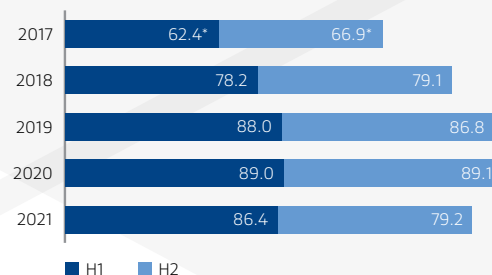




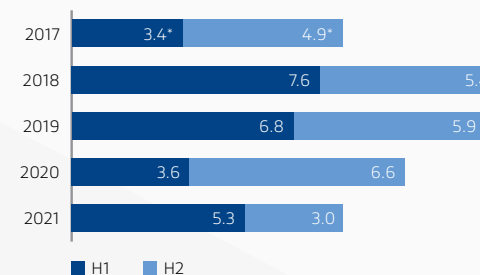
Company Highlights

- Strong cash flows generated advancing investment in our multi-year growth strategy.
- Shareholders rewarded with a 1.5 cents final dividend (fully franked).
- Results achieved despite a challenging business environment resulting in constrained customer demand.

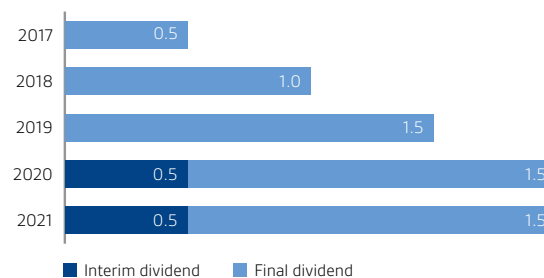
Revenue (\$m)



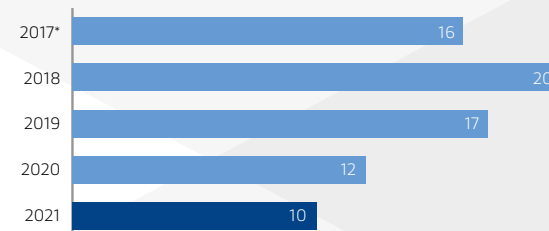
NPBT (\$m)



Dividends (cents)



Return on Capital Employed[#] (%)



[#] Capital employed excludes deferred tax asset

* From continuing operations

Results Summary

FY21 achievements:

Revenue of \$165.6m achieved amidst COVID-19 disruptions.

NPAT \$12.0m after continued investments.

\$14.5m net operating cash flow generated.

 **9%** **CAGR***
EPS

 **6%** **CAGR***
REVENUE

* Over 4 years

	FY17	FY18	FY19	FY20	FY21
	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	129,319	157,336	174,850	178,063	165,593
EBIT	9,117	13,490	13,012	11,596	9,713
Profit before tax	8,354	13,014	12,690	10,150	8,269
Profit after tax	8,309	18,003	14,227	13,423	11,961
Net operating cash flow	6,400	8,292	12,321	14,093	14,546
Net assets	57,011	73,218	84,075	88,594	94,328
Total dividends paid	-	1,567	3,134	6,268	6,268
Net cash	8,697	8,318	23,408	14,134	12,091
Capex	2,429	3,905	3,076	13,816	9,571
Return on Capital Employed %	16%	20%	17%	12%	10%

	Cents	Cents	Cents	Cents	Cents
EPS (cents per share)	2.72	5.74	4.54	4.28	3.82

All figures are from continuing operations where applicable.

Balance Sheet and Capital Management

Strengthening balance sheet to **\$94.4m** of net assets.

Stable net cash position of **\$12.1m** with no debt.

\$20m undrawn loan facility.



13.4%

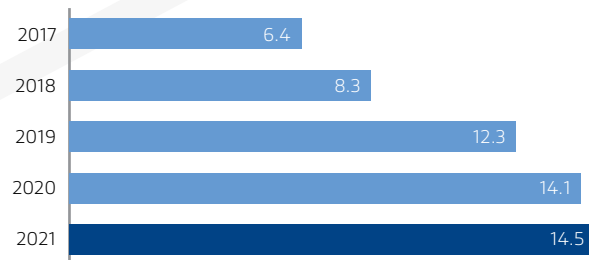
CAGR*
NET ASSETS



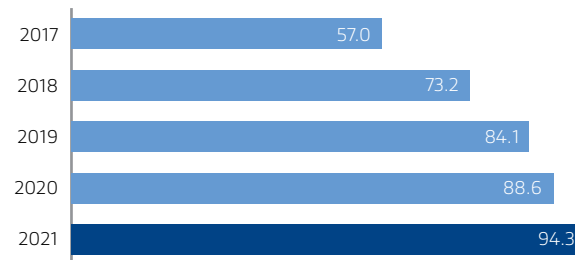
6.5%

INCREASE IN
NET ASSETS

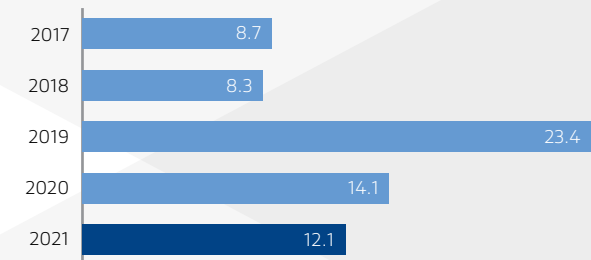
Net Operating Cash Flow (\$m)



