

November 21, 2018



EnviroStar, Inc. Announces Chairman's Letter to Stockholders

MIAMI--(BUSINESS WIRE)-- EnviroStar, Inc. (NYSE American: EVI), a leader in the commercial, industrial, and vended laundry industry sent the following letter to stockholders from the Company's Chairman and Chief Executive Officer.

A Letter from the Chairman and Chief Executive Officer of EnviroStar, Inc.(NYSE American: EVI):

To Our Stockholders: Thank you for your investment in and support of EVI. I am pleased to share with you that EVI accomplished another year of strong financial performance and significant progress towards achieving our goals of building a multibillion dollar enterprise and delivering significant shareholder value over the long-term. Our goals take time, patience, and thoughtful execution to achieve, and to appreciate the merits of our approach, I want to highlight our key accomplishments over the last two fiscal years, our financial position, and our reputation, which we believe has us positioned to achieve the next level of growth.

Acquisition Growth: Since the implementation of our buy-and-build growth strategy in 2015, EVI has completed ten acquisitions, including five during fiscal 2017 and 2018, and already another five during our current fiscal year 2019. Today, we own eleven commercial, industrial, and vended laundry distributors and service providers in North America. We have earned a reputation as a knowledgeable, capable, and friendly acquirer and business owners continue to be compelled by the opportunity of joining our company. Thus, we maintain a variety of acquisition and other strategic opportunities, both in our industry and in related industries that represent products and services complementary to ours.

Owners and Leaders, Not Sellers: Although we pursue acquisition opportunities regardless of ownership profile, we have focused on entrepreneur owned businesses. Nobody knows better the potential of our businesses than the entrepreneurs that built them in the first place. The entrepreneurs endorse our growth strategy and the future prospects of our acquired businesses with the financial and leadership commitment they make to EVI. To date, the owners of our ten acquired businesses accepted approximately 46% of the contractual consideration paid in EVI stock. Moreover, twelve of the fourteen original owners continue to lead their businesses under our decentralized operating model and the average age of these owners is 53.

Financial Performance: For the fiscal year ended June 30, 2018, EVI generated revenue, net income, and Adjusted EBITDA of approximately \$150 million, \$4.0 million, and \$10.1 million, respectively. These results represent an increase in revenue, net income, and

Adjusted EBITDA of 317%, 128%, and 254%, respectively, compared to the fiscal year ended June 30, 2016, and 60%, 25%, and 59%, respectively, compared to the fiscal year ended June 30, 2017. Additionally, pro forma revenue for fiscal 2018 reflecting the three acquisitions consummated during fiscal 2018 was approximately \$177 million.

It is important to note that while we own eleven businesses, our longest ownership of an acquired business is just twenty-five months, the shortest is less than one month, and the average is eight months. Additionally, in connection with our growth efforts and the compliance standards applicable to us based on the increased size of our public company, our financial results also reflect investments at the corporate level, including costs related to adding experienced personnel and engaging national professional service firms to support our growing size and scale. Consequently, at no point since the implementation of our buy-and-build growth strategy have our financial results included twelve months of all of our acquired businesses nor do we believe that they reflect the full potential of our company as a consolidated enterprise.

Today, our leaders collaborate on and pursue organic opportunities including new brand representations, new product categories, new services, new capabilities, and new territories both in our industry and in related industries. Additionally, our leaders are pursuing opportunities to create new efficiencies and improved productivity through investments in technology. Ultimately, the strength of our organization are the entrepreneurs and professional managers that lead our businesses and I have great confidence in their ability to create more growth, profitability, and efficiency from our existing and future operations.

Financial Strength: Another EVI strength is our ability to effectively allocate capital while exercising financial discipline. Between October 10, 2016 and September 30, 2018, we completed seven acquisitions for which we paid net contractual consideration of \$65.5 million, using \$33.1 million of stock and \$32.4 million of cash. On September 30, 2018, EVI had net debt of \$19.5 million after having deployed \$32.4 million of cash for acquisitions, primarily sourced from bank borrowings, and after having paid a total of approximately \$2.4 million of dividends during fiscal 2017 and 2018. Our modest level of debt is a testament to our prudent capital allocation strategy and to the favorable working capital dynamics of our business.

The combination of completing numerous acquisitions, delivering increasingly positive financial performance, and maintaining a healthy balance sheet earned us the confidence of multiple lenders, as evidenced by the new \$100 million credit facility we secured during November 2018, which includes the option to increase the facility to a total of \$140 million. We believe that this new credit facility will provide us with additional financial flexibility to support our future growth.

A Proven Formula: As a result of disciplined execution of our growth strategy during the last two years, we acquired ten businesses, we built an effective team of owners and leaders, we delivered attractive financial performance while investing in human and strategic resources, and we maintained financial strength. These results demonstrate that our buy-and-build growth strategy is a proven formula for future success.

