

Half Yearly Report

EMBELTON LIMITED

ABN 51 004 401 496

For Half Year Ended 31 December 2025

<u>Results for Announcement to the Market</u>				<u>\$A'000</u>
Revenue from ordinary activities	Up	27.2%	to	38,458
Profit from ordinary activities after income tax attributable to members	Up	11.3%	to	612
Net profit for the period attributable to members	Up	11.3%	to	612
Dividends per Share		Amount per share	Franked amount per share at 30% tax	
Interim		15.0 cents	15.0 cents	
Record date for determining entitlements to dividends			13 March 2026	

Results for Announcement to the Market (Continued)

NTA Backing

	Current Period	Previous corresponding period
Net tangible asset per ordinary share	9.36	9.25

* For the purpose of determining net tangible assets the carrying value of the right of use asset and the related lease liability have been excluded from the net tangible assets at period end as well as other intangible assets

Dividends

	Amount per share	Franked amount per share at 30% tax	Amount per share of foreign source dividend
a) Dividends per Share			
Interim			
- current period	15.0 cents	15.0 cents	0 cents
- previous corresponding period	15.0 cents	15.0 cents	0 cents

	Current Period A\$ '000	Previous Corresponding Period A\$ '000
b) Total Dividends		
Interim dividend - payable on 10 April 2026	324	324
Final June 2025 dividend paid on 17 October 2025	<u>432</u> <u>756</u>	<u>432</u> <u>756</u>

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income for the Half-Year Ended 31 December 2025

		Half Year Ended	
	Note	31 Dec 2025 (\$'000)	31 Dec 2024 (\$'000)
Revenue		38,458	30,237
Cost of Sales		<u>(29,652)</u>	<u>(22,318)</u>
Gross Profit		8,806	7,919
Other Income		73	36
Less Expenses:			
Manufacturing Expenses		(58)	(63)
Sales and Marketing Expenses		(2,857)	(2,633)
Storage and Distribution Expenses		(813)	(911)
Administration and Other Expenses		<u>(4,268)</u>	<u>(3,553)</u>
Profit before income tax expense	2	883	795
Income tax expense		<u>(271)</u>	<u>(245)</u>
Net Profit for the period		612	550
Other comprehensive income for the period		<u>-</u>	<u>-</u>
Total comprehensive income for the period		<u><u>612</u></u>	<u><u>550</u></u>
Profit attributable to:			
Owners of the company		612	550
Non-controlling interest		<u>-</u>	<u>-</u>
Total comprehensive income		<u><u>612</u></u>	<u><u>550</u></u>
Earnings per share			
From continuing operations:			
Basic (cents per share)		28.4c	25.5c
Diluted (cents per share)		28.4c	25.5c

The above statement of Profit should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Financial Position As at 31 December 2025

	31 Dec 2025 (\$'000)	30 June 2025 (\$'000)
Current Assets		
Cash and cash equivalents	76	97
Trade and other receivables	8,999	8,155
Inventories	10,145	11,734
Other	568	589
Total Current Assets	19,788	20,575
Non-Current Assets		
Property, plant and equipment	12,534	12,668
Right of use assets	661	394
Intangibles	330	330
Deferred tax assets	640	516
Total Non-Current Assets	14,165	13,908
TOTAL ASSETS	33,953	34,483
Current Liabilities		
Trade and other payables	4,903	7,075
Lease liabilities	279	217
Current Tax liabilities	151	142
Provisions	1,518	1,338
Total Current Liabilities	6,851	8,772
Non-Current Liabilities		
Deferred tax liabilities	135	131
Borrowings	5,900	4,900
Lease liabilities	404	198
Provisions	141	140
Total Non-Current Liabilities	6,580	5,369
TOTAL LIABILITIES	13,431	14,141
NET ASSETS	20,522	20,342
EQUITY		
Issued Capital	1,156	1,156
Reserves	3	3
Retained earnings	19,363	19,183
TOTAL EQUITY	20,522	20,342

The above statement should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Cash Flows for the Half-Year Ended 31 December 2025