Net Assets (\$m)



Net Cash (\$m)

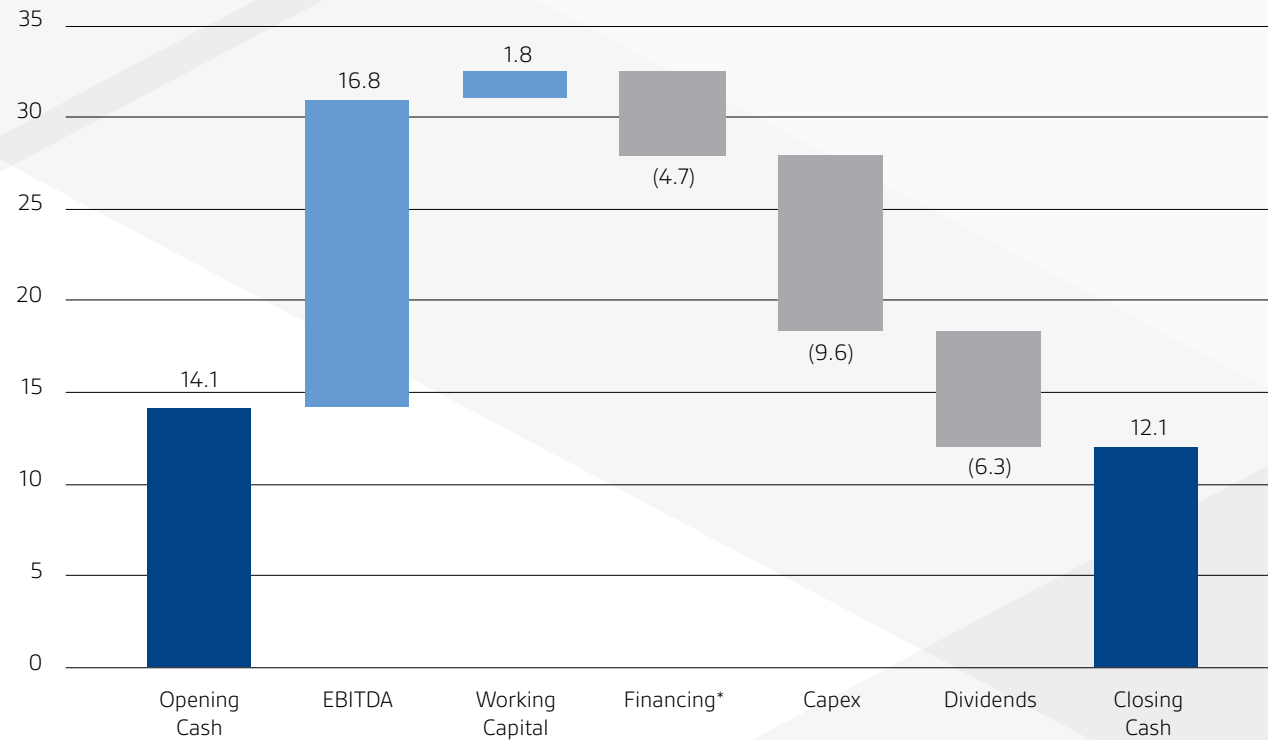


* Over 4 years

Cash Flow Movements

A consistent and disciplined approach to cash management. Strong net operating cash flows supporting a balanced program of capital investment and returns to shareholders.

Major Cash Flow Movements (\$m)



