2017 INTERIM RESULTS

28 February 2017

1HFY17 HIGHLIGHTS

Safety

33% reduction in total recordable injuries compared to previous 6 months

Best practice safety standards and employee development are key to the future success of Emeco

Financial performance

Significantly improved financial performance

Improvement in operating EBITDA margins to 38.3%, up from 21.3%

First half of positive operating EBIT for Emeco since 2HFY13

Operational improvement

Operational excellence driving operating EBITDA margin expansion

Operating costs down 34.4%

Strategic partnerships with RML in Chile and HMER in Canada improved operating performance, reduced costs and unlocked efficiency gains

Innovation

Worked with Evolution Mining to reduce its load and haul costs by 15%

Continued to develop EOS to reduce costs by:

- improving our customer productivity technology
- driving efficiencies in component life

Deepened our partnership with The Red Button Group to enhance Emeco's innovative capability

Balance sheet

Reduction in net debt

Agreed recapitalisation and merger transaction which results in:

- Extension of debt maturity
- Net debt / FY16 pro-forma EBITDA of 4.4x
- FY16 pro-forma interest coverage ratio of 2.5x
- Average fleet age reduced by 25%

Outlook and focus

Signs of market recovery with increased levels of customer activity

Increased operating utilisation during January and February

Improving operating utilisation and rental returns

Widening the customer value proposition by increasing equipment productivity

HEALTH & SAFETY

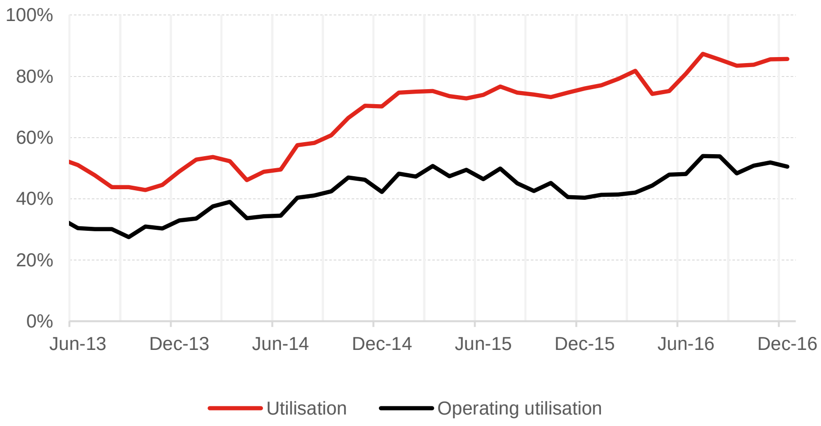
Best practice safety standards remain a priority and key to Emeco's business

- 33% reduction in total recordable injuries compared to previous 6 months
- Pragmatic approach to health and safety with a continued zero-harm goal
- Standardising best practices and safety across the regions
- Working with our strategic partners to ensure alignment of safety culture and goals
- E-learning modules developed to raise awareness of Emeco core risks

1HFY17 OVERVIEW

Relentless focus on cost discipline and operational excellence underpinning 45% increase in operating EBITDA

Group utilisation[1]



Operating Financial Performance

A$ million	1H16	1H17	Change on pcp
Operating Revenue	109.1	87.8	▼19.5%
Operating EBITDA	23.2	33.6	▲44.8%
Operating EBITDA margin	21.3%	38.3%	▲17.0%
Operating EBIT	(12.9)	3.5	*na*
Statutory NPAT	(107.2)[2]	(31.3)[3]	*na*
Operating net cash flow	(3.3)	9.0	*na*

Notes:

1. Excludes non-current assets held for sale
2. Includes tangible asset impairments ($100.7m), one-off redundancies ($2.4m), borrowing costs ($1.2m), corporate development costs ($0.1m) and the related tax impact of $1.4m.
3. Includes the reversal of asset impairments of previously impaired assets sold during the period of $1.2m, one-off redundancy expenses ($0.4m) and costs associated with the acquisition of Andy's and Orionstone ($2.8m).

