Emeco Holdings Limited
1H24 Results

20 February 2024

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RESULTS OVERVIEW

Emeco consolidates improved business performance in 1H24

Operational Performance	▪ **Safety** remains a key focus, with TRIFR improving to 2.6 at 31 December 2023 ▪ **PNP exit from contract mining** with sale of contracts and transfer of majority of workforce to Macmahon completed on 2 February 2024, repositioning to higher return **Emeco Underground** rental business ▪ **Strong industry** conditions persisted despite volatility in some commodity markets, driving ongoing demand and a solid financial performance

Financial Performance	▪ **1H24 financial performance**
	  ▪ Stable **revenue** of $435 million**,** up 1% on pcp, down 2% on 2H23 on the back of PNP contract reset
	  ▪ **Operating EBITDA** of $137 million, up 21% on pcp and in line with 2H23
	  ▪ **Operating EBIT** of $60.7 million, up 49% on pcp, $3m down on 2H23 on the back of higher depreciation charges and lower contribution from PNP
	  ▪ Strong operational and financial performance from **Rental** and **Force** businesses, margins stabilised in the face of rising costs
	  ▪ **Pit N Portal** delivered another solid half, in line with stated expectations. Recent announcement of scale back of Wyloo projects is unlikely to have any material impact to **Emeco Underground** 2H24 earnings
	  ▪ Maintained **operating free cash flow** (pre-growth capex) generation of $40 million, in line with expectations
	  ▪ **Return on capital increased** from 13% to 15%, expected to moderate in 2H24 with balance of FY24 growth capex

Strong Balance Sheet	▪ **Balance sheet remains strong** with net leverage of 1.06x, with a focus to reduce this to or below 1.0x ▪ **NTA per share $1.15**, up 3 cents per share vs 30 June 2023
Returns for Shareholders	▪ **Capital management** allocation of $7 million paid during 1H24 versus $13.8 million approved in 2H23, due to limitations on buy-back trading during PNP transaction negotiations ▪ The Board of Emeco have elected to redirect capital allocations for share buybacks and dividends towards a preference for free cash flow being deployed to reducing financing requirements ▪ The Company will develop and communicate an updated capital management strategy ahead of the full year

Notes: Operating financial metrics are non-IFRS measures. Refer to Appendix slide: Reconciliations - Statutory to non-IFRS disclosure

1H24 GROUP FINANCIAL HIGHLIGHTS

Returns improved on the back of improved performance from all businesses

Revenue

$435m

+1% vs PCP, -2% vs 2H23

Termination of PNP contracts in 2H23 resulted in slight revenue reduction in line with expectations

Operating EBITDA[1]

$137m

+21% vs PCP, stable vs 2H23

Strong growth in rental and workshops and turnaround performance in PNP vs PCP

Operating EBIT[1]

$61m

+49% vs PCP, -$3m vs 2H23

Strong growth in rental and workshops and turnaround performance in PNP vs PCP
Performance vs 2H23 in line with expectations driven by lower contribution from PNP

Operating NPAT[1]

$33m

+69% vs PCP, -$6m vs 2H23

2H23 included $5m tax loss write-back.
1H24 includes lower contribution from PNP, in line with expectations.

Net leverage[2]

1.06x

1.10x FY23

Balance sheet remains strong although leverage above long-term target of 1.0x

Free cash flow[3]

$40m

+$32m vs PCP, -$4m vs 2H23

Ongoing solid free cash flow performance

Capital Management[4]

$7m

-$6m vs PCP, stable vs 2H23

Reflects final fully franked dividends paid and on-market buy-backs made (restricted due to trading limitations during PNP transaction).

ROC[5]

15%

13% FY23

Returns improved on the back of improved performance from all businesses

Notes:

1. Operating financial metrics are non-IFRS measures. Refer to Appendix slide: Reconciliations - Statutory to non-IFRS disclosure
2. Net debt / Operating EBITDA
3. Operating free cash flow before growth capex
4. Includes share buy-backs and dividends
5. Return on capital (ROC) calculated as LTM Operating EBIT over average capital employed .

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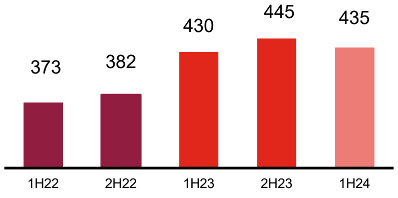
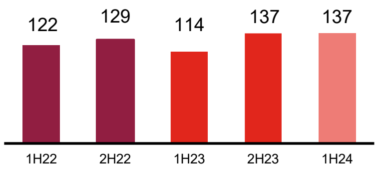
PERFORMANCE HISTORY – HALF ON HALF

1H24 consolidated improved 2H23 performance, delivering improved return on capital, whilst maintaining leverage

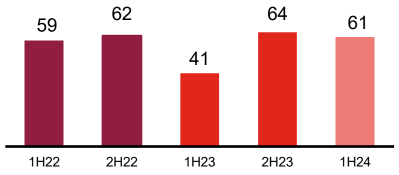
Revenue ($m)