* Financing relates to lease payments under AASB 16

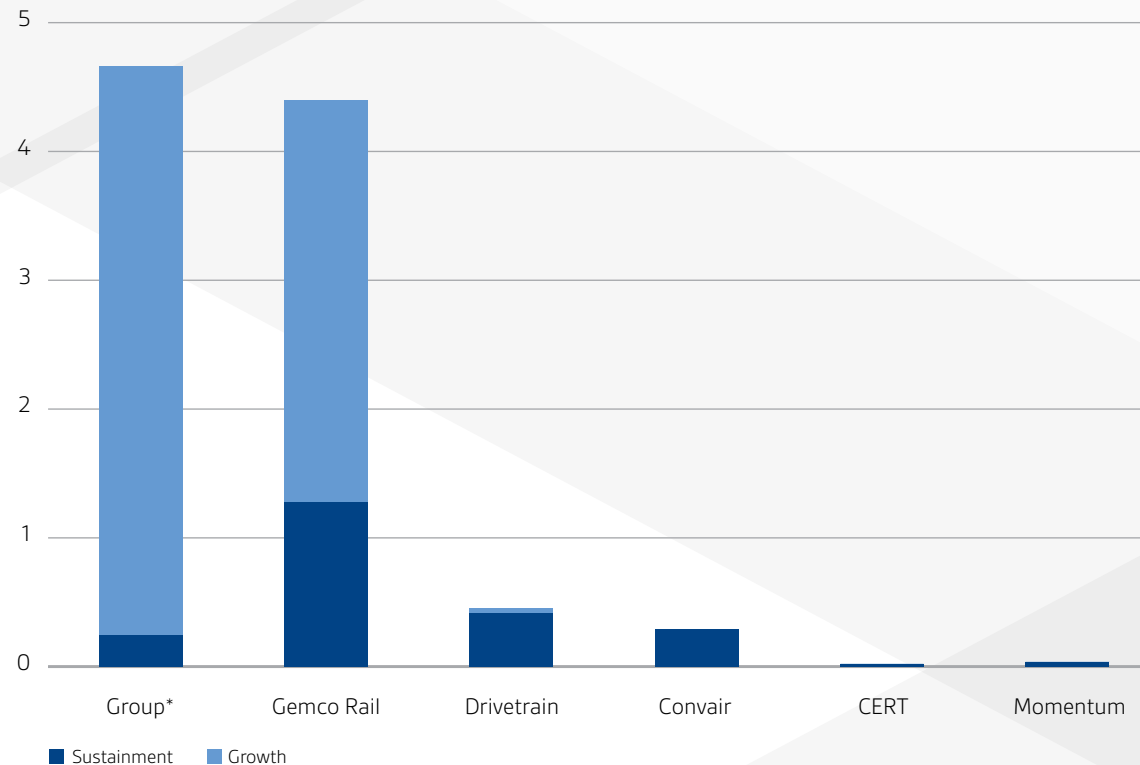
CAPEX

Our capital investment program continued throughout the year with over \$9.9m being invested in growth and sustainment projects.

Investments included:

- Investment in a Kalgoorlie site for the establishment of a Drivetrain branch.
- Completion of strategic land acquisition at Forrestfield rail precinct.
- Further investment in the Gemco site at Gladstone including the commissioning of a state of the art underfloor wheel lathe.

Capex by Business Unit (\$m)



\$7.6m
GROWTH



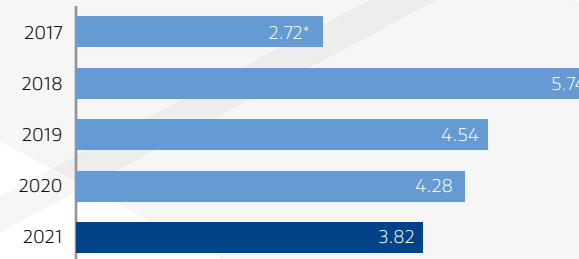
\$2.3m
SUSTAINMENT

* Includes Kalgoorlie site purchase

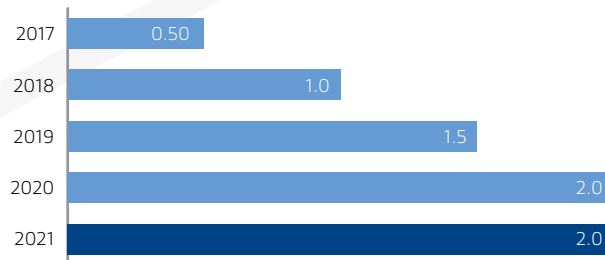
Dividends

A final dividend of 1.5 cents per share declared resulting in total dividends of 2.0 cents per share for FY21 fully franked.

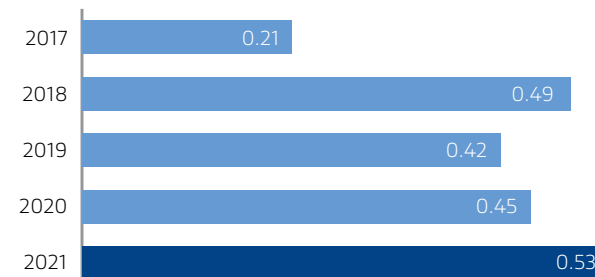
EPS (cents)



Total Dividend (cents)



Share Price at 30 June (\$)



* From continuing operations.

