

15 November 2018

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

## Chairman's Annual Address to Shareholders

Ladies and gentlemen,

Good afternoon and welcome to the 2018 Annual General Meeting of Emeco Holdings Limited. My name is Peter Richards and I am the Chairman of Emeco.

As a quorum is present, I formally declare this meeting open.

Firstly, I would like to introduce the board. On my left, we have Ian Testrow, Emeco's Chief Executive Officer and Managing Director. Also to my left is Darren Yeates. To my right is Keith Skinner. Unfortunately, Peter Frank, our US based director could not join us today and sends his apology.

Also here with the board today is Justine Lea, Emeco's Chief Financial Officer, Penny Young, Emeco's Company Secretary and Thao Pham, Emeco's Chief Strategy Officer.

The 2018 financial year saw a significant improvement in Emeco's financial and operating performance, with a return to a positive operating NPAT for the first time since FY13. Emeco continued to execute on its growth strategy in FY18 by taking advantage of the market uptick, controlling costs, acquiring Force Equipment and entering an agreement to acquire Matilda Equipment. Both these acquisitions were fully funded through equity raises and this has accelerated the Company's deleveraging.

Emeco's Total Shareholder Return (TSR) for the 2018 financial year was 268%, relative to the ASX 200 of 13%.

Emeco maintains its commitment to safety, with a further reduction to our total recordable injury frequency rate over FY18 to 1.2 from 2.2.

Management, together with the broader Emeco team, have worked tirelessly in order to achieve these results and the board strongly believe that they should be rewarded accordingly for their achievements while also incentivised to continue to create value for all shareholders.

I am very proud to see Emeco has re-entered the ASX200 and believe the proposed share consolidation will result in the company appealing to a broader investor base, providing additional liquidity and reducing share price volatility.

Ian Testrow and his management team have been integral to Emeco's success by driving ongoing business improvement initiatives, maintaining strong discipline in operating costs and capital expenditure, and making transformational acquisitions.

As a result, the board was pleased to agree to the terms of Ian's extension as CEO and Managing Director, from 2020 to 2023. The board believes it is particularly important to retain Ian to lead the continued growth and deleveraging of Emeco and position the Company appropriately to successfully refinance our notes maturing in 2022. Through the allocation of management shares, the board has put forward a package which clearly and strongly aligns Ian's interest with the long term interests of Emeco shareholders and incentivises Ian to remain with the Company through this period to drive further growth and shareholder value.

On behalf of the Board, I would like to acknowledge the hard work and contribution all of Emeco's employees have made over the past year to improve operating and financial performance. I would also like to thank all of my fellow non-executive directors for their time and commitment to the Company.

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And finally, I would like to thank our shareholders for the support you have provided to the Company throughout the year, particularly the strong support to the two recent equity raises. We value your continued support.

Peter Richards  
Chairman

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