

# ASX ANNOUNCEMENT

8 November 2017

## Market Update: Prior year momentum carrying through into FY2018

Engenco Limited (ASX:EGN) (**Engenco** or **Company**) provides the following update on business performance and general market conditions experienced in the 2018 financial year-to-date.

The Company recently reported consolidated Group after tax profit of \$8.3 million for the year to 30 June 2017 (FY2016: \$4.1 million), on revenues of \$129 million (FY2016: \$133 million) and indicated that, subject to general trading conditions remaining favourable, profit and cash generation outcomes were expected to continue on a positive trajectory.

The Company is pleased to report that the positive momentum experienced during the latter stages of FY2017 has continued into the current financial year. Group revenue and business profitability in particular are well ahead of expectations for the year to date. On the assumption that general economic conditions remain positive, the Board anticipates material improvement in Engenco's profit after tax for FY2018 compared to the prior year result based upon the information currently available.

Engenco's Managing Director and CEO, Kevin Pallas commented, *"The Group's much improved performance over the last several reporting periods is continuing into the current financial year with good momentum. Business conditions in most of our market sectors remain buoyant and we are well positioned to benefit.*

*We continue to realise greater operating leverage as we grow our top line and remain disciplined on cost-control whilst always striving for further innovative efficiency gains through focussed capital expenditure programmes. Consequently, cash generation has been strong, the Elph loan has now been fully repaid, with the facility currently undrawn, and our balance sheet is sound."*

The Company is expected to provide a further update on the year's progress at its upcoming AGM to be held on 22 November 2017.

### **About Engenco Limited**

Engenco (EGN) specialises in:

- Maintenance, repair and overhaul of heavy duty engines, powertrain, propulsion and gas compression systems
- Maintenance, repair and overhaul of locomotives
- Manufacture and maintenance of wagons, carriages and associated rail equipment
- Project management, training and workforce provisioning
- Manufacture and supply of road transport and storage tankers for dry bulk products
- Leasing of wagons and other rail equipment

Engenco services a diverse client base across the defence, resources, marine, power generation, rail, heavy industrial, mining and infrastructure sectors.

For further information, please contact:

<p><b>Kevin Pallas</b> Managing Director and CEO T: +61 (0)3 8620 8900 E: kevin.pallas@engenco.com.au</p>	<p><b>Graeme Campbell</b> CFO and Company Secretary T: +61 (0)3 8620 8900 E: graeme.campbell@engenco.com.au</p>
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