	Consolidated Entity Half Year Ended	
	31 Dec 2025 (\$'000)	31 Dec 2024 (\$'000)
Cash flows from operating activities		
Receipts from customers	40,559	33,182
Payments to suppliers and employees	(40,277)	(34,634)
Interest paid	(141)	(26)
Income taxes paid	(390)	(354)
Net cash used in operating activities	(249)	(1,832)
Cash flows from investing activities		
Payments for property, plant and equipment	(187)	(823)
Proceeds from sale of equipment	10	4
Net cash used in investing activities	(177)	(819)
Cash flows from financing activities		
Proceeds from borrowings	1,000	1,539
Repayment of lease liabilities	(163)	(244)
Dividends paid	(432)	(432)
Net cash Provided by financing activities	405	863
NET DECREASE IN CASH AND CASH EQUIVALENTS	(21)	(1,788)
Cash and cash equivalents at beginning of period	97	1,827
CASH AND CASH EQUIVALENTS AT END OF PERIOD	76	39

The above statement should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity for the Half-Year Ended 31 December 2025

	Issued capital \$'000	Foreign Curr. Trans. Reserve \$'000	Retained earnings \$'000	Total \$'000
At 1 July 2024	1,156	(4)	19,013	20,165
Profit for the period	-	-	550	550
Dividends paid	-	-	(432)	(432)
At 31 December 2024	1,156	(4)	19,131	20,283
Profit for the period	-	7	375	382
Dividends paid	-	-	(323)	(323)
At 30 June 2025	1,156	3	19,183	20,342
Profit for the period	-	-	612	612
Dividends paid	-	-	(432)	(432)
At 31 December 2025	1,156	3	19,363	20,522

The above statement should be read in conjunction with the accompanying notes.

Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2025

1. Material Accounting Policies

Statement of compliance

The half-year financial report is a general-purpose financial report prepared in accordance with the *Corporations Act 2001* and AASB 134 'Interim Financial Reporting'. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

Basis of preparation

The condensed consolidated financial statements have been prepared on the basis of historical cost, except for the revaluation of certain financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2025 annual financial report for the financial year ended 30 June 2025.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period.

2. Segment Information

Identification of reportable segments

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Managing Director (the chief operating decision maker) in assessing performance and in determining the allocation of resources.

The operating segments are identified by management based on the nature of the services provided. Discrete financial information about each of these operating businesses is reported to the Managing Director on at least a monthly basis.

The reportable segments are based on aggregated operating segments determined by the similarity of the services provided, as these are the sources of the Group's major risks and have the most effect on the rates of return.

The reportable segments identified are unchanged from those identified previously.

Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2025 (cont'd)

Reportable segments

Commercial

Comprises the supply and installation of various building materials and installation on commercial projects

Merchandising

Comprises the sale of various building materials into all other sectors

Manufacturing

Manufacturing operations supply to both market segments

The following is an analysis of the revenue and results for the half year by reportable segment.

Half-year ended 31 December 2025	Commercial \$'000	Merchandising \$'000	Manufacturing \$'000	Consolidated \$'000
Total Operating Revenue	26,652	11,806	2,186	40,644
Less Elimination on Consolidation	-	-	(2,186)	(2,186)
Total External Operating Revenue	26,652	11,806	-	38,458
Segment result	445	683	(132)	996
			Unallocated Expenses	(113)
Total Operating Profit before Income Tax Expense				883
			Income Tax Expense	(271)
			Profit for the Period	612

Half-year ended 31 December 2024

Total Operating Revenue	17,307	12,897	3,624	33,828
Less Elimination on Consolidation	-	-	(3,591)	(3,591)
Total External Operating Revenue	17,307	12,897	33	30,237
Segment result	147	633	129	909
			Unallocated Expenses	(114)
Total Operating Profit before Income Tax Expense				795
			Income Tax Expense	(245)
			Profit for the Period	550

Notes to the Condensed Consolidated Financial Statements for the Half-Year Ended 31 December 2025 (cont'd)

3. Dividends

	Half Year Ended	
	2025	2024
	\$'000	\$'000
<u>Recognised amounts</u>		
Fully paid ordinary shares		
Final dividend of 20.0 cents per share (2024 – 20.0 cents)	432	432
	<u>432</u>	<u>432</u>
<u>Unrecognised amounts</u>		
Fully paid ordinary shares		
Interim dividend of 15.0 cents per share (2024 – 15.0 cents)	<u>324</u>	<u>324</u>

On 28 January 2026, the directors declared a fully franked interim dividend of 15.0 cents per share to the holders of fully paid ordinary shares in respect of the half-year ended 31 December 2025, to be paid to the shareholders on 10 April 2026. This dividend has not been included as a liability on these financial statements.