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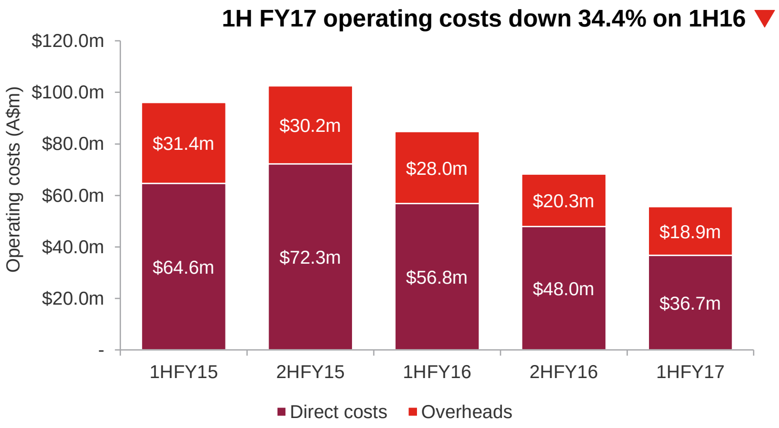
BUSINESS IMPROVEMENT

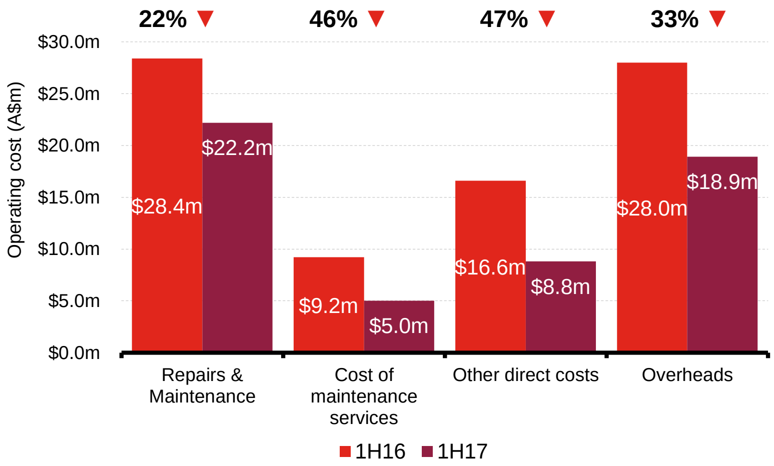
Cost discipline and focus on operational excellence driving improved operating EBITDA margins

- Strong cultural focus throughout the organisation on operational excellence and efficiencies
- Disciplined approach to cost management has driven sustainable cost reductions
- Enhanced efficiency and cost discipline presents significant upside to earnings as market conditions improve

Operating costs over time



Operating cost reductions



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Regional Performance

OPERATIONAL PERFORMANCE

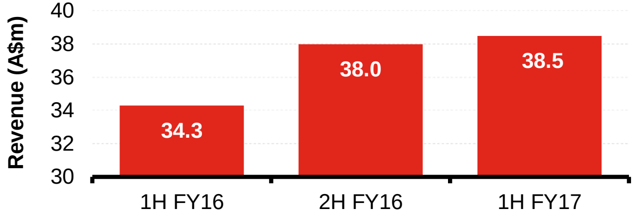
New South Wales

Average gross utilisation of 92% during 1HFY17, up from 85% in 1HFY16

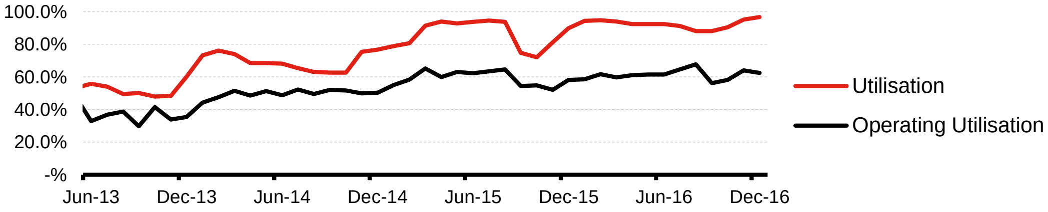
Overview

- The New South Wales business averaged gross utilisation of 92% and operating utilisation of 63% during 1HFY17
- Utilisation at these levels is expected to be maintained with several major contracts extended during 1HFY17
- Increase in operating EBITDA as a result of R&M cost management
- Strong ongoing demand from existing customers driven by the recent commodity price increases and improving sentiment
- Focus on continuing to work with customers to maximise productivity, and reallocate underutilised assets to higher operating utilisation projects in 2HFY17

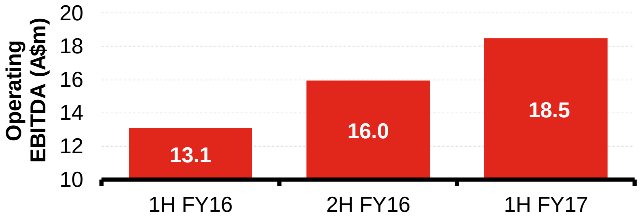
Operating revenue



Utilisation[1]



