

Alfabs Australia Limited – ASX Announcement 23 February 2026

December 2025 Half Year Results

Underlying business operating well in a difficult market

Focussed on setting the business up for growth in FY 2027 and beyond

Revenue of \$55.6m, up 28%

Underlying EBITDA¹ of \$12.3 million², down 2% on H1 2025

EBITDA of \$9.5 million, \$3.0 million lower than H1 2025

UPDATE

EBITDA of \$9.5 million, \$3.0m million lower than H1 2025, driven by:

- \$2.8 million non-recurring impact in relation to the Dartbrook mine which went into the administration on 3 July 2025. This represents lower rental from hire equipment returned and provisions against receivables.
- Additional investment in key personnel to support future growth
- Lower Engineering margins on the back of a softer infrastructure market

Strong operating performance in Asset Remediation, Bat Bags and Protective Coatings departments was offset by a decline in the larger Mine Hire and Engineering Departments.

Malabar contract fully ramped up with excellent utilization.

Targeting \$2.0 million of sustainable cost savings with over half expected to be delivered in H2 2026.

¹ Earnings before interest, tax, depreciation and amortisation (EBITDA) are non-IFRS earnings measures which do not have any standardised meaning prescribed by IFRS and therefore may not be comparable to other companies. Underlying EBITDA includes \$2.8m negative impact in relation to the Dartbrook mine that went into administration on 3 July 2025.

² Numbers shown have been rounded to the nearest million Australian Dollars. Variances in \$ and % have been calculated on the unrounded numbers.



Capex investment of \$15.3 million during the period, principally in the mining hire business, to support the next targeted wave of earnings growth in FY 2027 and beyond.

- Continuous Miner overhaul at 70% completion, our first AX10 is completed following almost 2 years of design and development and scheduled for deployment to customer site in March. Several loaders and driftrunners are also at various stages of completion.
- H2 Capex to complete these assets will be materially lower and the majority are expected to be ready for hire by 30 June 2026.

We are at an advanced stage of due diligence on a significant acquisition of a complimentary underground and other hire equipment business. If completed (under \$20 million) this will achieve or exceed our hurdle rates in the first year. Proposed financing is via additional debt funding, submissions for which are underway. In order to prioritise faster growth of the top and bottom lines in the medium and long term, we are reviewing our balance sheet, real estate, cash flow, banking and dividend policies.

Given the prioritisation of near-term growth options, the Company is reassessing its dividend policy. In the meantime the Company has resolved not to pay an interim dividend to retain and preserve capital for investment in the business.

Net debt of \$37.8m up from \$20.8m at 30 June 2025 due to ongoing capital investment in hire fleet assets.

Although the market remains tight we remain positive for a strong year in FY 2027.

CEO & CFO COMMENTS

Matthew Torrance, CEO of Alfabs Group, said “Safety is our number one value and underpins our practices from employee training to new safety technologies. As a team we are continually working on reducing our workplace incidents with a zero-incident focus.

We are delivering on our strategy and continue to invest through the cycle in our underground mining hire business, setting Alfabs up for the next wave of growth. At the same time, we remain firmly committed to our core values of Safety, Quality and Delivery.

In respect of operations, I am delighted with the performance of the newly created Asset Remediation business, with earnings of \$1.1m in H1 2026. In addition, Bat Bags made a strong contribution on the back of record volumes in Q2 FY 2026, as has Protective Coatings via leveraging sales volumes on the back of its reputation for excellent quality.

However, these have been offset by lower earnings in our two core departments. At Engineering we have experienced lower margins as we continue to face a softer infrastructure market. Mining earnings were also



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flat, with the business benefitting from the full hire of the Malabar assets however this was offset by lower rental from the returned Dartbrook mine equipment. Most of these assets are now back out on hire. In addition, we continue to upskill and invest in our workforce, bringing in several key personnel to deliver on our growth agenda.

Looking forward, we note Unite 32, a joint venture between Laing O'Rourke and AECOM, has been appointed by the Games Independent Infrastructure and Coordinator Authority (GIICA) as its Delivery Partner for the \$7.1 billion Brisbane 2032 Olympic and Paralympic Games Venues Infrastructure Program. Unite 32 brings international experience from major sporting events, including previous Olympic and Paralympic Games and large-scale infrastructure programs across Australia and overseas. The Alfabs Group has a proud history of partnering with Laing O'Rourke on several successful projects. More broadly in the infrastructure market we are starting to see a recovery in the tender pipeline for 2027/2028 projects.