The Future: Our customers primarily purchase commercial and industrial laundry equipment, parts, and services, but they also purchase supplies and consumables, and material handling, power generation, and water heating, purification, and recycling

equipment, parts, and related installation and maintenance services. Customer demand for utility, water, labor, energy, and environmental savings is driving technological innovations to the products and services we promote. This demand results in increased customer reliance on our professionals to fulfill more sales, installation, and maintenance service requirements. Ultimately, these products and services represent multibillion dollar industries, which we believe are addressable markets with attractive fundamentals and long-term growth prospects for our businesses.

In the years ahead, we intend to continue the thoughtful execution of our growth strategy, including the acquisition of quality businesses and the realization of organic growth and new levels of efficiency and productivity through collaboration and the successful tech-enablement of our businesses.

Let me close by expressing my gratitude to the entrepreneurs and valued employees who have joined and are an integral part of EVI, and to all of our shareholders for their support of our company. I trust you share my excitement about EVI's growth record and our prospects for a promising future, and I hope you can join us at the 2018 Annual Meeting of Stockholders on December 11, 2018 in Miami, FL.

Sincerely,

Henry M. Nahmad

Chairman and Chief Executive Officer

EnviroStar, Inc.

About EnviroStar

EnviroStar, Inc., through its wholly-owned subsidiaries, is a distributor that sells, leases, and rents commercial, industrial, and vended laundry and dry cleaning equipment and steam and hot water boilers manufactured by others, supplies related replacement parts and accessories, designs and plans turn-key laundry, dry cleaning, and boiler systems, and provides installation and maintenance services to thousands of customers, which include commercial, industrial, institutional, government, and retail customers. These activities are conducted in the United States, Canada, the Caribbean and Latin America.

Forward-Looking Statement

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by use of the words "may," "will," "believes," "expects," "anticipates," "intends," "plans," "estimates," "projects," "could," "would," "should" or similar expressions or statements. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward-looking statements. Forward-looking statements are based largely on the expectations, beliefs and assumptions of EVI's management and on the information currently available to it and are subject to a number of risks and uncertainties that may affect EVI, including its future plans, operations, business, strategies, prospects, operating results and financial position. These risks and uncertainties include without limitation: the risks related to EVI's business, results,

profitability, financial condition, growth, growth strategy, prospects and goals, including EVI's ability to achieve its goals and create growth from existing or future operations, risks related to EVI's ability to successfully build its existing operations, risks related to organic growth initiatives, including that such initiatives may not drive growth or efficiencies or otherwise be successful or have a positive impact on EVI's financial condition or results of operations, risks associated with the EVI's buy and build growth strategy, including that EVI may not be successful in identifying or consummating acquisitions or other strategic opportunities, that the potential benefits of acquisitions may not be realized to the extent anticipated or at all, integration risks, risks related to indebtedness incurred in connection with acquisitions, dilution experienced by EVI's stockholders as a result of shares issued in connection with acquisitions, and risks related to the business, operations and prospects of acquired businesses, risks related to EVI's and its acquired businesses' relationships with principal suppliers and customers and the impact that the loss of any principal supplier or customer could have on EVI's results and financial condition, risks relating to EVI's ability to successfully enter into and compete effectively in related industries as well as trends related to those industries and the timing of any such efforts, risks related to EVI's expenses in connection with its growth efforts and public company compliance and other expenses, including that they may be greater than anticipated, the risk that EVI's business and growth strategies and plans may change from those currently contemplated, risks related to EVI's indebtedness, including increases in its debt position and EVI's ability to use borrowings to support its growth initiatives, and other economic, competitive, governmental, technological and other risks and factors, including those described in the "Risk Factors" section of EVI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018 or elsewhere in EVI's filings with the Securities and Exchange Commission. Many of these risks and factors are beyond EVI's control. In addition, pro forma information is prepared based on a number of assumptions and using certain pro forma adjustments, is presented for illustrative purposes only, and may not be indicative of what EVI's actual results would have been had the transactions occurred on the date assumed or of EVI's results for any future period. Further, past performance of EVI and its acquired businesses and perceived trends may not be indicative of future results. EVI cautions that the foregoing factors are not exclusive. The reader should not place undue reliance on any forward-looking statement, which speaks only as of the date made. EVI does not undertake to, and specifically disclaims any obligation to, update or supplement any forward-looking statement, whether as a result of changes in circumstances, new information, subsequent events or otherwise, except as may be required by law.

Notes

This letter includes references to Adjusted EBITDA, which is a non-GAAP financial measure. For information about EVI's Adjusted EBITDA, including how EVI defines Adjusted EBITDA, the reasons why EVI considers its Adjusted EBITDA, and a reconciliation of Adjusted EBITDA to net income, the most comparable GAAP financial measure, please see EVI's press release dated September 13, 2018, which is available in the "Investors-Press Releases" section of EVI's website at www.envirostarinc.com.

The pro forma revenue referenced in this letter was calculated as if each of the three acquisitions completed during fiscal 2018 was consummated on July 1, 2017 and based on other assumptions and adjustments described in EVI's Annual Report on Form 10-K for the fiscal year ended June 30, 2018, which is available in the "Investors-SEC Filings" section of

EVI's website at www.envirostarinc.com and on the SEC's website at www.sec.gov.

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