performance is managed in tandem with the customer's objectives and planning. This assists to ensure that the financial impact of any single underperforming contract is minimised.
Extreme Weather Events	<i>Emeco recognises the physical impacts of extreme weather events. Risks related to the physical impacts of extreme weather events could disrupt mining operations and impact the health and safety of our workforce.</i> Emeco seeks to address revenue exposure to shutdowns or contract suspensions through the inclusion of minimum hours charges and/or standby rates. Emeco works with its customers in scenarios where extreme events have caused site wide issues or lack of access.
Supply Chain Risk	<i>Emeco relies heavily on imported parts, which in turn depend on overseas manufacturing and logistics and availability of suitable vessels for transport. There is risk that Emeco cannot secure parts for both component rebuilds and ongoing Delay or maintenance to meet increasing customer demand for fleet. There is further risk that unavailability of supply chain costs will increase over time.</i> Emeco has completed Project Delta, a strategic sourcing initiative aimed at other goods and identifying and securing cost reduction opportunities. A key benefit of the project is services, rationalising Emeco's supplier base, allowing for proactive relationship management. This will help secure savings and foster relationships with suppliers incentivised to deliver further, non-contracted or price related value adds. Relationship management is critical to ensuring open lines of communication and collaboration to understand lead times and upcoming challenges. Emeco is building connections with key suppliers to ensure we receive prompt updates on their supply chains. Emeco has expanded inventory held to support both equipment in the field and component rebuilds. This is providing additional security to respond quickly to customer requirements.
Fleet Risk	<i>Emeco's heavy fleet bias towards one major equipment manufacturer exposes us to a concentration risk pertaining to technology / obsolescence.</i> <i>As societal expectations increase with respect to ESG strategies, Emeco must consider future technologies to decarbonise our fleet and our customers' operations.</i> <i>Emeco's mid-life asset model proves both cost and capital efficient but continues to require investment in carbon intensive technology which at some point will be obsolete.</i> The mid-life rebuild business model has positive attributes from a carbon perspective, given the reuse of carbon intensive steel and remanufacture and reuse of major components. The mid-life model offers commercial benefits and acts as a proactive strategy to mitigate risks related to fleet obsolescence and technological evolution in the mining sector. The model leverages Force workshops to rebuild targeted assets, allowing Emeco to return equipment to operation at a substantial cost advantage compared to competitors without in-house rebuild capabilities. Emeco aims to maintain a fleet of assets with 5-10 years remaining economic life, as opposed to the typical 20-year lifespan of new equipment. The push to decarbonise fleets is reshaping equipment replacement strategies across the industry. Rather than immediately replacing fleets, there is a shift towards extending the asset lives to allow time for the development of alternative fuels. This strategy enables Emeco to increase the volume of mid-life equipment rebuilds. Emeco adopts a meticulous approach to commercial reviews for major equipment spending, ensuring adequate returns on investment. This robust life-cycle management includes regular evaluation of equipment performance and technological relevance, and identifies optimal points throughout an asset's life where upgrades, disposal or replacement can be considered, reducing the risk of obsolescence and allowing for responsive actions before planned end-of-life milestones. Emeco continues to develop its understanding of alternate fleet technologies and has recently commenced a partnership arrangement with a battery-powered fleet provider, to supply maintenance support to a major customer.

Additionally, the Company is exposed to other risks that it manages at both a strategic and day-to-day operational level.



Directors' Report

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The board of directors (**Board**) of Emeco Holdings Limited (**Emeco** or **Company**) present their report together with the financial reports of the consolidated entity, being Emeco and its controlled entities (**Group**) and the auditor's report for the financial year ended 30 June 2025 (**FY25**).

Directors

The directors of the Company during FY25 were:

IAN MACLIVER **B.Com**

Appointment:

Independent Non-Executive Director and Chair of the Board since 1 December 2024.

Board committee membership:

- Member of the Remuneration and Nomination Committee since December 2024.
- Member of the Audit and Risk Management Committee since December 2024.

Skills and experience:

Mr MacLiver is a highly regarded and experienced director within the mining sector. Mr MacLiver's executive and director experience covers all areas of corporate activity, including acquisitions, divestments, takeovers, business and strategic planning, debt and

equity structuring, operating projects and financial reviews and valuations.

Mr MacLiver was Chairman of MMA Offshore Limited from 2020 to 2024 (prior to its acquisition by Cyan Renewables) and Non-Executive Chairman of Western Areas Limited from 2011 to 2022. Previously, Mr MacLiver was also a Non-Executive Director of Otto Energy Limited and Mount Gibson Iron Limited.

Mr MacLiver holds a Bachelor of Commerce from the University of Western Australia, a Post Graduate Diploma from the Securities Institute of Australia and qualified as a Chartered Accountant.

Current appointments:

- Non-executive Director of Sheffield Resources Limited (2019 to current).
- Alternate Director of Wright Prospecting Pty Ltd (2022 to current).

IAN TESTROW **BEng (Civil), MBA**

Appointment:

Managing Director since August 2015.

Skills and experience:

Mr Testrow joined Emeco in 2005 and was appointed Chief Executive Officer and Managing Director in August 2015. Prior to this, Mr Testrow was Emeco's Chief Operating Officer, having previously been responsible for Emeco's Eastern Region rental business (2005 to 2009) and the North and South American operations (2009 to 2014). Prior to Emeco, Mr Testrow worked for Wesfarmers, BHP Billiton, Thiess and Dyno Nobel.

PETER FRANK **BSEE, MBA**

Appointment:

Non-Executive Director since April 2017 and Interim Chair from 31 May 2024 to 30 November 2024.

Board committee membership:

- Member of the Remuneration and Nomination Committee since May 2024.

Skills and experience:

Mr Frank retired as Senior Managing Director at Black Diamond Capital Management in December 2021 after 13 years of service, however, continues in an advisory capacity. Prior to joining Black Diamond, Mr Frank was President of GSC Group, a SEC-registered investment advisor, where he worked since 2001. From 2005 until 2008, Peter also served as the Senior Operating Executive for GSC's private equity funds.

Prior to 2001, Mr Frank was the CEO of Ten Hoeve Bros Inc. and was an investment banker at Goldman Sachs & Co.

Mr Frank has also served as chairman of the board of Kolmar Labs Group Inc., Scovill Inc. and Worldtex Inc. and was previously a director of IAP Worldwide Services Inc., Grede Holdings LLC, Color Spot Holdings Inc., Viasystems Group Inc. and North Metro Harness Initiative LLC. Peter graduated from the University of Michigan with a BSEE degree and earned an MBA from the Harvard Business School.

Current appointments:

- Director of Specialty Chemicals International Limited.
- Director of Harvey Gulf International Marine LLC.
- Director of Bakelite UK Topco Ltd.



SARAH ADAM-GEDGE BBus (Accounting), FCA, GAICD**Appointment:**

Independent Non-Executive Director since October 2023.

Board committee membership:

- Chair of the Audit and Risk Management Committee since October 2023.

Skills and experience:

Ms Adam-Gedge is a Chartered Accountant (Fellow) and Graduate member of the Australian Institute of Company Directors who brings broad financial, commercial, technology and digital leadership and governance experience to Emeco, gained through her executive career and her current roles across a number of Boards.

Ms Adam-Gedge began her executive career at Arthur Andersen as an audit specialist before joining PwC and broadening into consulting including business process re-engineering, supply chain efficiency and financial performance optimisation. Her career includes over a decade in regional

CEO roles in leading technology and consulting businesses including IBM, Avanade Australia, Publicis Sapient Australia and Wipro Limited Australia and New Zealand. Ms Adam-Gedge is a professional non-executive director and, in addition to her current appointments to a number of listed companies, Ms Adam-Gedge was deputy chair and non-executive director of Austal Limited from 2017 to 2025.

Current appointments:

- Non-executive Director of Codan Limited (2023 to current).
- Non-executive Director of Bravura Solutions Limited (2023 to current).
- Non-executive Director of Aussie Broadband Limited (2025 to current).
- Non-executive Director of Cricket Australia (2023 to current).

JAMES WALKER III BScEcon**Appointment:**

Non-Executive Director since June 2023.

Skills and experience:

Mr Walker is a 30-year veteran in asset management and has held several leadership positions throughout his career. Mr Walker re-joined Black Diamond Capital Management in 2023, a company that he co-founded in 1996, serving as the President and Senior Managing Director. Mr Walker also currently serves as a board member for Starwood Real Estate Trust and Consumer Portfolio Services, Inc and is also a Strategic Partner of Jadian Capital, a real estate private equity investment firm. From 2008 through 2016, Mr Walker was Managing Partner of Fir Tree Partners, a top 50 global alternative asset

management firm, and was a member of the firm's Real Estate Investment Committee and Chairman of the firm's Risk Committee. Mr Walker began his career in investment banking at Kidder, Peabody & Co and Bear Stearns. Mr Walker received a Bachelor of Science in Economics from Boston College's School of Management in 1984 and was recently a member of the Board of Regents of Boston College.

Current appointments:

- President and Senior Managing Director of Black Diamond Capital Management.
- Lead Independent Director of Starwood Real Estate Trust.
- Board Member of Consumer Portfolio Services.

PETER KANE BEng (Mining)**Appointment:**

Independent Non-Executive Director from December 2020 until his retirement on 20 November 2024.

Board committee membership:

- Chair of the Remuneration and Nomination Committee from October 2023 until 20 November 2024.
- Member of the Audit and Risk Management Committee from December 2020 until 20 November 2024.

Skills and experience:

Mr Kane is a Mining Engineer with over 35 years' experience in the mining industry throughout Australia, New Zealand and Mongolia. Mr Kane was the Project Director of Strategic Minerals where he was responsible for the development of the Woolgar gold

tenements. Prior to Strategic Minerals, Mr Kane held roles as the Chief Operating Officer at QCoal Group, Chief Executive Officer at Cockatoo Coal, Group Managing Director at Guildford Coal, Chief Executive Officer at Aston Resources, Chief Executive Officer at Boardwalk Resources, Executive General Manager Projects with Whitehaven Coal and Chief Operating Officer with Macarthur Coal. Mr Kane also performed the role of Joint Venture Chair for multiple operations with numerous joint venture partners. Mr Kane's earlier career included 10 years for Leighton in various roles including General Manager of the Australian mining contractor business and 10 years with BHP, primarily in their iron ore and coal divisions. Mr Kane was a Board member of Australian Coal Research Limited from 2017 to 2021 and an Independent Non-Executive Director of Multicom Resources in 2022. Peter is a member of the Australasian Institute of Mining & Metallurgy and a graduate of the Australian Institute of Company Directors.

Company secretary

The company secretary of the Company during FY25 was:

PENELOPE YOUNG LLB, LLM, BBus**Appointment:**

Company Secretary since April 2017.

Ms Penelope Young has been General Counsel & Company Secretary of the Company since 2017, having joined Emeco as Senior Legal Counsel in May 2015.

Ms Young is a qualified lawyer with extensive experience most particularly in corporate and commercial law. Ms Young holds a Master of Laws, Bachelor of Laws and a Bachelor of Business.



Directors' meetings

The number of board and committee meetings held and attended by each director in FY25 is outlined in the table below:

Board and committee meetings held and director attendance

Director	Board		Board sub-committee (ad hoc)		Audit & Risk Management Committee		Remuneration & Nomination Committee	
	Attended ⁽¹⁾	Eligible ⁽²⁾	Attended ⁽¹⁾	Eligible ⁽²⁾	Attended ⁽¹⁾	Eligible ⁽²⁾	Attended ⁽¹⁾	Eligible ⁽²⁾
Ian Macliver ^[A]	6	6	1	1	3	3	1	1
Ian Testrow ^[B]	8	8	2	2	4	0	2	0
Peter Frank	8	8	1	2	0	0	2	2
Sarah Adam-Gedge	8	8	2	2	4	4	0	0
James Walker III	8	8	0	2	0	0	0	0
Peter Kane ^[C]	1	2	1	1	1	1	1	1

[1] Indicates the number of meetings the Director attended during FY25.

[2] Indicates the number of meetings held during FY25 while the Director was a member of the Board or the relevant Committee.

[A] Mr Macliver was appointed as a director on 1 December 2024.

[B] Mr Testrow attended all ARMC and RNC meetings by invitation.

[C] Mr Kane retired as a director on 20 November 2024.

Corporate governance statement

The Company's corporate governance statement is located on the Company's website at www.emecogroup.com/who-we-are/corporate-governance.

Principal activities

The principal activities of the Group during FY25 were the provision of surface and underground mining equipment rental and complementary equipment and workshop and field services, including maintenance, asset and component rebuilds, fleet optimisation technology, and technical and engineering services.

Operating and financial review

A review of Group operations, and the results of those operations for FY25, is set out in the operating and financial review section and in the accompanying financial statements.

Dividends

No dividends were declared or paid during the period following the Board's decision in FY24 to suspend the Group's capital management programme, in favour of prioritising net debt reduction ahead of the Group's proposed debt refinancing.

Significant changes in state of affairs

Other than those disclosed in the operating and financial review section or the financial statements, in the opinion of the directors, there were no significant changes in the Groups' state of affairs that occurred during FY25.

Events subsequent to reporting date

Other than those disclosed in the operating and financial review section or the financial statements, in the opinion of the directors, there have been no significant events subsequent to the year ended 30 June 2025.

Likely developments

Likely developments in, and expected results of, the operations of the Group are referred to in the operating and financial review section. Information on likely developments in the Group in future financial years and the expected results of those operations the disclosure of which, in the opinion of the directors, would be likely to result in unreasonable prejudice to the Group have been omitted in accordance with section 299(3) of the Corporations Act 2001 (**Act**).

Operations, financial position, business strategies and future prospects

Information on the Group's operations, financial position, business strategies and prospects for future financial years of the Group are referred to in the operating and financial review section. Information on the Group's business strategies, and prospects for future financial years, the disclosure of which, in the opinion of the directors, would be likely to result in unreasonable prejudice to the Group have been omitted in accordance with section 299A(3) of the Act.

Directors' interests

The relevant interests of each current director in securities issued by the companies within the Group and other related bodies corporate, as notified to the ASX in accordance with section 205G(1) of the Act are set out below:

Director ^[A]	Ordinary shares ^[B]	Rights ^[C]
Ian Macliver	-	-
Ian Testrow	15,176,533	5,740,747
Peter Frank	-	-
Sarah Adam-Gedge	-	-
James Walker III	-	-

[A] This comprises the Director's relevant interest in securities as notified to the ASX as at the date of this report.

[B] This comprises ordinary shares in which the Director has a relevant interest.

[C] This comprises rights issued under the Company's employee incentive plans.

Refer to the notes to the Financial Statements for related party disclosures

Indemnification and insurance of officers and auditors

The Company has entered into a deed of access, indemnity and insurance with each of the current and former directors, Chief Financial Officer and the Company Secretary of the Group. Under the terms of the deed, the Company indemnifies the officer or former officer, to the extent permitted by law, for liabilities incurred as an officer of the Group. The deed provides that the Company must advance the officer reasonable costs incurred by the officer in defending certain proceedings or appearing before an inquiry or hearing of a government agency.

Since the end of the previous financial year, the Company has paid premiums in respect of contracts insuring current and former officers of the Group, including executives, against liabilities incurred by such an officer to the extent permitted by the Act. The contracts of insurance prohibit Emeco from doing anything which could prejudice the insurers in respect of a claim, including disclosure of the nature of the liability cover and the amount of the premium.

The Group has not indemnified its auditor, Deloitte Touche Tohmatsu (**Deloitte**).

Non-audit services

During the year, Deloitte, the Group's auditor, has performed certain other services in addition to their statutory duties. This is for provision of certain assurance and tax compliance services. No other advisory or consulting services were provided by Deloitte during the year.

The Board has considered the non-audit services provided during the year by the auditor and is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirements of the Act for the following reasons:

- All non-audit services were subject to the corporate governance procedures adopted by the Group and have been reviewed by the Audit and Risk Management Committee to ensure they comply with the Company's non-assurance services policy and do not impact the integrity and objectivity of the auditor.
- The non-audit services provided do not undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Group, acting as an advocate for the Group or jointly sharing the risks and rewards.

Details of the amounts paid to the auditor of the Group, Deloitte and its network firms, for audit and non-audit services provided during the year are set out in notes to the Financial Statements.

Lead auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Act is included in this annual report and forms part of the directors' report.

Rounding off

The amounts contained in the financial report have been rounded to the nearest \$1,000 (unless otherwise stated) under the option available to the Company as referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/19, dated 24 March 2016. The Company is an entity to which the class order applies.



Remuneration Report (audited)

This Remuneration Report for the year ended 30 June 2025 outlines the remuneration arrangements of the Company, in accordance with the requirements of the *Corporations Act 2001 (Act)* and its regulations. This information has been audited as required by section 308(3C) of the Act.

This report covers the following matters:

1. Introduction
2. Changes to the FY25 remuneration structure
3. Summary of Company performance and FY25 incentive outcomes
4. Remuneration governance
5. Executive remuneration arrangements
 - 5.1. Remuneration principles and strategy
 - 5.2. Approach to setting remuneration and details of incentive plans
6. Executive contracts
7. Relationship between executive remuneration and company performance
8. Executive remuneration for FY25
 - 8.1. Remuneration review
 - 8.2. Variable remuneration outcomes
 - 8.3. Statutory Executive KMP remuneration
9. Non-executive director remuneration
10. Additional disclosures relating to share-based payments
11. Loans to key management personnel and their related parties
12. Other transaction balances with key management personnel and their related parties

1. Introduction

This report details the Group's remuneration objectives, practices and outcomes for key management personnel (**KMP**), who are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company, directly or indirectly, including any director (whether executive or otherwise) of the Company.

The Company's KMPs for FY25 are listed in the below tables. Any reference to 'executives' in this report refers to KMP who are not non-executive directors:

Directors of the Company during FY25

Non-executive directors		
Ian Macliver	Chair, Independent Non-Executive Director (Commenced 1 December 2024)	
Peter Frank	Non-Executive Director Interim Chair	(From 31 May 2024 until 30 November 2024)
Sarah Adam-Gedge	Independent Non-Executive Director	
James Walker III	Non-Executive Director	
Peter Kane	Independent Non-Executive Director	(Retired 20 November 2024)
Executive directors		
Ian Testrow	Managing Director & Chief Executive Officer	

Directors of the Company during FY25

Other executives	Position
Theresa Mlikota	Chief Financial Officer

2. Changes to the FY25 remuneration structure

Emeco reviews remuneration structures each year to ensure continued and appropriate alignment with strategy and outcomes for shareholders.

In setting remuneration structures, the Company considered many factors including:

- feedback received from shareholders and the strikes received against the Company's remuneration reports at the 2023 and 2024 AGMs;
- the terms of the employment contract agreed with Mr Testrow, the Company's Managing Director and Chief Executive Officer, and the approval by shareholders of various resolutions relating to Mr Testrow's employment and incentive arrangements at the 2023 and 2024 AGMs;
- the need to maintain fair and appropriate remuneration structures which reward executives for the achievement of the Company's financial, strategic and safety goals; and
- the experience, energy and leadership of Mr Testrow and the management team.

The Board considers that the Company's overall executive remuneration framework comprised of fixed remuneration and variable short and long-term incentives which are subject to financial and non-financial performance measures, remains appropriate.

To further increase alignment of remuneration with the shareholder experience, the Board determined to increase the number of key performance indicators (**KPIs**) in FY25 to include both TSR and EPS growth measures. These two KPIs applied to the FY25 testing period under each of the Company's open long-term incentive plans.



At the 2023 AGM, shareholders approved various provisions needed to implement the variations to Mr Testrow's employment agreement for the period 1 July 2023 to 30 June 2027. This included approval of awards to Mr Testrow under the CEO long-term incentive plan for FY24 to FY26. Due to timing restrictions under the ASX Listing Rules, approval for the grant of awards under the FY27 CEO long-term incentive plan was sought and obtained at the 2024 AGM.

Following feedback from stakeholders for enhanced disclosure, and to aid in administration, the Company varied its procedures and the timing for the issue of performance rights under the long-term incentive plans. In the years immediately prior to the commencement of the FY25 long-term incentive plans, performance rights would be issued by the Company only once the executive's entitlement was determined after the KPI was assessed, and any required shareholder approval obtained. From commencement of the FY25 long-term incentive plans, the Company has updated its procedures so that executives are issued performance rights equal to their maximum potential entitlement for the performance period and, if KPIs are not met, the rights will lapse. Issuing the maximum amount of performance rights upfront allows executives and stakeholders to readily identify the maximum number of Shares which may be issued under the Company's long-term incentive plans from time to time.

3. Summary of Company strategy and performance and FY25 incentive outcomes

The Company continued to build on its strong FY24 result during FY25, while focusing on building a sustainable and resilient business that generates long-term value to shareholders.

As highlighted in the Operating and Financial Review section, the Company maintained focus in FY25 on its core business of mining equipment rental and the delivery of in-field and workshop services for the maintenance and rebuild of mining equipment.

Within this framework, key business priorities during FY25 included:

- maintaining a strong safety record and culture;
- improving free cash flow and leverage through improved earnings;
- obtaining cost efficiencies and margin enhancement including through customer contract repricing, procurement savings and business improvement programs such as reduction of sub-contracted labour and fleet optimisation; and
- investing in technology and systems to improve process efficiencies and reduce operating costs.

Linking FY25 incentive outcomes to Company strategic objectives and performance

The Company's remuneration structure includes a significant component of executive remuneration tied to financial and share-based performance outcomes.

KPIs used in the FY25 short and long-terms plans were designed to align with the Company's business priorities and performance.