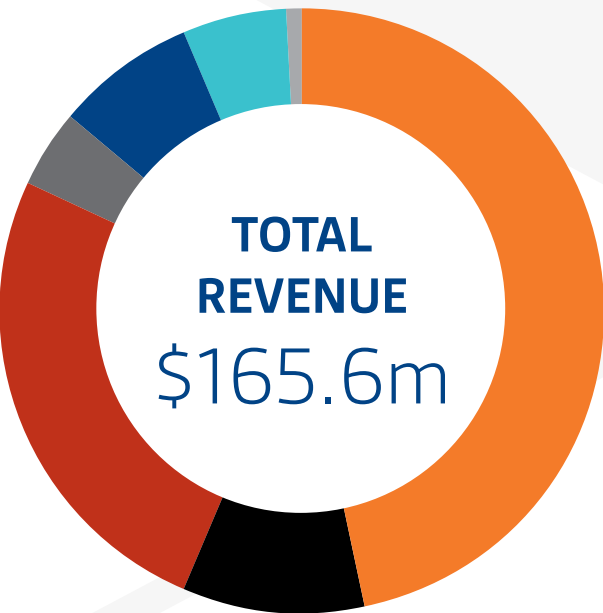




Business Overview



Business Overview

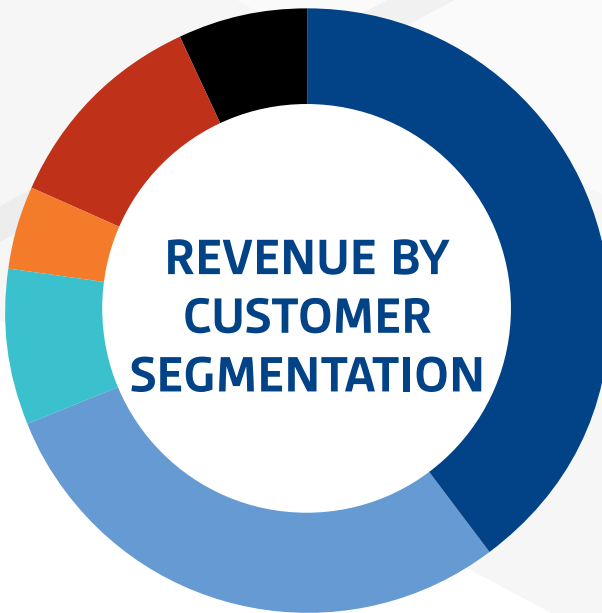


- Rail and Road**

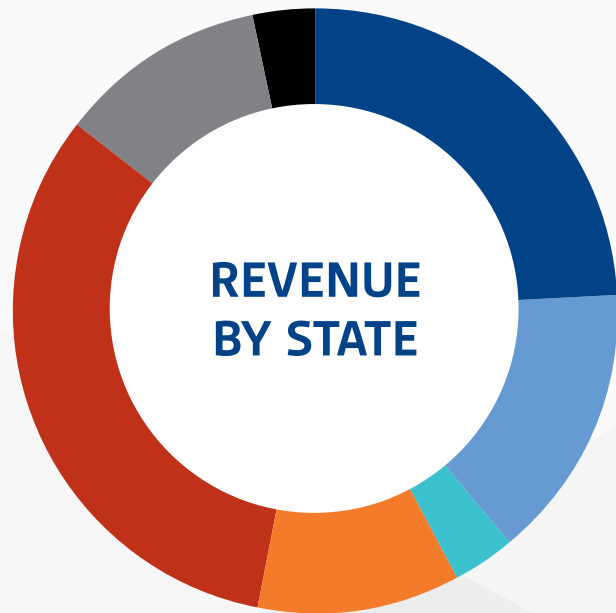
 - Gemco Rail **\$78.6m**
 - Convair **\$16.5m**
- Workforce Solutions**

 - Momentum **\$12.5m**
 - CERT Training **\$9.3m**
- Power and Propulsion**

 - Drivetrain **\$42.7m**
 - Hedemora **\$7.2m**
 - Other (including eliminations) **(\$1.2m)**



- Resource
- Transport Freight
- Passenger
- Defence
- Infrastructure
- Other



- Victoria
 - New South Wales
 - South Australia
 - Queensland
- Western Australia
 - National
 - Other



▶ Key Operations

Gemco Rail is a leading independent provider of rollingstock maintenance, products and services for the Australian and New Zealand rail markets. Our national network of modern, well equipped, strategically located facilities coupled with proven industry knowledge provides our clients with the confidence that Gemco is a reliable, competent supplier of high quality products and services.

▶ Achievements

- Successful navigation of a year of disruption to supply chains with uninterrupted support to our customers, keeping their assets working.
- Expanded capital investment in railway wheel maintenance capabilities with the successful commissioning of new computer controlled wheel machining equipment.
- Launch and implementation of Gemco Rail's "People and High-Performance Culture" focussed 2030 Strategic Plan reflecting Engenco's strategic pillars.

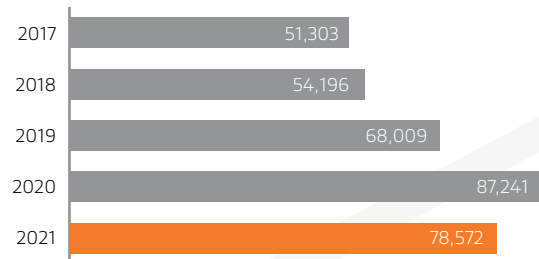
▶ Outlook

- Leveraging recent capital investments in our east and west coast operations, increasing capacity, is expected to realise improving returns in the periods ahead.
- Further expansion of strategic alliances with recognised technology partners to further broaden Gemco's product range.

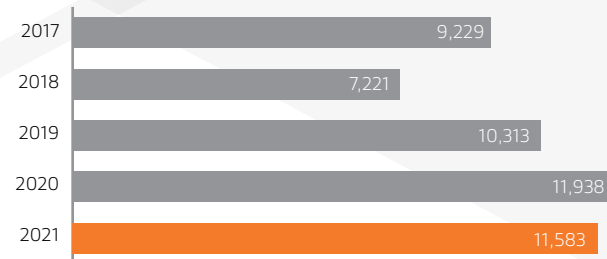
Rail and Road



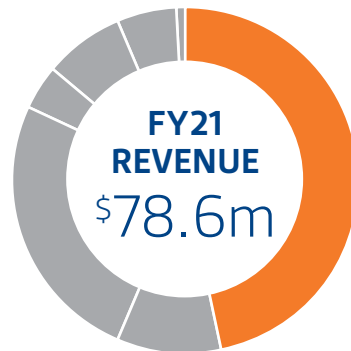
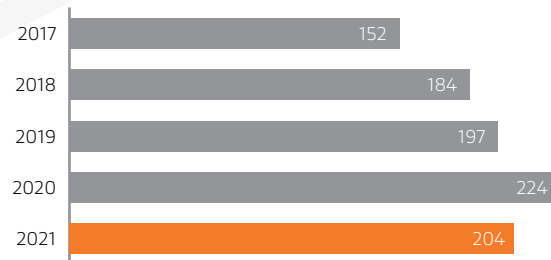
Revenue (\$'000)



