Emeco Holdings secures A$75M loan

Emeco Holdings (ASX:EHL) has secured a new A$75 million asset backed loan to refinance its existing A$50 million syndicated debt facility.

The new loan operates as a borrowing base facility, providing the company with more flexible terms and conditions than those under the previous syndicated debt facility.

It has no maintenance covenants unless the facility is more than 50% drawn, at which stage it requires Emeco to have an income cover ratio of 1.25 times and gearing of less than 65%.

This is also better suited to work in conjunction with the company's existing US$335 million 144A bond issue.

Emeco has a cash balance of about A$30 million.

The mining equipment rental business currently services major resource projects across Australia, Canada and Chile.

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