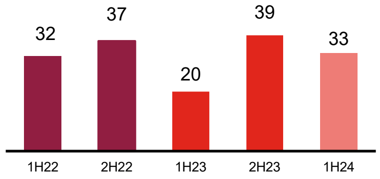
Operating EBITDA[1] ($m)



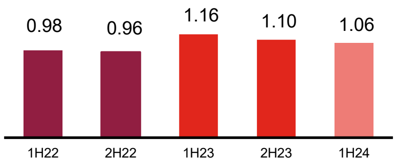
Operating EBIT[1] ($m)



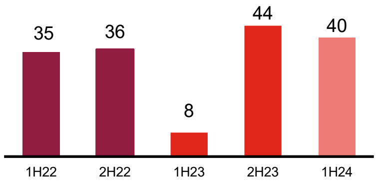
Operating NPAT[1] ($m)



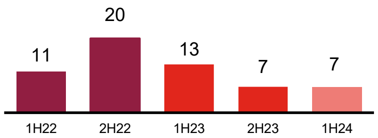
Net leverage[2] (x)



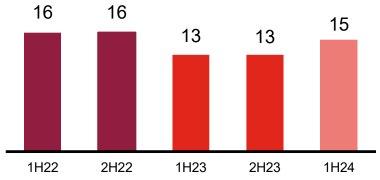
Free cash flow[3] ($m)



Capital Management[4] ($m)



ROC[5] (%)



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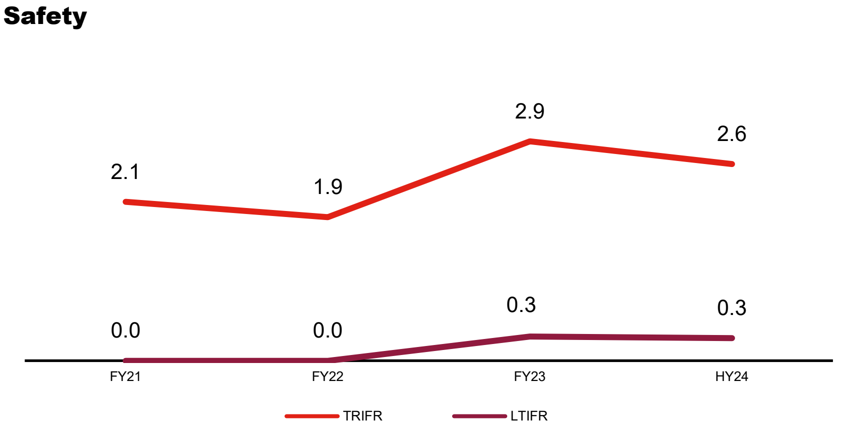
ESTABLISHMENT OF EMECO UNDERGROUND

Exit contract mining and grow underground business focused on core rental capabilities

Creation of Emeco Underground	• Sold underground contracting operations and transferred majority of workforce to Macmahon, in exchange for ~$10m of in-demand mining equipment (transaction closed on 2 February 2024) • Retained all underground mobile mining equipment. Pit N Portal will operate as “Emeco Underground”, focused on core capabilities of asset management and equipment rental to drive growth in the underground sector • De-risking of Emeco’s earnings and provides an opportunity to streamline overheads and integrate underground workshops into Emeco’s Force business
Rental agreement with Macmahon to drive growth	• Strategic rental agreement provides a platform for Emeco to continue to grow earnings in both surface and underground • Macmahon’s capital-light business model, represents a strong potential source of equipment rental demand
Focus on commodity, project and customer diversification	• Enables Emeco to focus on supporting its mine owner and mining contractor customer base through equipment rebuild and rental solutions • Retains underlying exposure to growth opportunities in hard rock commodities • Equipment redeployment opportunities are currently being explored for fleet coming off Wyloo’s nickel projects
Financial Impacts	• Transaction will de-risk Pit N Portal earnings and drive improvements in margins and returns. Indicative post transaction EBITDA margin around 65% compared to 15% pre-transaction • One-off costs of approximately $2.8m (pre-tax) including transaction costs and redundancies ($1.2m incurred in 1H24) • Pre-tax non-cash impairment of $15.7m of existing underground assets, as a result of the shift to the rental model going forward (comprising $13.6m of PP&E and $2.1m of related inventory)

SAFETY

Safety remains a key focus, with nil LTIs reported in the period, TRIFR improving to 2.6



- Emeco remains committed to providing a healthy and safe workplace. The safety of people is paramount, and our goal is to continue the focus to reduce our Total Recordable Injury Frequency Rate (**TRIFR**)
- The TRIFR has improved from 2.9 in June 2023 to 2.6 as December 2023, with no Lost Time Injuries reported during the reporting period
- Emeco continues to focus on eliminating risks that could lead to a fatality or significant incident with a laser focus on disciplined safety fundamentals including: critical control verification processes, active investment in our people through targeted training programs and continuous learning and skill development