NPBT (\$'000)



FTE* at 30 June



* Full time equivalent (FTE) employees



CONVAIR

► Key Operations

Convair designs and manufactures tankers for the transportation of dry bulk products by road and rail. The business repairs, maintains and supplies spare parts for all makes of dry bulk tankers and offers distribution, service and repair of compressors and ancillary equipment used in the support of dry bulk materials handling. Convair is an agent for Feldbinder Spezialfahrzeugwerke GmbH of Germany, supplementing the company's range of products with aluminium dry bulk tankers and stainless steel liquid tankers. With its manufacturing facility based in Melbourne, Convair services customers throughout Australia and New Zealand.

► Achievements

- Strong results achieved despite supply challenges in key markets throughout FY21.
- Innovative customer solutions delivering improved tanker road train combinations achieving significant productivity gains.

► Outlook

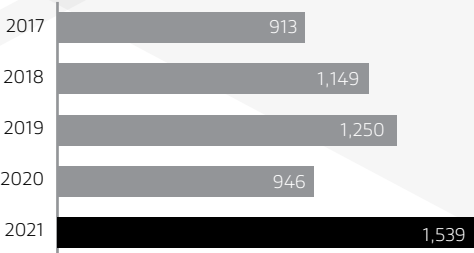
- Demand for locally produced and maintained customer specific quality solutions increased in the last quarter of FY21 and this is expected to continue into FY22.
- Introduction of innovative products in an expanded range of offerings.

CONVAIR

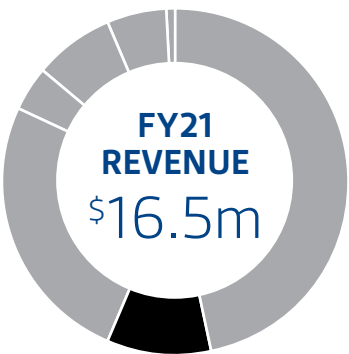
Revenue (\$'000)



NPBT (\$'000)



FTE* at 30 June



* Full time equivalent (FTE) employees



Drivetrain

▶ Key Operations

Drivetrain's services span the complete engineering product life cycle for heavy mobile powertrain systems, large-frame turbochargers, heavy diesel and gas power generation and gas compression equipment.

▶ Achievements

- Kovatera utility mining vehicle sales increased during the period, with fleet size orders received for delivery in FY22.
 - Opened Kalgoorlie branch aligning with "customer first" approach.
 - Continued investment in the development of our "People and High-Performance Culture Plan".
-

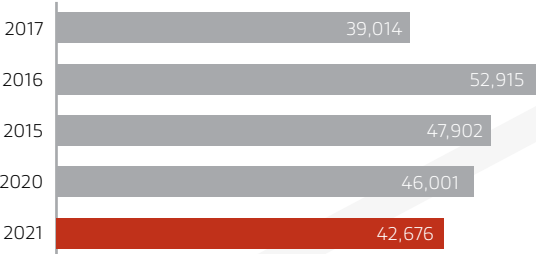
▶ Outlook

- Increasing Kovatera sales with through-life support including a battery-powered electric model.
 - Continued customer demand for overhaul projects including additional activity at Kalgoorlie.
 - Supply and installation of gas power generation contracts won in FY21.
 - Ongoing support for the Collins Class Submarine Life of Type Extension program.
-

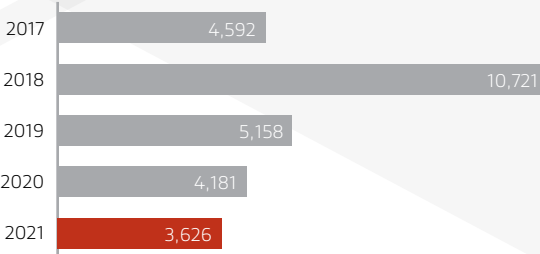
Power and Propulsion



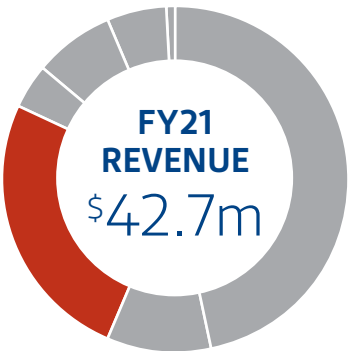
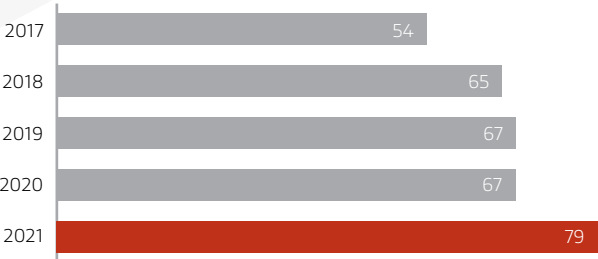
Revenue (\$'000)



NPBT (\$'000)



FTE* at 30 June



* Full time equivalent (FTE) employees



Power and Propulsion



▶ Key Operations

Hedemora Turbo and Diesel is the original manufacturer of Hedemora Turbochargers and Hedemora Diesel Engines. Hedemora Diesel is a well-known brand of engines used in a wide range of applications. The turbocharger solutions for engines with power output of 720-4200kw, can be retrofitted to gain higher performance. Operating out of Sweden, Hedemora Turbo and Diesel provide full maintenance, development and spare parts services for customers in all parts of the world.

