

20 November 2024

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

## **FY25 Trading Update and Earnings Guidance**

Emeco, a leading provider of equipment rentals and rebuild and maintenance services to the mining sector, today provided a trading update and earnings guidance for the financial year ending 30 June 2025 (FY25).

The Company expects Operating Earnings Before Interest, Tax, Depreciation and Amortisation (Operating EBITDA<sup>1</sup>) to be at least \$300 million for FY25, with a similar H1/H2 skew to FY24.

This is in addition to the market outlook comments provided in the Managing Director's Address to the Company's Annual General Meeting today:

- Annualised 2H25 Operating EBIT<sup>1</sup> expected to drive ROC<sup>2</sup> to ~18%.
- FY25 Stay in Business capex expected to be circa \$160 million to \$165 million (or \$155 million to \$160 million, net of asset disposals).
- Depreciation expected to be circa \$160 million to \$165 million.
- ERP spend expected to be in the order of \$10 million.
- Growth capex is expected to be minimal, with a focus on delivering earnings growth and strong free cash flow in FY25.

Emeco's Managing Director & CEO Ian Testrow's Address incorporates the following trading update and earnings guidance:

*"The operating environment and business conditions remain robust with the production outlook for gold and bulk commodities remaining positive, despite weaker market conditions for nickel and lithium.*

*We have a strong competitive advantage in the market with our rental and equipment rebuild model, along with a national footprint in the key mining regions across Australia. We continue to leverage this to drive performance improvements and to grow our earnings.*

*In FY25, our first quarter of operations has seen some off-hire activity in our Queensland surface rental business, countered to a large degree by overhead cost reductions. We expect to see this equipment redeployed in the second half given its 'in demand' nature. Underground rental utilisation has improved with new project awards early in FY25, driven by base metal and gold demand.*

*Operating EBITDA<sup>1</sup> for FY25 is expected to be at least \$300 million, with a similar H1/H2 skew to FY24. We expect to see an ongoing improvement in our earnings throughout the course of the financial year, reflecting improving utilisation rates. FY25 Return on Capital is expected to improve on FY24, with an annualised run rate in the second half of circa 18% trending favourably towards our ROC target of 20%."*

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<sup>1</sup> Operating financial metrics are non-IFRS measures.

<sup>2</sup> Return on Capital (ROC) is calculated as LTM Operating EBIT over average capital employed.

## **Investor enquiries**

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This announcement was authorised to be provided to the ASX by Penny Young, Company Secretary of Emeco Holdings Limited.

### **Company overview**

Emeco Holdings Limited (ASX: EHL) is an ASX listed company providing surface and underground mining equipment, maintenance and project support solutions and services. The Company supplies safe, reliable and maintained open cut and underground equipment rental solutions, together with onsite infrastructure to its customers. Emeco also provides repair and maintenance, and component and machine rebuild services and supplies operator, technical and engineering solutions and services to the mining industry.

### **Forward looking statements**

This ASX Release may include forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, these statements are not guarantees of future performance, and involve both known and unknown risks, uncertainties and other factors, many of which are beyond the Company's control. As a result, actual results or developments may differ materially from those projected in forward-looking statements contained in this ASX Release. Accordingly, investors are cautioned against undue reliance on such statements. The Company makes no representation, warranty or assurance, express or implied, as to the accuracy or likelihood of the forward-looking statements or any outcomes expressed or implied in any forward-looking statements contained in this ASX Release being achieved or proved to be correct.

### **Non-IFRS Financial Information**

This ASX Release may use non-IFRS financial information including Operating EBITDA, Operating EBITDA margin, Operating EBIT, Operating EBIT margin and Operating NPAT, net debt and return on capital (ROC). These measures are used to measure both Group and operational performance. Certain of these measures may not be comparable to similarly titled measures of other companies and should not be construed as an alternative to other financial measures determined in accordance with Australian accounting standards.