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2H24 OUTLOOK

Outlook positive with demand across Rental and Force businesses expected to remain robust

Operational Priorities	▪ **Outlook for 2H24 remains positive** with strong earnings momentum from the Rental business in particular ▪ Business continues to focus on cost efficiencies and contract repricing, to **drive returns and increased free cash flow** ▪ Focus on **delivery of free cash flow** from existing business and FY24 growth capex commitments, FY25 growth capex expected to be limited
Investment Priorities	▪ **Capital investment** continues to target 'high demand' Rental fleet, to meet customer demand ▪ **SIB capex** for 2H24 expected to be circa $80 million ▪ **Growth capex** for 2H24 expected to be circa $25 million with completion of the 793D rebuild programme, with all trucks now committed to projects on completion ▪ **ERP upgrade** spend expected to be approximately $6 million in 2H24 ▪ Improvement in **return on capital investment** will moderate to approximately 14% in the second half due to investment in growth capex during the period

Financial Performance	▪ Demand across the Rental and Force businesses expected to remain robust, driving half on half earnings growth in 2H24:
	    ▪ **Rental** earnings growth expected to be driven predominantly by high fleet utilisation and fleet growth
	    ▪ **Force** earnings expected to be lower as it delivers the internal 793D rebuild programme
	    ▪ **PNP** earnings now expected to be marginally lower than 1H24, with Wyloo projects being placed into care and maintenance on 31 May 2024
	▪ **Leverage** targeted to our long term target of 1.0x Operating EBITDA

Divisional Performance

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RENTAL

Strong utilisation levels supported strong stable earnings and margins for the Rental business

$m unless otherwise stated	1H23	2H23	1H24
External Revenue	233.7	261.1	259.8
Internal Revenue[1]	4.8	-	-
Total Revenue	238.5	261.1	259.8
Operating EBITDA	123.4	136.3	139.9
Operating EBITDA margin	53%	52%	54%
Operating EBIT	64.1	75.2	75.7
Operating EBIT margin	27%	29%	29%

Operating and financial performance

- Revenue increase of 11% on pcp driven by strong demand for all fleet categories, stable vs 2H23.
- Strong Operating EBITDA and Operating EBIT growth vs pcp, 13% and 18% respectively, stable vs 2H23.
- Margins stabilised in 1H24 on the back of contract repricing, with expected improvements on the back of growth capex being deployed in 2H24

Outlook

- Production outlook for bulks and gold remains robust
- 2H24 is expected to deliver earnings growth on the deployment of rebuilt 793D fleet (growth capex)
- FY25 margin improvements expected to be generated from higher return fleet and business improvements (procurement, repairs and maintenance, fleet optimisation, subcontracted labour and detailed project reviews)

Notes:

1. Intersegment revenue relates to fleet used internally (Pit N Portal projects)

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FORCE

Force continues to deliver good returns from a low capital base for the business as a trusted provider of high quality rebuild and workshop services, more than doubling its EBIT contribution vs the pcp.

$m unless otherwise stated	**1H23**	**2H23**	**1H24**
External revenue	68.3	88.2	82.6
Internal revenue	43.6	46.6	49.4
Total revenue	111.9	134.8	132.1
Operating EBITDA	4.6	7.2	8.6
Operating EBITDA margin	7%	8%	10%
Operating EBIT	2.5	4.8	5.7
Operating EBIT margin	4%	5%	7%

Operating and financial performance

- Force delivered an 87% increase in Operating EBITDA and more than doubled Operating EBIT vs the pcp, (both 19% higher than 2H23)
- The internal rebuild programme continues to grow, driven by strong demand from the Rental business.

Outlook

- 2H24 revenue will be driven by increased demand from Rental through the delivery of the 18 x 793D rebuild programme
- Cost efficiencies are expected to be extracted by consolidating workshop facilities with the Emeco Underground business

Notes:
1. Operating EBITDA from retail sales, excludes internal work and all overheads are captured in external margin

PIT N PORTAL

Sale of PNP's contract mining projects provide the foundation for the establishment of Emeco Underground – a pure underground rental business expected to deliver higher returns. Pit N Portal earnings in line with expectations

$m unless otherwise stated	1H23	2H23	1H24
External Revenue	127.5	96.1	92.0
Operating EBITDA[1]	3.5	13.7	12.1
Operating EBITDA margin	3%	14%	13%
Operating EBIT	(5.8)	5.5	3.7
Operating EBIT margin	(5%)	6%	4%

Operating and financial performance

- Strong performance on pcp, following 2H23 turnaround, with significant increase in earnings and margin, following disappointing underperformance in 1H23
- Sale of PNP's contract mining projects to Macmahon in February 2024 will provide the foundation for a return to a traditional rental model, with an expected improvement in earnings and returns
- Announced placement into care and maintenance of Wyloo's Northern Operations and Durkin projects are not expected to have a material impact to 2H24 Emeco Underground earnings

