

Emeco Holdings Limited

Annual General Meeting

Managing Director & CEO Presentation

29 November 2023



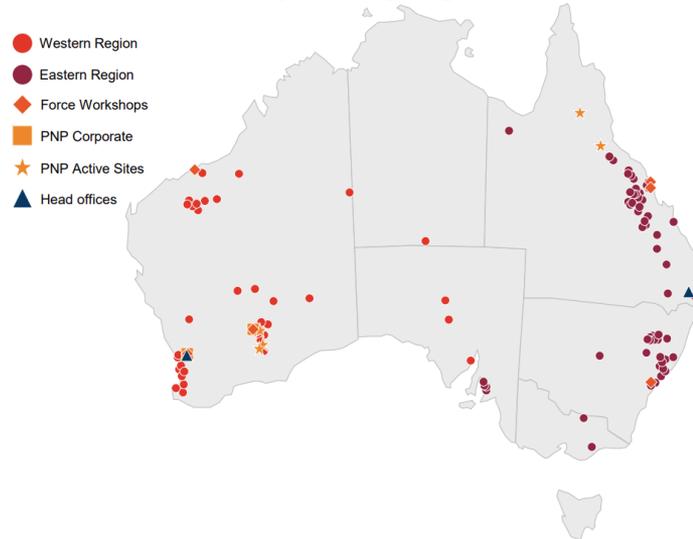
EMECO AT A GLANCE

Australia's largest mining equipment rental provider, complemented by value-added services including high quality maintenance, equipment rebuild, fleet optimisation technology, technical and engineering services

 <p>Fleet size of ~900 ~3x larger than next largest competitor</p>	 <p>1,200+ employees</p>	 <p>9 Workshops across Australia</p>	 <p>200+ customers</p>	 <p>250+ projects in open cut & underground</p>
 <p>\$875m FY23 revenue \$250m FY23 EBITDA</p>	 <p>Strong balance sheet and low leverage (~1.0x)</p>	 <p>Well diversified business mix</p>	 <p>High quality and flexible fleet</p>	 <p>Unique technology</p>

- Founded in 1972 and headquartered in Perth, Australia
- Listed on the Australian Securities Exchange (EHL.ASX) since 2006 with a market capitalisation of ~\$300m¹
- Australia's largest provider of mining equipment rental solutions to both open cut and underground mines. Treble the size of our next largest competitor
- Fleet comprises ~900 pieces of in-demand open cut and underground mining equipment (predominantly Caterpillar)
- Black Diamond – major shareholding at 36.1%

Operations in all key mining regions in Australia



FLEXIBLE EQUIPMENT FLEET

Emeco's fleet is configured to service a broad range of commodities across Australia's mining regions. We acquire second-hand equipment which we rebuild to perform like new, creating a competitive cost and quality advantage

Open-cut fleet composition

	Type	Count
	Trucks	370
	Dozers	168
	Loaders	78
	Graders	45
	Excavators	46
	Ancillary	18
Total		725

Underground fleet composition

	Type	Count
	LHD Loaders	44
	Trucks	31
	Jumbo Drills & Cable Bolters	26
	Production Drills	12
	Charge Unit	7
	Other	40
Total		160

Key brands in fleet

CATERPILLAR[®]

KOMATSU

HITACHI

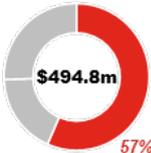
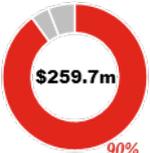
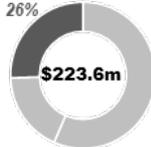
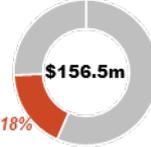
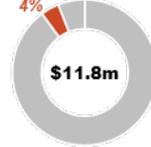
LIEBHERR

SANDVIK



EMECO IS A DIVERSIFIED MINING SERVICES PROVIDER

Emeco offers a comprehensive suite of services through three closely integrated operating segments, providing customers with a one-stop-shop

	Rental	Pit N Portal	Workshops
Brands			
Overview	<p><i>Australia's largest provider of open cut rental equipment and value-added services</i></p> <p> 725 fleet size</p> <p> 306 employees</p>	<p><i>Australia's largest underground hard-rock rental business. Underground mining services provider</i></p> <p> 160 fleet size</p> <p> 392 employees</p>	<p><i>Mining equipment maintenance and rebuild service provider - component and asset rebuild and fabrication</i></p> <p> 9 workshops across Aus</p> <p> 426 employees</p>
FY 23 Revenue ¹ and Operating EBITDA ²	<p>Revenue:  \$494.8m</p> <p>EBITDA:  \$259.7m</p>	<p>Revenue:  \$223.6m</p> <p>EBITDA:  \$17.2m</p>	<p>Revenue:  \$156.5m</p> <p>EBITDA:  \$11.8m</p>