Operating EBITDA



Notes:

1. Excludes non-current assets held for sale

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OPERATIONAL PERFORMANCE

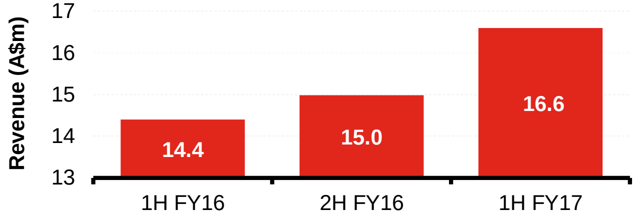
Queensland

40% EBITDA margins, strong earnings momentum and positive growth outlook

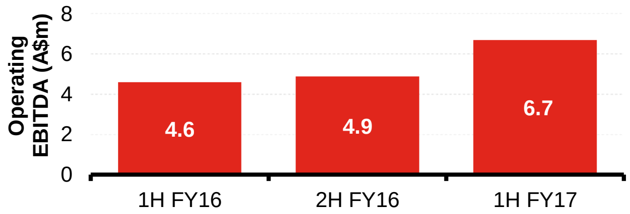
Overview

- Queensland averaged gross utilisation of 87% and operating utilisation of 54% during 1HFY17, broadly in line with pcp
- Significant improvement in EBITDA margins (40.4% up from 31.9% in pcp) driven by overhead and operating cost discipline
- In line with increased demand, focus will be on increasing operating utilisation
- Queensland operations expected to benefit from enhanced scale post-mergers

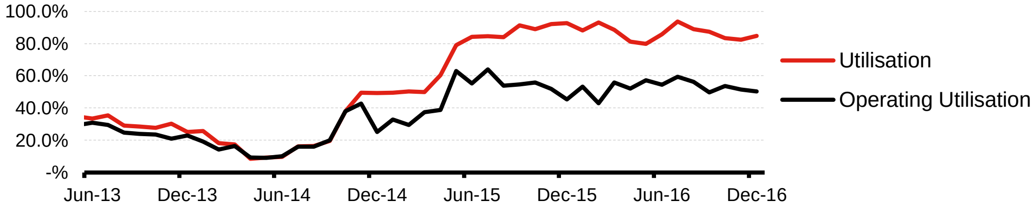
Operating revenue



Operating EBITDA



Utilisation[1]



Notes:

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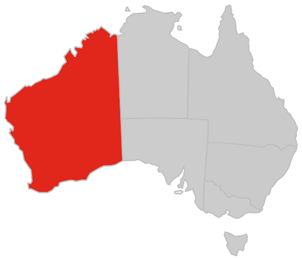
OPERATIONAL PERFORMANCE

Western Australia

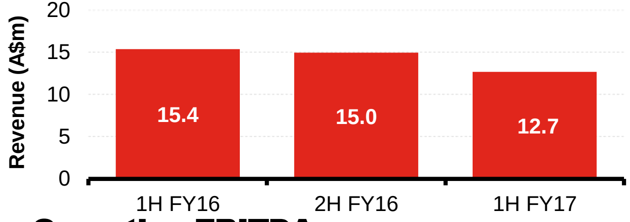


Average gross utilisation of 59% during 1HFY17, up from 36% in 1HFY16

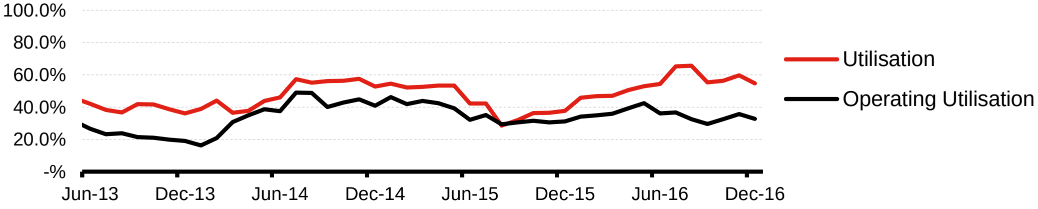
Overview

- Western Australia averaged gross utilisation of 59% up from 36% in pcp and operating utilisation of 33% during 1HFY17
- Significant improvement in EBITDA margins to 35% from 24% due to the full realisation the restructure implemented in FY16
- R&M and cartage costs incurred in 1HFY17 associated with 9x 793 trucks (coal) and 10x 785 trucks (iron ore) deployed to projects in 2HFY17
- Given additional fleet deployment, focus is on increasing operating utilisation
- Management focused on additional fully maintained EOS facilitated project sites as this model considered well suited to the Western Australian market