FY25 Performance measure	STI	LTI	Alignment to strategy
Safety	10%		Ensuring the safety of Emeco's people is central to everything Emeco does. Aiming for a zero-harm workplace, safety processes, policies and procedures are continually updated.
Financial metrics being EBITDA and return on assets (ROA) ^[1]	70%		EBITDA and ROA are key financial measures of Emeco's profitability and ability to provide returns to shareholders. These two financial KPIs are equally weighted.
Earnings per share (EPS) growth		50%	EPS growth is a key metric of business performance aligning management with shareholder value creation.
Total shareholder return (TSR) growth		50%	TSR growth reflects and aligns management to shareholders' experience through focus on the Company's share price and movements.
Personal objectives ^[1]	20%		Personal objectives enable a focus on specific factors aligned with the Company's business priorities and reflect key focus areas for each executive. In FY25 this included achievement of milestones associated with the Company's ERP upgrade, obtaining budgeted procurement savings and renegotiation of key customer contracts.

[1] Personal KPIs as detailed further in this report.

Company performance

The Company's strong financial and operational performance in FY25 reflected delivery of positive outcomes against key business priorities.

FY25 financial highlights^A

- Solid earnings growth, with Operating NPAT increasing 22% and revenue growth (excl. underground contract mining), up 7%.
- Improved cash generation of \$114 million, up 32% on FY24, with cash flow conversion of 97%.
- Strong margin improvement with Operating EBITDA margin up from 34% to 38% and Operating EBIT margin up from 15% to 19%.
- Stronger balance sheet and cash flow, with leverage improved from 1.0x to 0.65x, NTA up 12% on FY24 to \$1.36 and ROC increased by 170bps, with a second half run rate of 18%.

FY25 operational highlights

- Major contract extensions with long-term customers secured.
- Utilisation levels remained robust with surface rental (approx. 90% of fleet value) averaging 85% and underground averaging 57% for the period.
- Overhead and cost management programme delivered to strengthen business performance.
- Evolution of industry leading site maintenance capability via investment in reliability and component monitoring and digitisation and BI reporting tools continued.

The impact of these strategic outcomes on shareholder return is demonstrated through the increase in earnings per share growth of 42% and total shareholder return growth of 10.6% during FY25.

Safety remains the Company's highest priority. The Company recorded no lost time injuries during FY25 however the total recordable injury rate (**TRIFR**) increased from 2.8 at the end of FY24 to 3.4 at the end of FY25.

Further details of the Group's performance (as measured by a range of financial and other indicators) is set out below and in the Operating and Financial Review section.

The executive's contribution to the Company's performance as measured through the FY25 KPIs resulted in the following awards under the short and long-term incentive plans.

FY25 STI Outcomes

Based on performance for FY25, incentive outcomes for Mr Testrow and Ms Mlikota both totalled 63.5% of their total fixed remuneration (**TFR**) for Group and personal performance against the safety, financial and personal KPIs. Details regarding the STI outcomes are set out below.

FY25 LTI Outcomes

The increases over FY25 in EPS and TSR were 42% and 10.6% respectively. This satisfied the FY25 LTI KPIs and resulted in a full award for the FY25 performance period for each of the LTI plans currently on foot. Further details regarding the LTI plans and outcomes are set out below.

A Includes Non-IFRS measures. Refer to the Operating and Financial Review for further detail regarding operating adjustments

4. Remuneration governance

Remuneration and Nomination Committee

The Remuneration and Nomination Committee (**RNC**) reviews and, where necessary, makes recommendations to the Board on remuneration packages and policies applicable to the Managing Director & Chief Executive Officer, executives and non-executive directors. The RNC's role also includes responsibility for general remuneration strategy, superannuation and other benefits, and employee incentive schemes.

The members of the RNC at the start of FY25 were Mr Peter Kane and Mr Peter Frank. Following changes in membership as a result of Mr Kane's retirement and Mr MacIver's appointment to the Board, the members of the RNC at 30 June 2025 were Mr Ian MacIver and Mr Peter Frank. During FY25, all members of the RNC were non-executive directors, with Mr Peter Kane and Mr Ian MacIver being independent non-executive directors.

Further information on the Remuneration and Nomination Committee's role and responsibilities can be found at www.emecogroup.com/who-we-are/corporate-governance.

Use of remuneration consultants

To ensure the RNC is fully informed when making remuneration decisions, it seeks external remuneration advice from time to time. Where required, remuneration consultants are engaged by, and report directly to, the RNC. In selecting remuneration consultants, the RNC considers potential conflicts of interest and requires independence from the Company's key management personnel and other executives as part of their terms of engagement.

During the period, no remuneration recommendations (as defined by the Act) were provided by remuneration consultants to the Company.

Prohibition of hedging securities

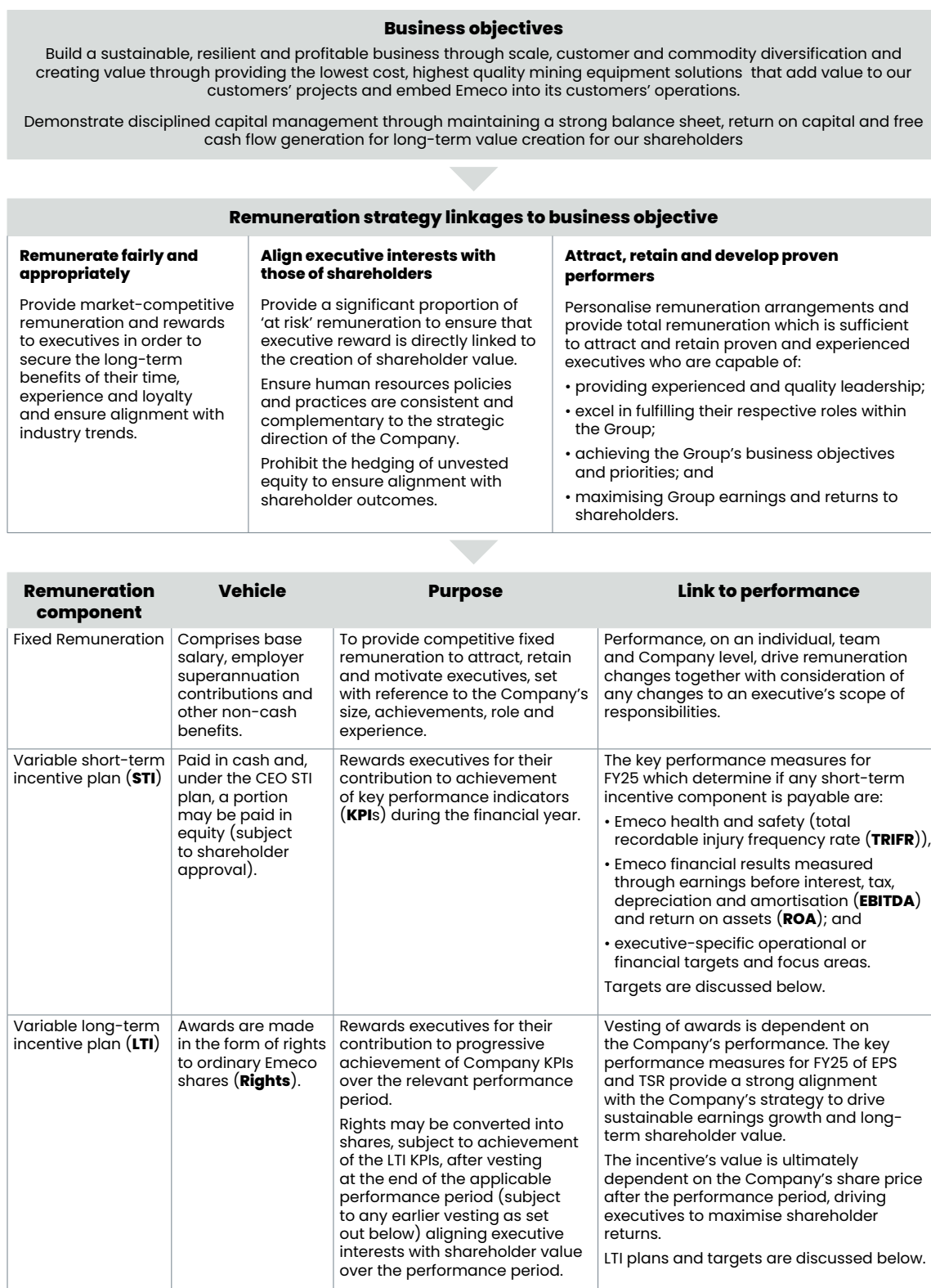
Emeco's share trading policy prohibits executives, directors, officers and employees of the Group from entering into transactions intended to hedge their exposure to Emeco securities which have been issued as part of remuneration.

5. Executive remuneration arrangements

5.1 Remuneration principles and strategy

Emeco's executive remuneration strategy is designed to attract, motivate and retain talented individuals, align executive reward to the Company's business priorities and targets, and create long-term shareholder value.

The following diagram illustrates how the Company's remuneration strategy aligns with its strategic direction and links remuneration outcomes to performance.



5.2 Approach to setting remuneration

The executive remuneration framework consists of both fixed and variable elements, with the variable elements dependent upon meeting financial and non-financial performance measures. This structure is designed to ensure that executives are appropriately rewarded for their time and energy based on their position, experience, responsibilities and performance within the Company whilst also aligning with the interests of shareholders.

Total remuneration is comprised of three main components: TFR, STI and LTI. As part of determining the level of total remuneration for the Company's executives, benchmarking against other companies within the industry is undertaken. The RNC and Board may also consider factors such as experience, performance, suitability for driving the Company's business objectives and priorities, competition for talent and other market factors. Total remuneration for executives is reviewed periodically to ensure that it remains appropriate.

Key details regarding the setting of remuneration and incentive plan arrangements are set out in the table below.

Overall remuneration level and mix

How is overall remuneration and mix determined?

The Company aims to reward executives with a level and mix (proportion of fixed remuneration, short-term incentives and long-term incentives) of remuneration appropriate to their position, responsibilities and performance within the Company. This level and mix are determined on an individual basis.

The table below illustrates the overall remuneration mix available for fixed remuneration and short and long-term incentives for the Managing Director & Chief Executive Officer and Chief Financial Officer for FY25. The target mix for each individual is benchmarked and considered appropriate for Emeco based on the Company's short-term and long-term objectives and the relevant executive's role and responsibilities.

Overall remuneration mix

Executive	Position	Fixed remuneration % of total remuneration	Short-term incentive % of total remuneration	Long-term incentive % of total remuneration
Ian Testrow	Managing Director & Chief Executive Officer	29%	37%	34%
Theresa Mlikota	Chief Financial Officer	36%	32%	32%

How much variable remuneration can executives earn in FY25?

The table below sets out the maximum incentive opportunity for each executive under the FY25 STI and LTI plans, expressed as a percentage of total fixed remuneration (TFR).

Components of variable remuneration

Executive	Position	Maximum STI % of TFR	Maximum LTI % of TFR	Maximum Total % of TFR
Ian Testrow	Managing Director & Chief Executive Officer	130%	120%	250%
Theresa Mlikota	Chief Financial Officer	90%	90%	180%

Overall remuneration level and mix

What are the executive STI and LTI plans in FY25?

The table below sets out the STI and LTI Plans in which each executive can participate in FY25:

FY25 Incentive Plans

Executive	Position	STI plan	LTI plan
Ian Testrow	Managing Director & Chief Executive Officer	FY25 CEO STI plan (CEO STI)	FY25 CEO LTI plan (CEO LTI)
Theresa Mlikota	Chief Financial Officer	FY25 Management STI plan (MSTI)	FY25 Management LTI plan (MLTI)

Fixed remuneration

How is fixed remuneration reviewed and approved?

In accordance with Mr Testrow's employment agreement, Mr Testrow's fixed remuneration is currently reviewed annually for inflation, however more broadly, fixed remuneration is reviewed periodically. Fixed remuneration changes for executives take into account changes in position, responsibilities and performance. Fixed remuneration is also benchmarked with targeted market comparators and considered in light of other market factors. Changes to KMP fixed remuneration are considered by the RNC and subject to approval by the Board.

Variable remuneration – FY25 Short-term incentive plans (FY25 STI)

What is the STI Plan?

The FY25 STI plan rewards executives for the achievement of certain Company and personal KPIs over the financial year.

The terms of the STI Plan and the relevant KPIs are set each year. The FY25 STI KPIs reflect key focus areas for the Company, including a mixture of safety, financial and personal measures which are aimed at furthering key initiatives or business objectives.

What were the FY25 STI KPIs?	The FY25 STI KPIs for executives were:			
	Executive	Safety (10%)	Financial (70% total / equally weighted)	Personal (20%)
	Ian Testrow	TRIFR performance relative to 30 June 2024	Group EBITDA relative to FY25 budget	Successful renegotiation of key customer contracts
				Fleet deployment and right-sizing of rental fleet
			Group ROA relative to FY25 budget	Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and costs
				Delivery of budgeted procurement savings
	Theresa Mlikota	TRIFR performance relative to 30 June 2024	Group EBITDA relative to FY25 budget	Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and costs
				Delivery of budgeted procurement savings
			Group ROA relative to FY25 budget	Delivery of electronic reporting suite to enhance data driven decision making across the Group
When is STI performance measured?	Achievement against the STI KPIs is assessed in August 2025 in conjunction with finalisation of the Company's full year results.			
How are STIs assessed and paid?	The RNC considers performance against the applicable KPIs and makes recommendations to the Board for approval (as appropriate). Awards under the FY25 MSTI plan are paid in cash in FY26. Under the FY25 CEO STI plan, 80% of the total STI award will be paid in cash. A portion of the CEO STI may be payable in equity (using a share price of \$0.65) unless Mr Testrow elects to take the whole of any STI award as cash. Any STI equity award is subject to approval by shareholders and will be subject to a vesting period. Any STI equity award not approved by shareholders, will be paid in cash.			
What happens if an executive leaves?	Under the FY25 STI plans, cash awards are only paid if the executive is employed by the Group after performance is assessed against the relevant STI KPIs. If there is an equity award under the CEO STI plan, that equity would vest on the earlier of the date Mr Testrow's employment ends and the release of the FY27 full year results.			
Variable remuneration – FY25 Long-term incentive plans (FY25 LTI)				
What is the Management LTI plan?	The FY25 MLTI plan is an equity incentive that rewards executives (excluding the Managing Director & Chief Executive Officer) for their contribution to achievement of certain KPIs over a three-year period. Under the FY25 MLTI plan, executives received performance rights (Rights), with the maximum possible award being calculated based on a volume-weighted average price of Emeco shares. Each Right can, subject to satisfaction of the relevant KPIs, vest and be exercised into fully paid ordinary Emeco shares (Shares) following release of the Company's FY27 full year results (unless the executive's employment ends earlier or there is a change of control as set out below).			

Variable remuneration – FY25 Long-term incentive plans (FY25 LTI)**What is the CEO LTI plan?**

The FY25 CEO LTI plan is an equity incentive that rewards the Managing Director & Chief Executive Officer for his contribution to the achievement of certain KPIs over a one-year period.

The maximum possible award of Rights under the CEO LTI plan was calculated using a share price of \$0.65 pursuant to Mr Testrow's employment agreement.

Subject to satisfaction of the relevant KPI, all Rights granted under the FY25 CEO LTI plan will vest and be exercisable into Shares on release of the Company's FY27 full year results (unless Mr Testrow's employment ends earlier or there is a change of control as set out below).

Shareholders approved the CEO LTI plan for FY25 at the 2023 AGM pursuant to ASX Listing Rule 10.14.

How does the FY25 LTI plans vary from the FY24 LTI plans?

The Board, on the advice of the RNC, approves the terms and KPIs of the LTI plans.

As highlighted in the Company's FY24 annual report, the FY24 LTI KPI was earnings per share growth. In FY25, following stakeholder feedback and to further align the Company's business performance and shareholder experience with remuneration outcomes, the Board introduced a second LTI KPI based on growth in total shareholder return.

During FY25, to enhance disclosure following stakeholder engagement and to aid in administration, the Company varied its procedures and the timing for the issue of Rights under the LTI Plans. From commencement of the FY25 LTI Plans, executives are issued Rights equal to their maximum potential entitlement for the performance period and, if KPIs are not met, the Rights will lapse. Issuing the maximum amount of Rights upfront allows executives and stakeholders to readily identify the maximum number of Shares which may be issued under the Company's long-term incentive plans from time to time.

Although this procedural change results in an initial increase in the number of Rights on issue, it has no impact on the ultimate number of Shares received by executives, which is the same under either procedure.

The FY25 LTI plans are otherwise on similar terms to the FY24 LTI plans.

When is performance measured under the MLTI Plan?

The FY25 MLTI plan spans a three-year performance period.

Under the FY25 MLTI Plan, one-third of an executive's maximum entitlement is tested each year against the KPIs set for that year. The Board believes that assessing KPIs each year is appropriate given the cyclic nature of the mining sector. Assessing achievement annually ensures that executives are rewarded for their performance in each year of the performance period.

When is performance measured under the CEO LTI Plan?

The FY25 CEO LTI plan spans a one-year performance period but is not scheduled to vest until release of the Company's FY27 full year results.

Under this plan, Mr Testrow's maximum entitlement is tested against the KPIs set for that year.

What are the LTI KPIs?

To ensure continued appropriate alignment of the KPI to strategic goals, business performance and shareholder interests throughout the business and industry cycle, the Board considers the KPIs for the performance period at the beginning of the relevant year.

The FY25 KPIs and weighting for the FY25 testing period for each LTI plan are set out below.

KPI	Weighting for the FY25 testing period
FY25 earnings per share growth	50%
FY25 total shareholder return growth	50%

Variable remuneration – FY25 Long-term incentive plans (FY25 LTI)

How are KPIs assessed?

Achievement against the FY25 LTI KPIs is assessed by the Board, on recommendation of the RNC, in August 2025 in conjunction with finalisation of the Company's full year results.

The FY25 KPIs were set so that executives would receive the full award for the testing period if EPS growth was 5% or greater and TSR growth was 10% or greater. Under the FY25 LTI Plans, if there was no EPS growth and TSR growth was 5% or lower, the Rights assessed against the FY25 KPIs would lapse. Between these levels, there would be a pro rata award.

How are awards paid?

Rights are assessed and will be eligible to vest if the KPIs are partially or fully satisfied for a performance period. Where KPIs are not fully satisfied, all or some of the Rights issued for that performance period will lapse.

Subject to satisfaction of the relevant KPIs, Rights issued under the FY25 LTI plans are scheduled to vest after announcement of Emeco's FY27 full year results.

Executives have the option to convert vested Rights into Shares at any time within 5 years from the vesting date, unless the executive leaves Emeco earlier (see "What happens if an executive leaves?" below).

Rights under the FY25 LTI plans were issued at no cost to the executive. The ultimate value of the FY25 LTI award is determined by the Emeco share price once the Rights have vested and are converted into Shares, providing further alignment with the long-term interests of shareholders.

What happens under the FY25 MLTI if an executive leaves or there is a change of control?

Under the FY25 MLTI plan, if Emeco terminates an executive's employment for misconduct or other breach of employment contract, all the Rights issued to the executive under that plan will lapse unless otherwise determined by the Board.

If the executive leaves the Emeco Group for any other reason, Rights that have been tested against the relevant KPIs under the FY25 MLTI plan will immediately vest and must be exercised into Shares within 12 months from vesting. The executive will have no entitlement to untested Rights, which will lapse.

In the event of absolute change in control (i.e. a third party and its associates holds greater than 50% of the Company's ordinary shares) or an effective change of control (i.e. occurrence of an event which results in a third party and its associates having the capacity to determine the outcome of decisions on the Company's financial and operating policies) (**Change of Control**) the following Rights will vest on the change date:

- Rights which have been tested under the FY25 MLTI plan; and
- Rights in respect of future testing periods that have not yet been tested.

What happens under the CEO LTI plan if the executive leaves or there is a Change of Control event?

If:

- Mr Testrow resigns, and his employment ends before 30 June 2027;
- the Company terminates his employment; or
- the directors determine that there has been serious misconduct or a material breach of policy (as defined in the employment agreement),

Mr Testrow would receive Rights tested prior to the date his employment ends. However, any equity incentives in respect of part years worked or not yet worked would be forfeited.

Under the CEO LTI plan, if Mr Testrow's employment ends due to the total or permanent disability or death of Mr Testrow or there is a Change of Control (as described in the section above), Mr Testrow would receive the maximum equity incentives available under the FY24-27 CEO LTI plans which have not yet been tested or awarded (in addition to equity incentives that have been tested) and all Rights which have been awarded under the CEO LTI or STI plans would vest.

Under the CEO LTI plan, if the employment of the Managing Director & Chief Executive Officer were to end prior to 30 June 2027, the executive will have up to 2 years to exercise any vested Rights.

What other terms apply to the Rights?

Dividends are not payable, and there are no voting entitlements, on Rights issued under the LTI plans (whether vested or unvested). Rights cannot be disposed of, other than by conversion of vested Rights into Shares (which can then be transferred or sold subject to the Company's share trading policy).

6. Executive contracts

Employment agreements

FY25 remuneration arrangements for executives are formalised in their employment agreements. Specific details of the LTI and STI Plans, including the associated KPIs, are issued by the Company to executives in writing each year.

The executive employment agreements are for an indefinite term unless terminated by either the Company or the executive. The termination provisions under the executives' employment agreements during FY25 are as follows:

Executive	Resignation	Termination for cause	Termination payment ^[1]
Managing Director & CEO notice period (by company or executive)	12 months' notice	No notice ^[2]	See description below ^[3]
CFO notice period (by company or executive)	6 months' notice	No notice	Nil

[1] Other than salary in lieu of notice and accrued statutory leave entitlements.