Notes:

1. Revenue from external customers;
2. Operating EBITDA excludes credit loss allowance of \$23.0m

FY23 GROUP FINANCIAL HIGHLIGHTS

Strong turnaround performance in 2H23 to deliver solid returns for the year. Full year results impacted by a disappointing 1H23 performance from PNP

Revenue

\$875m

+16% vs. FY22 \$754m

Record Group Revenue with 19% growth in Rental and 73% increase in Force. Pit N Portal declined by 10%

Operating EBITDA¹

\$250m

Stable vs. FY22 \$250m

Strong 2H23 performance with 21% increase in Operating EBITDA to \$137 million, driven by growth in rental and workshops, and turnaround performance in PNP

Operating EBIT¹

\$105m

-13% vs. FY22 \$121m

Strong 2H23 performance with 56% increase in Operating EBIT to \$64 million, after disappointing start to the year for PNP

Operating NPAT¹

\$59m

-14% vs. FY22 \$69m

Decline driven by 1H23 PNP underperformance. Higher interest costs, driven by debt levels and interest rates. 2H23 Operating NPAT of \$39.5 million

Net leverage²

1.10x

0.96x FY22

Balance sheet remains strong with leverage marginally above long-term target of 1.0x, providing flexibility for growth and capital management

Free cash flow³

\$52m

\$71m FY22

2H23 strong free cash flow performance, delivering \$44 million in operational free cash flow

Capital Management

\$20.4m

\$30.7m FY22

Interim and final fully franked dividends paid and on-market buy-backs made during the year

ROC⁴

13%

16% FY22

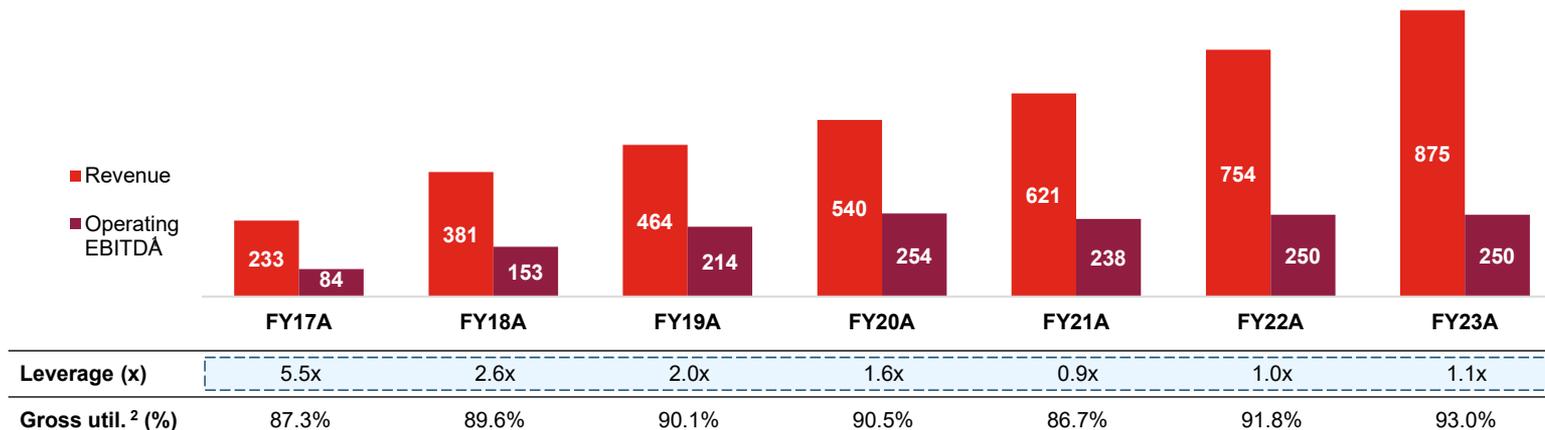
Returns excluding PNP very strong at 18%

Notes:

1. Operating financial metrics are non-IFRS measures. Refer to Appendix slide, Statutory to non-IFRS disclosure
2. Net debt / Operating EBITDA
3. Operating free cash flow before growth capex
4. Return on capital calculated as LTM Operating EBIT over average capital employed. ROC excluding PNP assumes allocation of corporate overheads to PNP based on revenue