Outlook

- Australian nickel production outlook structurally depressed, resulting in announced closures of a number of Australian nickel projects, including Wyloo's Northern Operations and Durkin projects. nickel projects represent approximately 4% of Emeco Group's FY24 earnings.
- Equipment redeployment opportunities are currently being explored for fleet coming off Wyloo's nickel projects
- Sale of PNP's mining projects to Macmahon provides the foundation for the establishment of Emeco Underground – a pure underground rental business expected to deliver higher returns

Notes:
1. Operating EBITDA excludes impairment of tangible assets

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Financial Results

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OPERATING PROFIT AND LOSS

Strong performance from all businesses drove increase in Operating EBITDA and Operating EBIT vs pcp

1H24 Operating Financial Performance[1,2]

$m unless otherwise stated	**1H23**	**2H23**	**1H24**
External Revenue	429.5	445.4	434.5
Operating EBITDA[1]	113.5	136.9	137.1
Operating EBITDA margin	26%	31%	32%
Operating EBIT[1]	40.8	63.8	60.7
Operating EBIT margin	10%	14%	14%
Operating NPAT[1,2]	19.6	39.5	33.2
Return on capital (ROC)[3]	13%	13%	15%

Commentary

- Margins held even with slightly lower revenue levels, following PNP contract terminations late in FY23
- Operating EBITDA and Operating EBIT increased (21% and 49% respectively vs pcp), with stronger performances across each business. Reduction in EBIT vs 2H23 in line with lower PNP earnings and increased depreciation guidance
- 2H23 Operating NPAT includes tax loss write-back of circa $5 million
- Return on capital improved on the back of stronger period on period performance, expected to moderate slightly in 2H24, following completion of major growth capex programme

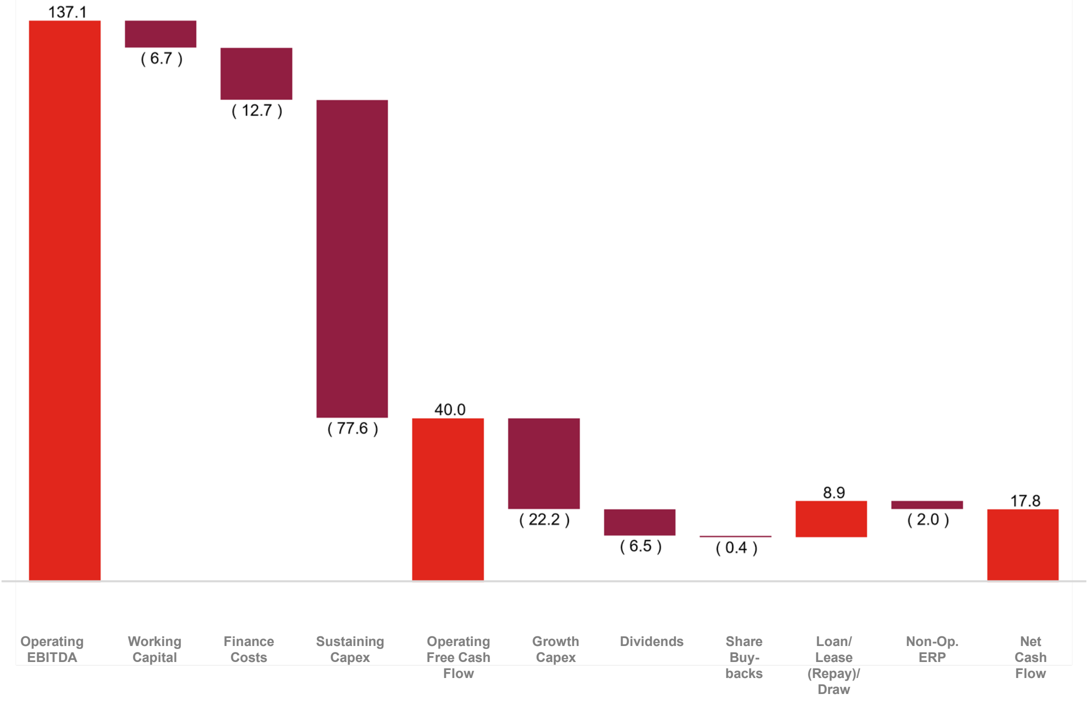
Notes:

1. Operating financial metrics are non-IFRS measures. Refer to Statutory to Operating reconciliations in the Appendices
2. Operating NPAT assumes 30% notional tax expense on non-operating items
3. Return on capital (ROC) calculated as LTM Operating EBIT over average capital employed

CASH FLOW

Continued operating free cash flow generation supports fleet re-investment

1H24 Cash Flow ($m)



Overview

- Operating free cash flow generation of $40 million, $32 million higher than pcp
- Back-to-back 2H23 and 1H24 cash flow generation driven by disciplined credit management and PNP business reset
- Strong cash conversion of 94%
- Net sustaining capex of $77.6 million, in line with depreciation
- Growth capex of $22.8 million includes 18 x 793D truck cores, which will be rebuilt in 2H24. Lease drawdowns include $12.7 million to fund growth capital
- Growth capex for 2H24 projected to be circa $25 million, to be deployed during 2H24
- Capital management package of $7.0 million, including 1.25 cents per share fully franked dividends paid and $0.4 million in share buy-backs
- ERP project commenced with design phase spend of $2 million, with an additional spend of circa $6 million expected in 2H24
- No income tax paid due to carried forward tax loss position, which is $318.2 million at 31 December 2023