▶ Achievements

- Proven environmental and efficiency benefits from installation of Hedemora turbochargers.
- FY21 saw a record number of new turbocharger sales as well as proven delivery and application of turbochargers for Mongolian railways.
- Investment in staff and facilities for start-up operation in US (impacting FY21 profit result).
- Continued support for global customers utilising Hedemora Diesel engines.

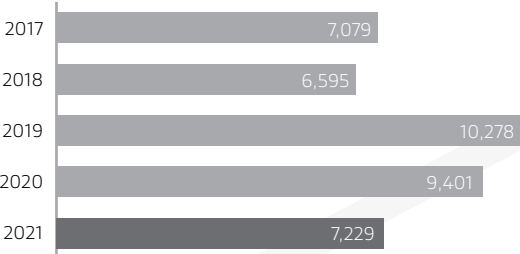
▶ Outlook

- Momentum generated in the last financial year is expected to drive growth in market share of retrofit turbochargers in Europe and the United States.
- Development of opportunities with engine and locomotive OEMs for the installation of HS Turbochargers on newly built equipment.
- Ongoing support for the Collins Class Submarine Life of Type Extension program.

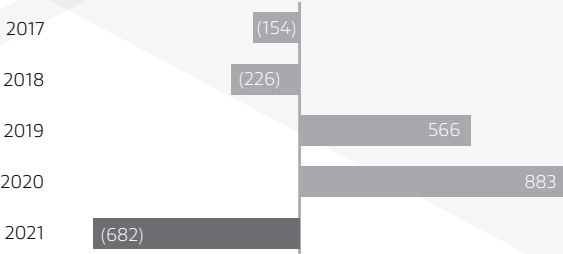
Power and Propulsion



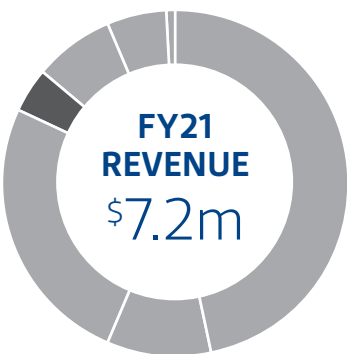
Revenue (\$'000)



NPBT (\$'000)



FTE* at 30 June



* Full time equivalent (FTE) employees



Workforce Solutions



► Key Operations

Momentum Rail offers a range of workforce provisioning services from providing skilled individuals to fully supervised and equipped crews to carry out rail track construction, maintenance and upgrades. Momentum Rail coordinates the planning, implementation and management of safe working solutions for rail clients; from hand-signallers and lookouts to highly experienced principal protection officers and locomotive drivers. Operating out of branches in Forrestfield, Wingfield, Thornton and Port Melbourne, Momentum Rail's strategic presence is well placed to service the rail and resource sectors.

► Achievements

- Employment and career development pathways into rail infrastructure.
- "Seat to Street" programs for new entrant workers, including female and indigenous workers, seeking a career in train driving/shunting.
- Implementation of a fully customised workforce management system that automates the recruitment, rostering, time sheets and client approval processes.

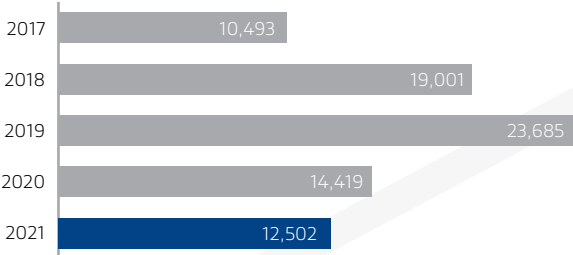
► Outlook

- Momentum Rail will continue to drive efficiencies throughout the business by adopting LEAN process methodology, with particular focus on delivering safety, quality and sustainable workforce solutions that are easily scalable.

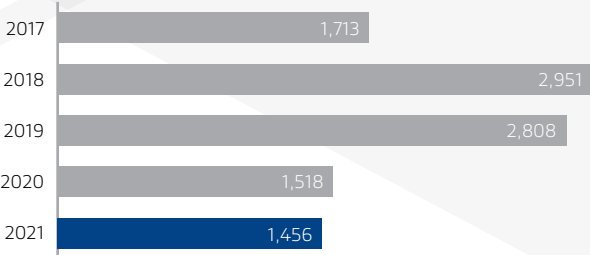
Workforce Solutions



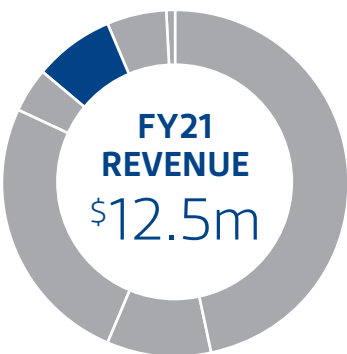
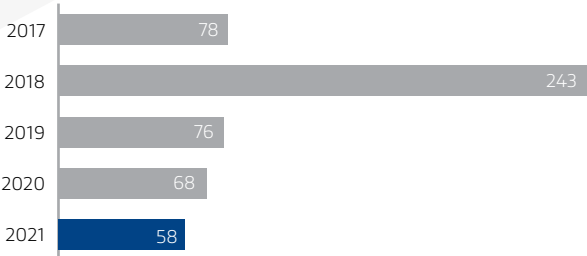
Revenue (\$'000)