HISTORY OF GROWTH AND SOLID RETURNS

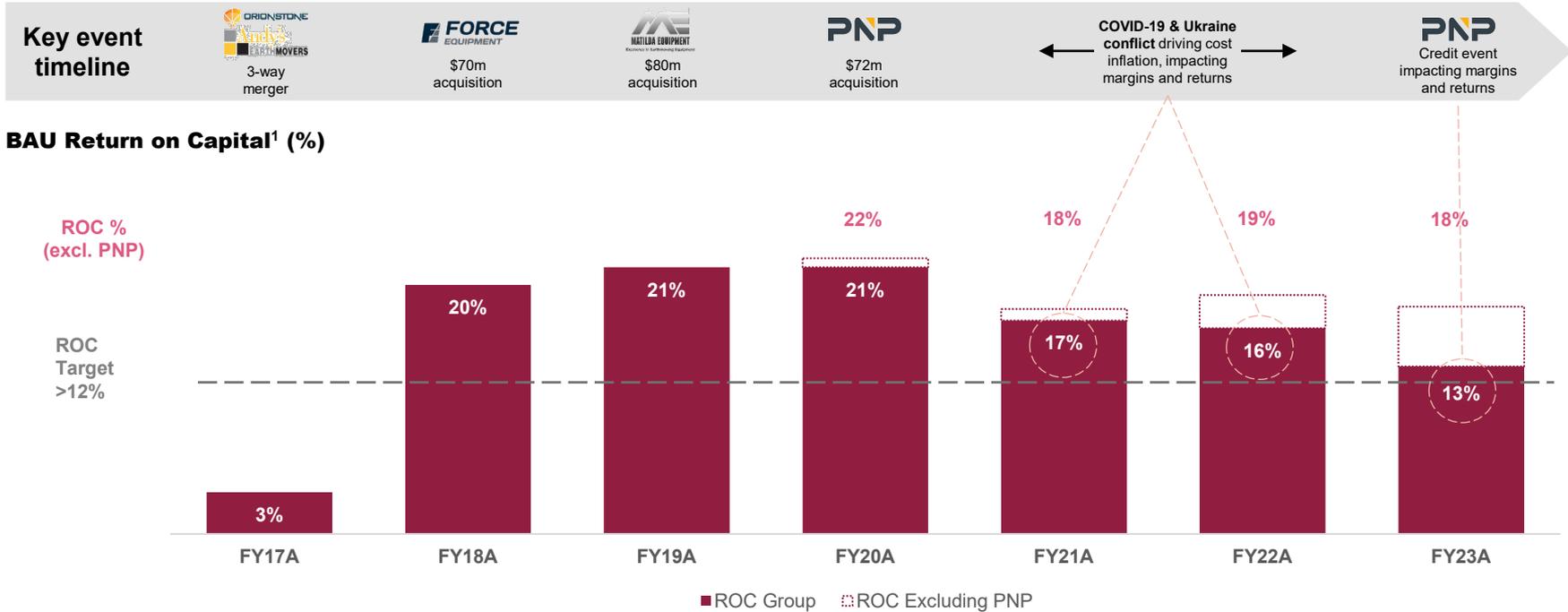
Emeco has a successful track record of delivering solid earnings growth and returns greater than our cost of capital. Over time, we have returned to our ~1.0x leverage target through disciplined capital allocation



Source: Emeco (as reported in company filings or provided by management) and broker research as at 13 October 2023. Financials refer to operating metrics. Financial Years refer to period commencing 1 July and ending 30 June. Notes: 1. EBITDA presented on pre-IFRS 16 basis from FY17-19A; post-IFRS 16 from FY20A-24F. The impact to EBITDA of IFRS 16 was +\$8m in FY20A. Operating EBITDA excludes \$23m in credit losses recognized with respect to PnP in FY23A. 2. Gross Utilisation denotes that equipment is on hire to a customer and does not infer any minimum level of usage.