Notes:
1. Share buy-backs include purchases of Company shares for employee LTI plan

BALANCE SHEET

Balance sheet leverage of 1.06x, marginally above long-term target of 1.0x

Summary balance sheet

$m	30 June 2023	31 December 2023
Plant & equipment	752.6	759.4
Right-of-use asset	75.5	86.2
Intangibles	9.7	9.2
Fixed asset and intangibles	**837.8**	**854.8**
Net assets held for sale	**1.2**	**14.7**
Receivables	157.8	139.2
WIP, inventory, prepayments, other	45.0	52.7
Payables, provisions & taxes	(176.4)	(167.5)
Working capital	**26.4**	**24.4**
Cash	46.7	64.5
Interest bearing liabilities	(250.0)	(270.0)
Leases and other	(72.7)	(84.5)
Net debt	**(276.0)**	**(290.0)**
Equity	**589.4**	**603.9**
Net leverage[1]	**1.10x**	**1.06x**

Notes:

1. Net Debt / LTM Operating EBITDA
2. Gross utilisation defined as ratio of fleet rented to customers (excludes assets held for sale)

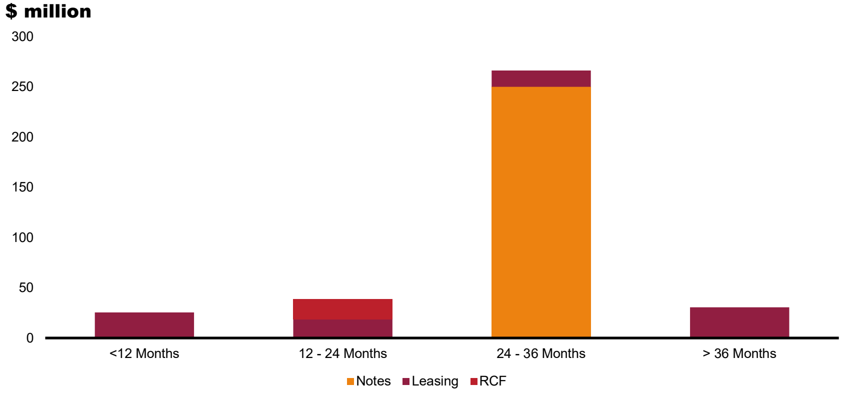
Overview

- Gross rental fleet utilisation[2] levels remain high at 92%, justifying incremental investment in larger sized, in-demand fleet
- Assets held for resale increased following the sale of the Pit N Portal underground contract mining projects to Macmahon, completed in February 2024
- Receivables reduced in line with improved credit management
- Net leverage[1] of 1.06x, above long-term target of 1.0x
- AMTN AUD notes of $250 million have a fixed interest rate of 6.25% and mature in July 2026
- Moody's upgrade from B1 to Ba3 in January 2024, Fitch Ratings upgraded to BB- in February 2023
- Liquidity of circa $140 million at 31 December 2023, includes $64.5 million cash and an undrawn $75.0 million revolving credit facility

DEBT MATURITY PROFILE AND LIQUIDITY

Committed and undrawn facilities provide flexibility to pursue growth opportunities

Drawn debt maturity at 31 December 2023



Liquidity

$ million	30 June 23	31 December 23
AMTN AUD Notes[1]	250.0	250.0
Term facilities – RCF[2] (excludes bank guarantee facilities)	95.0	95.0
Leasing facilities	70.7	75.9
Total committed facilities	**415.7**	**420.9**
Undrawn debt facilities	95.0	75.0
Undrawn leasing facilities	-	-
Cash	46.7	64.5
Total liquidity	**141.7**	**139.5**

Notes

1. AUD Notes mature July 2026

2. RCF matures December 2025

Strategy and Sustainability

OUR STRATEGY

Building a sustainable and resilient business generating free cash and long term value for shareholders

The lowest cost, highest quality provider

- Best-in-class operational capabilities to be the lowest cost and highest quality provider of mining equipment, supported by our skilled workforce and strategically located workshops
- With the world's largest mining rental fleet, combined with Force's rebuild capability, Emeco provides cost and pricing advantages that enable us to capture market share
- Promote high margin core competencies where we have a competitive advantage

Enhancing the value proposition

- Expand core rental service offering, providing rental, fully maintained rental, EOS technology and equipment rebuild services
  - Expansive operational capabilities across the business
  - Increased tenure with customers
  - Embedded on customer sites with EOS technology, maintenance personnel and mobile workshops
- Creative business solutions, which address our ESG objectives and those of our customers

Balanced and diversified portfolio

- Target a balanced customer and project mix to ensure no over-reliance on any customer, customer type, project, commodity or region
- Balanced commodity portfolio and commodity agnostic fleet
- Diverse suite of rental services and capabilities to add value to customers

