



# Engenco

## Welcome

### Annual General Meeting 2021



# 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.



# Chairman's Address

Vince De Santis



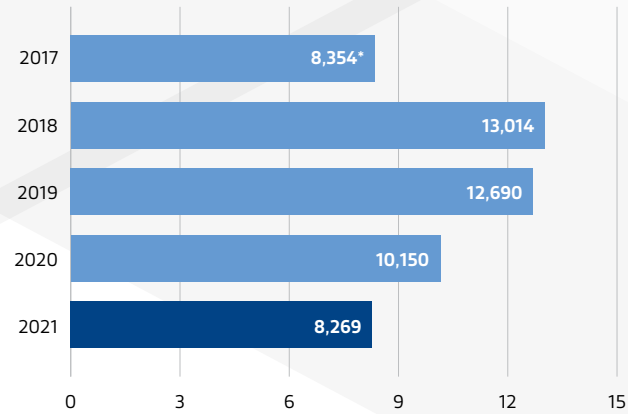
# 2021... more of the same but just different



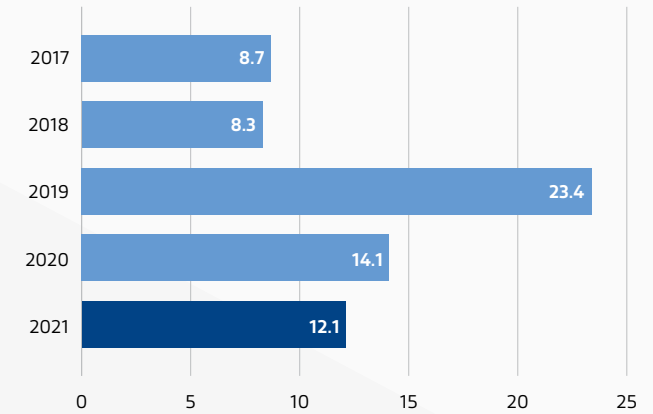
# Financial Performance

The Engenco Group continued its multi-year strategy to increase market share through greater capacity, capability and product innovation in FY21.

