Alfabs Australia Limited – ASX Announcement 27 August 2026

FY26 Results: Delivering on the Plan

Alfabs Australia Limited (ASX: AAL) (Alfabs or the Company) is pleased to release its FY26 results, demonstrating significant progress against the strategic priorities outlined at the Company's Investor Day in June.

FY26 was a year of transition and execution. Following the business review undertaken in January 2026, management reset the business around cash generation, disciplined capital allocation and balance sheet strength. The step change in 4Q FY26 results demonstrates the benefits of the restructuring plan which have continued in the 1Q FY27.

FY26 Highlights

- Significant improvement in safety performance, including **230 consecutive days** without a lost-time injury and a **62% reduction** in recordable injuries during 2H FY26.
- Revenue increased 11% to **$105.7 million**.
- Mining average daily hire rates increased **14%** to **$79.1k per day**.
- Underlying EBITDA of **$22.6 million**.
- Free cash flow of **$5.7 million**, unchanged from FY25 despite lower EBITDA which includes **$4.1 million generated in 4Q FY26**.
- Net debt reduced to **$36.6 million** in 2H FY26, with leverage of **1.7x Underlying EBITDA**, within the Company's target range.

Delivering Against Strategic Priorities

The Company's focus remains on strengthening the core business, accelerating free cash flow generation and maintaining disciplined capital allocation.

A key milestone during FY26 was the transition of the Shell Program from a capital investment phase to a revenue-generating phase. Assets completed during the year are now being commissioned, deployed on hire contracts or sold, with the program's growth capital expenditure fully funded from operating cash flow by 4Q FY26.

The Mining division continued to underpin Group earnings, supported by a full year of production from the Malabar contract, high fleet utilisation and improving hire rates. At the same time, the Engineering division successfully navigated a softer infrastructure market while preserving capability, customer relationships and strategic positioning for an eventual market recovery.

Dividend Reinstatement Update

During 1H FY26, the Board resolved not to pay an interim dividend to retain capital and preserve flexibility to invest in the Company's near-term growth opportunities. At the June Investor Day, seven requirements were outlined before the reinstatement of dividends will be considered, and six of these have now been delivered. Phase II debt restructuring is progressing and is the final milestone required.

The Company aims to declare a FY26 full year dividend in the coming months when Phase II of the debt restructuring is delivered.

CEO & CFO Commentary

CEO, **Matt Torrance**, said:

"FY26 was a turnaround year for Alfabs. The actions we took during the second half have strengthened the business, improved free cash flow generation and positioned the Company for the next phase of growth.

The underlying business fundamentals remain strong. Our Mining division continues to perform well, the Shell Program is converting capital into revenue-generating assets, and the Engineering division remains well placed to benefit when infrastructure activity improves."

CFO, **Peter White**, said:

"We continue to deliver against the commitments outlined at our Investor Day, with six of the seven dividend reinstatement milestones now completed. The benefits of the restructuring activities are evident in the 4Q FY26 financial performance and have continued into FY27. Our focus remains on free cash flow, disciplined capital allocation and maintaining a strong balance sheet as we work towards reinstating the dividend."

Acquisition Update

The potential acquisition announced in February 2026 is no longer being pursued as agreeable commercial terms could not be reached between the two parties. Consistent with the Company's disciplined capital allocation framework, Alfabs will proceed only where a transaction satisfies its return thresholds and broader value creation objectives.

FY27 Priorities

Following the 14% increase in Mining average daily hire rates in FY26, the Company expects average daily hire rates to increase by a further 5-10% during FY27 as assets completed under the Shell Program are progressively deployed into the market. Together with the benefits of the Workshop and Corporate restructuring, this is expected to drive stronger EBITDA-to-free-cash-flow conversion and free cash flow generation through FY27, building on the step change achieved in 4Q FY26 and continued into 1Q FY27.

The focus for FY27 is execution against the Company's established plan, including:

- Finalising the debt restructuring
- Restarting the dividend
- Mining – deliver growth through Shell Program and acquisitions
- Engineering – growing the forward order book
- Increasing sustainable free cash flow

The Board has reaffirmed its dividend policy of distributing **50% of net profit after tax**, subject to sustainable free cash flow generation, leverage milestones and debt facility requirements.

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For further information, please contact:

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About Alfabs

Alfabs is a diversified Australian mining and engineering company servicing the underground mining, infrastructure and industrial sectors. Alfabs provides equipment hire, maintenance works, engineering fabrication, site installation and related services from strategically located operations across the east coast of Australia. Founded in the 1950's and headquartered in Kurri Kurri, New South Wales, Alfabs has built long-lasting relationships with leading Australian mining and infrastructure customers.

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