Strong balance sheet

- Maintain a healthy balance sheet with target net leverage of 1.0x
- Supporting resilience and the ability to withstand changes through the cycles
- Strong free cash flow generation providing capital allocation optionality to invest in the business and return capital to shareholders to maximise returns

EMECO'S COMPETITIVE ADVANTAGE

By focusing on our core competency of equipment rental and maintenance, we will continue to provide a clear cost and quality advantage to customers

	Rental		Workshops
Brands	Emeco Open cut	Emeco Underground	Force by Emeco
Overview	*Australia's largest provider of open cut rental equipment and value-added services*	*Australia's largest underground hard-rock rental business*	*Mining equipment maintenance and rebuild service provider - component and asset rebuild and fabrication*
	700+ *fleet size*	**160+** *fleet size*	**9** *workshops across Aus*
	300+ *employees*	**50+** *employees*	**400+** *employees*
Competitive advantage	✓ National scale to support customers ✓ Cost and quality advantage driven ✓ Asset management expertise and in-house workshop capability ✓ Real-time production and maintenance data from proprietary EOS technology ✓ Full-service offering and value-added customer solutions		✓ Strategically located workshops ✓ Highly-skilled employees ✓ Cost and quality advantage through OEM-standard rebuild capabilities ✓ Leading fleet optimisation and asset management capabilities

ENVIRONMENTAL, SOCIAL & GOVERNANCE

At Emeco, we strive to create a sustainable business which continues to deliver creative solutions for our customers, a family feel for our people, support for our local communities and value for our investors

ESG Material Themes

Overview

- Inaugural ESG Strategy approved by the Board in February 2023
- An ESG Committee established in March 2023
- Our Reflect RAP was endorsed by Reconciliation Australia in October 2023
- Work has commenced to develop our current position regarding Scope 1 and Scope 2, with Scope 3 emissions to follow
- Position Statement on Climate Change, TCFD gap analysis and alignment roadmap in process with expected announcement in 2H24
- Commitment to technology development to support our fleet being as efficient as possible to reduce emissions for our clients
- Large investment in training programs for employees, focused on health, safety, wellbeing and upskilling. Recent additions include Quit Smoking and Rapid Course on Harassment, Discrimination and Bullying.

OPERATIONAL PRIORITIES

A focus on our operational priorities will build a better business

Priorities for Calendar 2024

- Core Business
  - Deliver returns on announced growth capex programmes. Targeting circa 20% IRR.
  - Business continues to focus on cost efficiencies and contract repricing, to drive margins and returns
  - Focus on delivery of free cash flow from existing business and FY24 capex commitments, FY25 growth capex expected to be limited
  - Business improvement initiatives targeting:
    - Subcontracted Labour
    - Fleet configuration
    - Contract repricing and commercial recoveries
    - Underperforming projects
    - Procurement opportunities
  - Ongoing improved focus on credit control and customer selection
- Technology
  - Expand EOS customer base, promote new carbon module
  - Deliver design phase of ERP project, commence build
  - Complete implementation of AMT mobile
  - Further development of real-time condition monitoring and predictive maintenance
- ESG
  - Develop and document Company position statement on climate change

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EMECO INVESTMENT HIGHLIGHTS

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

1 Australia's largest mining equipment rental provider with national footprint

2 Focused on delivering strong returns and free cash flow generation

3 Scale and asset management expertise provide cost and quality advantage

4 Diversified by customer, project and commodity

5 Strong balance sheet and low leverage

6 Positive equipment industry demand outlook

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Appendix: Additional information

RECONCILIATIONS – STATUTORY TO NON-IFRS DISCLOSURE

1H23
Statutory to operating reconciliation

$m	NPAT	EBIT	EBITDA
Statutory	**2.7**	**16.8**	**89.7**
Tangible asset impairment	0.2	0.2	-
Long-term incentive expense	0.9	0.9	0.9
Economic credit losses	22.9	22.9	22.9
Tax effect on non-operating items	(7.2)	-	-
Operating	**19.6**	**40.8**	**113.5**

1H24
Statutory to operating reconciliation

$m	NPAT	EBIT	EBITDA
Statutory	**19.4**	**41.0**	**133.3**
Tangible asset impairment (exit PNP)	15.9	15.9	-
Long-term incentive expense	1.8	1.8	1.8
Gain on lease modifs.	(1.2)	(1.2)	(1.2)
Restructuring costs	1.2	1.2	1.2
ERP Costs	2.0	2.0	2.0
Tax effect on non-operating items	(5.9)	-	-
Operating	**33.2**	**60.7**	**137.1**

- Tangible asset impairments: Totalling $15.9 million in 1H24 ($0.2 million pcp) relates predominantly to assets no longer fit for purpose in underground related businesses following sale of PNP contracts to Macmahon
- Long term incentive program: During 1H24, Emeco recognised $1.8 million of non-cash expenses relating to the employee incentive plan ($0.9 million in pcp)
- Gain on lease modifications: Relates to remeasurement of corporate office lease under AASB16
- Restructuring costs: Relate to termination costs for non-transferring PNP employees made redundant following sale of PNP contracts to Macmahon
- ERP costs: $2.0 million in ERP implementation costs