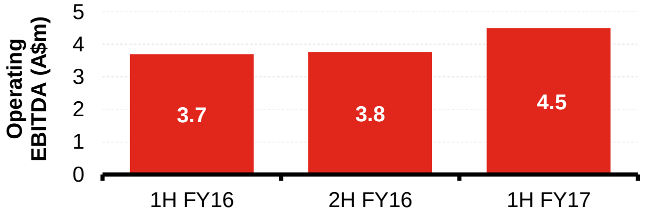
Operating revenue



Utilisation[1]



Operating EBITDA



Notes:

1. Excludes non-current assets held for sale

OPERATIONAL PERFORMANCE

Chile

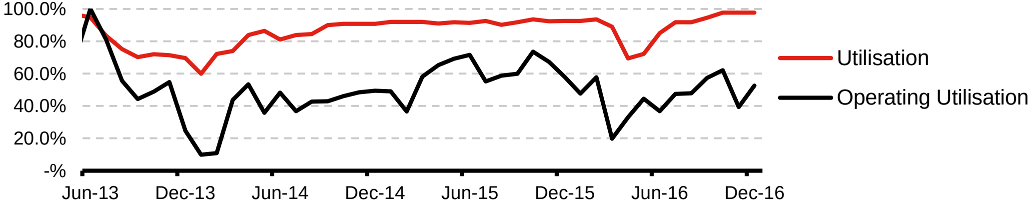
Strategic partnership formed with local partner to improve performance

Overview

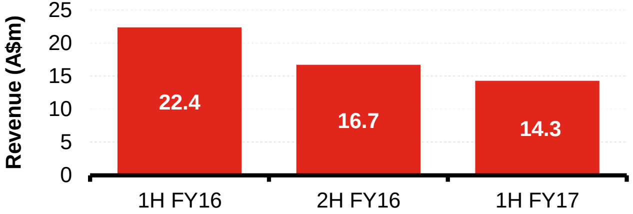
- Strategic partnership entered into with RML, a local maintenance services company, to significantly decrease overheads

- Decline in revenue due to the completion of a wet hire project and Esperanza achieving lower utilisation than at Encuentro
- Fleet relocation back to Encuentro in January 2017 experienced considerably less delays than previous move, and expected improvement fleet utilisation in 2HFY17
- Management continues to secure additional projects

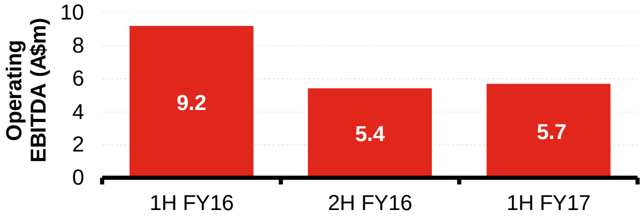
Utilisation[1]



Operating revenue



Operating EBITDA



Notes:

1. Excludes non-current assets held for sale

OPERATIONAL PERFORMANCE

Canada

Return to positive cash flow and improved EBITDA in subdued market conditions

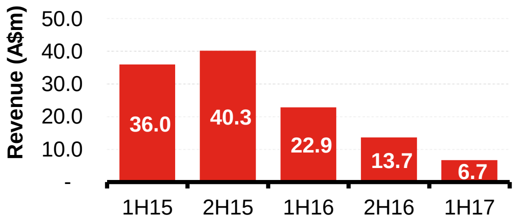
Overview

- Emeco's Canadian business was significantly impacted by the fall in oil prices from July 2014 until late 2015, which ultimately led to the loss of the FY16 winter season (from which ~60-70% of earnings were historically derived)
- During 1HFY16 management reassessed Emeco's exposure to the highly volatile and capital-intensive rental business in Canada and subsequently entered into two significant transactions to maximise value from the Canadian fleet:

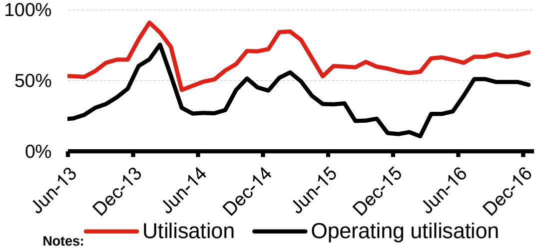
1. A cash-less asset swap agreement under which Emeco provided underutilised fleet in Canada and received machinery in Australia
2. A "rent-to-purchase" agreement with HMER, under which it rents the remaining Canadian fleet with an option to acquire that equipment