4. Contingencies and commitments

There have been no changes in contingent liabilities, contingent assets or commitments since the last annual reporting date 30 June 2025.

5. Subsequent events

Other than the dividend declared on 28 January 2026, there has not been any matter or circumstance occurring subsequent to the end of the half-year that has significantly affected, or may significantly affect, the operations of the company, the results of those operations, or the state of affairs of the company in future financial years.

EMBELTON LIMITED and its Controlled Entities

Directors' Report

Your Directors present their report on the consolidated entity of Embelton Limited and controlled entities for the half-year ended 31 December 2025.

In order to comply with the provisions of the Corporations Act 2001, the Directors report as follows:

The Directors in office during and since the end of the half-year are:

Mr G R Embelton (Chairman)
Mr J R Baldwin (Non-executive Director)
Mr J J Embelton (Managing Director)

Review of Operations

First-half revenue increased, primarily due to contract awards secured late in the prior financial year. The period saw subdued construction activity in our home state of Victoria, but this was offset by growth in other regions, contributing to an overall 27% improvement in revenue compared with the prior year. And whilst the accompanying 11% growth in profit is pleasing, it was unavoidably constrained by the continuing pressure of increasing costs across most areas of operation.

A key focus this year has been an ongoing review of the less well performing segments of the business, with the aim of prioritising those with more promising prospects for growth. And as we begin the second half, the forward project pipeline does provide confidence that current performance can be sustained should stable market conditions continue.

Auditor's Independence Declaration

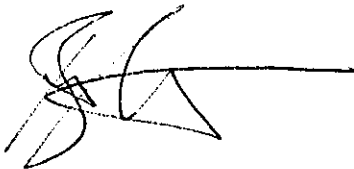
A copy of the independence declaration by the auditor under Section 307C is included on page 13.

Rounding off of amounts

The company is a company of the kind referred to in ASIC Corporations (Rounding in Financials/Directors' Reports) Instrument 2016/191, dated 24 March 2016, and in accordance with that Corporations Instrument amounts in the directors' report and the half-year financial report are rounded off to the nearest thousand dollars, unless otherwise indicated.

Signed in accordance with a resolution of directors made pursuant to s.306(3) of the Corporations Act 2001.

On behalf of the Directors

A handwritten signature in black ink, appearing to be 'J J Embelton', with a long horizontal line extending to the right.

J J Embelton

Director

Melbourne, 23 February 2026

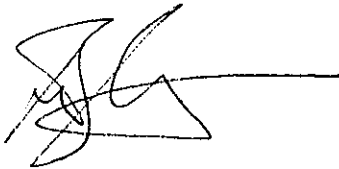
Declaration by Directors

The Directors declare that:

1. in the directors' opinion, there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and
2. in the directors' opinion, the attached financial statements and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the consolidated entity.

This declaration is made in accordance with a resolution of the Board of Directors made pursuant to s.303(5) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

J J Embelton

Director

Melbourne, 23 February 2026

AUDITOR'S INDEPENDENCE REPORT
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF EMBELTON LIMITED

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2025 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

MVAB Assurance

MVAB ASSURANCE
Chartered Accountants

W. Tarrant

WAYNE TARRANT
Partner

Signed at Melbourne this 23rd day of February 2026

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF EMBELTON LIMITED
ABN 51 004 401 496**Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Embelton Limited (the "Company") and its subsidiaries (the "Group"), which comprises the condensed consolidated statement of financial position as at 31 December 2025, the condensed consolidated statement of profit or loss, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of changes in equity and the condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of material accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-year Financial Report

The directors of Embelton Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the Corporations Act 2001 including: giving a true and fair view of Embelton Limited's financial position as at 31 December 2025 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Embelton Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Embelton Limited is not in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of Embelton Limited's financial position as at 31 December 2025 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.

MVAB Assurance

MVAB ASSURANCE
Chartered Accountants

W. Tarrant

WAYNE TARRANT
Partner

Signed at Melbourne this 23rd day of February 2026