EMECO DELIVERS STRONG RETURNS

Successful track record of delivering strong returns



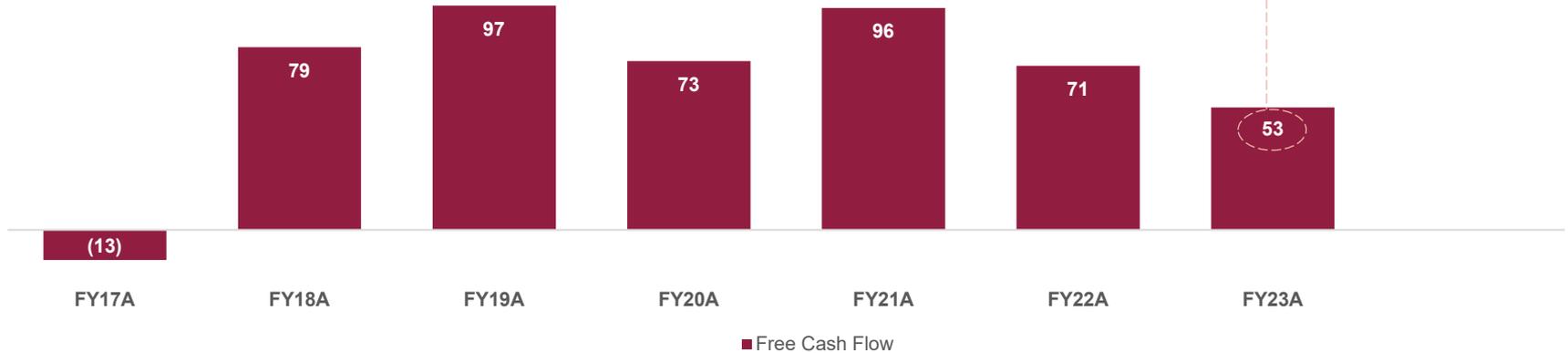
Notes: 1. ROC – Return on Capital calculated as LTM Operating EBIT over average capital employed. ROC excluding PNP assumes allocation of corporate overheads to PNP based on revenue.

EMECO DELIVERS STRONG CASH FLOW

Emeco has a successful track record of delivering strong free cash flow

PNP
Credit event impacting
1H23 Cash Flow by \$23.0 million

Free Cash Flow¹



Notes: 1. FCF before growth capex.

EMECO'S COMPETITIVE ADVANTAGE

Emeco's scale and engineering capability creates a competitive advantage which is protected by high barriers to entry



Geography	National footprint with strategically located workshops and skilled employees in all of Australia's key mining regions – our competitors are more regionally focused
Scale	Largest player with ~900 pieces of equipment across underground and surface mining – next largest competitor with ~250 pieces
Customers and Offering	Value-added customer solutions – full service offering across underground and surface mining – our competitors do not have this capability EOS in house technology key product differentiator that provides customers real time equipment production and maintenance data – no competitor provides this technology
Equipment and component rebuild capability	Our ability to rebuild equipment and components to OEM standards provides Emeco a competitive cost and quality advantage
Asset management and planning	Emeco's industry-leading asset management, planning and condition monitoring provides a cost and quality advantage versus our competitors

COMPETITIVE ADVANTAGE: LOW COST, MID-LIFE ASSET MODEL

Emeco's differentiated asset strategy of rebuilding equipment internally through our Force workshops generates cost advantages that none of our competitors can achieve

FY22 and FY23 growth capex investments

Equipment (truck) class	785C	789C	793D	\$m
Fleet Purchased	2	4	12	4.4
Transport and rebuild				20.0
Total Cost				24.9
<i>IRR</i> ¹				21%
New fleet purchase equivalent				105.0

Emeco purchases mid-life used equipment and rebuilds the asset in its Force workshops at a fraction of the cost of an equivalent new asset

Key benefits of Emeco's model

- ✓ Significant reduction in up-front capital investment
- ✓ Significant increase in return on capital comfortably above WACC
- ✓ Enhanced security of supply with limited reliance on third party workshops / OEM lead-times
- ✓ Significant competitive advantage

Source: Emeco fleet data

Notes:

1. IRR calculated on a pre-tax basis.

WELL DIVERSIFIED CUSTOMER BASE AND COMMODITY MIX

Emeco has a well diversified exposure by commodity and by customer with long standing relationships. This supports strong performance through the cycle

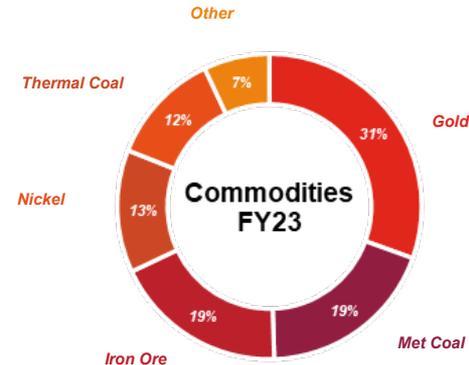
Diversified customer base

- 200+ customers, 250+ projects
- No single customer represents more than 12% of FY23 revenues¹
- Top 10 customers accounted for 64% of FY23 revenues¹



