

15 February 2018

ASX: EHL ('EMECO' OR 'THE COMPANY')

Favourable amendments to Emeco's 2022 Notes

- **Amendments to the Indenture relax capital expenditure, indebtedness and cash sweep covenants**
- **Reflect Emeco's enlarged fleet and improved market conditions**
- **Continued focus on further deleveraging**

Emeco today announces that it has secured the requisite consent of the holders of its 9.250% senior secured notes due 2022 (**Notes**), to certain amendments to the indenture governing its Notes (**Indenture**).

The amendments to the Indenture are as follows:

- The limit on permitted Capital Expenditures will increase to A\$100 million per annum and will exclude Capital Expenditures financed with proceeds from asset disposals;
- Cash advance and bank guarantee sub-limits will be removed from the limitation on debt facilities; and
- Minor technical changes will be made to ensure proceeds remaining following completion of various cash sweep offers are treated similarly and not subject to subsequent sweeps.

No fee will be paid to noteholders for consent to the amendments.

Since agreement to the terms of the Indenture in 2017, Emeco has improved its operational and financial performance (partly through the acquisition of Force), increased its fleet size and seen an improvement in market conditions. This has resulted in an increase in the Company's capital expenditure requirements.

Emeco has also significantly reduced its leverage from 6.7x in FY16 prior to the issue of the Notes to 2.6x¹ on a pro forma run rate basis.

Ian Testrow, Emeco Managing Director and CEO, said: "The covenant amendments will allow Emeco to maintain and optimise its larger fleet, provide the Company with additional financial and operational flexibility and allow it to take advantage of the market uptick and growth opportunities. However, notwithstanding this, management will continue to maintain its strict financial discipline and continue its aggressive focus on deleveraging. The favourable amendments to the Indenture will further assist us in continuing to create long-term value for shareholders."

Mr Testrow concluded: "I would like to thank our noteholders for their strong ongoing support."

The amendments will become effective upon the trustee receiving evidence of the requisite consents and executing a supplemental indenture.

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¹ Pro forma run rate leverage based on pro forma operating EBITDA calculated as 2Q18 Group operating EBITDA (including one month contribution from Force) annualised plus two-thirds of Force's FY17 operating EBITDA.

Investor enquiries

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Established in 1972, Emeco is the world's largest, independent mining equipment rental business and currently services major resource projects across Australia. Emeco operates a global fleet of OEM machines to deliver the most effective equipment rental and maintenance solutions for its customers. Emeco is a publicly listed company on the Australian Securities Exchange (ASX:EHL)

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