- These innovative transactions took Emeco's Canadian business to a positive net cash flow position at a critically important time for the broader group
- The agreement with HMER reduces Emeco's revenue in Canada, but also absorbs much of the company's operating costs, improving EBITDA and cash generation
- Emeco continues to assess its Canadian strategy, with a focus on broadening our services capability, particularly in fuel and lube driven by our deep relationships, particularly with Syncrude

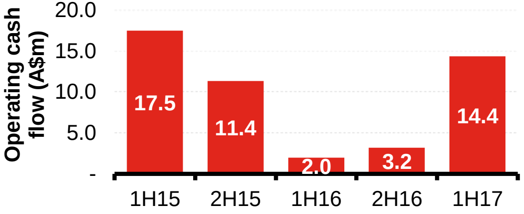
Operating revenue



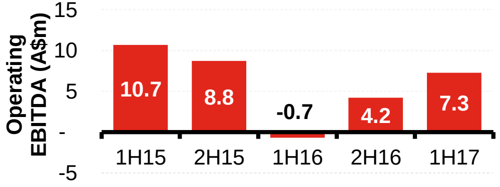
Utilisation[1]



Operating cash flow



Operating EBITDA



EBITDA in 1HFY17 is above revenue due to the reversal of a doubtful debt that was provided for in the previous year but was collected in 1HFY17

Notes:

1. Excludes non-current assets held for sale

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Financial Performance

FINANCIAL SUMMARY

45% increase in operating EBITDA, 38% operating EBITDA margins achieved

- Increased utilisation in Emeco's Australian operations combined with ongoing cost savings have driven improved financial performance
- 1HFY17 operating revenue of $87.8m, down 19.5% on pcp
  - Decline in revenue primarily due to the restructuring of the Canadian business and lower than expected operating utilisation in Chile
- 1HFY17 operating EBITDA of $33.6m up 45% on 1HFY16
  - Cost reduction initiatives and ongoing focus on operational excellence driving improvement in operating EBITDA margin to 38.3% (1H16: 21.3%)
- 1HFY17 Operating EBIT of $3.5m
  - 1HFY17 represents the first half of positive EBIT for Emeco since 2HFY13

Operating Financial Performance

A$ million	1H16	1H17	Change on pcp
Operating Revenue	109.1	87.8	▼19.5%
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Net cash flow	(3.3)	9.0	*na*

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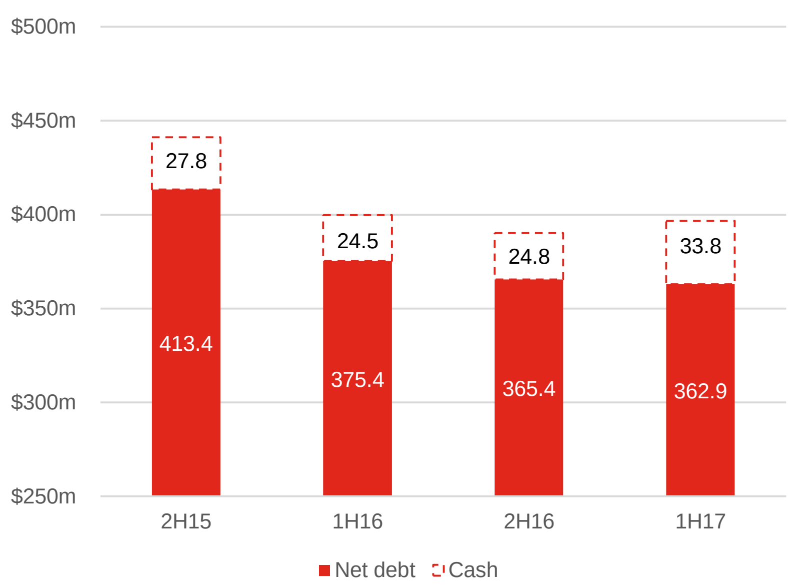
BALANCE SHEET