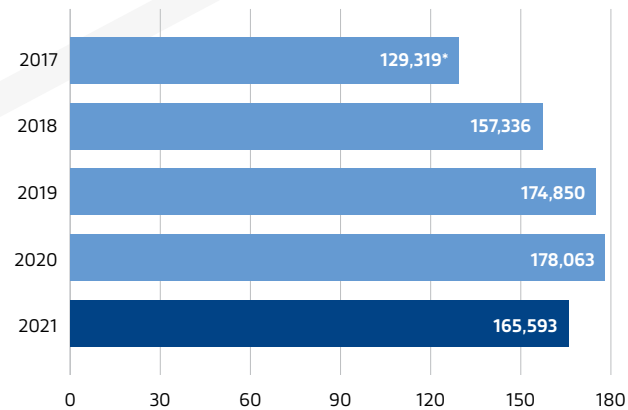
### Net Profit Before Tax – \$'000



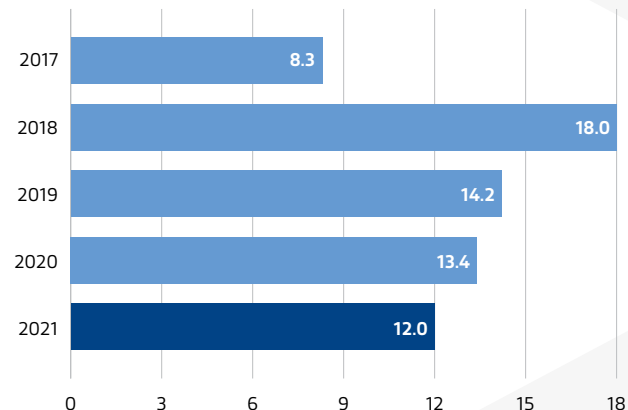
### Net Cash – \$m



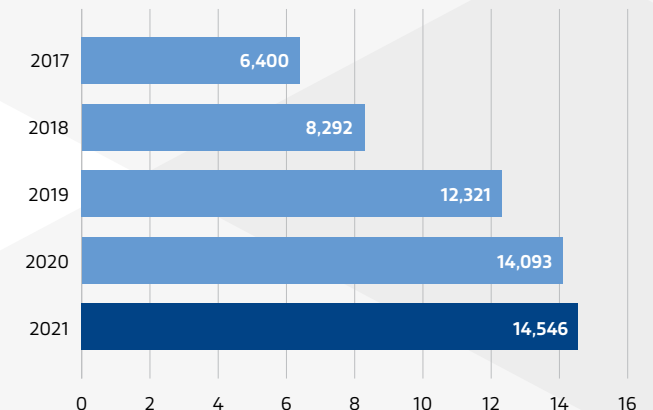
### Revenue – \$'000



### Net Profit After Tax – \$m



### Operating Cash Flow – \$'000



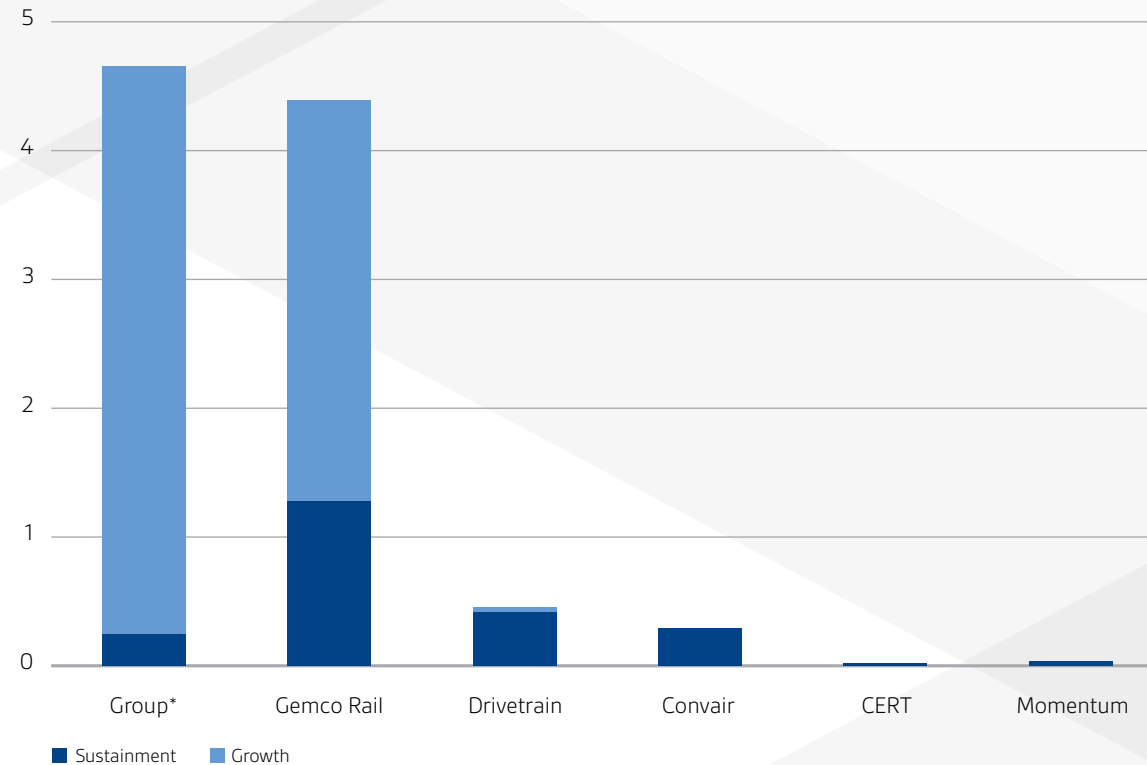
# Sustainment and Growth

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)