[2] Until 30 June 2027, Mr Testrow's employment can only be terminated in specified circumstances, such as serious misconduct, material breach of policy, bankruptcy, serious or persistent breach of employment agreement, on conviction of an indictable offence (excluding road traffic offences absent a custodial penalty) and other similarly serious circumstances.

[3] If Mr Testrow's employment ends before 30 June 2027 other than due to total or permanent disability or death, Mr Testrow would receive any Rights tested or awarded under the CEO LTI plans or CEO STI plans at the time his employment ends, and any Rights not tested at the time his employment ends would lapse. If Mr Testrow's employment ends before 30 June 2027 due to total or permanent disability or death, Mr Testrow would receive his unpaid fixed remuneration up to 30 June 2027 and any Rights that have been already tested or awarded under the CEO LTI plan and CEO STI plan would vest, together with the maximum Rights available under the CEO LTI plans up to and including FY27 which have not yet been tested. These termination payments and the issue of Rights under the CEO LTI plans were approved by shareholders at the Company's 2023 and 2024 AGMs.

7. Relationship between executive remuneration and company performance

Emeco's remuneration objectives aim to align the interests of Emeco's executives with the interests of the Company and its shareholders. This is achieved by ensuring that a significant proportion of an executive's remuneration is "at risk" and tied to the satisfaction of KPIs which relate to the Company's performance, strategy and long-term growth and value creation.

The FY25 KPIs for variable components of executive remuneration were again directed at advancing the Group's business priorities in continuing to build a sustainable and resilient business that generates long-term value for shareholders.

In FY25, the Company maintained a focus on its core business of mining equipment rental and the delivery of in-field and workshop services for the maintenance and rebuild of mining equipment. Key business priorities included maintaining a strong safety record, improving free cash flow and leverage, obtaining costs efficiencies and margin enhancements and investing in technology and systems.

These business priorities and objectives were reflected through the FY25 STI and LTI KPIs. The FY25 STI KPIs focussed on safety, earnings, efficiency and executive-specific personal targets based on their roles. The FY25 LTI KPIs of growth in earnings per share and total shareholder return were designed to further increase alignment between management and shareholders by recognising the importance of financial outcomes in overall Company performance and the generation of long-term shareholder value.

The Company's strong financial and operational performance in FY25, as set out below and in the Operating and Financial Review section, reflect the strength of the executive team in driving delivery of the positive outcomes in these key strategic areas. Notably, increases over FY25 in EPS and TSR were 42% and 10.6% respectively.

Further detail regarding satisfaction of incentive plan KPIs including personal goals and key initiatives for each executive under the individual STI targets are set out below.



Company performance

Details of the Group's performance (as measured by a range of financial and other indicators, including disclosure required by the Act) and movements in shareholder wealth are set out in the following table:

	FY25	FY24	FY23	FY22	FY21
Operating EBITDA (\$m) ^[1]	301.1	280.5	250.4	250.2	237.7
Operating EBIT (\$m) ^[1]	145.7	125.3	104.6	120.7	119.1
Operating NPAT (\$m) ^[1]	84.5	69.4	59.1	68.9	56.8
Net leverage	0.65x	1.00x	1.10x	0.96x	0.94x
Return on capital ^[1]	17%	15%	13%	16%	17%
Total dividends determined (\$m) ^[2]	-	-	13.0	13.3	6.8
Total shares bought back (\$m) ^[3]	-	0.4	7.3	18.4	3.8
Closing share price as at 30 June	\$0.83	\$0.71	\$0.65	\$0.65	\$1.05
TRIFR ^[4]	3.4	2.8	3.2	1.9	2.1

[1] Non-IFRS measures. Refer to the Operating and Financial Review for further detail regarding operating adjustments.

[2] FY21 figure includes dividends determined in respect of the FY21 year and paid in FY22. FY22 figure includes dividends determined and paid in respect of 1H22 and determined in respect of the FY22 full year and paid in FY23. The FY23 figure includes dividends determined and paid in respect of 1H23 and determined in respect of the FY23 full year and paid in FY24.

[3] Total shares bought back reflects the monetary value of shares to be bought back in respect of the financial year under announced on-market share buy-back schemes.

[4] Safety data for FY23 was restated from 2.9 to 3.2 due to injury classification/correction to prior period numbers.

8. Executive remuneration for FY25

8.1 Remuneration review

In accordance with the current terms of Mr Testrow's employment agreement and following the recommendation of the RNC, in August 2024 the Board approved a 3.75% inflationary increase to Mr Testrow's fixed remuneration. A further 0.5% increase was applied to compensate for the legislated increase in employer superannuation guarantee contributions in FY25.

To further incentivise Ms Mlikota to drive business improvements across her areas of responsibility and following the recommendation of the RNC, Ms Mlikota's potential variable remuneration was increased to 180% of her total fixed remuneration in FY25 (up from 155% in FY24). These incentives were comprised of short-term incentives equivalent to 90% of her total fixed remuneration (increased from 80% in FY24) and long-term incentives equivalent to 90% of her fixed remuneration (increased from 75% in FY24). Ms Mlikota also received a 0.5% increase to her fixed remuneration to compensate for the legislated increase in employer superannuation guarantee contributions in FY25.

8.2 Variable remuneration outcomes

In FY25, executives had both common and individual KPIs in order to align the performance of each executive with the overall strategy and success of the Company. Set out below is information regarding satisfaction of the applicable KPIs for the FY25 STI and LTI plans.

8.2.1 STI plans

The table below sets out the KPIs for the FY25 CEO STI plan and the FY25 MSTI plan and the respective weightings. In the Board's view, these KPIs align the reward of executives with the interests of shareholders. The FY25 STI plans provided for pro-rata entitlements where achievement was between the thresholds and targets.

FY25 STI KPI weightings, payment schedule and achievement

KPI	Weight	Payment schedule	Rationale	Achievement
TRIFR ^[1]	10%	0% if the Group TRIFR as at 30 June 2025 is equal to or higher than Group TRIFR as at 30 June 2024. 100% if the Group TRIFR as at 30 June 2025 is 10% lower than the Group TRIFR as at 30 June 2024. Pro-rata payments between these levels. No entitlement if there is a serious, permanently disabling injury or a fatality.	The Board regularly reviews the Company's safety performance in detail and is striving to achieve a 'zero-harm' workplace at Emeco. TRIFR measures performance against this goal.	0%
Group EBITDA ^[2]	35%	0% if actual FY25 Group EBITDA ≤ 85% of budget FY25 Group EBITDA. 100% if actual FY25 Group EBITDA ≥ 105% of budget FY25 Group EBITDA. Pro-rata payments between these levels.	Reflects the Company's financial performance and ability to pay STI awards.	17%
Group ROA ^[2]	35%	0% if actual FY25 Group ROA ≤ 85% of budget FY25 Group ROA. 100% if actual FY25 Group ROA ≥ 100% of budget FY25 Group ROA. Pro-rata payments between these levels.	Reflects the Company's focus on efficient utilisation of assets and profitability.	26.5%
Personal KPIs	20%	Satisfaction of key initiatives set by the Board for each executive.	Reflects key focus areas for each executive which are central to the Company's performance, strategy and operations.	20%

(1) $TRIFR = \frac{\text{Number of recordable injuries} \times 1,000,000 \text{ hours}}{\text{Total hours worked}}$

(2) Non-IFRS measures. Refer to the Operating and Financial Review for further detail regarding operating adjustments.



Personal FY25 LTI KPI weightings, and achievement

KPI	Weight	Achievement
<i>CEO STI KPIs</i>		
Successful renegotiation of key customer contracts	10%	10%
Fleet deployment and right-sizing of rental fleet	5%	5%
Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and costs	2.5%	2.5%
Delivery of budgeted procurement savings	2.5%	2.5%
<i>CFO MSTI KPIs</i>		
Completion of applicable milestones in the ERP replacement project in accordance with approved timeframes and costs	7.5%	7.5%
Delivery of budgeted procurement savings	7.5%	7.5%
Delivery of electronic reporting suite to enhance data driven decision making across the Group	5%	5%

8.2.2 LTI plans FY25 performance period

The Board sets the KPIs for the current LTI plans at the start of the performance period, in order to ensure that the KPIs are appropriate and target those areas most applicable to the Company's current strategic goals and business objectives.

Similar to previous years, the Board determined that the same KPIs would apply to the FY25 performance periods under each of the open LTI plans, being the FY25 CEO LTI, year 1 of the FY25 MLTI, year 2 of the FY24 MLTI and year 3 of the FY23 LTI.

Following stakeholder feedback and to continue to align the Company's remuneration structures with outcomes for shareholders, the Board resolved to add a second LTI KPI for the FY25 performance period. Each of the two LTI KPIs are of equal weight.

KPI	Weight for the FY25 performance period	Payment schedule	Rationale	Achievement
Earnings per share (EPS) growth	50%	0% if the FY25 EPS growth is 0% or less. 100% if the FY25 EPS growth is 5% or greater. Pro-rata payments between these levels.	EPS growth is a key metric of business performance aligning management with shareholder value creation	100%
Total shareholder return (TSR) growth	50%	0% if the FY25 TSR growth is 5% or less. 100% if the FY25 TSR growth is 10% or greater. Pro-rata payments between these levels.	TSR growth reflects and aligns management to shareholders experience through focus on the Company's share price and movements	100%

8.2.3 Incentive outcomes

STI

As set out above, the FY25 STI KPIs focused on safety, financial and executive-specific personal targets.

The Company delivered strong financial performance with Group EBITDA of \$301.1m and ROA of 15.9% for FY25.

There was no lost time injuries recorded during the period, however, the TRIFR increased from 2.8 at the end of FY24 to 3.4 at the end of FY25.

This, combined with high performance against personal STI KPIs targeted at key business objectives, resulted in partial STI awards.

The following table outlines the proportion of maximum incentive opportunity that was earned (i.e. awarded following testing) or forfeited (i.e. not awarded following testing) in relation to the FY25 STI plans.

Executive	Maximum STI (% of TFR)	STI awarded (% of Maximum STI available)	STI forfeited (% of Maximum STI available)
Ian Testrow	130%	63.5%	36.5%
Theresa Mlikota	90%	63.5%	36.5%

LTI

The Company recorded EPS growth of 42% and TSR growth of 10.6%, exceeding the KPI thresholds.

Accordingly, a 100% award will be made for the FY25 performance period under each of the open LTI plans, with each executive being awarded their maximum equity entitlement under each plan they participate in.

FY25 CEO LTI outcomes

Executive	Maximum LTI (% of TFR)	LTI awarded ^[1] (% of Maximum LTI)	LTI forfeited (% of Maximum LTI)
Ian Testrow	120%	100%	0%

[1] Awards under the FY25 CEO LTI plan were approved by shareholders at the 2023 AGM and are scheduled to vest on release of Emeco's FY27 full year results.

FY25 MLTI outcomes

Executive	Maximum LTI (% of TFR)	LTI tested and awarded in FY25 (% of Maximum LTI available over 3-year period)	LTI tested and forfeited in FY25 (% of Maximum LTI available over 3-year period)	LTI to be tested across FY26 & FY27 (% of Maximum LTI available over 3-year period)
Theresa Mlikota	90%	33%	0%	67%

As noted above, the FY25 KPIs also applied to the FY25 performance period under the FY23 LTI plan and FY24 MLTI plans. As such, for executives participating in these plans, there has been a maximum award for the FY25 performance period.

Awards under prior year LTI plans

The graphic below summarises the outcomes under the FY22 to FY25 LTI plans to date.

Plan	Performance period					
	FY22 KPI: EPS growth	FY23 KPI: EPS growth	FY24 KPI: EPS growth	FY25 KPI: EPS growth and TSR growth	FY26	FY27
FY22 LTI Maximum percentage to be earned in each of the three performance periods is 33.3%	18.3%	0%	33.3%			
FY23 LTI Maximum percentage to be earned in each of the three performance periods is 33.3%		0%	33.3%	33.3%		
FY24 MLTI Maximum percentage to be earned in each of the three performance periods is 33.3%			33.3%	33.3%		
FY25 MLTI Maximum percentage to be earned in each of the three performance periods is 33.3%				33.3%		

CEO LTI Plans

Plan	Performance period			
	FY24 KPI: EPS growth	FY25 KPI: EPS growth and TSR growth	FY26	FY27
FY24 CEO LTI Maximum percentage to be earned in the performance period is 100%	100%			
FY25 CEO LTI Maximum percentage to be earned in the performance period is 100%		100%		

Graphic notes:

- [1] Mr Testrow is a participant of the FY22 LTI, FY23 LTI, FY24 CEO LTI and FY25 CEO LTI plans. Ms Mlikota is a participant of the FY24 MLTI and FY25 MLTI plans.
- [2] The FY22 LTI vested after release of the Company's FY24 full year results. Overall performance under the plan as assessed against the relevant KPIs for FY22, FY23 and FY24 was 51.6%.
- [3] The FY23 LTI will vest after release of the Company's FY25 full year results. Overall performance under the plan as assessed against the relevant KPIs for FY23, FY24 and FY25 was 66.6%.
- [4] The FY24 MLTI has been partially assessed against the relevant FY24 and FY25 KPIs. 33.3% of the Rights under the plan have not yet been assessed. These rights will be assessed against the FY26 KPIs. The FY24 MLTI is scheduled to vest after release of the Company's FY26 full year results.
- [5] The FY25 MLTI has been partially assessed against the FY25 KPIs. 66.6% of the Rights under the plan have not yet been assessed. These rights will be assessed against the relevant FY26 and FY27 KPIs. The FY25 MLTI is scheduled to vest after release of the Company's FY27 full year results.
- [6] The FY24 CEO LTI is scheduled to vest after release of the Company's FY27 full year results. Overall performance under the plan as assessed against the FY24 KPI was 100%.
- [7] The FY25 CEO LTI is scheduled to vest after release of the Company's FY27 full year results. Overall performance under the plan as assessed against the FY25 KPI was 100%.
- [8] Details of the relevant KPIs and outcomes for FY22 to FY24 are set out in the Company's annual report for that period.

8.3 Statutory Executive KMP remuneration

The following table sets out total remuneration for executive KMP in FY25 and FY24, calculated in accordance with statutory accounting requirements.

Statutory executive KMP remuneration

KMP		Short-term employee benefits			Post-employment benefits			Share-based payments	Total statutory remuneration % of remuneration performance related		
		Salary & fees ^[1]	Short-term bonus payments ^[2]	Non-monetary	Superannuation	Other long-term benefits ^[3]	Termination benefits	Long-term equity incentives ^[4]			
Executive director											
Ian Testrow ^[5]	FY25	1,356,157	1,076,017	596,008	30,000	38,695	-	1,660,241	4,757,119	58%	
	FY24	1,429,982	1,394,250	597,641	27,500	81,026	-	2,245,113	5,775,512	63%	
Other executives											
Theresa Mlikota	FY25	678,199	390,472	-	30,000	12,135	-	402,738	1,513,544	52%	
	FY24	650,351	477,287	-	27,500	13,950	-	316,515	1,485,603	53%	
TOTAL KMP remuneration	FY25	2,034,356	1,466,489	596,008	60,000	50,830	-	2,062,979	6,270,663	56%	
	FY24	2,080,333	1,871,537	597,641	55,000	94,976	-	2,561,628	7,261,115	61%	

[1] These figures include annual leave accrual adjustments.

[2] The FY24 figure includes awards under the FY24 STI as approved by the Board in August 2024 after review of performance against applicable KPIs. Similarly, FY25 figure includes awards under the FY25 STI as approved by the Board in August 2025 after review of performance against applicable KPIs. The STI for each year is payable during the following financial year.

[3] Long service leave accruals are revalued where an employee's remuneration increases. Figures also include certain on-costs which may be re-calculated from time to time.

[4] The FY24 figures include Rights granted (for accounting purposes) by the Company in FY19 to FY24, however no Rights under the FY24 LTI plan were issued in FY24. The FY25 figure includes Rights granted by the Company (for accounting purposes) in FY23 to FY25.

[5] The non-monetary benefit for Mr Testrow reflects the zero-interest component of the loan provided by a subsidiary of the Company, of \$261,847 (FY24: \$316,748) plus estimated FBT of \$384,866 (FY24: 280,893) totalling \$596,008 (FY24: \$597,641). Refer to the notes to the financial statements for further information.

9. Non-executive director remuneration

Fees for non-executive directors are fixed and are not linked to the financial performance of the Company. The Board believes this is necessary for non-executive directors to maintain their objectivity and avoid any perceived bias in their decision-making.

Non-executive director fees are usually reviewed annually in August. The Board may consider advice from external consultants when undertaking the annual review process.

The ASX listing rules specify that the non-executive directors fee pool shall be determined from time to time by a general meeting. The Company's constitution has provided for an aggregate fee pool of \$1,200,000 per year since its listing on the ASX.

The Board will not seek any increase for the non-executive directors' pool at the 2025 AGM.



Structure

The allocation of fees to non-executive directors within this cap has been determined after consideration of a number of factors including the time commitment of directors, the size and scale of the Company's operations, the skill sets of board members, the quantum of fees paid to non-executive directors of comparable companies and participation as chair or in board committee work.

During FY25, in accordance with the recommendation of the Remuneration and Nomination Committee:

- the non-executive director fees were increased by 3.75% effective 1 October 2024.
- the legislated increase in superannuation guarantee contributions of 0.5% was applied for non-executive directors effective from 1 July 2024.

The table below summarises the non-executive directors fee policy for FY25 (inclusive of superannuation):

Board fees	30 June 2025	30 June 2024
Chair	\$186,413	\$178,869
Director	\$117,806	\$113,038
Committee fees	30 June 2025	30 June 2024
Committee Chair	\$15,707	\$15,071
Committee Member	\$11,781	\$11,303

Non-executive directors do not receive retirement or termination benefits, nor do they participate in any short or long-term incentive programs.

The remuneration of non-executive directors for FY25 and FY24 is detailed below.

Statutory non-executive director remuneration

Non-executive directors		Short-term employee benefits	Post-employment benefits	Long-term benefits	Total
		Salary and fees	Superannuation benefits	Long-term equity incentives	
Ian MacIver ^[1]	FY25	105,024	12,078	-	117,102
	FY24	-	-	-	-
Peter Frank	FY25	141,706	16,280	-	157,986
	FY24	105,314	11,575	-	116,889
Sarah Adam-Gedge	FY25	118,576	13,625	-	132,201
	FY24	91,196	10,032	-	101,228
James Walker III	FY25	104,630	12,032	-	116,662
	FY24	104,096	11,440	-	115,536
Peter Kane ^[2]	FY25	49,509	5,106	-	54,615
	FY24	122,737	13,491	-	136,228
Peter Richards ^[3]	FY25	-	-	-	-
	FY24	169,512	18,630	-	188,143
TOTAL	FY25	519,445	59,121	-	578,566
	FY24	592,855	65,168	-	658,024

[1] Mr MacIver commenced as a director and Chair of the Board on 1 December 2024.

[2] Mr Kane retired as a director on 20 November 2024.

[3] Mr Richards retired as a director on 31 May 2024.

10. Additional disclosures relating to share-based payments

Grants and vesting of equity-settled awards made during FY25 to executives in connection with the Company's open long-term incentive plans are set out in the table below.

All grants are rights to receive one fully paid ordinary Emeco share. The vesting of rights is subject to satisfaction of vesting conditions. Once vested, a participant has a period within which to exercise the right (at zero cost) and receive shares.

Summary of executive KMP allocated, vested or lapsed equity

Executive	KPI ^[1]	Grant date ^[2]	Number granted ^[3]	% vested to the date of this report	% forfeited to the date of this report	Vesting date ^[4] ^[5]	Fair value per share/right at grant date ^[6] ^[7] ^[8]
Ian Testrow^[A]							
2022 LTI (Year 1) ^[D]	EPS	17/11/2022	194,485	-	-	22/08/2024	\$0.70
LTI (Year 2) ^[E]	EPS	-	-	-	100%	-	-
LTI (Year 3) ^[D]	EPS	20/11/2024	353,607	-	-	20/11/2024	\$0.81
2023 LTI (Year 1) ^[E]	EPS	-	-	-	100%	-	-
LTI (Year 2)	EPS	20/11/2024	479,192	-	-	Aug 2025	\$0.81
LTI (Year 3) ^[B]	EPS / TSR	-	-	-	-	Aug 2025	-
2024 CEO LTI	EPS	29/11/2023	2,307,693	-	-	Aug 2027	\$0.71
2025 CEO LTI	EPS / TSR	29/09/2024	2,405,770	-	-	Aug 2027	\$0.75 / \$0.39
Theresa Mlikota							
2024 MLTI (Year 1)	EPS	29/09/2024	271,881	-	-	Aug 2026	\$0.64
MLTI (Year 2)	EPS / TSR	29/09/2024	271,881	-	-	Aug 2026	\$0.75 / \$0.39
MLTI (Year 3)	EPS / TSR	29/09/2024	271,881 ^[C]	-	-	Aug 2026	\$0.83 / \$0.43
2025 MLTI (Year 1)	EPS / TSR	29/09/2024	276,585	-	-	Aug 2027	\$0.75 / \$0.39
MLTI (Year 2)	EPS / TSR	29/09/2024	276,584 ^[C]	-	-	Aug 2027	\$0.83 / \$0.43
MLTI (Year 3)	EPS / TSR	29/09/2024	276,584 ^[C]	-	-	Aug 2027	\$0.83 / \$0.43

[A] Mr Testrow's grant of awards under the: (i) FY22 LTI (Year 1) was approved by shareholders on 17 November 2022; (ii) no grant was made in respect of FY22 LTI (Year 2) and FY23 LTI (Year 1); (iii) FY24 CEO LTI Plan and FY25 CEO LTI Plan were approved by shareholders on 29 November 2023; and (iv) FY22 LTI (Year 3) and FY23 LTI (Year 2) were approved by shareholders on 20 November 2024.

