

3 February 2022

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

1H22 Financial Update, Guidance and Capital Management Update

Highlights

- The Board of Emeco today releases an update on financial performance for 1H22 which is within guidance range provided at the AGM and formalises guidance for FY22.
 - 1H22 Operating EBITDA \$122m within guidance of \$120-125 million
 - FY22 Operating EBITDA range of \$250-260 million
- Emeco establishes a share buyback program under the 10/12 limit as defined by the Corporations Act.

Financial Update and Guidance

Emeco advises 1H FY21 Operating EBITDA of \$122 million which is within the range of \$120-125 million provided at the Company's AGM on 18 November 2021.

This is a solid result notwithstanding the adverse impact of significant weather events across New South Wales and Queensland late in 1H which reduced customer activity and fleet utilisation in the Eastern Region Rental segment. Western Region Rental performed well despite the continued tightening of labour markets due to COVID-19 border closures in WA. Pit N Portal continues to grow revenue strongly as several new projects were won and commenced in the half. Workshops performance was steady with increased external customer activity.

The Board provides guidance for Operating EBITDA for FY22 of \$250-260 million.

The Board notes that the ongoing impact of impact of tighter labour markets and absenteeism as a result of COVID-19 will continue to be managed carefully. To date NSW appears to be stabilising, however we remain cautious on QLD and SA. The impact of an eventual WA border opening will require close monitoring.

Emeco Managing Director and CEO Mr Ian Testrow commented: "Emeco continues to perform well with the team working closely with our customers to navigate our business through the weather and labour issues which have impacted the mining industry across Australia. We maintain a strong balance sheet, continue to generate strong operating and free cash and remain alert to opportunities to further execute on our strategy."

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Capital Management

Emeco reaffirms its policy of allocating 25-40% of operating net profit after tax in each year to capital management initiatives. The Board will consider the relative benefits of dividends making use of the Company's franking credits and share buybacks based on the prevailing share price and valuation to maximise shareholder value.

The composition of the semi-annual capital management payments remains at the Board's discretion and will be announced on 16 February 2022 with the 1H21 results.

The attached Appendix 3C establishes an on-market buyback program of up to 10% of issued capital to be executed over 12 months. This buyback program gives the Company additional flexibility to purchase on-market within the 10/12 limit where the Company considers the share price remains undervalued and the Company's liquidity and outlook continue to remain positive.

1H22 Results Release and Webcast

Emeco will release its financial results for 1H22 on Wednesday 16 February. Managing Director and CEO, Ian Testrow, and Interim CFO, Thao Pham, will present the results and outlook on a webcast commencing at 11am Sydney time / 8am Perth Time.

<http://www.openbriefing.com/OB/4481.aspx>

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