

25 August 2020

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

Not for distribution to US newswire services or distribution in the United States

Successful completion of Institutional Entitlement Offer

- **Total of approximately A\$111 million raised under the Institutional Entitlement Offer at A\$0.85 per New Share**
- **Strong support from existing eligible institutional shareholders with take up of 94% from existing eligible institutional shareholders under the Institutional Entitlement Offer**
- **Retail Entitlement Offer to raise approximately a further A\$38 million**
- **Retail Entitlement Offer to be open from Monday, 31 August 2020 until 5.00pm (Sydney time) Tuesday, 15 September 2020**
- **Equity Raising is part of comprehensive package of capital structure initiatives, which will enable Emeco to fully focus on the evolution of its business**
 - **Significantly reduces Emeco's gross debt and net leverage ratio to 0.9x¹, strengthening Emeco's balance sheet to provide flexibility and support future growth**
 - **Reduces interest cost by A\$19 million per annum**
 - **Remaining notes maturity extended to 2024, eliminating 2022 refinancing task, and can be refinanced at any time before maturity**

COMPLETION OF INSTITUTIONAL ENTITLEMENT OFFER

Emeco is pleased to announce the successful completion of the institutional component (**Institutional Entitlement Offer**) of its 1-for-2.10 pro-rata accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new shares (**New Shares**) which was launched on Monday, 24 August 2020.

The Institutional Entitlement Offer raised a total of approximately A\$111 million through the issue of approximately 131 million New Shares at A\$0.85 per New Share (**Offer Price**) and was strongly supported by existing eligible institutional shareholders, who took up approximately 94% of their entitlements.

There was also strong demand received from Emeco's existing institutional shareholders and new institutional investors for the institutional shortfall, comprising entitlements that were not taken up under the Institutional Entitlement Offer, or were not capable of being taken up due to ineligibility.

¹ Net Debt / Operating EBITDA (before the impact of AASB16 Leases).

For personal use only

New Shares issued under the Institutional Entitlement Offer will rank equally with existing shares on issue and are expected to be allotted on Wednesday, 2 September 2020. Trading will commence on a normal settlement basis on the Australian Securities Exchange (**ASX**) on the same day.

Emeco Managing Director and CEO, Mr Ian Testrow, said: “It is very pleasing to see extremely strong support from our shareholders in response to our comprehensive package of capital structure initiatives. The complete capital structure solution will see our gross debt reduced significantly and our 2022 refinancing task eliminated, setting Emeco up for future success.”

RETAIL ENTITLEMENT OFFER

The retail component of the Entitlement Offer seeks to raise approximately a further A\$38 million through a 1-for-2.10 pro-rata non-renounceable entitlement offer (**Retail Entitlement Offer**) of approximately 44 million New Shares at A\$0.85 per New Share.

The Retail Entitlement Offer will open on Monday, 31 August 2020 and close at 5.00pm (Sydney time) on Tuesday, 15 September 2020.

Eligible retail shareholders with registered addresses in Australia or New Zealand on the record date of 7.00pm Wednesday, 26 August 2020 (Sydney time) (**Record Date**), have the opportunity to apply for New Shares at the Offer Price.

The terms and conditions under which eligible retail shareholders may apply are outlined in the retail offer booklet (**Retail Offer Booklet**) expected to be lodged with the ASX on Monday, 31 August 2020 and despatched to eligible retail shareholders on the same day. In deciding whether or not to participate in the Retail Entitlement Offer, eligible retail shareholders should read the Retail Offer Booklet carefully.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

The Retail Offer Booklet and the accompanying personalised entitlement and acceptance form will contain instructions on how to apply by the closing date of Tuesday, 15 September 2020

OFFER TIMETABLE

Key dates for the Entitlement Offer are set out below. All dates and times are references to Sydney, Australia.

Event	Date (Sydney time)
Trading halt lifted and trading resumes on an “ex-entitlement” basis	Tuesday, 25 August 2020
Record Date for determining Eligible Shareholders under the Entitlement Offer	7:00pm Wednesday, 26 August 2020
Retail Entitlement Offer opens and Retail Offer Booklet despatched	Monday, 31 August 2020
Settlement of New Shares issued under the Institutional Entitlement Offer	Tuesday, 1 September 2020
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	Wednesday, 2 September 2020
Retail Entitlement Offer closes	5.00pm Tuesday, 15 September 2020
Settlement of Retail Entitlement Offer	Monday, 21 September 2020

For personal use only

Allotment of New Shares issued under the Retail Entitlement Offer Tuesday, 22 September 2020

Retail Offer Shares commence trading on ASX (normal basis) Wednesday, 23 September 2020

Despatch of holding statements for New Shares issued under Retail Entitlement Offer Thursday, 24 September 2020

Note: The timetable above is indicative only and may be subject to change. Emeco reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Emeco reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

Further information

Further details of the Entitlement Offer are set out in the investor presentation also provided to the ASX today. The investor presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

If you have any questions in relation to the Entitlement Offer, please contact the Emeco Entitlement Offer Information Line on 1800 689 300 (within Australia) or +61 1800 689 300 (outside of Australia) between 8:30am and 5:00pm (Sydney time) Monday to Friday. For other questions, you should consult your broker, solicitor, accountant, financial adviser, or other professional adviser.

Goldman Sachs Australia Pty Ltd and Macquarie Capital (Australia) Limited are acting as Joint Lead Managers and Underwriters of the Offer (the **Underwriters**) and Hogan Lovells is acting as legal adviser to Emeco.

– END –

Investor enquiries

Sam Byford
Investor Relations Manager
+61 8 9420 0222

Level 3, 71 Walters Drive, Osborne Park WA 6017, Australia
PO Box 1341, Osborne Park DC WA 6916, Australia
Emeco Holdings Limited ACN 112 188 815
emecogroup.com

T +61 (0) 8 9420 0222
F +61 (0) 8 9420 0205
E corporate@emecogroup.com

This announcement was authorised to be provided to the ASX by Penny Young, Company Secretary of Emeco Holdings Limited. All dollar amounts are in Australian dollars unless otherwise indicated.

Disclaimer

This announcement has been prepared for publication in Australia and may not be released or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

This announcement contains certain "forward looking statements". Forward looking statements can generally be identified by the use of forward looking words such as, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, indications of, or guidance or outlook on, future earnings or financial position or performance of Emeco the

outcome and effects of the Offer and the use of proceeds. The forward looking statements contained in this announcement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and other factors, many of which are beyond the control of Emeco, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct. Refer to the risks section of this announcement for a summary of certain general and Emeco specific risk factors that may affect Emeco.

There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward looking statements, including the risk factors set out in this announcement. Investors should consider the forward looking statements contained in this announcement in light of those disclosures and not place reliance on such statements. The forward looking statements are based on information available to Emeco as at the date of this announcement. To the maximum extent permitted by law, Emeco and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Except as required by law or regulation (including the ASX Listing Rules), Emeco undertakes no obligation to provide any additional or updated information whether as a result of new information, future events or results or otherwise. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward looking statements.