Separately, in Mining, whilst the industry continues to be impacted by lower coal prices, we are starting to see an uptick in enquiries for underground plant hire".

Peter White, our newly appointed Chief Financial Officer, said "I am excited to join the Alfabs Group as it continues its early phase as a listed Company. In my short time with Alfabs, I have been impressed with the personnel and culture across the Group.

Looking at the business, each department has value-accretive growth options, and by focusing on the key value drivers we will unlock material value for our shareholders. In addition, we continue to explore strategic bolt-on acquisitions of complementary businesses, with several near-term opportunities being worked on.

At the same time as driving growth, we are focusing in on opportunities to drive efficiencies and productivity across the Group. As part of this we are targeting \$2 million of annual sustainable cost savings, mainly through overhead reductions, with a significant portion expected to be delivered in the second half of this financial year".

Summary of Results:

	H1 2026	H1 2025	Change	
	\$m	\$m	\$m	%
Revenue	55.6	43.4	12.1	28%
Underlying EBITDA	12.3	12.5	(0.2)	(2%)
Underlying EBITDA Margin (%)	22%	29%	(7%)	(23%)
Net Profit after Tax	1.3	5.7	(4.4)	(77%)

	H1 2026	H1 2025	Change	
	Cents	Cents	Cents	%
Basic Earnings Per share (cents)	0.46	2.00	(1.54)	(77%)



OPERATIONAL PERFORMANCE

Underground Mining Hire & Workshops

Malabar Contract continues to perform with high utilisation rates.

Shell Program represents most of the capex in H1 2026. The program is progressing to plan on both cost and schedule with completed assets expected to be out on hire in FY 2027.

Workshops continue to support the ongoing maintenance of the hire fleet, rebuilds, the Shell Program and external work.

Engineering: On-site & Off-site

St Mary's Project: progressing with works approximately 75% and 60% complete for fabrication and on-site respectively.

Project Pipeline: recent wins include a \$2.1 million fabrication package to support a mine expansion in the Hunter Valley and \$8.2 million in contract works to supply new infrastructure to the first stages of the Inland Rail project from Albury to Parkes. Pipeline visibility into FY 2027 has improved with large Tier 1 key delivery partners securing significant volumes of work forecast to commence in FY 2027.

Asset Remediation

Experienced a strong start for H1 with the completion of the division's first major project over \$4 million.

External interest continues to be strong in Sydney and interstate.



FINANCIAL PERFORMANCE:

Reconciliation of Underlying EBITDA to EBITDA and Net Profit after Tax (NPAT):

	H1 2026	H1 2025	Change	
	\$m	\$m	\$m	%
Underlying EBITDA	12.3	12.5	(0.2)	(2%)
Less: Impact of Dartbrook*	(2.8)	-	n/a	n/a
EBITDA	9.5	12.5	(3.0)	(24%)
(i) Depreciation	6.1	3.9	2.1	54%
(ii) Interest	1.5	0.5	1.0	205%
(iii) Income Tax Expense	0.6	2.4	(1.8)	(75%)
NPAT	1.3	5.7	(4.4)	(77%)

* Impact of lost revenue and additional expenses associated with Dartbrook administration.

(i) Depreciation:

Depreciation has increased due to the Malabar assets now being fully on hire and therefore depreciating over their existing contract lives. During the comparative period the Malabar assets were partially complete and ramping up revenue and depreciation.

(ii) Net Finance Costs:

Net finance costs have increased in line with the increase in net debt because of the continued investment in the mining hire business as part of our growth strategy.

(iii) Income Tax Expense:

The effective income tax rate for the company was 31.4% (H1 2025: 29.2%) in line with the prior year and the statutory income tax rate.

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For further information, please contact:

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About Alfabs

Alfabs (ASX: AAL) is a market-leading diversified group of companies that primarily operates across two divisions in Australia – Mining and Engineering. Proudly led by the founding Torrance family, Alfabs is a heavy fabricator and site installer of steel structures for infrastructure projects and is also one of Australia's leading heavy mining and industrial plant and equipment hire companies.

This announcement was authorised for release by the Board of Alfabs.