NPBT (\$'000)



FTE* at 30 June



* Full time equivalent (FTE) employees





▶ Key Operations

CERT Training (CERT) is a registered training organisation (RTO) that provides responsive, flexible, and innovative training, assessment, and recertification services to the Australian rail industry. CERT delivers nationally accredited and industry-based training programs on a regular basis and provides customised courses to suit individual business needs. The business has training centres in Perth, Sydney, Newcastle, Ipswich, Adelaide, Brisbane, Melbourne, and Bunbury with the flexibility to train on-site Australia wide.

▶ Achievements

- Optimised student learning, accessibility and experience through development of online training programs, electronic assessments and blended learning options.
- CERT became the first registered training organisation to be approved by major rail network operators to take a number of training programs online.
- Successfully securing an exclusive contract to deliver all training and education services for outsourced SA metropolitan rail network.

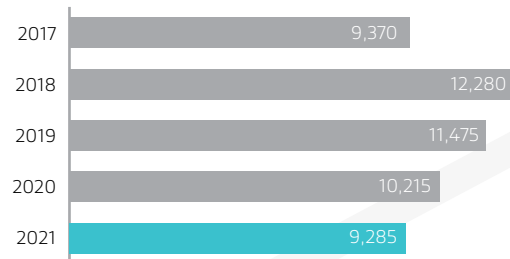
▶ Outlook

- We expect to capitalise on growing demand across the rail corridor, expanding our scope to develop within the high-risk, traffic management and construction markets, while investing in new and emerging technologies that enhance student and client experiences and outcomes.

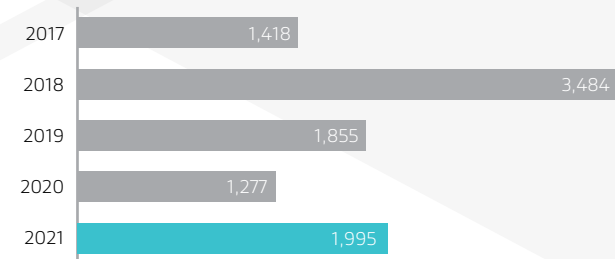
Workforce Solutions



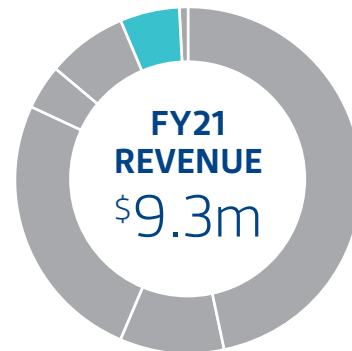
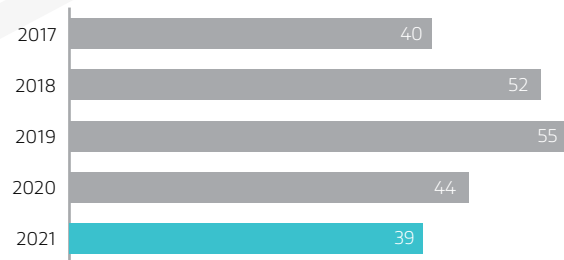
Revenue (\$'000)



