

6 May 2021

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

Board approves capital management policy

The Board of Emeco is pleased to announce its capital management policy.

The capital management policy allocates 25-40% of operating net profit after tax to capital management initiatives each year. The policy will take effect following the end of the 2021 financial year, on a pro rata basis for the second half.

The Board will assess the relative benefits of dividends, making use of Emeco's franking credits of \$85 million, and share buybacks, based on our share price and valuation, at the time the payments are approved in order to maximise shareholder value.

CEO and Managing Director, Ian Testrow, commented: "This capital management policy marks the next phase of Emeco's evolution where our strong balance sheet and cash flow supports the recommencement of returning funds to shareholders. The Company is in a sound position both financially and operationally, with a positive outlook ahead. Emeco has come a long way over recent years and we are excited to continue the journey as a business which makes regular payments to shareholders, as we maximise shareholder value through the cycle.

"Our aim is to provide a sustainable distribution stream to shareholders, utilising our available capital as well as our franking balance, whilst also taking into consideration our share price and valuation and ensuring that we prudently deploy our capital to support growth in a disciplined way."

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Investor enquiries

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This announcement was authorised to be provided to the ASX by Penny Young, Company Secretary of Emeco Holdings Limited