

Engenco

FEBRUARY 2019 INVESTOR PRESENTATION

Presented by: Vince De Santis (Chairman)
and Kevin Pallas (Managing Director & CEO)



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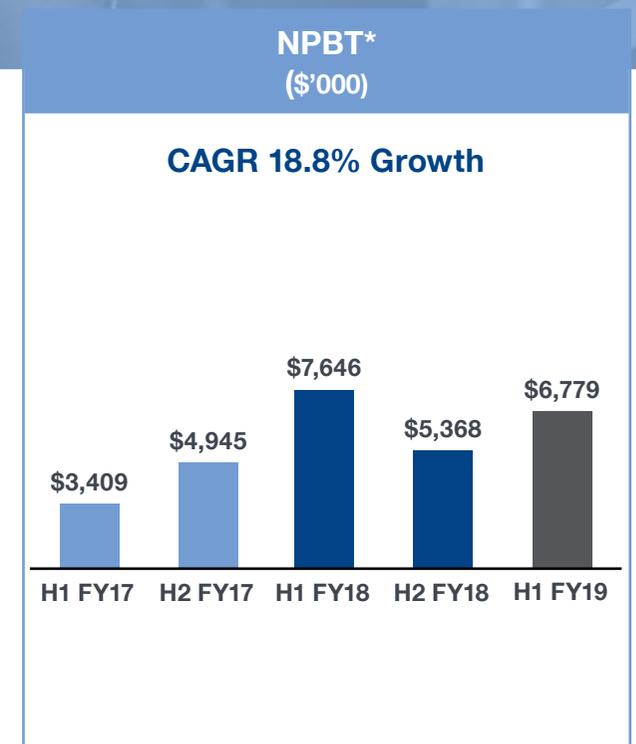
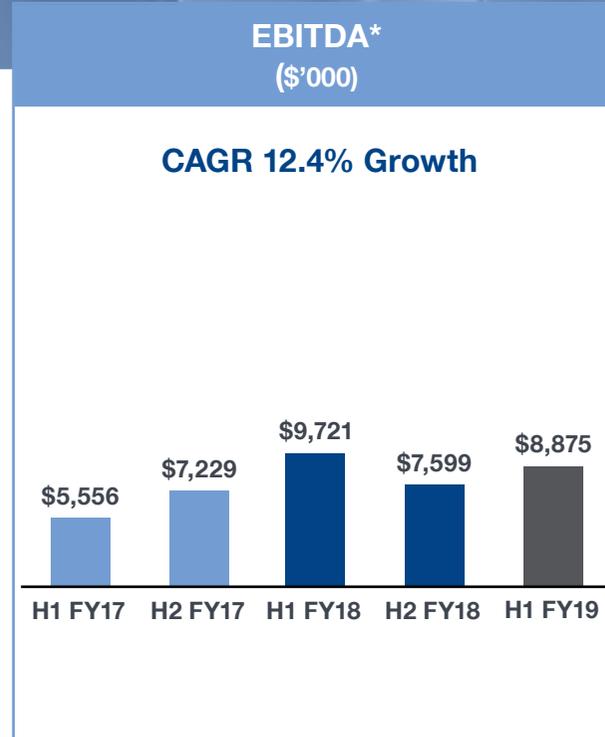
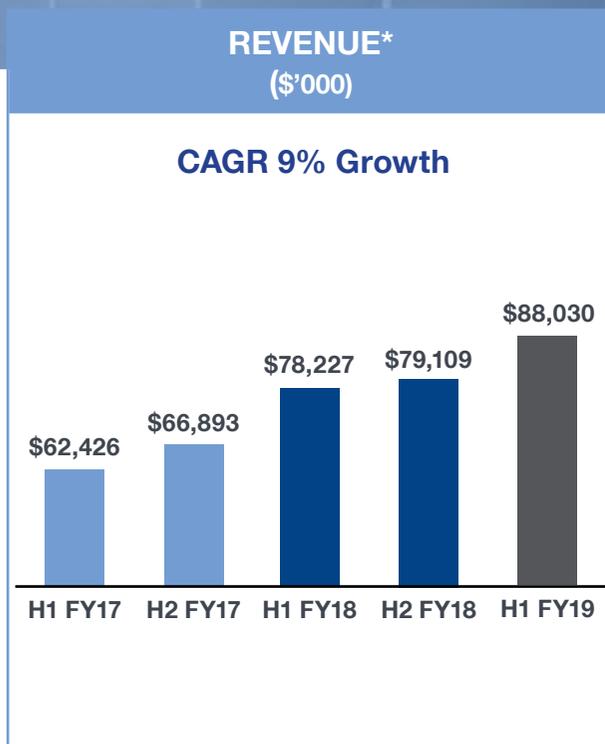