[B] Mr Testrow may, subject to shareholder approval, be granted 479,192 Rights in respect of Year 3 of the FY23 LTI.

[C] This figure represents maximum entitlement for the relevant performance period and is subject to assessment against the relevant KPIs.

[D] Rights under the FY22 LTI vested on 22 August 2024, becoming vested performance rights capable of being exercised into ordinary shares, save for Mr Testrow's Rights for FY22 LTI (Year 3) which were still subject to shareholder approval, and which vested once this approval was obtained on 20 November 2024. Further details regarding the FY22 LTI plan are set out in the FY22 remuneration report.

[E] There was no award for the 2023 performance period under the FY22 or FY23 LTI plans due to failure to satisfy the KPI.

[1] KPIs are set by the Board at the commencement of each testing period. An EPS KPI relates to earnings per share growth. A TSR KPI relates to total shareholder return growth. The EPS and TSR KPIs for the FY23 LTI plan (year 3), the FY25 CEO Plan, the FY24 MLTI Plan (years 2 and 3) and the FY25 MLTI Plan (years 1 and 2) are weighted equally. The KPIs for the FY25 MLTI Plan (Year 3) will be set at the commencement of FY27, however, for the purposes of determining fair value for this report, it has been assumed that, similar to the FY25 testing period, they will be equally weighted EPS and TSR KPIs.

[2] Grant date in this table relates to the grant of the long-term incentive for accounting purposes only and may, in some cases, differ from the date Rights may be issued over the course of the life of the plan. The grant date (for accounting purposes) for the FY24 MLTI has changed from the prior year due to the addition of a second KPI for the FY25 testing period.

[3] Includes amounts for FY25 CEO LTI and FY25 MLTI (year 1) following the assessment of the FY25 by the Board after the end of the FY25 financial year (excluding Rights to be issued to Mr Testrow for the FY23 LTI (Year 3) which remains subject to shareholder approval)

[4] Vesting of Rights are subject to satisfaction of vesting and performance conditions and, in some circumstances, may be earlier than the date stated above. A participant has a period of time after the vesting date in which to exercise any vested rights into shares. Full details of the vesting conditions for Rights are included in the remuneration report for the relevant year.

[5] Where exact vesting dates are not noted, the vesting date will follow release of the Company's full year results.

[6] The fair value of Rights granted in the year is calculated at grant date using a Black-Scholes (for EPS growth KPI) and a Monte Carlo (for TSR growth KPI) option-pricing model. Where there is a single KPI for a testing period, the fair value is calculated based on that KPI. Where there is more than one KPI for a testing period, a fair value is calculated based on each KPI. The FY25 CEO Plan, the FY24 MLTI plan (years 2 and 3) and the FY25 MLTI plan (years 1 and 2) each have two KPIs, weighted equally, with the fair value for each KPI listed in the table in the same order as the KPIs are stated for the relevant testing period. The fair value of all Rights is not related to or indicative of the benefit (if any) that an executive may ultimately realise if the Rights vest.

[7] The fair value is allocated to each reporting period evenly over the period from grant date to vesting date. The fair value of the FY24 MLTI has changed from the prior year as a consequence of the change in grant date (for accounting purposes) and the addition of a second KPI for the FY25 testing period. The value disclosed in the KMP remuneration table is the portion of the fair value of the securities recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income for the relevant period.

[8] The minimum total value of the Rights for future financial years is zero if performance and/or vesting conditions are not satisfied. An estimate of the maximum possible total value in future financial years is the fair value at grant date multiplied by the number of Rights received.

KMP Rights

Details of Rights held by KMP, including their personally related entities, for FY25 are as follows:

KMP	Rights ^[1]	Holding at 1 July 2024	Rights issued in FY25 ^[2]	Rights vested and exercisable in FY25 ^[3]	Rights exercised in FY25	Holding at 30 June 2025 ^[4]	Potential future Rights ^[5]
Executive director							
Ian Testrow ^[5]	Performance rights	194,485	5,546,262	548,092	-	5,740,747	479,192
Other executives							
Theresa Mlikota	Performance rights	-	1,645,396	-	-	-	-

- [1] A 'performance right' is a right to receive one fully paid ordinary Emeco share. The vesting of performance rights is subject to satisfaction of vesting conditions. A performance right will, on vesting, become exercisable into ordinary shares at the election of the holder within the exercise period.
- [2] During FY25 the Company varied its procedures and timing for the issue of Rights under the LTI plans. Previously, Rights under the FY24 and FY25 CEO LTI plans and the FY24 and FY25 MLTI would not have issued until after the Board had assessed achievement of the relevant KPI. Under the new procedure, Rights equal to the maximum potential entitlement of the executive are issued and then lapse if the relevant KPI is not achieved in the performance period. As a consequence of changing this procedure in FY25, rights were issued under current and prior year plans such that: (i) Mr Testrow was issued Rights for both the FY24 and FY25 CEO LTI Plan, together with awards under the FY22 and FY23 LTI plans as approved by shareholders at the Company's 2024 AGM; and (ii) Ms Mlikota was issued rights for both the FY24 and FY25 MLTI plans.
- [3] Rights under the FY22 LTI vested on 22 August 2024, becoming vested performance rights capable of being exercised into ordinary shares, save for those rights subject to shareholder approval, which were issued and vested once this approval was obtained on 20 November 2024. These vested performance rights are capable of being exercised into ordinary shares.
- [4] Mr Testrow's holding as at 30 June 2025 is comprised of the holding as at 30 June 2024 (5,546,262 Rights), plus Rights issued in FY25 (548,092 Rights), less Rights exercised in FY25 (zero).
- [5] Maximum remaining possible entitlement to Rights under the FY23 LTI plan (year 3), which will be issued subject to obtaining shareholder approval.

KMP Shareholding

Details of Shares held by KMP, including their personally related entities, for FY25 are as follows:

	Holding at 1 July 2024	Shares received as a result of rights exercised in FY25	Shares otherwise issued in FY25	Net other changes	Holding at 30 June 2025
Non-executive directors					
Ian MacIver ^[A]	-	-	-	-	-
Peter Frank	-	-	-	-	-
Sarah Adam-Gedge	-	-	-	-	-
James Walker III	-	-	-	-	-
Peter Kane ^[B]	10,288	-	-	-	10,288
Executives					
Ian Testrow	15,176,533	-	-	-	15,176,533
Theresa Mlikota	-	-	-	-	-

[A] Mr MacIver was appointed as a director on 1 December 2024

[B] Mr Kane retired as a director on 20 November 2024.

11. Loans to key management personnel and their related parties

As approved by shareholders at the 2022 AGM, a zero-interest loan for a principal amount of \$4,948,640.55 was provided by a subsidiary of the Company to Mr Ian Testrow. The principal amount was advanced to Mr Testrow in February 2023 and is repayable on the earlier of: 30 June 2027; within 6 months in the event of Mr Testrow's death or total and permanent disability; or prior to the amendment of the loan described below, within 3 months of Mr Testrow ceasing to be employed by the Emeco Group.

This loan was designed to incentivise Mr Testrow to retain his equity investment in the Company at current levels. The proceeds of the loan were used to discharge a third-party interest-bearing loan taken out by Mr Testrow to assist in funding personal tax liabilities arising from shares in the Company received by Mr Testrow under the management incentive plan (as approved by shareholders in 2017 at the time of the Company's recapitalisation).

As announced on the ASX on 3 August 2023, and to further incentivise Mr Testrow to remain with the Company, the terms of the loan to Mr Testrow have been varied with effect from FY24 to provide that if Mr Testrow were to resign and his employment end before 30 June 2027:

- the loan will attract an interest rate of 12% per annum from the date the loan was drawn until the date the loan is repaid in full (loan previously interest-free in all circumstances); and
- the loan becomes due on the date Mr Testrow's employment ends (previously three months after Mr Testrow's employment ends).

Further details regarding this loan and amounts paid during the year are set out in the notes to the financial statements.

12. Other transactions and balances with key management personnel and their related parties

Except for the loan and reimbursement arrangement with Mr Testrow described above, there are no other transactions and balances with key management personnel and their related parties.

Signed in accordance with a resolution of the directors.



Dated 19 August 2025 at Perth, Western Australia



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The Board of Directors
Emeco Holdings Limited
Level 3, 133 Hasler Road
Osborne Park WA 6017

19 August 2025

Dear Board Members

Auditor's Independence Declaration to Emeco Holdings Limited

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Emeco Holdings Limited.

As lead audit partner for the audit of the financial report of Emeco Holdings Limited for the financial year ended 30 June 2025, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

Yours sincerely


DELOITTE TOUCHE TOHMATSU


A T Richards
Partner
Chartered Accountants

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Financial Statements

	PAGE
Consolidated Statement of Profit or Loss and Other Comprehensive Income	75
Consolidated Statement of Financial Position	76
Consolidated Statement of Changes in Equity	77
Consolidated Statement of Cash Flows	78
Notes to the Consolidated Financial Statements	79
Directors' Declaration	131
Independent Auditor's Report	132

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The financial statements cover Emeco Holdings Limited (“the Company” or “the Parent”) as a consolidated entity (referred to hereafter as “the Group”) consisting of Emeco Holdings Limited and the entities it controlled at the end of, or during, the year.

The financial statements are presented in Australian dollars, which is the functional and presentation currency of the Company.

Emeco Holdings Limited is a public company limited by shares, incorporated, and domiciled in Australia. The Group is a for-profit entity.

The description of the nature of the Group’s operations and its principal activities are included in the Directors’ Report, which is not part of the financial statements.

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with the Australian Accounting Standards (AAS) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRS) adopted by the International Accounting Standards Board (IASB). The Group has adopted all of the new and revised Standards and Interpretations issued by the AASB that are relevant to its operations and effective for an accounting period that begins on or after 1 July 2024.

The consolidated financial statements were authorised for issue by the Board of directors on 19 August 2025.

An accounting policy, critical accounting estimate, assumption, or judgement specific to a note is disclosed within the note itself.

Emeco Holdings Limited and its Controlled Entities
Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

		2025	2024
	Note	\$000	\$000
Revenue	2	785,354	822,728
Other income	3	3,424	3,689
Repairs and maintenance		(107,909)	(140,058)
Employee expenses	4	(72,283)	(107,958)
External mining and maintenance services		(198,045)	(188,533)
Cartage and fuel		(23,436)	(27,690)
Depreciation and amortisation expense	4	(155,406)	(155,192)
Impairment of tangible assets	4	(969)	(16,345)
Other expenses	4	(98,513)	(89,215)
Finance income	4	2,435	1,795
Finance costs	4	(27,687)	(27,393)
Net foreign exchange gain/(loss)	4	288	(223)
Profit before tax expense		107,253	75,605
Tax expense	5	(32,113)	(22,945)
Profit after tax		75,140	52,660
Other comprehensive (loss)/income			
Items that are or may be reclassified to profit and loss:			
Foreign currency translation differences (net of tax)		(281)	211
Total other comprehensive (loss)/income for the year		(281)	211
Total comprehensive income for the year		74,859	52,871
Profit attributable to:			
Owners of the Company		75,140	52,660
Profit for the year		75,140	52,660
Total comprehensive profit attributable to:			
Owners of the Company		74,859	52,871
Total comprehensive income for the year		74,859	52,871
	Note	2025 cents	2024 cents
Profit per share:			
Basic earnings per share	6	14.49	10.20
Diluted earnings per share	6	14.15	10.04

The consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

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Emeco Holdings Limited and its Controlled Entities

Consolidated Statement of Financial Position

As at 30 June 2025

	Note	2025 \$000	2024 \$000
Current assets			
Cash and cash equivalents	8	126,356	78,265
Trade and other receivables	9	138,669	139,231
Inventories and work in progress	11	42,384	41,635
Assets held for sale	12	8,479	15,738
Other current assets	9	30,946	19,132
Total current assets		346,834	294,001
Non-current assets			
Property, plant and equipment	15	803,924	783,680
Right-of-use assets	16	79,627	83,661
Intangible assets	17	8,202	8,754
Other financial assets	10	4,662	4,662
Other non-current assets	9	3,751	-
Total non-current assets		900,166	880,757
Total assets		1,247,000	1,174,758
Current liabilities			
Trade and other payables	13	130,972	130,485
Interest bearing liabilities	19	22,401	53,551
Provisions	14	11,533	11,780
Total current liabilities		164,906	195,816
Non-current liabilities			
Interest bearing liabilities	19	298,931	305,185
Provisions	14	437	725
Deferred tax liabilities	5	67,905	35,791
Total non-current liabilities		367,273	341,701
Total liabilities		532,179	537,517
Net assets		714,821	637,241
Equity			
Share capital	20	1,148,838	1,148,838
Reserves		(1,993)	(4,433)
Accumulated losses		(432,024)	(507,164)
Total equity attributable to equity holders of the Company		714,821	637,241

The consolidated statement of financial position should be read in conjunction with the accompanying notes.



Emeco Holdings Limited and its Controlled Entities

Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Share capital \$000	Share based payment reserve \$000	Foreign currency translation reserve \$000	Treasury shares \$000	Accumulated losses \$000	Total equity \$000
Balance at 1 July 2024	1,148,838	23,490	42	(27,965)	(507,164)	637,241
Total comprehensive income for the year						
Profit for the year	-	-	-	-	75,140	75,140
Other comprehensive income						
Foreign currency translation differences	-	-	(281)	-	-	(281)
Total comprehensive (loss)/income for the year	-	-	(281)	-	75,140	74,859
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Share-based payment transactions	-	2,721	-	-	-	2,721
Balance at 30 June 2025	1,148,838	26,211	(239)	(27,965)	(432,024)	714,821

	Share capital \$000	Share based payment reserve \$000	Foreign currency translation reserve \$000	Treasury shares \$000	Accumulated losses \$000	Total equity \$000
Balance at 1 July 2023	1,149,254	24,087	(169)	(30,392)	(553,336)	589,444
Total comprehensive income for the year						
Profit for the year	-	-	-	-	52,660	52,660
Other comprehensive income						
Foreign currency translation differences	-	-	211	-	-	211
Total comprehensive income for the year	-	-	211	-	52,660	52,871
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
On market share buy-back	(416)	-	-	-	-	(416)
Dividends paid	-	-	-	-	(6,488)	(6,488)
Shares vested during the year	-	(4,127)	-	4,127	-	-
Shares purchased by trust	-	-	-	(1,700)	-	(1,700)
Share-based payment transactions	-	3,530	-	-	-	3,530
Total contributions by and distributions to owners	(416)	(597)	-	2,427	(6,488)	(5,074)
Balance at 30 June 2024	1,148,838	23,490	42	(27,965)	(507,164)	637,241

The consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Emeco Holdings Limited and its Controlled Entities

Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	2025 \$000	2024 \$000
Cash flows from operating activities			
Cash receipts from customers		861,323	897,909
Cash paid to suppliers and employees		(582,622)	(635,986)
Cash generated from operations		278,701	261,923
Finance income received		2,435	1,548
Finance costs paid		(27,356)	(26,301)
Net cash generated from operating activities	7	253,780	237,170
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		12,598	13,514
Payment for property, plant and equipment		(161,782)	(214,947)
Net cash used in investing activities		(149,184)	(201,433)
Cash flows from financing activities			
Dividends paid to Company's shareholders		-	(6,488)
Payments for shares bought back including brokerage		-	(416)
Purchase of own shares		-	(1,700)
Proceeds from borrowings	19	70,000	95,000
Repayment of borrowings	19	(100,000)	(66,217)
Repayment of lease liabilities and other financing	19	(26,503)	(24,311)
Net cash used in financing activities		(56,503)	(4,132)
Net increase in cash and cash equivalents		48,093	31,605
Cash and cash equivalents at beginning of the year		78,265	46,673
Effects of exchange rate fluctuations on cash held		(2)	(13)
Cash and cash equivalents at the end of the financial year		126,356	78,265

The consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Statements

	Page
A Results	80
1 Operating segments	81
2 Revenue	83
3 Other income	83
4 Expenses	84
5 Tax	86
B Cash Flow Information	91
7 Reconciliation of profit after income tax to net cash from operating activities	91
C Working Capital	92
8 Cash and cash equivalents	92
9 Trade and other receivables and other current assets	92
10 Other financial assets	94
11 Inventories and work in progress	95
12 Assets held for sale	96
13 Trade and other payables	98
14 Provisions	99
D Fixed Assets	101
15 Property, plant and equipment	101
16 Right-of-use assets	103
17 Intangible assets	104
E Risk	106
18 Financial risk management	106
F Debt And Equity	112
19 Interest bearing liabilities	112
20 Equity – issued capital and reserves	115
G Unrecognised Items	118
21 Commitments	118
22 Contingent liabilities	118
H Other Information / Group Structure	119
23 Controlled entities	119
24 Compensation of key personnel	120
25 Share-based payments	121
26 Remuneration of auditors	123
27 Deed of cross guarantee	123
28 Parent entity disclosure	126
29 Other significant accounting policies	127
30 Subsequent events	129
Consolidated Entity Disclosure Statement	130
Directors' Declaration	131
Independent Auditor's Report	132

A Results

The Group has two (2024: three) reportable segments, as described below, which are the Group’s strategic business units. The strategic business units offer different products and services and were managed separately because they require different operational strategies for each geographic region. For each of the strategic business units, the Managing Director and board of directors review internal management reports on a monthly basis. The following summary describes the operations in each of the Group’s reportable segments:

Rental

Provides a wide range of surface and underground earthmoving equipment solutions to customers in Australia. Additional technology platforms have been developed to enable customers to improve earthmoving efficiencies of their rental machines.

Workshops

Provides maintenance, equipment and component rebuild services to customers in Australia.

Major customers

For the year ended 30 June 2025, the Group had four (2024: three) major customers comprising 10% or more of total Group revenue across the segments as indicated below:

	2025 \$000	2024 \$000
Rental	299,621	187,961
Workshops	76,494	88,557

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

1. Operating segments

Information about reportable segments

	Rental \$000	Workshops \$000	Total \$000
Year ended 30 June 2025			
Segment revenue	615,392	273,468	888,860
Intersegment revenue	-	(103,506)	(103,506)
Revenue from external customers	615,392	169,962	785,354
Other income	2,126	-	2,126
Restructuring costs	(1,637)	(592)	(2,229)
Segment earnings before interest, tax, depreciation and amortisation	326,068	14,812	340,880
Impairment of tangible assets	(969)	-	(969)
Depreciation and amortisation	(146,911)	(7,074)	(153,985)
Segment result (EBIT)	178,188	7,738	185,926
Corporate overheads ⁽¹⁾			(53,709)
EBIT			132,217
Net finance costs			(25,252)
Net foreign exchange gain			288
Net profit before tax			107,253
Tax expense			(32,113)
Net profit after tax			75,140
Total assets for reportable segments	970,204	87,675	1,057,879
Unallocated assets			189,121
Total Group assets			1,247,000
Net capital expenditure	145,666	3,518	149,184
Total liabilities for reportable segments	137,758	45,133	182,891
Unallocated liabilities			349,288
Total Group liabilities			532,179

(1) Corporate overheads also include \$1.4m (FY24: \$1.4m) of depreciation and amortisation expense; \$2.7m (FY24: \$3.5m) of share-based payments expense, \$1.1m (FY24: \$0.5m) of restructuring costs; and \$6.4m (FY24: \$3.1m) of ERP implementation costs.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

	Emeco Rental \$000	Force Workshops \$000	Pit N Portal \$000	Total \$000
Year ended 30 June 2024				
Segment revenue	565,128	282,412	91,389	938,929
Intersegment revenue	-	(116,201)	-	(116,201)
Revenue from external customers	565,128	166,211	91,389	822,728
Other income	2,058	31	982	3,071
Restructuring costs	-	-	(2,410)	(2,410)
Segment earnings before interest, tax, depreciation and amortisation	304,673	15,773	2,254	322,700
Impairment of tangible assets	(669)	-	(15,676)	(16,345)
Depreciation and amortisation	(145,112)	(6,394)	(2,273)	(153,779)
Segment result (EBIT)	158,892	9,379	(15,695)	152,576
Corporate overheads				(51,150)
EBIT				101,426
Net finance costs				(25,598)
Net foreign exchange gain				(223)
Net profit before tax				75,605
Tax expense				(22,945)
Net profit after tax				52,660
Total assets for reportable segments	1,012,198	53,046	-	1,065,244
Unallocated assets				109,514
Total Group assets				1,174,758
Net capital expenditure	197,735	3,698	-	201,433
Total liabilities for reportable segments	116,429	51,939	-	168,368
Unallocated liabilities				369,149
Total Group liabilities				537,517

The Group performed a review of its operating segments in December 2024 following the sale of Pit N Portal underground mining services contracts in January 2024. The sale resulted in underground equipment rental assets being retained by the Group. As a result, the underground business has transitioned into a pure equipment hire operation, aligning closely with the Rental business model. This has resulted in the Group having only two reportable segments (Rental and Workshops) for the current reporting period.

Prior period comparatives of the Rental segment have been restated to include the financial performance of the underground equipment rental assets previously reported under the Pit N Portal segment. Prior year comparatives of the Pit N Portal segment now reflect only underground mining services financial performance.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

2. Revenue

The Group disaggregates revenue from its contracts with customers through two strategic business units, Rental and Workshops. This appropriately depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The Group's fleet is commodity agnostic, and decision making relating to the sale of goods and services is driven by the economic factors affecting each business unit. For further information regarding revenue earned by reportable segments, refer to note 1.