Notes

1. Figures may not add due to rounding

RECONCILIATIONS – STATUTORY TO NON-IFRS DISCLOSURE

Cash flow reconciliation

$m	1H23	1H24
Operating EBITDA	**113.5**	**137.1**
Working capital	(29.2)	(6.7)
Net financing costs	(12.2)	(12.7)
Cash from operating activities	**72.1**	**117.7**
Net sustaining capex	(63.9)	(77.6)
Operating free cash flow (non-IFRS)	**8.2**	**40.1**
Non-operating ERP costs	-	(2.0)
Free cash flow (non-IFRS)	**8.2**	**38.1**
Net debt and lease repayments	30.0	8.9
Capital management activities	(12.9)	(7.0)
Financing cash flows (statutory)	**17.0**	**1.9**
Growth capex	(9.3)	(22.2)
Investing cashflows (excl sustaining capex)	**(9.3)**	**(22.2)**
Net cash movements	**15.9**	**17.8**
Opening cash	60.2	46.7
Closing cash	**76.1**	**64.5**

Net debt and leverage reconciliation

$m	30 June 2023	31 December 2023
AUD secured notes	250.0	250.0
Revolving credit facility	-	20.0
Lease liabilities and other	72.7	84.5
Total debt	**322.7**	**354.5**
Cash	(46.7)	(64.5)
Net debt	**276.0**	**290.0**
LTM Operating EBITDA	250.4	274.0
Leverage ratio	**1.10x**	**1.06x**

Notes

1. Figures may not add due to rounding

RENTAL – EASTERN REGION

Eastern Region delivered strong revenue and earnings growth on 1H23, stable vs 2H23

$m unless otherwise stated	1H23	2H23	1H24
External Revenue	144.4	164.2	161.9
Operating EBITDA	83.3	91.3	94.6
Operating EBITDA margin	58%	56%	58%
Operating EBIT	43.4	48.1	50.6
Operating EBIT margin	30%	29%	31%

Operating and financial performance

- Eastern Region delivered 12% revenue growth off new projects and improved utilisation levels vs pcp, stable vs 2H23
- Operating EBITDA and Operating EBIT of $94.6 million and $50.6 million, (up 14% and 17% respectively vs pcp and up 4% and 5% respectively on 2H23
- Margins stabilised during the half

Outlook

- Strong earnings growth expected in 2H24, driven by growth capex programme with projects secured for 793D equipment rebuilds

RENTAL – WESTERN REGION

Strong revenue and earnings growth on pcp, driven by improved gross fleet utilisation[1]. Higher depreciation charges in 1H24 were driven by asset replacements and inflation

$m unless otherwise stated	1H23	2H23	1H24
External Revenue	89.4	96.9	97.9
Internal Revenue[2]	4.8	-	-
Total Revenue	94.2	96.9	97.9
Operating EBITDA	40.1	45.0	45.3
Operating EBITDA margin	45%	46%	46%
Operating EBIT	20.5	27.2	25.1
Operating EBIT margin	23%	28%	26%

Operating and financial performance

- Western Region delivered strong revenue and earnings growth in 1H24, driven by strong demand vs. pcp. Revenue stable compared to 2H23.
- Operating EBITDA and Operating EBIT of $45.3 million and $25.1 million, respectively (up 13% and 22%, respectively vs pcp), driven by new projects.
- EBIT contribution deteriorated in 1H24 vs 2H23 on the back of higher depreciation charges which were in turn driven by asset replacements and parts cost inflation

Outlook

- 2H24 earnings and margins are expected to remain stable
- Business improvement initiatives are being activated to increase margins into FY25

Notes:

1. Gross utilisation defined as ratio of fleet rented to customers (excludes assets held for sale).
2. Intersegment revenue relates to fleet used internally (Pit N Portal projects)

CAPEX / ASSET MANAGEMENT

Disciplined re-investment in capital maintains strong capability while driving improved returns

Capex summary

$ million (unless stated otherwise)	1H23	1H24
Component rebuilds	55.1	82.1
Asset replacement	6.3	2.2
Component inventory	3.8	0.2
Total sustaining capex	**65.2**	**84.5**
Less: Disposals	(1.3)	(6.9)
Net sustaining capex	**63.9**	**77.6**
Growth capex	9.3	22.2
Net capex	**73.2**	**99.8**
Net sustaining capex/depreciation %	88%	102%

- Growth capex programme focused on core Rental fleet, with ~20% IRR
- Growth capex of $22.8 million includes 18 x 793D truck cores, which will be rebuilt in 2H24. 2H24 capex projected to be circa $25 million, with all growth capital expected to be deployed during 2H24.
- Net sustaining capex of $77.6 million, 102% of depreciation