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COMPANY HIGHLIGHTS



Track record of growth together with reinvestment to drive additional opportunities

* from continuing operations

COMPANY HIGHLIGHTS

	Dec 2018 \$'000	Dec 2017* \$'000
Revenue from continuing operations	88,030	78,227
EBITDA from continuing operations	8,875	9,721
EBIT from continuing operations	6,964	7,897
Profit / (loss) after tax from continuing operations	6,510	7,540
Net operating cash flow	4,618	5,008
Net assets*	76,450	73,218
Net cash / (debt)*	8,633	8,318

* Net assets and Net cash / (debt) comparatives are as at 30 June 2018.



\$6,510,000

Total profit for the Period



\$4,618,000

Net operating cash flow



2.08c

Basic earnings per share

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

TOTAL ASSETS

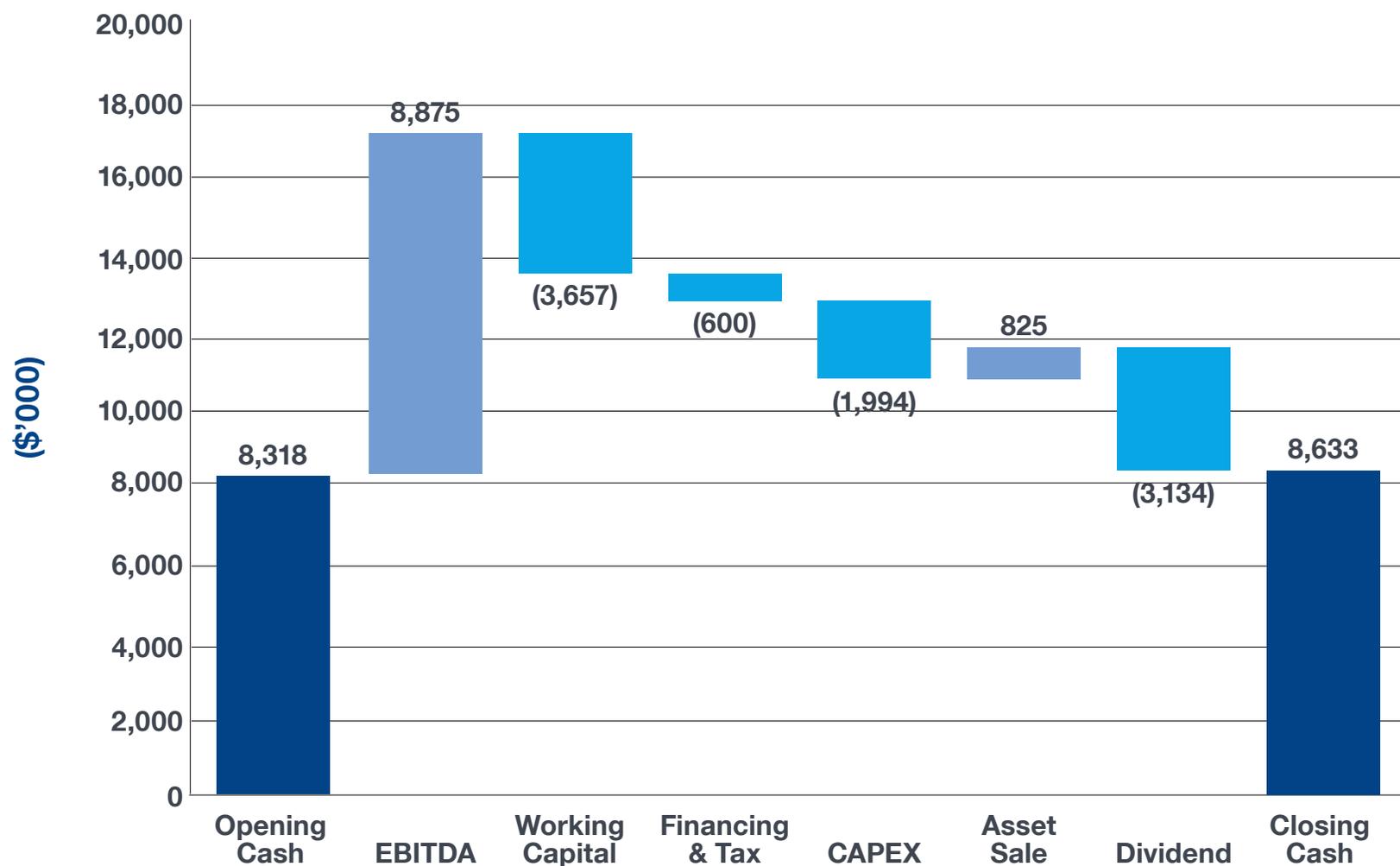


NET ASSETS



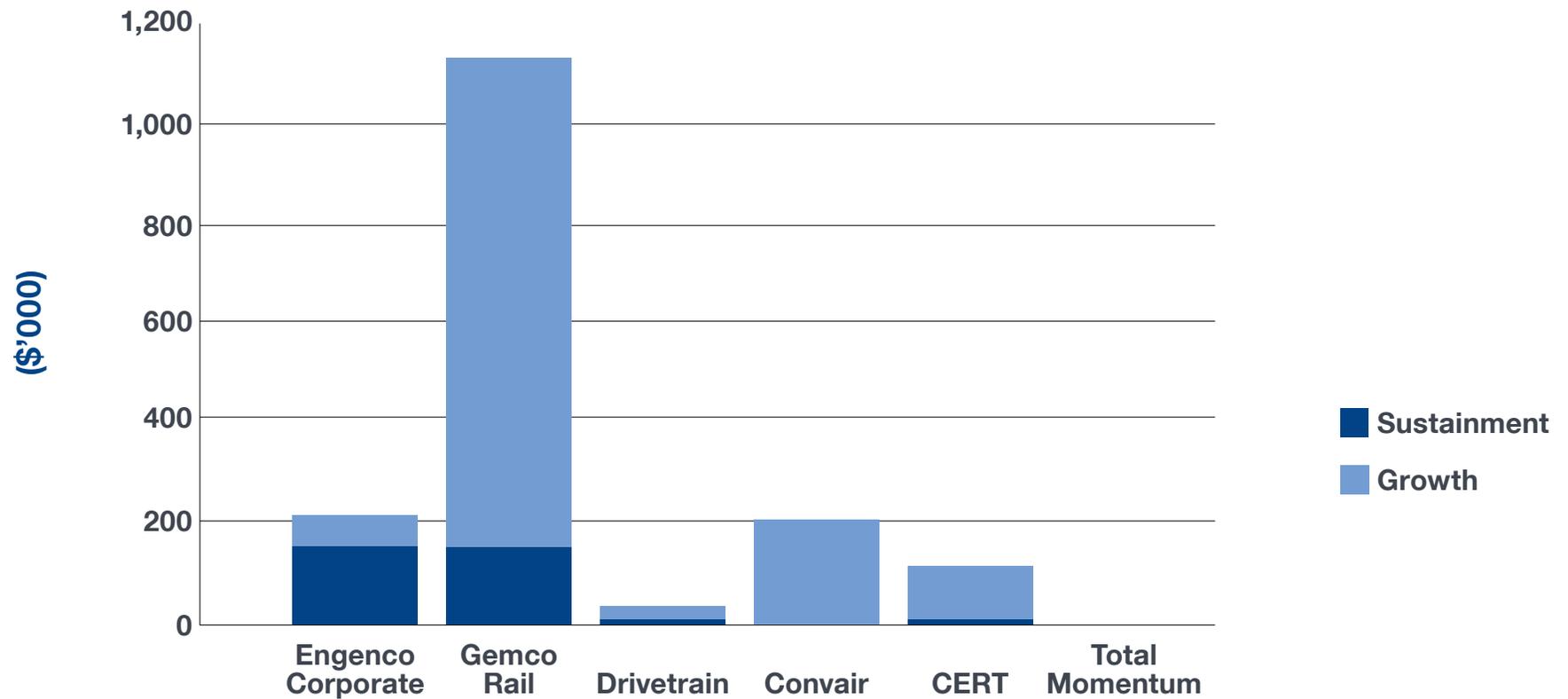
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