Revenue is disclosed based on the type of good or service provided.

Rental revenue

Revenue from the rental of open cut equipment is recognised in profit or loss over time based on the number of hours the machines operate each month. Revenue from the rental of underground equipment is recognised based on a monthly rate charged to a customer. The rental of each machine is considered to be a separate performance obligation with the transaction price generally set at a rate per hour or charge per month. Customers are billed monthly.

Maintenance services

Maintenance services relate to the provision of both major component and full equipment rebuilds for both internal and external customers and the provision of mobile workshop services and infrastructure to support both Emeco and external customers' equipment. Revenue from services rendered is recognised in profit or loss over time in proportion to the stage of completion of the transaction at the reporting date, and customers are billed monthly. The Group's obligation to repair or make-good faulty works under the standard warranty terms is recognised as a provision.

Certain contracts with customers include a variable element which is subject to the Group meeting either certain targets or key performance indicators. Variable consideration is recognised when it is highly probable that a significant reversal of revenue will not occur in a subsequent period.

3. Other income

	2025 \$000	2024 \$000
Net profit on sale of assets ⁽¹⁾	1,296	1,034
Profit on sale of PnP non-current assets ⁽²⁾	-	1,344
Sundry income	2,128	1,311
	3,424	3,689

(1) Included in net profit on sale of assets is the sale of rental equipment, including those assets classified as held for sale. The gross proceeds from the sale of this equipment was \$12,598,000 (2024: \$13,514,000).

(2) Included in net profit on sale of PnP non-current assets in FY24 is the sale of infrastructure assets and light vehicles to Macmahon as part of the sale of PnP mining services contracts. The gross proceeds from the sale of these assets were \$6,736,000.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

4. Expenses

Profit before tax expense includes the following specific expenses:

	Note	2025 \$000	2024 \$000
Profit before income tax expense has been arrived at after charging the following items:			
Employee expenses:			
- salaries, wages and superannuation		69,562	104,428
- employee share plan expenses		2,721	3,530
		72,283	107,958
Depreciation of property, plant and equipment:			
- buildings		52	54
- leasehold improvements		368	318
- plant and equipment		133,143	132,612
- office equipment		592	677
- motor vehicles		1,553	1,697
- sundry plant		2,109	1,655
	15	137,817	137,013
Depreciation of right-of-use assets	16	17,037	17,563
Total depreciation		154,854	154,576
Amortisation of intangible assets:			
- contract intangible		519	568
- software		33	48
	17	552	616
Total depreciation and amortisation		155,406	155,192
Impairment of tangible assets:			
- PnP inventory		29	2,125
- PnP property, plant and equipment		35	13,601
- Rental property, plant and equipment		905	619
		969	16,345
Other expenses:			
- motor vehicles		3,002	3,368
- safety, staff training and amenities		4,023	5,445
- travel and subsistence expense		9,551	13,140
- workshop consumables, tooling and labour		5,200	6,228
- insurance		4,282	4,102
- property and office expenses		7,087	6,935
- telecommunications and IT		6,945	4,307
- restructuring and redundancies		3,260	2,410
- corporate, accounting and legal		3,382	5,513
- hired-in equipment and services		42,823	29,784
- other expenses		8,958	7,983
		98,513	89,215

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

	Note	2025 \$000	2024 \$000
Finance Income:			
- interest income		(2,435)	(1,795)
Finance income		(2,435)	(1,795)
Finance costs:			
- interest expense		26,074	25,245
- amortisation of debt establishment costs using effective interest rate		1,131	1,091
- other facility costs		482	1,057
Finance costs ⁽¹⁾		27,687	27,393
Foreign exchange (gain)/loss:			
- net realised foreign exchange loss		-	146
- net unrealised foreign exchange (gain)/loss		(288)	77
Net foreign exchange (gain)/loss		(288)	223

(1) Refer to note 19 for further details associated with these finance costs.

Amortisation and impairment

An asset recognised is amortised to direct costs on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates. An impairment loss is recognised in direct costs in the profit or loss, to the extent that the carrying amount of the contract asset exceeds the remaining amount of consideration that the entity expects to receive in exchange for the goods or services to which the asset relates; less the costs that relate directly to providing those goods or services and that have not been recognised as expenses.

Finance income and finance costs

The Group's finance income and finance costs include:

- interest income;
- interest expense;
- discount on repurchased debt;
- the net gain or loss on financial assets at fair value through profit or loss;
- the foreign currency gain or loss on financial assets and liabilities;
- withholding tax;
- amortisation of the loan receivable from related party (refer to note 10 for further information)
- amortisation of borrowing costs capitalised using the effective interest method; and
- fees on supply chain financing facilities.

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date that the Group's right to receive payment is established.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

5. Tax

(a) Income tax expense

	2025 \$000	2024 \$000
Deferred tax expense		
Origination and reversal of temporary differences and tax losses in the current year	32,113	22,945
Tax expense	32,113	22,945

(b) Current and deferred tax expense / (benefit) recognised directly in equity

	2025 \$000	2024 \$000
Foreign exchange expense/(benefit)	(44)	(28)
	(44)	(28)

(c) Numerical reconciliation of income tax expense and tax at the statutory rate

	2025 \$000	2024 \$000
Tax at the statutory rate of 30%	32,176	22,682
Increase/(decrease) in income tax expense due to:		
Derecognition of foreign tax losses	49	73
Other non-deductible expenses	155	150
(Over)/under provided in prior years	(267)	40
Tax expense	32,113	22,945

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Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Deferred tax assets and liabilities are attributable to the following:

	Assets		Liabilities		Net	
	2025 \$000	2024 \$000	2025 \$000	2024 \$000	2025 \$000	2024 \$000
Property, plant and equipment	-	-	(142,952)	(125,429)	(142,952)	(125,429)
Intangibles	3,359	614	-	-	3,359	614
Receivables	-	-	(931)	(790)	(931)	(790)
Right-of-use contracts	-	1,091	(3,924)	-	(3,924)	1,091
Other financial assets	-	-	(129)	(739)	(129)	(739)
Inventories	-	-	(3,807)	(2,139)	(3,807)	(2,139)
Payables	530	1,099	-	-	530	1,099
Business costs	3	186	-	-	3	186
Provisions	3,591	3,751	-	-	3,591	3,751
Employee share costs	863	-	-	321	863	321
Tax losses carried forward	75,492	86,244	-	-	75,492	86,244
Tax assets/(liabilities)	83,838	92,985	(151,743)	(128,776)	(67,905)	(35,791)
Set-off of tax	(85,481)	(92,371)	85,481	92,371	-	-
Net tax assets/(liabilities)	(1,643)	614	(66,262)	(36,405)	(67,905)	(35,791)

Movement in deferred tax balances

	Balance 1 July 2024 \$000	Reclass ^[1] \$000	Recognised in profit or loss \$000	Recognised directly in equity \$000	Balance 30 June 2025 \$000
Property, plant and equipment	(125,429)	-	(17,523)	-	(142,952)
Intangible assets	614	-	2,745	-	3,359
Receivables	(790)	-	(141)	-	(931)
Right-of-use contracts	1,091	-	(5,015)	-	(3,924)
Other financial assets	(739)	-	610	-	(129)
Inventories	(2,139)	-	(1,668)	-	(3,807)
Payables	1,099	-	(613)	44	530
Business costs	186	-	(183)	-	3
Provisions	3,751	-	(160)	-	3,591
Employee share costs	321	-	542	-	863
Tax losses carried forward	86,244	-	(10,752)	-	75,492
	(35,791)	-	(32,158)	44	(67,905)

- (1) Reclassification of deferred tax balances related to reclassification of equipment between property, plant and equipment and right-of-use assets.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

	Balance 1 July 2023 \$000	Reclass ^[1] \$000	Recognised in profit or loss \$000	Recognised directly in equity \$000	Balance 30 June 2024 \$000
Property, plant and equipment	(132,739)	17,915	(10,605)	-	(125,429)
Intangible assets	-	-	614	-	614
Receivables	(614)	-	(176)	-	(790)
Right-of-use contracts	17,387	(17,915)	1,619	-	1,091
Other financial assets	(178)	-	(561)	-	(739)
Inventories	(2,256)	-	117	-	(2,139)
Payables	741	-	328	30	1,099
Interest bearing loans and borrowings	(209)	-	209	-	-
Unearned revenue	(495)	-	495	-	-
Business costs	516	-	(330)	-	186
Provisions	11,688	-	(7,937)	-	3,751
Employee share costs	(228)	-	549	-	321
Tax losses carried forward	93,541	-	(7,297)	-	86,244
	(12,846)	-	(22,975)	30	(35,791)

- (1) Reclassification of deferred tax balances related to reclassification of equipment between property, plant and equipment and right-of-use assets.

Unrecognised deferred tax assets

	2025 \$000	2024 \$000
The following deferred tax assets have not been brought to account as assets:		
Tax losses not brought to account	82,547	82,498

Unutilised tax losses are in Chile, Indonesia, the United Kingdom, United States and Europe and are not expected to be utilised by the Group.

Use of estimates and judgements

Recognition of tax losses

In accordance with the Group's accounting policies for deferred taxes, a deferred tax asset is recognised for unused tax losses only if it is probable that future taxable profits will be available to utilise these losses. This includes estimates and judgements about future profitability, capital structure and tax rates. Changes in these estimates and assumptions could impact on the amount and probability of unused tax losses and accordingly the recoverability of deferred tax assets. Operating profits have continued to be generated in the current period, with tax losses of \$32,735,000 being utilised in the current year, taking the recognised losses to \$75,492,000 as at 30 June 2025 (2024: \$86,244,000). The Group expects to fully utilise these Australian tax losses as the Group is expected to continue to trade profitably.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

(i) Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future; or
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred tax reflects the tax consequences that would follow the way the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised and increased to the extent unrecognised tax losses are now considered probable.

(iii) Tax exposures

The Company and its wholly owned Australian resident entities have formed a tax consolidated group with effect from 16 December 2004 and are therefore taxed as a single entity from that date. The entities acquired during the period were added to the tax consolidated group on the date of acquisition. The head entity of the tax consolidated group is Emeco Holdings Limited.

(iv) Tax consolidation

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date.

This approach results in the tax effect of transactions being recognised in the legal entity where that transaction occurred and does not tax effect transactions that have no tax consequences to the Group.

The same basis is used for tax allocation within the tax-consolidated group.

The Company has adopted the AASB 112 amendments related to the Organisation for Economic Co-operation and Development Pillar two tax reforms and has performed an assessment of its potential exposure to the profit and tax liability.

6. Earnings per share

Basic earnings per share

The calculation of basic earnings per share for the year ended 30 June 2025 was based on the profit attributable to ordinary shareholders of \$75,140,000 (2024: \$52,660,000) and a weighted average number of ordinary shares outstanding less any treasury shares for the year ended 30 June 2025 of 518,469,000 (2024: 516,388,000).

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

Profit attributed to ordinary shares (basic)

	2025	2024
	\$000	\$000
Profit for the year	75,140	52,660

Weighted average number of ordinary shares

Issued ordinary shares at 1 July	518,374	515,594
Effect of vested employee share plans	95	1,123
Effect of on-market share buy-back during the year	-	(329)
Weighted average number of ordinary shares (basic) at 30 June	518,469	516,388

	cents	cents
Profit per share:		
Basic earnings per share	14.49	10.20

Diluted earnings per share

The calculation of diluted earnings per share for the year ended 30 June 2025 was based on the profit attributable to ordinary shareholders of \$75,140,000 (2024: \$52,660,000) and a weighted average number of ordinary shares outstanding less any treasury shares during the financial year ended 30 June 2025 of 531,005,000 (2024: 524,283,000).

Profit attributed to ordinary shareholders (diluted)

	2025	2024
	\$000	\$000
Profit for the year	75,140	52,660

Weighted average number of ordinary shares (diluted)

Issued ordinary shares at 1 July	518,374	515,594
Effect of vested employee share plans	95	1,123
Effect of unvested employee share plans	12,536	7,895
Effect of on-market share buy-back during the year	-	(329)
Weighted average number of ordinary shares (diluted) at 30 June	531,005	524,283

	cents	cents
Profit per share:		
Diluted earnings per share	14.15	10.04

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. Shares have no par value.

In the event of a company's liquidation, ordinary shareholders rank behind all other creditors and are only entitled to any remaining proceeds after all secured, unsecured, and preferential creditors have been paid.

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

B. Cash Flow Information
7. Reconciliation of profit after income tax to net cash from operating activities

For the purposes of the statement of cash flows, cash includes cash on hand and at bank and short-term deposits at call, net of outstanding bank overdrafts. Cash as at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position

	Note	2025 \$000	2024 \$000
Net profit after tax		75,140	52,660
Add/(less) items classified as investing/financing activities:			
Profit on sale of assets	3	(1,296)	(2,378)
Add/(less) non-cash items:			
Depreciation and amortisation	4	155,406	155,192
Amortisation of debt establishment costs using effective interest rate	4	1,131	1,091
Net foreign exchange (gain)/loss	4	(288)	223
Impairment losses on tangible assets	4	969	16,345
Employee share plan expenses	4	2,721	3,530
Income tax expense	5	32,113	22,945
Net cash from operating activities before change in assets/(liabilities)		265,896	249,608
Change in operating assets and liabilities, net of effects from purchase of controlled entity:			
Decrease in trade and other receivables		562	7,150
(Increase) in inventories		(749)	(112)
(Increase) in other assets		(11,977)	(3,319)
(Decrease) in trade and other payables		(487)	(12,318)
Increase/(decrease) in provisions		535	(3,839)
Net cash generated from operating activities		253,780	237,170

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C. Working Capital

8. Cash and cash equivalents

	2025 \$000	2024 \$000
Cash at bank	126,356	78,265

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

9. Trade and other receivables and other assets

	2025 \$000	2024 \$000
Current		
Trade and other receivables		
Trade receivables	108,649	111,860
Accrued revenue	19,409	18,184
Less: Allowance for expected credit losses	(86)	(308)
	127,972	129,736
Other receivables	10,435	9,179
Deferred employee benefits expense ⁽¹⁾	262	316
	138,669	139,231
Other current assets		
Prepayments	3,803	5,085
Contract assets ⁽²⁾	27,143	14,047
	30,946	19,132
Other non-current assets		
Contract assets ⁽²⁾	3,751	-
	3,751	-

(1) Deferred employee benefits expense relates to expected employee benefits to be recognised in the consolidated statement of profit or loss and other comprehensive income on a loan to a related party over the next 12 months. Refer to note 10 for further information.

(2) During the year, the Group amortised \$28,727,780 (FY24: \$19,162,934) of contract assets to the consolidated statement of profit or loss and other comprehensive income.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

The fair value of trade and other receivables are estimated as the present value of future cash flows, discounted at the market rate of interest at the measurement date. Short-term receivables with no stated interest rate are measured at the original invoice amount if the effect of discounting is immaterial. Fair value is determined at initial recognition and, for disclosure purposes, at each annual and interim reporting date.

The movement in the allowance for expected credit losses ("ECL") in respect of trade receivables and accrued revenue during the period was as follows:

	2025 \$000	2024 \$000
Opening loss allowance	308	190
Loss allowance on trade receivables arising during the year	(222)	118
Closing loss allowance	86	308

- (1) The collective ECL is calculated using a combination of historical losses and economic conditions that are representative of those expected to exist during the life of the receivable. This is based on historical loss rates, ageing of debtors and economic factors that include commodity prices. The Group considers blue-chip and insured customers as low risk, and only assesses uninsured and underinsured customers that have breached their trading terms in the ECL calculation. The Group also reviews specific customer receivables deemed a higher recoverability risk.

The Group's exposure to credit risks, currency risks and impairment losses associated with trade and other receivables are disclosed in note 18.

Contract costs

Costs incurred to prepare assets for work on a specific contract (or specific anticipated contract) that can be separately identified, such as mobilisation of earthmoving equipment to customer sites and modifying assets to meet customer specifications, are recognised as a contract cost asset and amortised to direct costs over the term of the contract. The Group's policy is that an anticipated contract is a contract where it is, more likely than not, that the contract will be obtained. In determining the contract asset value, the following is taken into account:

- costs of obtaining a contract: the incremental costs of obtaining a contract with a customer are recognised as an asset if the entity expects to recover those costs; and
- costs of fulfilling a contract: costs that are required to be incurred in order to fulfil contract obligations that are not already costs accounted for under other accounting standards i.e. inventory or property, plant and equipment.

Costs that relate directly to a contract (or a specific anticipated contract) include any of the following:

- direct labour;
- direct materials;
- allocations of costs that relate directly to the contract or to contract activities;
- costs that are explicitly chargeable to the customer under the contract; and
- other costs that are incurred only because an entity entered into the contract.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

10. Other financial assets**Loan issued to related party**

At the Company's 2022 AGM held on 17 November 2022, the provision of a zero-interest loan by a subsidiary of the Company to Mr Testrow (Managing Director and Chief Executive Officer) was approved by Shareholders. The principal amount of the loan of \$4,948,640.55 was drawn on 17 February 2023.

A non-monetary employee benefits expense of \$315,883 (2024: \$316,748) has been recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, reflecting the zero-interest component of the loan provided to Mr Testrow. The estimated FBT liability associated with the zero-interest component of the unsecured loan provided to Mr Testrow is \$280,125 (2024: \$280,893), resulting in a total zero-interest loan benefit of \$596,008 (2024: \$597,641). The non-monetary benefit and FBT liability for 2024 and 2025 have been determined using an assumed interest rate of 7.77%.

The current portion of the loan of \$261,847 (2024: \$316,748) is recorded in other receivables (refer to note 9), reflecting the expected employee benefits expense to be recognised over the next 12 months for the zero-interest loan provided to Mr Testrow, while the remaining loan receivable of \$4,662,000 (2024: \$4,662,000) is recorded as an "other financial asset" in the Statement of Financial Position.

On 3 August 2023, the Group announced material changes to Mr Testrow's terms of employment, resulting in the loan attracting an interest rate of 12% per annum, only in the event that Mr Testrow resigns and his employment ends before 30 June 2027 (calculated from the date the loan was drawn until repayment date). The loan is also repayable on the date Mr Testrow's employment ends (previously three months after employment ends).

The loan was drawn to fund tax liabilities arising from the vesting of Management Incentive Plan ("MIP17") shares granted in March 2017. The intention of the zero-interest loan is to incentivise Mr Testrow to retain his equity investment in the Group.

Subsidiaries

Loans are made between wholly owned subsidiaries of the Group for corporate purposes.

Loans outstanding between the different wholly owned entities of the Company have no fixed date of repayment. Loans made between subsidiaries within a common taxable jurisdiction are interest free.

Ultimate parent entity

Emeco Holdings Limited is the ultimate parent entity of the Group.

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Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

11. Inventories and work in progress

	2025 \$000	2024 \$000
Work in progress – at cost ⁽¹⁾	21,897	23,797
Consumables, equipment & spare parts – at cost	18,109	12,590
Total at cost	40,006	36,387
Equipment and parts – at net realisable value	2,378	5,248
Total inventory	42,384	41,635

(1) During the year ended 30 June 2024, \$2,125,000 impairment of inventories on sale of PnP was recognised in the consolidated statement of profit or loss and other comprehensive income.

Inventories consist of equipment and parts and are measured at the lower of cost and net realisable value.

The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition.

In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

12. Assets held for sale

During the year \$13,896,000 (2024: \$34,209,000) of assets were transferred from property, plant and equipment into assets held for sale.

As at 30 June 2025, assets held for sale totalled \$8,479,000 (2024: \$15,738,000). Level 3 fair value hierarchy has been used in determining the fair value with reference to an independent valuation utilising observable market valuations less estimated costs to sell. The Group is actively marketing these assets and they are expected to be disposed of within 12 months.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated to the assets and liabilities on a pro rata basis, except for inventories, financial assets, deferred tax assets, employee benefit assets which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on re-measurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortised or depreciated, and any equity-accounted investee is no longer equity-accounted.

	2025	2024
	\$000	\$000
Assets classified as held-for-sale		
Property, plant and equipment – surface equipment	5,951	7,217
Property, plant and equipment – underground equipment	2,528	8,521
Net assets classified as held-for-sale	8,479	15,738

Sale of contracting business (FY24)

On 19 December 2023, the Group executed an agreement to sell Pit N Portal's contracting business, effective 1 January 2024, which included certain mining contracts, assets, inventory and the transfer of employee liabilities. Emeco retains the majority of the underground mining fleet in order to continue to provide rental services. This transaction was completed on 2 February 2024, and assets considered surplus to the requirements of the ongoing business were impaired in FY24, resulting in total impairments of \$15,676,000 (property, plant and equipment and inventory) recognised in the Emeco Underground segment.

Property, plant and equipment including light vehicles with a book value of \$5,392,000 was sold for proceeds of \$6,736,000, resulting in a gain on sale of \$1,344,000. Contracts with a nil book value were sold for proceeds of \$500,000 resulting in a gain of \$500,000. Inventory with a book value of \$4,790,000 was sold at book value and employee liabilities of \$3,199,000 were transferred to Macmahon.

In exchange for Pit N Portal's contracting business, Emeco received surface and underground mining equipment valued at \$10,175,000.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Impairment tests for cash generating units

The Group performed annual impairment testing at 30 June 2025, and considered the following factor as an indicator that its cash generating units (CGU's) may be impaired:

- The carrying amount of the net assets of the Group were more than its market capitalisation at 30 June 2025.