Net debt reduced

- Net debt decreased over this period from $365.4 million to $362.9 million
- Total debt increased to $396.7 million at 31 December 2016 driven by a depreciation of the Australian dollar against the US dollar denominated 144A notes
- 31 December 2016 cash balance of $33.8 million with the ABL undrawn at this date. Bank guarantees totalling $11.8 million are utilised against the facility
- Emeco's current notes mature in March 2019 and its Asset Backed Loan (ABL) facility in December 2017
- Recapitalisation and mergers provides a sustainable capital structure
    - New senior secured notes will mature in FY22
    - New ABL will mature in FY20
    - Net debt / FY16 pro-forma EBITDA reduced to 4.4x
    - FY16 pro-forma interest coverage ratio improves to 2.5x
- Focus on managing cash and deleveraging in the future

Net debt



CASH FLOW

Positive net cash flow achieved during the period

Overview

- Positive net cash flow of $9.0 million achieved
- Cash flow from underlying operations of $19.5 million, down from $25.2 million in pcp driven by an increase in working capital predominately due to an increase in receivables
- Reduction in net finance expense in 1HFY17 due to repurchase of notes using proceeds from the closure of hedge instruments
- Over the period Emeco closed its remaining hedging instruments releasing $15.2 million of cash
- Net capital expenditure during the period was $6.9 million, comprising $12.0 million in capital expenditure and $5.1 million in disposals
- Cash position supported by innovative cashless asset swap during 1HFY17

A$ million	1H16	1H17
Cash from underlying operations	25.2	19.5
Net finance expense	(24.3)	(17.1)
Closure of hedge instruments	48.2	15.2
Other[1]	6.1	-
Cash flow from operations	**55.2**	**17.7**
Disposals	8.7	5.1
Payments for PP&E	(21.8)	(12.0)
Cashflow from investing activities	**(13.1)**	**(6.9)**
Cash flow from financing activities and FX	**(45.4)**	**(1.8)**
Net cash flow	**(3.3)**	**9.0**

Notes:

1. Includes tax refund received ($4.0 million) and net cash flow from discontinued operations ($2.0 million)

Strategy and Outlook

RECAPITALISATION AND MERGER UPDATE

Transaction on track and integration planning well progressed

Indicative key dates

▪ 13 March 2017	Creditors Scheme Meeting and Extraordinary General Meeting of Shareholders in Sydney
▪ 15 March 2017	Scheme second court date
▪ 21 March 2017	Launch rights offer
▪ 27 March 2017	Release rights offer booklet
▪ 31 March 2017	Completion date
▪ 13 April 2017	Shares issued under rights offer

Compelling strategic rationale

- Enhance Emeco's market position
- 25% reduction in average fleet age
- Deleverages Emeco and increases its interest coverage
- Extends Emeco's debt (144A notes and asset backed loan) maturity

Integration planning well advanced

- Well placed and prepared to combine the three businesses and deliver synergies post-completion

INNOVATION AND TECHNOLOGY

Widening our value proposition and deliver on innovative equipment solutions utilising our EOS technology

Emeco works with existing and potential customers to identify cost reduction and productivity improvement opportunities as part of a series of debottlenecking projects

- Measure customer baseline operating performance
- Benchmark customer performance against comparable peer mines globally
- Identify specific facets of the equipment production cycle which present opportunities for operational improvement
- Work with the customer to agree target improvement areas (levers) and set realistic performance goals
- Develop simple and appropriate real time reports (widgets), tailored for each level of management, so customers can “measure to manage” each of these levers, with a view of increasing productivity and reducing costs
- Work with the customers to help improve operational performance (eg. alter bucket or tray size, operator simulator training)
- Customer signs off on productivity improvement and cost savings

Customer operating performance re-measured which becomes the new baseline and the above process is repeated

STRATEGY AND OUTLOOK

Clear strategic focus

2HFY17 objectives

- Increase operating utilisation
- Execute and integrate merger with Orionstone and Andy's

Ongoing strategic goals

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❶ Financial discipline

- Continued focus on reducing balance sheet leverage and capital structure optimisation
- Ongoing cost discipline
- Extract merger opex and capex synergies

❷ Innovation

- Accelerate rollout and increase investment in EOS technology
- Widen Emeco's value proposition through a focus on improving equipment productivity
- Expand the use of EOS as a tool to monitor and extend component life

❸ Industry leadership

- Lead the industry in:
  - Innovative Asset Management
  - Excellence in site based maintenance
  - Utilising EOS to improve customers performance through increased productivity and reduced cost

❹ Sustainable growth

- Build a portfolio of projects where Emeco provides full mining fleet
- Pursue strategic M&A opportunities with a focus on enhancing our value proposition
- Develop relationship with strategic partners that are better suited to large scale investment in assets

❺ Underpinned by our continuous focus on operational excellence

Production
Optimisation
Technology

Thank you

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