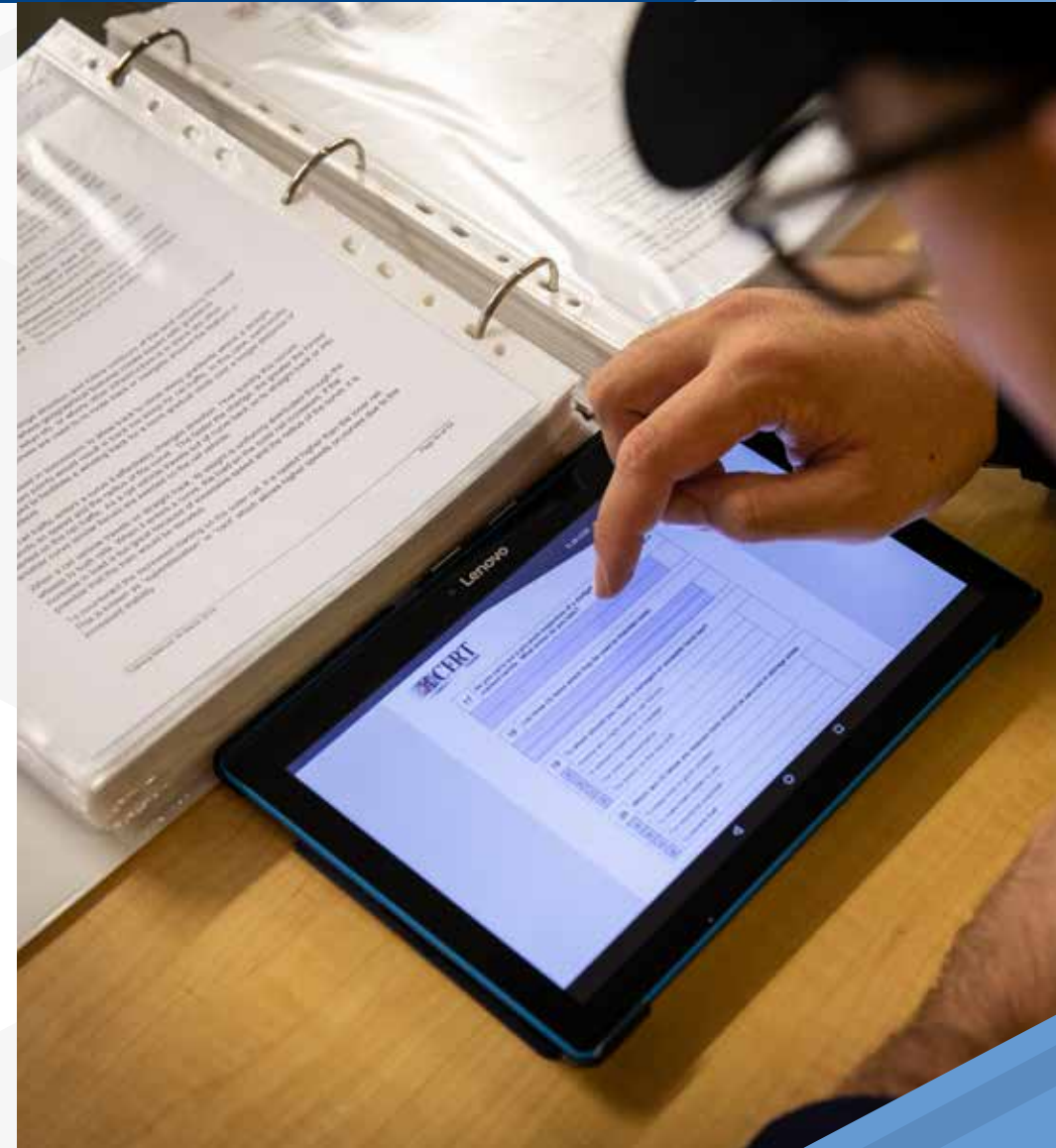
NPBT (\$'000)



FTE* at 30 June



* Full time equivalent (FTE) employees



Group Culture and Values



Engenco continued to invest to build accountability and leadership qualities to create a high performance culture across the business.

- **Implementation** of the group people and culture plan.
- **Committed to developing** the capability, leadership and management skills of our people.
- **Diversity committee** delivering meaningful initiatives such as unconscious bias education programme.
- **Enterprise-wide performance plans** helping to align expectations and actions.

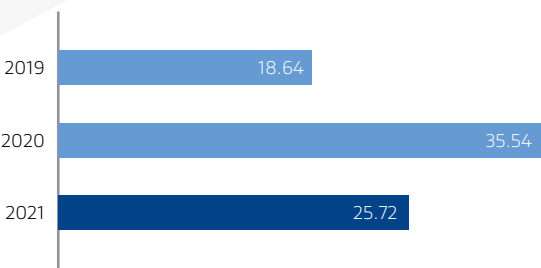
Health and Safety

Technology improvements are leading risk elimination in our businesses.

Maintenance, calibration and identified non-conformances are recorded and managed via a cloud-based SharePoint system. The internal "Take 5" Risk Assessment App use nearly doubled to 13,238 in FY21, and a Workplace Inspection App is currently in development.

The constant visibility of these prestart and workplace inspections are integral to leaders & employees identifying and eliminating potential risk. Supervisors & HSEQ are advised electronically of any failed assessments or upcoming and or overdue items.

Total Recordable Injury Frequency Rate



Make Safe





FY21

Group Outlook

▶ Group

- Increased focus on leveraging our group platforms into value creation opportunities via strategic acquisitions especially in advanced technology.
- Investment in our People programs to attract talent and drive safe high-performance outcomes.
- Drive innovation and efficiency projects to maximise return on investment.
- FY22 expected to be a year of stabilisation rather than one of material financial improvement.

▶ Rail and Road

- Leverage recent investment in east and west coast capability for improved returns.
- Strategic alliances and innovation to broaden product and service range.
- Capitalise on significant growth in customers' rollingstock fleet requirements.

▶ Power and Propulsion

- Optimise supply chain and logistics to meet expanded service network.
- Progress specialised remote power generation projects.
- Realise growth from supply and maintenance of mining mobility products.

▶ Workforce Solutions

- Innovative product development via integration of Momentum Rail and CERT Training to meet skilled labour shortages.
- Increase in training diversity and capability via national expansion of Eureka 4WD truck training business.



FY21

Board of Directors



Vincent De Santis

BCom, LLB (Hons)

Chairman since 24 March 2016, Non-executive Director since 19 July 2010, Member of Audit and Risk Committee since 31 July 2013.



Kevin Pallas

BCom, MAICD

Member of the board since 17 December 2014, Managing Director & CEO since 1 February 2015.



Dale Elphinstone AO

FAICD

Non-executive Director since 19 July 2010.



Alison von Bibra

BSc, MBA

Independent Non-executive Director and Member of the Audit and Risk Committee since 17 January 2017.



Scott Cameron

BCom

Non-executive director since 1 September 2020, Chairman of Audit and Risk Committee since 18 November 2020.

Disclaimer

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All dollar values are in Australian dollars (A\$) unless otherwise stated.



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