An impairment assessment was performed for the Group's key cash generating units (CGUs), being Rental, Workshops, with no impairment identified.

The Group has prepared value-in-use models for the purpose of impairment testing as at 30 June 2025, using a five-year discounted cash flow model for Rental and Workshops. Cash flows beyond the forecast period are extrapolated using a terminal value growth rate. Key areas of judgement relate to the forecast utilisation rates, pricing for the fleet, repairs and maintenance expenditure, other operating costs, capital expenditure and discount rates.

In performing its detailed impairment assessment, the Group has considered:

- long-term commodity prices and therefore the demand for earthmoving equipment and associated services;
- independent fair market value of its property, plant and equipment;
- supply chain risks and therefore the impact on the ability of the Group to deliver its products and services;
- the likelihood of any continued disruption to the operations of the Group's customers, as a result of commodity price volatility and labour shortages; and
- the impact of decarbonisation and ESG related impacts on operations and asset life.

The post-tax discount rate used in the calculations is 9.7% (2024: 10.2%). The rate reflects the underlying cost of capital adjusted for market and asset specific risks. For the future cash flows of the CGU's, the revenue growth in the first year of the business reflects the best estimate for the coming year, taking account of macroeconomic, business model, strategic and market factors. Growth rates depend on the level of tendering activity and the Group's conversion rate and for subsequent years were based on Rental's five-year outlook taking into account all available information at this current time and are subject to change over time.

The forecast cash flow estimates used in assessments for all CGU's were based on Board approved budgets for the year ending 30 June 2026. A revenue compound annual growth rate (CAGR) of 2.5% for Rental and Workshops was used from FY27 to FY30. The terminal value growth rate represents the long-term forecast consumer price index (CPI) of 2.5% (2024: 2.5%) for all CGUs. The recoverable amounts of all of the Group's CGUs continued to exceed their carrying amounts at 30 June 2025, with no reasonably possible changes to key assumptions giving rise to a risk of impairment in the Rental and Workshop CGUs.

In addition to determining the recoverable value through the value-in-use models, the Group obtained an external valuation (on a fair value basis) of the plant and equipment held by the Group which supported the carrying value of that plant and equipment as at 30 June 2025.

During the period, assets classified as held-for-sale were impaired by \$969,000 (FY24: \$14,220,000) to their fair value less cost to sell based on market prices of similar equipment.

13. Trade and other payables

	2025 \$000	2024 \$000
Current		
Trade payables	106,683	39,316
Interest accrual	7,822	7,477
Other payables and accruals	16,467	83,692
	130,972	130,485

The Group's exposure to currency and liquidity risk associated with trade and other payables is disclosed in note 18.

Trade and other payables are stated at cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year, which are unpaid at the reporting date.

To manage the cash flow conversion cycle on some goods and services procured by the Group, and to ensure that suppliers receive payment in a timely manner, the Group offers some suppliers supply chain financing. At 30 June 2025, the balance of the supply chain finance programmes was \$34,237,000 (2024: \$33,592,000). The supply chain financing programmes attract fees in the range of 1.15% - 2.04% of the transaction value and are repaid on 60-day terms.

The Group evaluates supplier arrangements against a number of indicators to assess if the payable continues to have the same characteristics of a trade payable or should be classified as borrowings.

These indicators include whether the payment terms exceed customary payment terms in the industry, the extent to which the rights and obligations (if any) under the contractual relationships attached to the original liability have been modified, and whether there are any additional credit enhancements arising from the supply chain financing arrangements.

At 30 June 2025, the Group has concluded the payables subject to supply chain financing arrangements did not meet all of the characteristics to be classified as borrowings and accordingly the balances remain in trade payables. Specifically, payment terms under supply chain financing are up to 60-day terms which are comparable to trade payables that are not part of a supplier financing arrangements of up to 60-day terms.

The Company has also entered into a deed of cross guarantee with certain subsidiaries as described in note 27. Under the terms of the deed, the Company has guaranteed the repayment of all current and future creditors in the event any of the entities party to the deed are wound up. Details of the consolidated financial position of the Company and subsidiaries party to the deed are set out in note 27.

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

14. Provisions

	2025 \$000	2024 \$000
Current		
Employee benefits:		
- annual leave	8,804	8,931
- long service leave	2,729	2,849
	11,533	11,780
Non-current		
Employee benefits - long service leave	437	725
	437	725
Movement in provisions	2025 \$000	2024 \$000
Balance at 1 July	12,505	16,341
Arising during the year	10,746	10,181
Transfer of liabilities on PnP sale	-	(3,199)
Utilised	(11,281)	(10,818)
Balance at 30 June	11,970	12,505

Defined contribution superannuation funds

The Group makes contributions to defined contribution superannuation funds. The expense recognised for the year was \$16,843,000 (2024: \$17,828,000).

Wages and salaries, annual leave and sick leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in current liabilities in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Non-accumulating sick leave is expensed to profit or loss when incurred.

Long service leave

The liability for long service leave is recognised in current and non-current liabilities, depending on the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. The liability is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields on high quality corporate bonds at the reporting date with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Re-measurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are recognised as an expense when the Group is committed demonstrably, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised as an expense if the Group has made an offer of voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

D. Fixed Assets
15. Property, plant and equipment

Set out below are the carrying amounts of property, plant and equipment recognised and movements for the period:

				\$000 CWIP ⁽¹⁾				
	Land & buildings	Leasehold improvements	Plant & equipment		Office equipment	Motor vehicles	Sundry plant	Total
At-cost at 30 June 2025	3,010	8,336	1,702,992	60,172	3,267	11,222	21,267	1,810,266
Accumulated depreciation and impairments at 30 June 2025	(1,550)	(5,723)	(973,882)	-	(1,907)	(8,254)	(15,026)	(1,006,342)
	1,460	2,613	729,110	60,172	1,360	2,968	6,241	803,924
At-cost at 30 June 2024	3,000	7,845	1,611,449	56,179	2,270	10,153	18,584	1,709,480
Accumulated depreciation and impairments at 30 June 2024	(1,499)	(5,355)	(896,898)	-	(1,321)	(7,798)	(12,929)	(925,800)
	1,501	2,490	714,551	56,179	949	2,355	5,655	783,680

(1) CWIP-Capital work in progress

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

				2025 \$000 CWIP ⁽¹⁾				
	Land & buildings	Leasehold improvements	Plant & equipment		Office equipment	Motor vehicles	Sundry plant	Total
Carrying amount at the beginning of the year	1,501	2,490	714,551	56,179	949	2,355	5,655	783,680
Additions ⁽²⁾	11	491	12,102	154,295	1,003	1,360	2,695	171,957
Movement capital WIP	-	-	150,134	(150,302)	-	168	-	-
Depreciation	(52)	(368)	(133,143)	-	(592)	(1,553)	(2,109)	(137,817)
Category Transfers	-	-	(641)	-	-	641	-	-
Movement to assets held for sale	-	-	(13,893)	-	-	(3)	-	(13,896)
Carrying amount at the end of the year	1,460	2,613	729,110	60,172	1,360	2,968	6,241	803,924

(1) CWIP-Capital work in progress

(2) Additions to PPE for FY25 include \$10,175,000 of assets received as consideration (non-cash) for the sale of assets and contracts to Macmahon.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:

	2024							
	\$000							
	Land & buildings	Leasehold improvements	Plant & equipment	CWIP⁽¹⁾	Office equipment	Motor vehicles	Sundry plant	Total
Carrying amount at the beginning of the year	1,471	2,608	678,446	59,375	1,235	5,581	3,916	752,632
Additions	84	200	8,961	201,469	665	174	3,394	214,947
Transfer from CWIP to Plant & equipment	-	-	204,665	(204,665)	-	-	-	-
Depreciation	(54)	(318)	(132,612)	-	(677)	(1,697)	(1,655)	(137,013)
Disposals	-	-	(12,677)	-	-	-	-	(12,677)
Movement to assets held for sale	-	-	(32,232)	-	(274)	(1,703)	-	(34,209)
Carrying amount at the end of the year	1,501	2,490	714,551	56,179	949	2,355	5,655	783,680

(1) CWIP-Capital work in progress

Items of property, plant and equipment, excluding CWIP, are measured at cost, less accumulated depreciation and accumulated impairment losses. CWIP is measured at cost, less accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the assets or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Cost includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major equipment components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Expenditure on major overhauls and refurbishments of equipment is capitalised in property, plant and equipment as it is incurred, where that expenditure is expected to provide future economic benefits.

The costs of the day-to-day servicing of property, plant and equipment and ongoing repairs and maintenance are expensed as incurred, with the exception of contract costs.

Contract costs are incurred to prepare assets for work on a specific contract (or specific anticipated contract) that can be separately identified, such as freight of earthmoving equipment to customer sites and modifying assets to meet customer specifications, are recognised as a contract asset and amortised to direct costs over the term of the contract.

Depreciation on buildings, leasehold improvements, furniture, fixtures and fittings, office equipment, motor vehicles and sundry plant is calculated on a straight-line basis. Depreciation on plant and equipment is calculated on a units of production method and charged on machine hours worked over their estimated useful life.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

The Group manages depreciation at an individual componentisation of asset level. Depreciation is calculated based on a standard machine hour usage basis. The estimated useful lives are as follows:

Buildings and leasehold improvements	15 years
Plant and equipment	3 – 15 years
Office equipment	3 – 10 years
Motor vehicles	5 years
Sundry plant	7 – 10 years

The Group's assets are subject to a fixed and floating charge under the terms of the Company's financing arrangements. Refer to note 19 for further details.

16. Right-of-use assets

Set out below are the carrying amounts of right-of-use assets recognised and movements for the year:

As at 30 June 2025	Buildings \$000	Motor vehicles \$000	Equipment \$000	Total \$000
Opening balance as at 1 July 2024	48,277	16,735	71,731	136,743
Additions	1,773	6,028	15,465	23,266
Lease modification	(899)	(3,536)	(2,836)	(7,271)
Lease retirements	(2,474)	(936)	(12,788)	(16,198)
Total cost	46,677	18,291	71,572	136,540
Accumulated depreciation	(19,310)	(10,186)	(27,417)	(56,913)
Total accumulated depreciation	(19,310)	(10,186)	(27,417)	(56,913)
Net carrying amount	27,367	8,105	44,155	79,627

As at 30 June 2024	Buildings \$000	Motor vehicles \$000	Equipment \$000	Total \$000
Opening balance as at 1 July 2023	49,787	17,220	48,343	115,350
Opening balance adjustment	(2,262)	-	-	(2,262)
Additions	5,433	4,561	26,301	36,295
Lease modification	(3,943)	(3,987)	(2,913)	(10,843)
Lease retirements	(738)	(1,059)	-	(1,797)
Total cost	48,277	16,735	71,731	136,743
Accumulated depreciation	(17,790)	(7,964)	(27,328)	(53,082)
Total accumulated depreciation	(17,790)	(7,964)	(27,328)	(53,082)
Net carrying amount	30,487	8,771	44,403	83,661

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

	2025 \$000	2024 \$000
Amounts recognised in profit and loss		
Depreciation expense of right-of-use assets	17,037	17,563
Interest expense on lease liabilities	4,435	4,337
Expense relating to short-term leases	4,135	2,081
Expense relating to leases of low-value assets	444	254

The Group's right-of-use assets relate to property, motor vehicles and heavy earth moving equipment.

The remaining average lease term is 4.46 years (2024: 4.25 years).

The corresponding lease liability analysis is presented in note 19.

17. Intangible assets

	2025 \$000	2024 \$000
Goodwill	8,005	8,005
	8,005	8,005
Contract intangible	3,737	3,737
Less: Accumulated amortisation	(3,587)	(3,068)
	150	669
Software – at cost	7,897	7,897
Less: Accumulated amortisation	(7,850)	(7,817)
	47	80
Total intangible assets	8,202	8,754

Goodwill and customer contracts

Goodwill of \$8,005,000 was recognised on the acquisition of Matilda Equipment Holdings Pty Ltd (Matilda) in FY19 and represents the residual value of the purchase price of the company over the fair value of the identifiable assets and liabilities acquired. The goodwill is allocated to the Rental operating segment. Goodwill is measured at cost, less accumulated impairment losses.

On the acquisition of Borex Pty Ltd in FY22, a customer intangible was recognised. This represented the residual value of the purchase price of the company over the fair value of the identifiable assets and liabilities acquired. The customer intangible is being amortised over the determined life of the intangible.

Software

Software that is acquired and internally developed by the Group and has finite useful lives is measured at cost less accumulated amortisation and any accumulated impairment losses.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

Amortisation and impairment of intangible assets

The amortisation charge and impairment of intangible assets are recognised in the following line item in the income statement:

	2025	2024
	\$000	\$000
Amortisation expense		
- contract intangible	519	568
- software	33	48
Total expense for the year	552	616

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E. Risk

18. Financial risk management

Overview

The Group has exposure to the following risks from use of financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the audit and risk management committee (Committee), which is responsible for developing and monitoring the Group's risk management policies. The Committee reports regularly to the board of directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Group, through its training, management standards and procedures, aims to develop a disciplined and constructive controlled environment in which all employees understand their roles and obligations.

The Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Committee is assisted in its oversight role by the internal audit function.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument or financial asset fails to meet its contractual obligations and arises principally from the Group's receivables from customers.

Exposure to credit risk

The carrying amount of the Group's financial assets represents the maximum credit exposure. The Group's maximum exposure to credit risk at the reporting date was:

	Note	Carrying amount	
		2025 \$000	2024 \$000
Cash and cash equivalents	8	126,356	78,265
Trade receivables	9	108,649	111,860
Accrued revenue	9	19,409	18,184
Other receivables	9	10,435	9,179
Other financial assets	10	4,662	4,662
		269,511	222,150

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

The carrying value of each of these items approximates fair value.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the demographics of the Group's customer base, including the default risk of the industry and country in which customers operate, as these factors may have an influence on credit risk. The Group sets individual counterparty limits and where possible insures its income within Australia and generally operates on a 'cash for keys' policy for the sale of equipment and parts. The Group has internal review and authorisation procedures that are applied to new clients and in the ongoing strengthening of appropriate credit limits for existing customers.

Both insured and uninsured debtors are subject to the Group's credit policy. The Group's credit policy requires each new customer to be analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and in some cases, bank references. Purchase limits are established for each customer according to the external rating and are approved by the appropriate management level dependent on the size of the limit. In the instance that a customer fails to meet the Group's creditworthiness and the Group is unable to secure credit insurance, future transactions with the customer will only be assessed on a case-by-case basis and where possible, prepayment or appropriate security such as a bank guarantee or letter of credit will be requested.

Where commercially available, the Group aims to insure the majority of customers including blue-chip customers or subsidiaries of blue-chip companies. Blue-chip customers are determined as those customers who have a market capitalisation of greater than \$1,000,000,000 (2024: \$1,000,000,000). The Group held insurance for the entire financial year ended 30 June 2025.

	Gross 2025 \$000	Impairment 2025 \$000	Gross 2024 \$000	Impairment 2024 \$000
Not past due	100,908	-	93,114	-
Past due 0-30 days	6,763	-	14,086	-
Past due 31-60 days	189	-	2,468	-
Past due 61 days	789	-	2,192	(308)
	108,649	-	111,860	(308)

Using the expected credit loss model (ECL), the Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The Group applies the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To effectively apply the ECL, the Group has categorised its trade receivables as follows:

- Blue-chip customers: defined as having a market capitalisation of greater than \$1,000,000,000. The Group aims to insure this category;
- Insured customers: those that are trading within terms and their trade receivable exposure is under the insured limit;
- Underinsured: those that have not been granted sufficient credit limits by the insurer to cover sales within credit terms;
- Uninsured customers: all other customers that are not recognised in the above category.

The Group's maximum exposure to credit risk for trade receivables at the reporting date by type of customer was:

	Carrying amounts	
	2025 \$000	2024 \$000
Blue-chip (including subsidiaries)	54,979	61,056
Insured	51,900	43,205
Underinsured	126	2,131
Uninsured	1,644	5,468
	108,649	111,860

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements
For the year ended 30 June 2025

The Group considers blue-chip and insured customers as low risk. The Group only assesses uninsured customers and underinsured customers in an ECL calculation.

The Group uses a combination of historical losses recognised for receivables in the above classifications and takes a view on the economic conditions that are representative of those expected to exist during the life of the receivable. This is based on the historical loss rates, ageing of debtors and economic factors that include commodity prices.

Economic data

It is anticipated that a movement in key economic data i.e. commodity prices, impacts the expected credit loss as it may drive the way the Group's customers run their operations or achieve profitability and cash flows to pay their receivables. As part of this assessment, the Group has considered the potential impact of commodity demand and prices.

The Group determined potential scenarios primarily driven by changes in commodity prices, which have been weighted by probability to determine the expected credit loss provision.

Loss history

The Group utilises loss history from FY20 onwards for this assessment.

Based on the factors outlined above, the Group has calculated an expected credit loss of \$86,000 based on historical loss trends and economic factors (2024: \$308,000). During the period, no allowances for specific customers were identified as doubtful and subsequently nothing was written off by the Group (2024: nil).

The movement in the credit loss allowance in respect of trade receivables during the year was as follows:

	Impairment 2025 \$000	Impairment 2024 \$000
Opening loss allowance as at 1 July	308	190
Loss allowance on trade receivables arising during the year	(222)	118
Loss allowance as at 30 June	86	308

The Group believes that the unimpaired amounts that are past due by more than 30 days are still collectible, based on historic payment behaviour and extensive analysis of the underlying customers' credit ratings.

Credit-impaired financial assets

The Group will assess if a financial asset is impaired when amounts are past due by more than 120 days. An allowance for impairment will be recognised unless the Group has reasonable and supportable information that an impairment is not required to be recognised.

Cash

The Group held cash and cash equivalents of \$126,356,000 at 30 June 2025 (2024: \$78,265,000), which represents its maximum credit exposure on these assets. The cash and cash equivalents are held with bank and financial institution counterparties which are rated greater than AA-.

Collateral

Collateral is held for customers that are assessed to be a higher risk. At 30 June 2025 the Group held nil bank guarantees (2024: nil) and nil of advance payments from customers (2024: nil).

Guarantees

Financial guarantees are generally only provided to wholly owned subsidiaries or when entering into a premise rental agreement or asset lease liability. Details of outstanding guarantees are provided in note 22. At 30 June 2025, \$2,886,000 guarantees were outstanding (2024: \$3,183,000).

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

The Group monitors working capital limits and employs maintenance planning and life cycle costing models to price its rental contracts. These processes assist it in monitoring cash flow requirements and optimising cash returns in its operations. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

Please refer to note 29 for further information regarding the refinancing of the Group's debt facilities.

Notes

The Group has issued secured fixed interest notes to the value of \$250,000,000 which mature on 10 July 2026. The nominal fixed interest rate is 6.25%. Refer to note 19 for further details.

Revolving Credit Facility

The Group has a Revolving Credit Facility (RCF) facility of \$100,000,000, which matures in December 2025, which has two sub facilities consisting of a Loan Note Agreement Facility (LNA) of \$95,000,000 (30 June 2024: \$95,000,000) and a Bank Guarantee Facility of \$5,000,000 (30 June 2024: \$5,000,000). The tenor of the facility being three years, with an option to extend for a further two years to December 2027 at the Group's election, conditional upon covenants being met and refinancing conditions related to the AMTN. The bank guarantee facility attracts a fee of up to 1.57% on the unutilised portion of the facility, and a fee of 3.5% on the outstanding balance of guarantees on issue. The nominal interest rate on the LNA is equal to the aggregate of the bank bill swap rate (BBSY) plus a margin of between 2.75% and 3.75% dependent on the portion of the facility utilised and credit agency ratings (2.75% if less than 25% drawn and credit agency ratings of Ba2/BB or higher; 3.75% if greater than or equal to 25% drawn and credit agency ratings lower than B1/B+).

The facilities require the Group to maintain a collateral coverage ratio greater than 2.0x and a fixed charge coverage ratio greater than 1.5x. The Group maintains compliance with its financial covenants, which are tested on a quarterly basis throughout the year. At 30 June 2025, the Group had \$nil drawn of the LNA and had utilised \$2,886,000 of the bank guarantee facility.

The Group has a facility agreement comprising a credit card facility with a limit of \$200,000 which is secured via a cash cover account.

To manage the cash flow conversion cycle on goods and services procured by the Group, and to ensure that suppliers receive payment in a timely manner, the Group offers some suppliers supply chain financing. The Group's supply chain financing facilities totalled \$34,237,000 as at 30 June 2025 (2024: \$33,592,000).

The Group has lease facilities totalling \$68,958,000 (2024: \$76,349,000) which have various maturities up to June 2033.

The following gross outflows represent the contractual, undiscounted cash flow maturities of the Group's financial liabilities (including estimated interest payments):

30 June 2025	Carrying amount \$000	Contractual cash flows \$000	6 mths or less \$000	6-12 mths \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Secured notes issued	250,000	265,496	7,748	7,748	250,000	-	-
Lease liabilities	68,958	80,764	12,524	11,501	20,869	28,084	7,786
Trade and other payables ⁽¹⁾	123,150	123,150	123,150	-	-	-	-
Financial liabilities	3,283	1,925	665	641	619	-	-
	445,391	471,335	144,087	19,890	271,488	28,084	7,786

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

30 June 2024	Carrying amount \$000	Contractual cash flows \$000	6 mths or less \$000	6-12 mths \$000	1-2 years \$000	2-5 years \$000	More than 5 years \$000
Secured notes issued	250,000	289,064	7,813	7,813	15,625	257,813	-
Lease liabilities	76,349	86,816	13,644	10,305	18,693	32,993	11,182
Trade and other payables	123,008	123,008	123,008	-	-	-	-
Financial liabilities	3,042	3,324	712	688	1,306	618	-
Total	452,399	502,212	145,177	18,806	35,624	291,424	11,182

(1) Trade and other payables excludes deferred revenue and interest accruals. Estimated interest payments are included within "secured notes issued". Refer to note 19 for further information.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk

The functional currency of the Company is the Australian dollar (AUD). The Group is not exposed to any material currency risk.