\* Includes Kalgoorlie land purchase



**\$7.6m**  
GROWTH

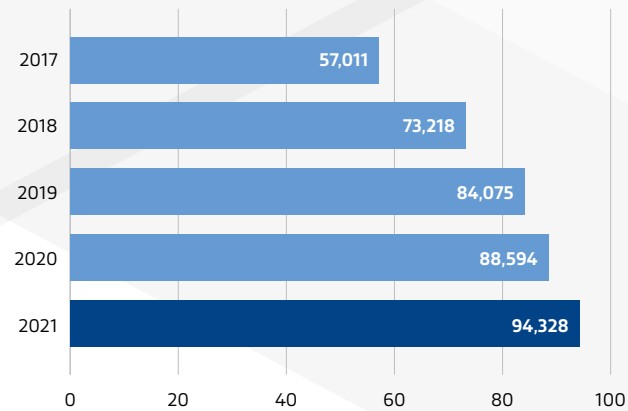


**\$2.3m**  
SUSTAINMENT

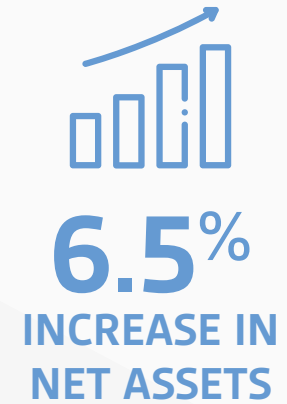
# Rewarding Shareholders

- Interim dividend of 0.5 cents per share (fully franked) was paid on 19 March 2021.
- A final dividend for FY21 of 1.5 cents per share (fully franked) was paid on 28 September 2021.
- \$3.87 million franking account balance at 30 June 2021.

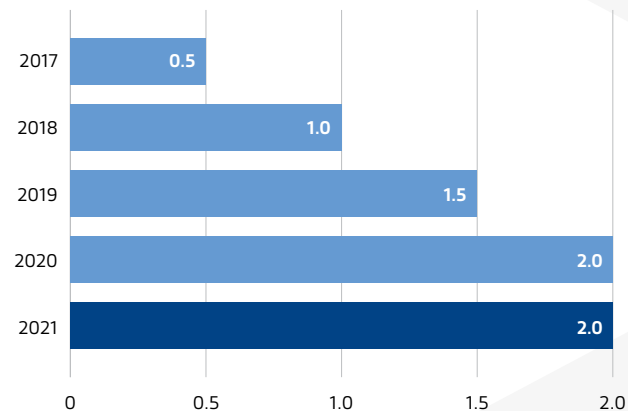
## Net Assets – \$'000



\* 2017 figures for Revenue and Net Profit Before Tax are from continuing operations.

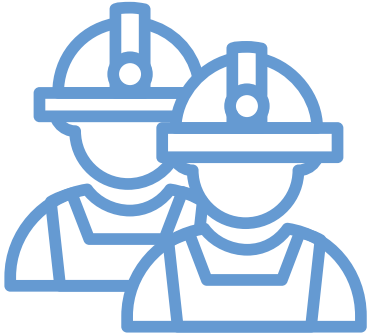


## Dividends – Cents





# Governance



## People

- New role: Executive General Manager, People & Culture
- Impact of extended COVID lockdowns, especially in Victoria and NSW
- People & Culture program remains a key focus area



## Environment

- Decarbonisation – future challenges and opportunities
- Increasing prominence of Environmental, Social & Governance (ESG)



## Outlook

- Continue to build capacity & capability
- Comparable performance to prior year



# Managing Director's Address

Kevin Pallas



# Improving Safety Practices

## LOOK, THINK, ACT



1

### FITNESS FOR WORK

*I will always present 'Fit for Work' by being free from the influence of fatigue, alcohol or other drugs.*



2

### RISK MANAGEMENT ACTIVITY

*I will always conduct a risk management activity prior to commencing any task.*



3

### RESPONSIBILITY TO STOP THE JOB

*I will always stop the job when I identify a hazard and cannot control the risk.*



4

### PLANT & EQUIPMENT

*I will always operate plant, equipment or tooling only when trained, competent and authorised.*



5

### ISOLATION & LOCKOUT

*I will always isolate, verify and (where required) lock out plant and equipment before any work begins.*



6

### LINE OF FIRE

*I will always position myself in a safe zone and will not knowingly work "in the line of fire".*



7

### VEHICLES

*I will always drive to conditions whilst adhering to all site and relevant road rules.*

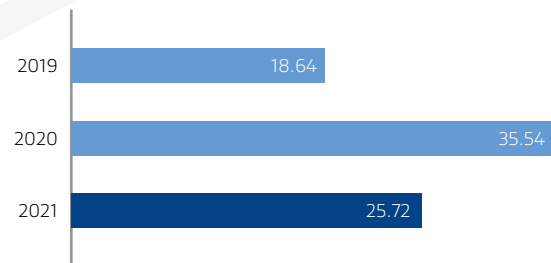
# Health and Safety

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.