H1FY19 MAJOR CASH FLOW MOVEMENTS

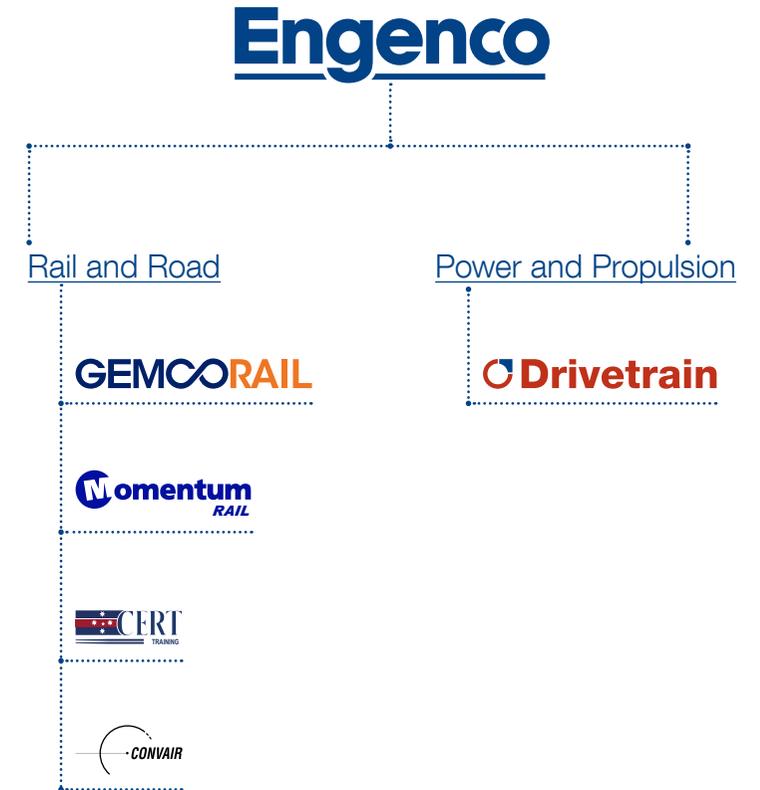
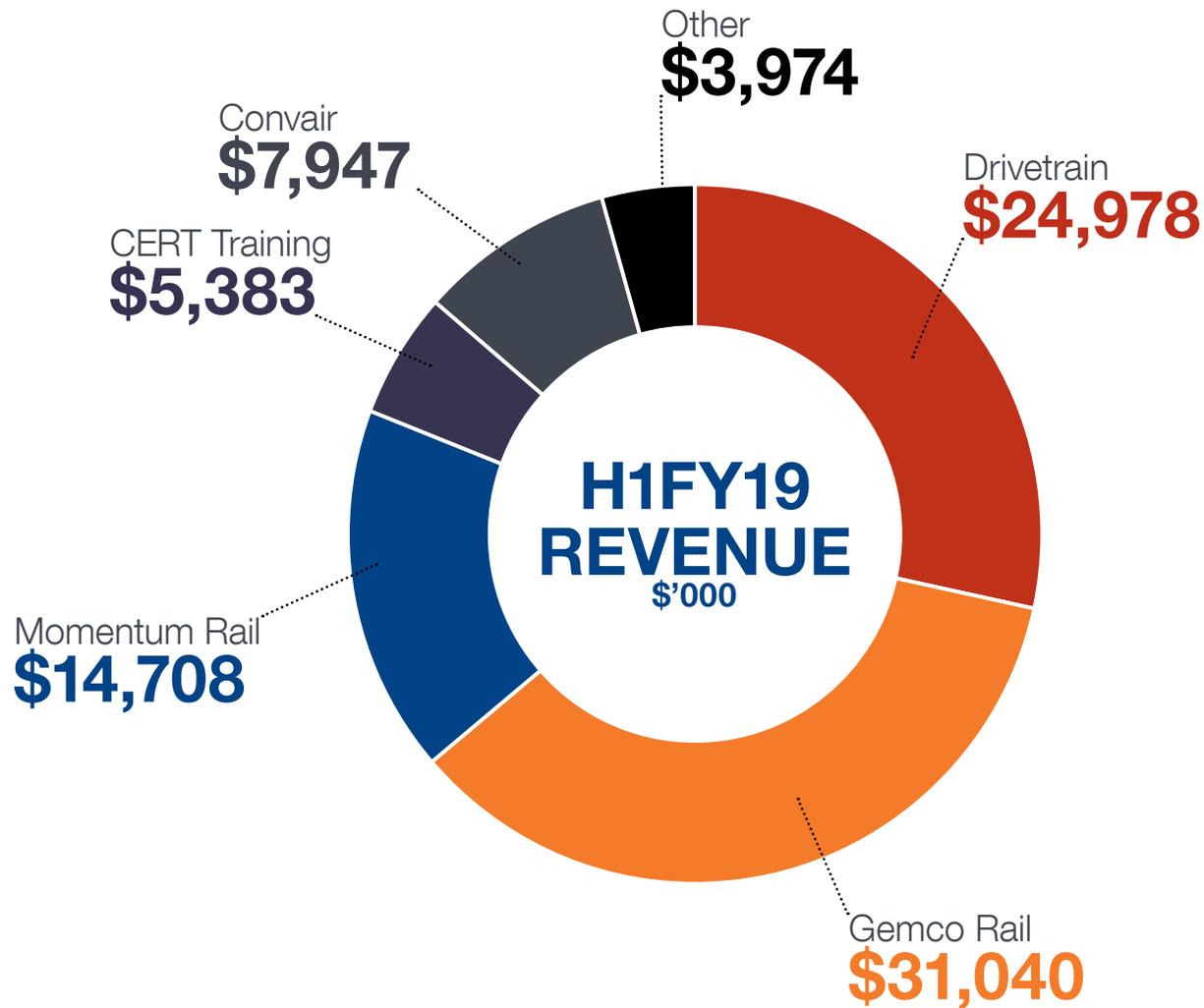