Interest rate risk

In accordance with the Board's policy, the Group is required to maintain an appropriate exposure to changes in interest rates on borrowings on a fixed rate basis, taking into account assets with exposure to changes in interest rates. This is achieved by entering into fixed interest notes.

Profile

At the end of the reporting period, the interest rate profile of the Group's interest-bearing financial instruments was:

	Note	2025 \$000	2024 \$000
Variable rate instruments:			
Cash at bank	8	126,356	78,265
		126,356	78,265
Fixed rate instruments:			
Interest bearing liabilities (AUD notes)	19	(250,000)	(250,000)
Interest bearing liabilities (Loan note agreement)	19	-	(30,000)
Interest bearing finance leases	19	(68,958)	(76,349)
		(318,958)	(356,349)

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the Consolidated Statement of Financial Position, are as follows:

		2025		2024	
	Note	Carrying amount \$000	Fair value \$000	Carrying amount \$000	Fair value \$000
Assets carried at amortised cost					
Cash and cash equivalents	8	126,356	126,356	78,265	78,265
Trade and other receivables	9	138,669	138,669	139,231	139,231
Other financial assets	10	4,662	4,662	4,662	4,662
		269,687	269,687	222,158	222,158
Liabilities carried at amortised cost					
Secured notes issue	19	(250,000)	(250,000)	(250,000)	(250,000)
Loan note agreement	19	-	-	(30,000)	(30,000)
Lease liabilities	19	(68,958)	(80,764)	(76,349)	(86,816)
Trade and other payables	13	(130,972)	(130,972)	(130,485)	(130,485)
		(449,930)	(461,736)	(486,834)	(497,301)

To comply with the provisions of AASB 13 *Fair Value Measurement*, the Group incorporates credit valuation adjustments to appropriately reflect both its own non-performance risk and the respective counterparty's non-performance risk in the fair value measurements.

Capital management

Underpinning Emeco's strategic framework is consistent value creation for shareholders. Central to this is the continual evaluation of the Company's capital structure to ensure it is optimised to deliver value to shareholders. The board's policy is to maintain diversified, long-term sources of funding to maintain investor, creditor and market confidence and to support the future growth of the business.

Historically, the board maintained a balance between higher returns possible with higher levels of borrowings and the security afforded by a sound capital position. However, given current market conditions, the board seeks to increase levels of cash held to maintain a strong capital position.

The Company's primary return metric is return on capital (ROC), which the Group defines as earnings before interest and tax (EBIT) divided by average invested capital, which is defined as the average over the year of equity, plus interest bearing liabilities, less cash and intangibles. The Group's ROC for the year was 14.4% (2024: 11.5%).

The Group's return on invested capital at the end of the reporting period was as follows:

	2025 \$000	2024 \$000
EBIT	132,217	101,426
Average invested capital ⁽¹⁾	917,152	882,361
EBIT return on capital at 30 June	14.4%	11.5%

(1) Average invested capital is average equity, plus interest bearing liabilities, less cash and intangibles.

F. Debt and Equity

19. Interest bearing liabilities

	2025	2024
	\$000	\$000
Current		
Amortised cost		
Lease liabilities	19,426	20,649
Loan note agreement	-	30,000
Other financing	1,758	1,685
Financial liability ⁽¹⁾	1,217	1,217
	22,401	53,551
Non-current		
Amortised cost		
AUD notes – secured	250,000	250,000
Debt raising costs ⁽²⁾	(1,209)	(2,340)
Lease liabilities	49,532	55,700
Financial liability ⁽¹⁾	608	1,825
	298,931	305,185

(1) A current financial liability of \$1,217,000 (2024: \$1,217,000) and non-current financial liability of \$608,000 (2024: \$1,825,000) was recognised, relating to the sale and leaseback of equipment.

(2) Carried at amortised cost. The movement from prior year is due to amortisation recorded in the Statement of Profit or Loss and Other Comprehensive Income for the year.

Secured notes issue

On 2 July 2021, the Company successfully completed the issuance of \$250,000,000 in notes in the AMTN market (AUD Notes). The notes have a fixed coupon of 6.25%, payable semi-annually, and have a maturity date of 10 July 2026.

The AUD Notes include restrictions on issuing additional debt if leverage (net debt divided by operating EBITDA) is greater than 1.75x and shareholder distributions if leverage is greater than 2.0x. The notes include a call premium of 1.5625% which is payable on the notes if the notes are redeemed prior to 10 July 2025. No call premium is payable after this date. There are no restrictions on capital expenditure in the AUD notes. The effective interest rate of these notes is 6.76%, which is inclusive of the capitalised borrowing costs and annual coupon.

Please refer to note 29 for further information regarding the refinancing of the Group's debt facilities.

Working capital facilities

The Group has a credit card facility with a limit of \$200,000 (2024: \$200,000). The facility is secured via a cash cover account. Please refer to note 29 for further information regarding the refinancing of the Group's debt facilities.

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Lease liabilities

At 30 June 2025, the Group held lease facilities totalling \$68,958,000 (2024: \$76,349,000) which have various maturities up to June 2033. Lease terms are negotiated on an individual basis and include a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Lease liabilities of the Group are payable as follows:

Lease liabilities	2025 \$000	2024 \$000
Opening balance as at 1 July	76,349	70,721
Opening balance adjustment	-	(2,625)
New leases	15,236	35,665
Interest expense	4,435	4,595
Principal repayments	(25,283)	(25,054)
Lease modification	(1,779)	(6,953)
Balance at 30 June	68,958	76,349
Current	19,426	20,649
Non-current	49,532	55,700
	68,958	76,349

The Group's lease liabilities are secured by the leased assets of \$79,627,000 (2024: \$83,661,000). In the event of default, the leased assets revert to the lessor.

Reconciliation of liabilities arising from financing activities

Liabilities arising from financing activities are those for which cash flows were or will be classified in the Group's consolidated statement of cash flows. The following table details cash and non-cash movements in the Group's liabilities arising from financing activities:

	1 July 2024 \$000	Financing cash flows \$000	Amortisation expense \$000	Net debt acquired/ (retired) \$000	30 June 2025 \$000
AUD notes	250,000	-	-	-	250,000
Loan note agreement	30,000	(30,000)	-	-	-
Lease liabilities	76,349	(20,848)	-	13,457	68,958
Debt raising costs	(2,340)	-	1,131	-	(1,209)
Financial liabilities	3,042	(1,217)	-	-	1,825
Other financing	1,685	(4,438)	-	4,511	1,758
	358,736	(56,503)	1,131	17,968	321,332

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

	1 July 2023 \$000	Financing cash flows \$000	Amortisation expense \$000	Net debt acquired/ (retired) \$000	30 June 2024 \$000
AUD notes	250,000	-	-	-	250,000
Loan note agreement	-	30,000	-	-	30,000
Lease liabilities	70,721	(20,458)	-	26,087	76,349
Debt raising costs	(3,431)	-	1,091	-	(2,340)
Financial liabilities	4,259	(1,217)	-	-	3,042
Other financing	1,098	(3,455)	84	3,958	1,685
	322,647	4,870	1,175	30,045	358,736

Financing arrangements

The Group has the ability to access the following lines of credit:

	Available facility \$000	Facility utilised at reporting date \$000	Facility not utilised at reporting date \$000
2025			
AUD notes ⁽¹⁾	250,000	250,000	-
Loan note agreement ⁽²⁾	95,000	-	95,000
Bank guarantee facility ⁽²⁾	5,000	2,886	2,114
Lease liabilities	68,958	68,958	-
	418,958	321,844	97,114
2024			
AUD notes ⁽¹⁾	250,000	250,000	-
Loan note agreement ⁽²⁾	95,000	30,000	65,000
Bank guarantee facility ⁽²⁾	5,000	3,183	1,817
Lease liabilities	76,349	76,349	-
	426,349	359,532	66,817

(1) The facility of \$250,000,000 was fully drawn at 30 June 2025. Refer to note 19 for further details.

(2) The Revolving credit facility has a limit of \$100,000,000. The Revolving credit facility consists of the Loan note agreement of \$95,000,000 and bank guarantee of \$5,000,000.

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

20. Equity – issued capital and reserves

	2025 \$000	2024 \$000
Share capital		
518,374,757 (2024: 518,374,757) ordinary shares, fully paid	1,224,725	1,224,725
Acquisition reserve	(75,887)	(75,887)
	1,148,838	1,148,838

Terms and conditions
Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. Shares have no par value.

In the event of a company's liquidation, ordinary shareholders rank behind all other creditors and are only entitled to any remaining proceeds after all secured, unsecured, and preferential creditors have been paid.

Movements in ordinary shares

Details	Date	Shares	Issue Price (\$)	\$000
Balance	1 July 2024	518,374,757		1,224,725
Balance	30 June 2025	518,374,757		1,224,725
Less: Treasury shares		(3,885,405)		
Issued capital		514,489,352		

- (1) During the year ending 30 June 2025, Emeco did not complete any on-market share buy-back (30 June 2024: 627,858 shares were purchased at an average share price of \$0.66 totalling \$415,000).

Treasury shares

The treasury shares comprise of shares purchased on-market to satisfy the vesting of shares and rights under the employee share plans. Rights that are forfeited under the Company's employee share plans due to employees not meeting the service vesting requirement will remain in the reserve. As at 30 June 2025, the Company held 3,885,405 treasury shares (2024: 4,031,493), in satisfaction of the employee share plans.

Foreign currency translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

Share-based payment reserve

The share-based payment reserve comprises the expenses incurred from the issue of the Company's securities under its employee share/option plans.

Under the LTI plans, Rights are issued based on the performance of the executive and the Company over a three-year period, with one-third of the maximum LTI entitlement being tested each year. Issued Rights vest at the end of the three-year performance period. Current LTI awards for the Managing Director & Chief Executive Officer ("MD") have a one-year performance period. These awards will vest upon release of the corresponding periods results or upon cessation of employment, whichever occurs first. All MD awards will be equity-settled unless shareholder approval is not granted, in which case awards will be paid in cash. If Emeco terminates the executive's employment for misconduct or other breach of the executive's employment contract, the Board may lapse some or all of the Rights issued to the executive. Rights issued under the LTI will otherwise vest.

The fair value of Rights issued is measured using either the Monte Carlo or the Black Scholes pricing models. The grant date in respect of the LTI Plans, for all eligible employees excluding the MD, was the day the plan was approved by the Board. Any issue of awards to the MD under the LTI plans are subject to shareholder approval. With respect to the MD and upon approval by the shareholders, the fair value of the Rights will be remeasured at the date of the shareholder meeting (being the grant date) at which point they will be treated consistently with other employees. The fair value of Rights granted is expensed over the performance periods from grant date to vesting date based on the maximum LTI available in each year.

At the completion of the annual testing, when the final number of Rights are approved with respect to the specific financial year, the expense is adjusted in the year of approval to align with the actual Rights approved, to the extent that the expense relates to non-market performance conditions. Market conditions are not adjusted for because these are inherent in the initial valuation.

In the event of death, total and permanent disability, retrenchment or retirement of the participant, Rights granted under the MIP may vest on an accelerated basis. Rights granted under the MIP will lapse if the executive ceases employment for any other reason.

Dividends

For the year ended 30 June 2025, no dividend was declared.

On 22 August 2023, the Board resolved to pay a final fully franked dividend for the year ended 30 June 2023 of 1.25 cents per share, representing a total cash payment of \$6,488,000. The dividend was paid on 29 September 2023.

Franking Account

	The Company	
	2025	2024
	\$000	\$000
Dividend franking account		
30% franking credits available to shareholders of Emeco Holdings Limited for subsequent financial years	72,914	72,914

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

The above available amounts are based on the balance of the dividend franking account at year end adjusted for:

- (a) franking credits that will arise from the payment of current tax liabilities and recovery of current tax receivables;
- (b) franking debits that will arise from the payment of dividends recognised as a liability at the year end;
- (c) franking credits that will arise from the receipt of dividends recognised as receivables by the tax consolidated group at the year end;
- (d) franking credits that the entity may be prevented from distributing in subsequent years; and
- (e) franking credits acquired through business combinations.

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends. In accordance with the tax consolidation legislation, the Company as the head entity in the Australian tax consolidated group has also assumed the benefit of \$72,914,000 (2024: \$72,914,000) franking credits.

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G. Unrecognised Items

21. Commitments

(a) Short-term and low value leases

	2025 \$000	2024 \$000
Future non-cancellable short-term and low-value leases not provided for in the financial statements and payable:		
Less than one year	984	1,058
	984	1,058

Short-term and low value lease expenditure for FY25 and FY24 is disclosed in note 16.

(b) Capital commitments

The Group has nil commitments arising subsequent to 30 June 2025 for purchases of fixed assets (2024: nil).

22. Contingent liabilities

Guarantees

The Group has provided bank guarantees in the amount of \$2,886,000 (2024: \$3,183,000) in relation to obligations under operating leases and rental premises.

Emeco Holdings Limited and its Controlled Entities
Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

H. Other Information / Group Structure

23. Controlled entities

	Country of incorporation	Ownership interest	
		2025 %	2024 %
Parent entity			
Emeco Holdings Limited			
Controlled entities			
Pacific Custodians Pty Ltd as trustee for Emeco Employee Share Ownership Plan Trust	Australia	100	100
Emeco Pty Limited	Australia	100	100
Emeco International Pty Limited	Australia	100	100
EHL Corporate Pty Ltd	Australia	100	100
Emeco Parts Pty Ltd	Australia	100	100
Emeco Finance Pty Ltd	Australia	100	100
Andy’s Earthmovers (Asia Pacific) Pty Ltd	Australia	100	100
Orionstone Holdings Pty Ltd	Australia	100	100
Orionstone Pty Ltd	Australia	100	100
Ironstone Group Pty Ltd	Australia	100	100
Orion (WA) Pty Ltd	Australia	100	100
RPO Australia Pty Ltd	Australia	100	100
Force Equipment Pty Ltd	Australia	100	100
Matilda Equipment Holdings Pty Ltd	Australia	100	100
Matilda Equipment Pty Ltd	Australia	100	100
Pit N Portal Mining Services Pty Ltd	Australia	100	100
Emeco Underground Pty Ltd	Australia	100	100
Emeco Equipment (USA) LLC	USA	100	100
Emeco (UK) Limited	United Kingdom	100	100
Emeco International Europe BV	Netherlands	100	100
Emeco Holdings South America SpA	Chile	100	100
Enduro SpA	Chile	100	100
Emeco Europe BV	Netherlands	100	100
Emeco BV	Netherlands	100	100
Pt Prima Traktor IndoNusa	Indonesia	100	100

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

24. Compensation of key personnel

The following were key management personnel of the Group at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Non-executive directors

Ian MacIver – Appointed 1 December 2024

Peter Frank

Sarah Adam-Gedge

James Walker III

Peter Kane – Retired 20 November 2024

Executive directors

Ian Testrow	Managing Director & Chief Executive Officer
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Other executives**Position**

Theresa Mlikota	Chief Financial Officer
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Key management personnel compensation

The key management personnel compensation is as follows:

In AUD	2025	2024
Short-term employee benefits	4,020,290	4,544,725
Other long-term benefits	50,830	94,976
Other non-monetary benefits	596,008	597,641
Post-employment benefits	119,121	120,168
Equity compensation benefits	2,062,979	2,561,628
	6,849,228	7,919,138

Remuneration of key management personnel by the Group

The compensation disclosed above represents an allocation of the key management personnel's compensation from the Group in relation to their services rendered to the Company.

Individual directors and executives compensation disclosures

Information regarding individual directors' and executives' compensation and some equity instruments disclosures as required by Corporations Regulations 2M.3.03 and 2M.6.04 are provided in the remuneration report.

Apart from the details disclosed in this note, no director has entered into a material contract with the Company or the Group since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Equity Instruments

Rights over equity instruments granted as compensation under management incentive plan (MIP)

The Company has a management incentive plan in which rights to shares have been granted to certain employees of the Company. Rights awarded under the MIP will vest at the end of the applicable vesting period, subject to the employee remaining employed by the Company. Rights that do not vest will lapse.

Rights over equity instruments granted as compensation under long-term incentive plan (LTI)

The Company has a retention incentive plan that rewards executives for their contribution to the achievement of certain KPIs over a three-year period. KPIs are reviewed annually, but achievement is assessed over a three-year period with one third of the minimum entitlement being tested each year.

Assessing achievements annually also ensures that executives are rewarded for their performance in each year over the three-year period. By assessing outcomes in this manner, consistent high performance over each year within the three-year performance period is required in order to achieve maximum award. Awards under the LTI plan are made in the form of Rights.

Other key management personnel transactions

Key management persons, or their related parties, hold positions in other entities that may result in them having control or significant influence over the financial or operating policies of those entities. There were no transactions, other than as disclosed in note 10, between the Group and these related entities during the year (FY24: nil).

25. Share-based payments

During the year the Company issued Rights to key management personnel and senior employees of the Group under its employee incentive plans.

Vested Plans

Grant date/employees entitled	Number of instruments	Vesting Conditions	Contractual life of rights/ performance share rights
LTI Plan			
FY20 LTI Rights	70,436	3 years' service	3 years
FY21 LTI Rights	14,560	2 years' service	2 years
FY22 LTI Rights	39,378	1 year service	1 year
MLTI Plan			
FY24 MLTI Rights	21,714	3 years' service	3 years
	146,088		

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

Unvested Plans

Grant date/employees entitled	Number of instruments	Vesting Conditions	Contractual life of rights/ performance share rights
LTI Plan			
FY21 LTI Rights	158,360	3 years' service	3 years
FY22 LTI Rights	760,684	3 years' service	3 years
FY23 LTI Rights	1,200,896	3 years' service	3 years
MLTI Plan			
FY24 MLTI Rights	2,345,392	3 years' service	3 years
FY25 MLTI Rights	3,357,374	3 years' service	3 years
CEO LTI Plan			
FY24 CEO LTI Rights	2,307,693	4 years' service	4 years
FY25 CEO LTI Rights	2,405,770	3 years' service	3 years
	12,536,169		

The movements of Rights on issue during the year were as follows:

	Number of rights/ performance share rights 2025	Number of rights/ performance share rights 2024
Outstanding at 1 July	7,895,055	8,925,177
Granted during the year	5,763,144	5,694,589
Exercised during the year	(146,088)	(1,979,273)
Forfeited during the year	(975,942)	(4,745,438)
Outstanding at 30 June	12,536,169	7,895,055

Under the various LTI plans, certain executives are granted rights (Rights) to receive fully paid ordinary shares (Shares) in the Company, the award and vesting of which is subject to varying performance and or service conditions. These conditions reward management to the extent the Group's achievement judged against the criteria are met. No amounts are paid or payable by the recipient of the Rights. Rights may be exercised at any time from the date of vesting to the date of their expiry.

The fair value of Rights granted during the year is measured using the Black Scholes model resulting in a fair value of \$0.58 (FY24: \$0.67). The Black Scholes model for non-market conditions, requires inputs including the risk-free rate, volatility and dividend yield. The fair value of Rights with market-based conditions is determined using a Monte Carlo simulation model. The risk-free rate was determined by reference to the Reserve Bank of Australia's government bond rate. Expected volatility was derived from historical share price movements over a period similar to the life of the Rights granted, and dividend yield is reflective of the Company's share price at year end and historical dividends paid.

The significant inputs into the valuation models for the rights granted during the year were:

	2025	2023
Weighted average share price	0.79	0.62
Expected volatility	30%	31%
Expected life	2-3 years	2-3 years
Annual risk-free interest rate	3.2-3.5%	3.6%
Expected dividend yield	0%	0%

The weighted average share price for Rights exercised during the year was \$0.90 (FY24: \$0.66).

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

The following applies to Rights:

- there is no entitlement to dividends or shadow dividends on unvested rights; and
- in the event of absolute change in control (i.e. the acquisition by a third party and its associates >50% of Emeco shares), rights awarded will vest.

Please refer to note 20 for further information regarding the Group's share-based payments.

Employee expenses

In AUD	2025	2024
Performance shares/rights	2,720,868	3,530,469
Total expense recognised as employee costs ⁽ⁱ⁾	2,720,868	3,530,469

- (i) Should an employee be made redundant, the remaining share-based payment expense for the vesting period will be accelerated and recognised in the period the employee was made redundant.

26. Remuneration of auditors

The auditor of Emeco Holdings Limited is Deloitte Touche Tohmatsu Australia.

Amounts paid or payable for services provided by Deloitte Touche Tohmatsu are as follows:

In AUD	2025 \$	2024 \$
Audit services		
Auditors of the Company		
<i>Deloitte Touche Tohmatsu Australia:</i>		
- audit and review of financial reports	721,147	738,175
	721,147	738,175
Other assurance and agreed upon procedures		
Auditors of the Company		
<i>Deloitte Touche Tohmatsu Australia:</i>		
- other assurance services	19,215	57,820
Overseas Deloitte Firms:		
- other assurance services	36,091	33,071
- taxation services	15,959	19,055
	71,265	109,946
	792,412	848,121

The Company has engaged with Deloitte Touche Tohmatsu Australia and overseas for the provision of audit as well as other specific assurance. No other advisory or consulting services were provided by Deloitte during the year.

