

16 July 2018

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

Fourth Quarter Operational Update and Unaudited FY18 result

- **Emeco continued to improve its operating and financial performance in 4Q18:**
 - 4Q18 operating EBITDA (unaudited) of A\$45.0 million, up 10% from A\$41.0 million in 3Q18
 - 4Q18 operating EBITDA margin (unaudited) of 41.4%, up 90bps from 40.5% in 3Q18
- **Strong full year performance:**
 - FY18 operating EBITDA (unaudited) of A\$153.0 million, up 83% from A\$83.5 million in FY17
 - FY18 operating EBIT (unaudited) of A\$83.2 million, up 593% from A\$12.0 million in FY17
- **Further deleveraging with FY18 net debt / pro forma run rate operating EBITDA¹ of 2.0x**

Emeco is pleased to provide a trading update and preliminary unaudited results for the fourth quarter and 2018 financial year.

In 4Q18, Emeco increased operating EBITDA margins to 41.4% (up 90bps on 3Q18), generating operating EBITDA of A\$45.0 million (up 10% on 3Q18). This was largely due to the ramp up of new projects increasing operating utilisation to 62% at the end of the fourth quarter.

For the 2018 financial year, Emeco increased operating EBITDA to A\$153.0 million (up 83% on FY17). FY18 operating EBIT also increased significantly to A\$83.2 million (up 593% on FY17).

Emeco continued to further deleverage its balance sheet in FY18 and reduced net debt / pro forma run rate operating EBITDA¹ to 2.0x.

Mr Ian Testrow, Emeco CEO and Managing Director, commented: "Emeco has sustained its strong performance in the fourth quarter, with continued increases in operating utilisation and operating EBITDA. I am looking forward to releasing Emeco's full year results which will report operating EBIT increasing six times on FY17 and significant cash generation. We expect to continue to build earnings into FY19, particularly after completion of the Matilda Equipment acquisition earlier this month."

In line with market practice, Emeco will no longer provide regular quarterly operating updates, however will continue to update the market as necessary, in accordance with its continuous disclosure obligations.

Emeco is scheduled to report its full year results on 21 August 2018.

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¹ Pro forma operating run rate EBITDA calculated as annualised sum of 4Q18 Emeco operating EBITDA and 3Q18 Matilda Equipment 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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