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CREDIT MANAGEMENT

Credit management resources and processes significantly increased and improved to provide a more conservative credit risk profile

Economic Credit Losses

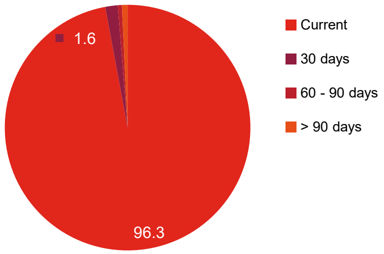
Specific provision	1H23	1H24
Opening balance	-	-
Provisions taken during period	-	-
Recoveries/write-offs	-	-
Closing balance	-	-

General provision	1H23	1H24
Opening balance	0.2	0.2
Provisions taken during period	-	-
Recoveries/write-offs	-	-
Closing balance	0.2	0.2

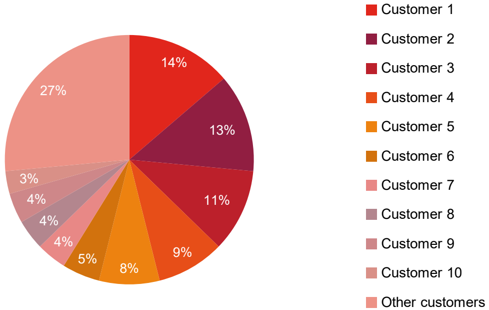
Overview

- Top 10 customers represent 73% of total revenue
- 93% of debtors considered "blue chip" (market capitalisation greater than $1 billion) or fully insured, increased significantly from pcp and 2H23 (84%)
- 7% of uninsured or underinsured debtors considered at increased risk, this pool decreased significantly from pcp and 2H23 (16%)
- Increased resources and capability injected into finance function with appointment of new CFO, Deputy CFO and credit manager targeting improvement in credit processes and more selective customer selection

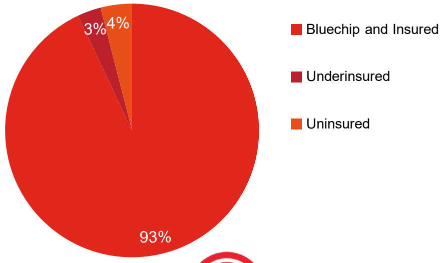
Debtors ageing[1] $m



Top 10 customers as % of revenue



Credit risk[1]

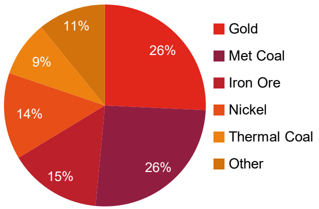


[1] Based on gross debtors balance (before credit loss provision) and excludes unbilled but accrued revenue

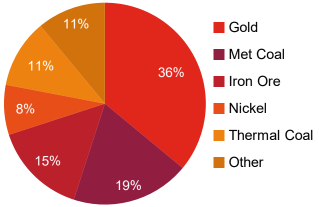
EXTERNAL REVENUE ANALYSIS

Revenue by commodity

1H24

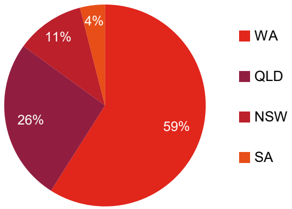


1H23

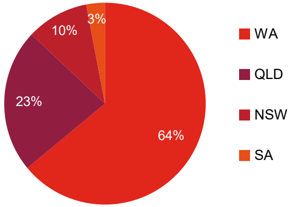


Revenue by geography

1H24

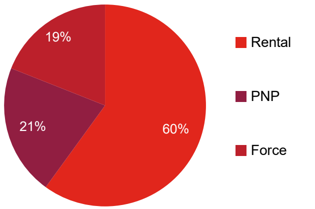


1H23

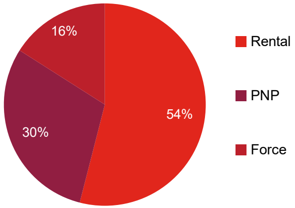


Revenue by type

1H24

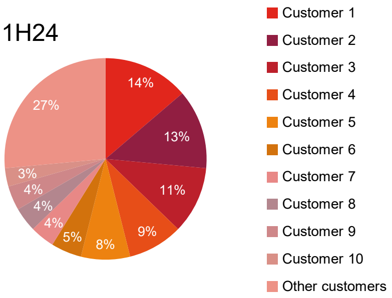


1H23

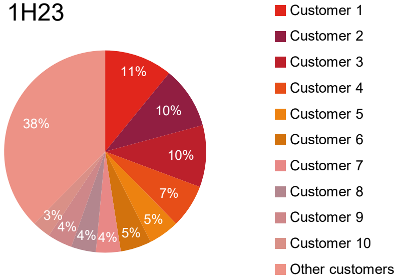


Revenue by customer – Top 10

1H24



1H23



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Thank you

Investor enquiries:

Theresa Mlikota
Chief Financial Officer
Investor.relations@emecogroup.com
emecogroup.com