

28 November 2019

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

Favourable amendments to Emeco's 2022 Notes

- **Amendments to the notes to better align with standard market terms in the US high yield bond market, the stronger financial standing of Emeco and improved market conditions**
- **Emeco remains committed to its deleveraging strategy, with leverage expected to be 1.5x by the end of FY20, and targeting 1.0x by the end of FY21**

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 terms of the Notes.

As part of the three-way merger and recapitalisation of Emeco in 2017 (**2017 Transaction**), the Notes contained a number of bespoke restrictions and reflected the circumstances of the 2017 Transaction, the financial position of the Company at the time and the noteholders at the time.

Following the 2017 Transaction, Emeco has achieved continued strong operational and financial performance and experienced significant growth whilst also deleveraging the business.

As a result, management has successfully negotiated an amendment to the capital expenditure and permitted indebtedness covenants to better align with standard market terms, subject to Emeco maintaining or improving its leverage or consolidated coverage ratios.

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

Ian Testrow, Emeco Managing Director and CEO, said: "The amended terms provide Emeco with enhanced flexibility to continue to grow the business to create shareholder value. Management and the Board remain committed to further deleveraging the balance sheet, with leverage expected to be 1.5x by the end of FY20, and targeting 1.0x by the end of FY21."

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

The amendments will become effective upon the Note trustee executing a supplemental indenture.

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Investor enquiries

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