27. Deed of cross guarantee

Pursuant to ASIC Class Order 98/1418 (as amended) dated 13 August 1998, Emeco International Pty Ltd is relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports, and directors' reports. It is a condition of the class order that the Company and each of the subsidiaries enter into a deed of cross guarantee.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

The effect of the deed is that the Company guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. If a winding up occurs under other provisions of the Act, the Company will only be liable in the event that after six months any creditor has not been paid in full. The subsidiaries have also given similar guarantees in the event that the Company is wound up.

The subsidiaries subject to the deed are:

- Emeco Pty Ltd
- Emeco International Pty Limited
- Andy's Earthmovers (Asia Pacific) Pty Ltd
- Orionstone Holdings Pty Ltd
- Orionstone Pty Ltd
- Force Equipment Pty Ltd
- Matilda Equipment Pty Ltd
- Matilda Equipment Holdings Pty Ltd
- Pit N Portal Mining Services Pty Ltd
- Emeco Underground Pty Ltd

A consolidated statement of comprehensive income and consolidated statement of financial position, comprising the Company and controlled entities which are a party to the deed, after eliminating all transactions between parties to the deed of cross guarantee, for the year ended 30 June 2025 is set out as follows:

	2025	2024
	\$000	\$000
Revenue	785,354	822,728
Cost of sales	(512,079)	(558,129)
Gross profit	273,275	264,599
Operating expense	(142,045)	(150,016)
Other income	2,127	1,311
Finance income	2,435	1,795
Finance costs	(27,689)	(27,393)
Unrealised foreign exchange	252	(224)
Impairment of assets	(940)	(14,165)
Profit before tax	107,415	75,907
Tax expense	(32,225)	(22,772)
Net profit after tax	75,190	53,135
Other comprehensive (loss)/income	(281)	211
Total comprehensive (loss)/income for the year	(281)	211
Accumulated losses at beginning of year	(484,108)	(537,454)
Accumulated losses at end of year	(409,199)	(484,108)
Attributable to:		
Equity holders of the Company	(409,199)	(484,108)
Profit for the year	75,190	53,135

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

	2025	2024
	\$000	\$000
Current assets		
Cash and cash equivalents	126,348	78,256
Trade and other receivables	177,779	176,830
Prepayments	30,946	19,133
Inventories	42,382	41,635
Assets held for sale	8,479	15,738
Total current assets	385,934	331,592
Non-current assets		
Prepayments	3,751	-
Property, plant and equipment	803,918	783,680
Right-of-use assets	79,627	83,661
Intangible assets	8,203	8,754
Other financial assets	4,662	4,662
Total non-current assets	900,161	880,757
Total assets	1,286,095	1,212,349
Current liabilities		
Trade and other payables	147,842	146,001
Interest bearing liabilities	22,401	53,551
Provisions	11,533	11,777
Total current liabilities	181,776	211,329
Non-current liabilities		
Interest bearing liabilities	298,931	305,185
Provisions	437	725
Deferred tax liabilities	67,905	35,791
Total non-current liabilities	367,273	341,701
Total liabilities	549,049	553,030
Net assets	737,046	659,319
Equity		
Share capital	1,148,839	1,148,839
Share based payment reserve	26,211	23,490
Reserves	(28,805)	(28,902)
Accumulated losses	(409,199)	(484,108)
Total equity attributable to equity holders of the parent	737,046	659,319

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

28. Parent entity disclosure

As at and throughout the financial year ending 30 June 2025 the parent entity (the '**Company**') of the Group was Emeco Holdings Limited.

	Company	
	2025	2024
	\$000	\$000
Result of the parent entity		
Profit/(loss) for the year ⁽¹⁾	19,989	20,500
Other comprehensive income	-	-
Total comprehensive income/(loss) for the period	19,989	20,500
Financial position of parent entity at year end		
Current assets	73	73
Non-current assets	451,498	428,789
Total assets	451,571	428,862
Current liabilities	-	-
Non-current liabilities	-	-
Total liabilities	-	-
Total equity of the parent entity comprising of:		
Share capital	1,148,838	1,148,838
Share-based payment reserve	26,211	23,491
Profit reserve	37,866	17,877
Reserve for own shares	(27,965)	(27,965)
Accumulated losses	(733,379)	(733,379)
Total equity	451,571	428,862

(1) Profit includes dividends received from wholly owned subsidiaries which are eliminated on Group consolidation.

Parent entity guarantees in respect of debts of its subsidiaries

The parent entity has entered into a deed of cross guarantee with the effect that the Company guarantees debts in respect of its subsidiaries.

Further details of the deed of cross guarantee and the subsidiaries subject to the deed, are disclosed in note 27.

Emeco Holdings Limited and its Controlled Entities

Notes to the Consolidated Financial Statements

For the year ended 30 June 2025

29. Other material accounting policies

The other principal accounting policies adopted in the preparation of the financial statements are set out below. The accounting policies are consistent with those disclosed in the prior period financial statements, except for the impact of new and amended standards and interpretations, effective 1 July 2024. The adoption of these standards and interpretations did not result in any significant changes to the Group's accounting policies.

The Group has not elected to early adopt any new or amended standards or interpretations that are issued but not yet effective.

Accounting Standards and Interpretations not effective for the Group at 30 June 2025 or early adopted

A number of new standards, amendments of standards and interpretations are effective for annual periods beginning from 1 July 2024 and earlier application is permitted, however, the Group has not early adopted these standards in preparing these consolidated financial statements. The Group has reviewed these standards and interpretations and has determined that none of these new or amended standards and interpretations will significantly affect the Group's accounting policies, financial position, or performance.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001 as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB). The consolidated financial statements provide comparative information in respect of the previous period. For consistency with the current year's presentation, where required, comparative information has been reclassified. The financial statements have been prepared under the historical cost basis, except for contingent consideration and certain other financial assets and financial liabilities, which are measured at fair value.

The financial report has been prepared on a going concern basis, which contemplates the continuity of normal business activities, the settlement of liabilities including the refinancing of the Group's maturing debt facilities in the ordinary course of business. Details of the Group's key debt facilities are set out in Note 18 to the financial report. The maturity dates of the facilities are as follows:

- Australian Medium Term Note \$250 million (fully drawn at 30 June 2025) matures 10 July 2026.
- Revolving Credit Facility \$95 million (undrawn at 30 June 2025) and \$5 million guarantee facility (drawn to \$2.9 million) matures on 31 December 2025.

The Directors have reviewed the financial performance and financial position of the Group and expect that, based on the Group's operational plans and financial forecasts and its progressed discussions with advisors (including receiving "highly confident" commitment letters) and discussions with existing and potential new debt providers, it will be well positioned to refinance its maturing debt facilities ahead of the maturity date of those facilities.

The refinancing options include: funding from the Australian medium term note market, the Australian and overseas bank debt market and asset backed lending from a wide range of potential financiers in Australia and overseas.

The Directors of the Group have no reason to believe that the Group will not be successful in refinancing its maturing debt facilities.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are included in the respective notes to the consolidated financial statements: Note 2 – revenue recognition: estimate of variable consideration, Note 5 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised.

Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 28.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Emeco Holdings Limited as of 30 June 2025 and the results of all subsidiaries for the year then ended. Emeco Holdings Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. Entities are deconsolidated from the date that control ceases.

Transactions eliminated on consolidation

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Emeco Holdings Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation at the reporting date exchange rates of monetary assets, and liabilities denominated in foreign currencies, are recognised in the profit or loss.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current. Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Emeco Holdings Limited and its Controlled Entities**Notes to the Consolidated Financial Statements**

For the year ended 30 June 2025

Rounding of amounts

The Group is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

30. Subsequent events

The Board resolved to continue the suspension of the Group's capital management programme for FY26, in favour of net debt reduction. There have been no other significant events subsequent to the year ended 30 June 2025.

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Emeco Holdings Limited and its Controlled Entities

Consolidated Entity Disclosure Statement

As at 30 June 2025

This Consolidated Entity Disclosure Statement has been prepared in accordance with the Corporations Act 2001 and includes required information for each entity that was part of the consolidated entity as at the end of the financial year. Section 295 (3A) of the Corporations Act 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

	Country of Incorporation	Entity type	Body Corporate		Tax Residency	
			Ownership 2025 %	Australian /Foreign	Foreign jurisdiction	
Parent entity						
Emeco Holdings Limited	Australia	Body corporate		Australia ^(c)	N/A	
Controlled entities						
Pacific Custodians Pty Ltd as trustee for Emeco Employee Share Ownership Plan Trust ^(b)	Australia	Trust	100	Australia ^(c)	N/A	
Emeco Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Emeco International Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
EHL Corporate Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Emeco Parts Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Emeco Finance Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Andy’s Earthmovers (Asia Pacific) Pty Ltd ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Orionstone Holdings Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Orionstone Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Ironstone Group Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Orion (WA) Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
RPO Australia Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Force Equipment Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Matilda Equipment Holdings Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Matilda Equipment Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Pit N Portal Mining Services Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Emeco Underground Pty Limited ^(a)	Australia	Body Corporate	100	Australia ^(c)	N/A	
Emeco Equipment USA LLC ^(a)	USA	Body Corporate	100	Foreign	USA	
Emeco (UK) Limited ^(a)	United Kingdom	Body Corporate	100	Foreign	United Kingdom	
Emeco International Europe BV ^(a)	Netherlands	Body Corporate	100	Foreign	Netherlands	
Emeco Holdings South America SpA ^(a)	Chile	Body Corporate	100	Foreign	Chile	
Enduro SpA ^(a)	Chile	Body Corporate	100	Foreign	Chile	
Emeco Europe BV ^(a)	Netherlands	Body Corporate	100	Foreign	Netherlands	
Emeco BV ^(a)	Netherlands	Body Corporate	100	Foreign	Netherlands	
PT Prima Traktor IndoNusa ^(a)	Indonesia	Body Corporate	100	Foreign	Indonesia	

(a) Participant in Emeco Holdings Limited which is consolidated in the consolidated financial statements.

(b) Pacific Custodian Pty Ltd as Trustee for Emeco Employee Share Ownership Plan Trust which are both not consolidated in the consolidated financial statements.

(c) This entity is part of a tax-consolidated group under Australian taxation law, for which Emeco Holdings Limited is the head entity.

Emeco Holdings Limited and its Controlled Entities

Directors' Declaration

In the opinion of the directors of Emeco Holdings Limited (the 'Company'):

- (a) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- (b) the consolidated financial statements and notes thereto are in accordance with the requirement of the *Corporations Act 2001 (Corporations Act)*, including the requirements that:
 - (i) they comply with the Australian Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
 - (ii) they give a true and fair view of the financial position and performance of the Company and its controlled entities for the full year ended 30 June 2025; and
 - (iii) note 29 to the financial statements confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board;
- (c) the directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2025.
- (d) the Consolidated Entity Disclosure Statement on page 130 is true and correct; and
- (e) there are reasonable grounds to believe that the Company and each of its subsidiaries that are party to the Deed of Cross Guarantee dated 5 May 2008 (as varied from time to time) (Cross-Guarantee) will be able to meet any obligations or liabilities to which they are, or may become, subject because of the Cross-Guarantee.

Dated at Perth, 19 August 2025

Signed in accordance with a resolution of the directors:



Ian Testrow
Managing Director



Deloitte Touche Tohmatsu
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Independent Auditor's Report to the Members of Emeco Holdings Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Emeco Holdings Limited (the "Company") and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information and other explanatory information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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Key Audit Matter	How the scope of our audit responded to the Key Audit Matter
Impairment assessment of goodwill and other non-current assets As noted in note 12, the Group performed annual impairment testing for the Rental cash generating unit (CGU) as at 30 June 2025. There is a risk that management has not appropriately identified or considered both internal and external indicators of impairment, and that the recoverable amount assessments may rely on inputs or assumptions that are not reasonable. Our focus was on evaluating the assumptions and the level of judgement applied by management in performing the impairment assessment, as disclosed in Note 12. The assessment of recoverable amounts involves significant judgement in preparing a value-in-use model. The significant judgements included but were not limited to: • forecast revenue including forecast utilisation rates, operating costs and resulting forecast EBITDA; • sustaining capital forecasts; • terminal growth rate; and • discount rate.	Our procedures included but were not limited to: • testing the mathematical accuracy of management's value-in-use model; • assessing management's historical budgeting accuracy for the Rental CGU; • evaluating the reasonableness of budgets and forecasts by comparing them to historical actual performance; • in conjunction with our valuation specialists: ▪ evaluating the appropriateness of the discount rate applied; and ▪ assessing EBIT multiples for the industry relevant for the Rental CGU at 30 June 2025; We also assessed the adequacy of the disclosures in note 12 to the financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2025, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors are responsible:

- For the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group in accordance with Australian Accounting Standards; and



- For such internal control as the directors determine is necessary to enable the preparation of the financial report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 49 to 70 of the Directors' Report for the year ended 30 June 2025.

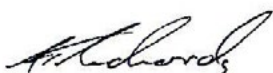
In our opinion, the Remuneration Report of Emeco Holdings Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



DELOITTE TOUCHE TOHMATSU



A T Richards
Partner
Chartered Accountants
Perth, 19 August 2025



N H Gordon
Partner
Chartered Accountants
Perth, 19 August 2025

Financial Calendar

The annual general meeting of Emeco Holdings Limited will be held on Thursday, 20 November 2025.

Event	Date*
Annual general meeting	20 November 2025
Half year	31 December 2025
Half year profit announcement	February 2026
Year end	30 June 2026

*Timing of events is subject to change and Board discretion.

Shareholder statistics

Substantial shareholders

Details regarding the substantial holders of the Company's ordinary shares as at 17 July 2025 and their relevant interest, as disclosed in the substantial holding notices given to the Company, are as follows:

Name	Ordinary shares	% Issued capital
Black Diamond Capital Management LLC		
Black Diamond Credit Strategies Master Fund Ltd		
BDCM Opportunity Fund IV LP	210,735,380	40.65 ^[1]
BDCM Opportunity Fund III LP		
BDCM Strategic Capital Fund I, L.P.		
Paradice Investment Management Pty Ltd	52,602,397	9.669 ^[2]

[1]calculated based on issued capital of 518,374,757 ordinary shares as at the date of the substantial shareholder notice on 3 March 2025.

[2]calculated based on issued capital of 544,055,134 ordinary shares as at the date of the substantial shareholder notice on 9 February 2021.

Distribution of ordinary shareholders

As at 17 July 2025, there were 5,141 holders of the Company's ordinary shares. The distribution as at 17 July 2025 was as follows:

Range	Investors	Ordinary shares	% Issued Capital
100,001 and Over	151	484,730,585	93.51
10,001 to 100,000	838	25,370,399	4.89
5,001 to 10,000	495	3,807,298	0.74
1,001 to 5,000	1,371	3,622,443	0.70
1 to 1,000	2,286	844,032	0.16
Total	5,141	518,374,757	100.00

There were 1,685 shareholders holding less than a marketable parcel of 579 ordinary shares (share price of \$0.865 on 17 July 2025).

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20 Largest Shareholders

The names of the 20 largest holders of the Company's ordinary shares as at 17 July 2025 are:

Rank	Name	Ordinary shares	% Issued capital
1	J P Morgan Nominees Australia Pty Limited	170,691,800	32.93
2	Citicorp Nominees Pty Limited	135,286,175	26.10
3	HSBC Custody Nominees (Australia) Limited	45,249,993	8.73
4	BNP Paribas Nominees Pty Ltd <IB AU noms retail client>	31,029,937	5.99
5	Pacific Custodians Pty Limited <EHL plans ctrl>	14,009,603	2.70
6	HSBC Custody Nominees (Australia) Limited <NT-Comnwlth Super Corp A/C>	7,629,372	1.47
7	Mr Peter David Wilkinson & Mrs Jennifer Louise Wilkinson	6,474,000	1.25
8	Precision Opportunities Fund Ltd	6,000,000	1.16
9	First Samuel Ltd	5,875,529	1.13
10	Sandhurst Trustees Ltd	4,129,955	0.80
11	Pacific Custodians Pty Limited <Emp Share Plans Tst A/C>	3,885,405	0.75
12	ZThree Pty Ltd	3,602,000	0.69
13	BNP Paribas Noms Pty Ltd	3,429,781	0.66
14	NCH Pty Ltd	2,621,115	0.51
15	Steven Edwin Versteegen	2,415,459	0.47
16	Warbont Nominees Pty Ltd	2,039,912	0.39
17	Roycita Pty Ltd	1,623,630	0.31
18	Elphinstone Holdings Pty Ltd	1,563,357	0.30
19	BNP Paribas Nominees Pty Ltd <Hub24 Custodial Serv Ltd>	1,467,045	0.28
20	Jode Super Pty Ltd	1,442,623	0.28

Voting rights of ordinary shares

Voting rights of shareholders are governed by the Company's constitution. The constitution provides that on a show of hands every member present in person or by proxy has one vote and on a poll every member present in person or by proxy has one vote for each fully paid ordinary share held by the member.

Under the terms of the performance rights issued in respect of the Company's current employee long term incentive plans, holders of performance rights have no voting entitlements.

Unquoted equity securities

As at 17 July 2025, there were 12,536,169 performance rights on issue to 25 participants pursuant to the Company's employee incentive plans. The distribution as at 17 July 2025 was as follows:

Range	Participants	Performance rights	% Performance rights
100,001 and Over	17	12,095,522	96.48%
10,001 to 100,000	8	440,647	3.52%
5,001 to 10,000	-	-	0.00%
1,001 to 5,000	-	-	0.00%
1 to 1,000	-	-	0.00%
Total	25	12,536,169	100.00%

Debt securities

A register of the noteholders of the 6.25% A\$ notes, which have a maturity date of 10 July 2026, is kept at the office of EQT Australia Pty Ltd at Level 4, 7 Macquarie Place, Sydney NSW 2000. EQT Australia Pty Ltd can be contacted by telephone on 1300 133 472.

Securities subject to voluntary escrow

As at 17 July 2025, there were no securities subject to voluntary escrow.

On-market share buy-back

As at 17 July 2025, there was no current on-market buy-back.

DIRECTORS

Ian MacIver

Ian Testrow

Peter Frank

James Walker III

Sarah Adam-Gedge

SECRETARY

Penelope Young

REGISTERED OFFICE

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Osborne Park WA 6017

Phone: +61 8 9420 0222

Website: www.emecogroup.com

SHARE REGISTRY

MUFG Corporate Markets (AU) Limited
Liberty Place, Level 41
161 Castlereagh Street
Sydney NSW 2000

Phone: 1800 689 300

<https://au.investorcentre.mpms.mufg.com/>

AUDITORS

Deloitte Touche Tohmatsu
Level 7-9 Brookfield Place, Tower 2
123 St Georges Terrace
Perth WA 6000

SECURITIES EXCHANGE LISTING

Emeco Holdings Limited ordinary shares are listed on the Australian Securities Exchange Ltd.
ASX code: EHL

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Five-Year Financial Summary*

		2025	2024	Restated ⁽³⁾ 2023	2022	2021
REVENUE						
Total revenue from continuing operations	\$'000	785,354	822,728	874,917	75,436	620,528
PROFIT						
Operating EBITDA ⁽¹⁾	\$'000	301,139	280,483	250,379	250,173	237,687
Operating EBIT ⁽¹⁾	\$'000	145,732	125,292	104,558	120,732	119,110
Operating NPAT ⁽¹⁾	\$'000	84,537	69,367	59,118	68,867	56,791
Reported profit/(loss) for the year	\$'000	75,140	52,660	41,331	64,953	20,695
Basic EPS ⁽²⁾	cents	14.49	10.2	8.0	12.0	4.0
BALANCE SHEET						
Total assets	\$'000	1,247,000	1,174,758	1,111,570	1,021,513	965,544
Total liabilities	\$'000	532,179	537,517	522,126	454,292	434,138
Shareholders' equity	\$'000	714,821	637,241	589,444	567,221	531,406
Total debt	\$'000	321,332	358,736	322,647	301,064	299,210
CASH FLOWS						
Net cash flows from operating activities	\$'000	253,780	237,170	206,388	221,148	205,616
Net cash flows from investing activities	\$'000	(149,184)	(201,433)	(180,875)	(169,874)	(149,558)
Net cash flows from financing activities	\$'000	(56,503)	(4,132)	(38,995)	(65,687)	(179,472)
Net cash movement	\$'000	48,093	31,605	(13,482)	(14,413)	(123,414)
Free cash flow before payments for acquisitions and other investments	\$'000	100,991	35,737	30,462	53,522	56,058
DIVIDENDS						
Number of ordinary shares at year end ⁽²⁾	'000	518,469	518,375	519,003	526,666	544,055
Total dividends declared in respect to financial year	\$'000	-	-	12,973	13,341	6,801
Ordinary dividends per share declared	cents	-	-	2.5	2.5	1.25
Special dividends per share declared	cents	-	-	-	-	-
KEY RATIOS						
Average fleet utilisation - surface	%	85.0	91.0	93.0	91.8	86.7
Average fleet utilisation - underground	%	57.0	-	-	-	-
Operating EBIT ROC ⁽¹⁾	%	16.6	14.9	13.2	16.2	16.8
Leverage ratio	x	0.65	1.00	1.10	0.96	0.94

*Financial information as reported in the corresponding financial year includes operations now discontinued.

- (1) Operating results are non-IFRS measures. Please refer to previous annual reports for reconciliation between Reported and Operating results.
- (2) Weighted average number of shares restated at 30 June 2021 due to FY21 bonus rights issue.
- (3) Refer to 2024 Annual Report for details on prior period restatement.

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