

# ASX ANNOUNCEMENT

3 August 2018

## New Bank Funding Arrangements

- Engenco agrees new financing arrangement with NAB
- Debt facilities totalling A\$12.6 million with a three year term

Engenco Limited (ASX:EGN) (**Engenco** or **Company**), the specialist industrial engineering services group, is pleased to announce that it has today agreed terms with the National Australia Bank (**NAB** or **Bank**) to provide the Company with debt facilities totalling A\$12.6 million with a term of three years (**Facilities**). The new financing arrangements, when completed, will replace the existing funding facility of A\$10.0 million with Elph Pty Ltd and Bank Guarantee Facility of A\$2.0 million with the Commonwealth Bank of Australia.

The Facilities are subject to final documentation and the satisfaction of certain conditions precedent which are usual for a facility of this nature. The Company expects the new Facilities to be finalised no later than 5 October 2018.

Engenco's Managing Director and CEO, Kevin Pallas, said "We are pleased to have reached this stage with the NAB as this demonstrates that Engenco is now in a position to attract a competitive, comprehensive funding package with a commercial bank. We are grateful to the Elphinstone Group for having supported Engenco from a funding perspective for the last several years, and now look forward to the completion of the new NAB funding arrangements."

### Details of Facilities

The new Facilities will comprise a Revolving Credit Facility (A\$10.0 million) as well as a further A\$2.6 million interchangeable facility which the Company can elect to use between the issuance of bank guarantees, letters of credit and a business cards facility.

In addition, the Bank has also agreed to make available Financial Markets Facilities to assist with the management of foreign exchange and interest hedging as required.

The new Facilities will be fully secured over the assets of the Company and its wholly owned Australian subsidiaries.

Mr Pallas concluded "The Company's existing funding facility remains undrawn, and the new NAB facilities package provides flexibility for our future working capital requirements and growth opportunities."

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### **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 services
- Manufacture and supply of road transport and storage tankers for dry bulk products

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

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