Diversified commodities exposure

- Emeco has a highly diverse revenue¹ portfolio, spread across a range of commodities:
 - Gold 31%
 - Iron ore 19%
 - Met coal 19%
 - Thermal coal 12%



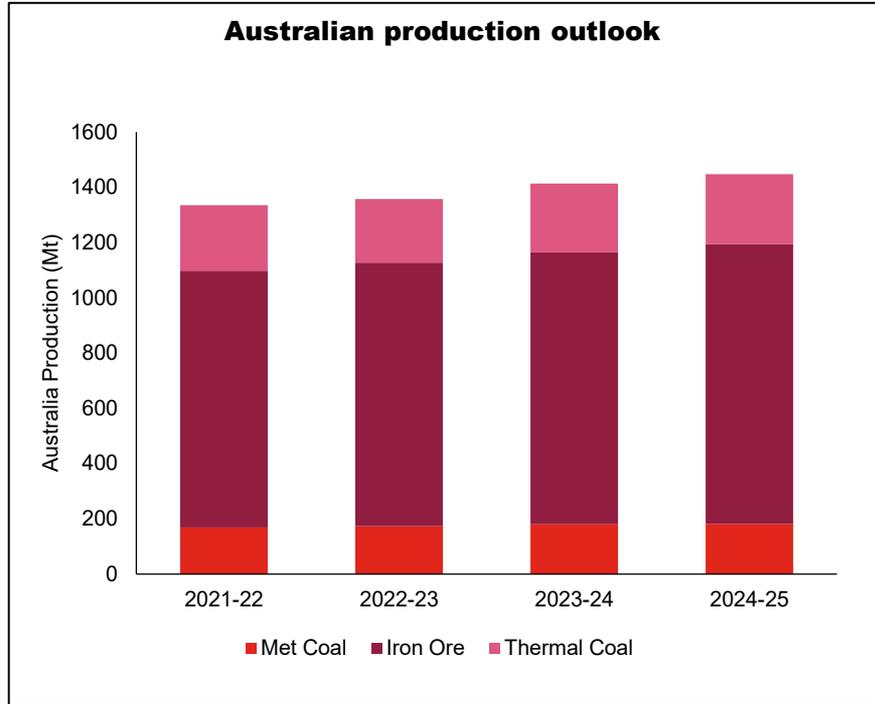
Source: Emeco (FY23)

Notes:

1. FY23 revenue from external customers as at 30 June 2023

FUTURE GROWTH OUTLOOK

Production across key commodities (met coal, thermal coal and iron ore) is forecast to remain strong over the next two years.



Source: Resources and Energy Quarterly, June 2023

FY24 TRADING UPDATE

Outlook remains positive with demand across all businesses expected to remain robust

Trading Update

- October YTD performance is in line with expectations and we are on-track to deliver 1H24 performance in line with a strong 2H23
- We expect earnings growth in 2H24, as we deploy additional fleet in our high return rental business in 3Q24
- The 18 x 793D trucks arrived in Australia on schedule and were successfully offloaded in Mackay. We are well progressed in securing a project for all of these trucks, which will require the full rebuild programme to be completed in Q324. This will bring our full year projection on growth trucks to \$44 million, as previously guided. In addition to this, the project work we expect to secure will require incremental fleet up to ~\$17 million
- **Growth capex for FY24** is now expected to be in the range of \$44 - 61 million. Returns >20% IRR
- **SIB capex** expected to be in line with depreciation at ~\$160 million

Outlook

- Demand across all businesses expected to remain robust, driving earnings growth in 2H24
 - **Rental** earnings expected to be driven predominantly by high fleet utilisation and additional fleet
 - **Force** external revenue will be underpinned by strong portfolio of contracted retail projects
 - **PNP** full year earnings expected to be higher than FY23, following project de-risking
- Business continues to focus on cost efficiencies and contract repricing, to **drive margins and returns**
- **Improved credit assessment** processes will de-risk revenue and earnings base
- Emeco has committed to an **ERP upgrade** over the next 3 years, with approximately \$8 million (non-operating) expected to be spent in FY24
- **Leverage** expected to return to long term target of ~1.0x, over next 12 months following capex investment in new projects
- Emeco has a strong track-record in achieving high **returns on capital investments** in our core Rental business through our capital and cost-efficient mid-life asset rebuild model

EMECO INVESTMENT HIGHLIGHTS

1



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

2



**History of strong
returns and free cash
flow generation**

3



**Scale and engineering
capability creates a
competitive advantage
which is protected by
high barriers to entry**

4



**Diversified by customer,
project and commodity**

5



**Strong balance sheet
and low leverage**

6



**Positive industry
outlook**

Thank You