SUSTAINABLY CONTINUING TO GROW

H1FY19 CAPEX BY BUSINESS UNIT



BUSINESS UNIT OVERVIEW





POWER AND PROPULSION DRIVETRAIN

- Mining, Transport, Energy and Defence focus.
- Investment in strategic inventory to expand product range.
- Defence sector project activity and product support for land and marine assets are ongoing.
- Continued development of initiatives aimed at increasing the specialist products offering.
- National branch network, increased volume of workshop activity.

REVENUE*

\$'000



EBITDA*

\$'000



*Comparatives have been re-assessed with all Intercompany trading eliminated.



RAIL AND ROAD

GEMCO RAIL

- Record revenue for the period and profitability remained at healthy levels in a highly competitive market.
- The new facility in the Hunter Valley contributed strongly to the results along with increased volumes at Forrestfield in Western Australia and Dynon in Victoria.
- Ongoing investments in workforce and facilities to meet increasing outsourced maintenance opportunities.
- The Product Sales business continued expansion based on strategic partnerships with premium quality, globally recognised OEM partners.
- PQQY wagons fully utilised throughout the period.

REVENUE

\$'000



EBITDA

\$'000





RAIL AND ROAD

MOMENTUM RAIL

- Key partner in major rail upgrade project in South Australia between Adelaide and Tarcoola. Project effectively concluded in H1.
- The Western Australian market remained subdued.
- Eastern States somewhat impacted by decreased volumes caused by drought.

REVENUE

\$'000



EBITDA

\$'000





RAIL AND ROAD

CERT TRAINING

- Focus on courseware development and technology delivery.
- Reacting to market demand, subdued activity in Victoria and opening a new training centre in Western Australia.
- The CERT Training team continue to provide students with a high-quality outcome as efficiently as possible.

REVENUE

\$'000



EBITDA

\$'000





RAIL AND ROAD

CONVAIR

- The dry bulk road tanker design and manufacturing business, delivered an improved revenue result.
- Fleet servicing, spares and repairs business remains steady. The Australian construction industry is experiencing a robust period, and this has helped boost demand for new tankers significantly, leading to a healthy order book for Convairsteel.

REVENUE

\$'000



EBITDA

\$'000



GROUP STRATEGY



GRANULAR OPERATIONAL PERFORMANCE ANALYSIS



DRIVE EFFICIENCIES AND CUSTOMER SERVICE



DEVELOP PERSONNEL



EXPAND PRODUCT OFFERINGS



INCREASE PENETRATION OF MAJOR CUSTOMER BASE

DEVELOP

EXPAND

GROW

SUSTAIN



LOOKING AHEAD

- Generally positive industry environment across mining, transport, and infrastructure construction.
- Further expansion of product portfolio with new, innovative products.
- Investment in new projects and facilities to meet anticipated demand.
- Strong balance sheet and available funding provide platform for further growth opportunities.

These factors are expected to contribute to profitability positively in future periods.

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