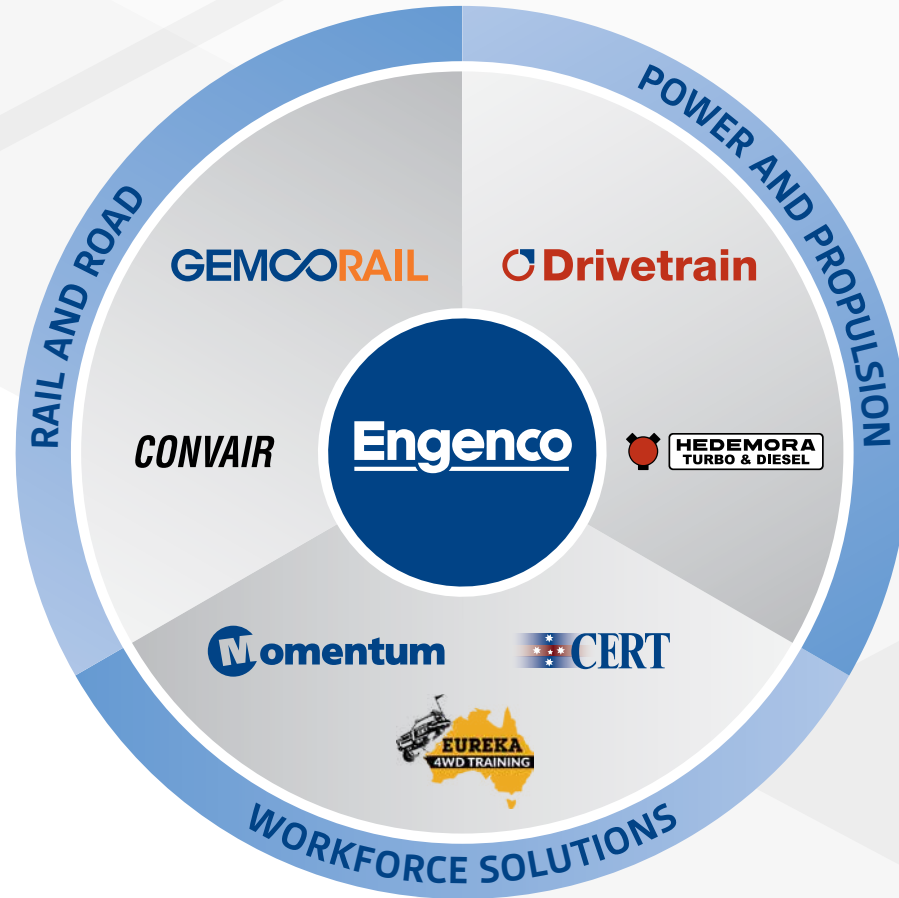
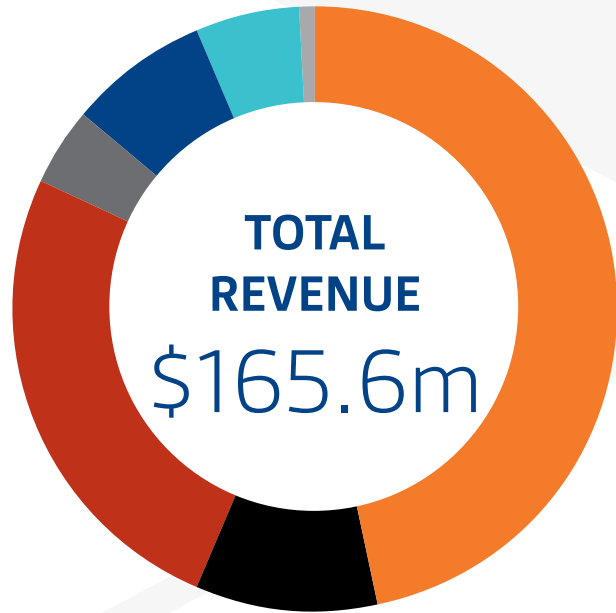
## Total Recordable Injury Frequency Rate



**Make Safe**



# Business Overview



## Rail and Road

- Gemco Rail **\$78.6m**
- Convaire **\$16.5m**

## Workforce Solutions

- Momentum **\$12.5m**
- CERT Training **\$9.3m**

## Power and Propulsion

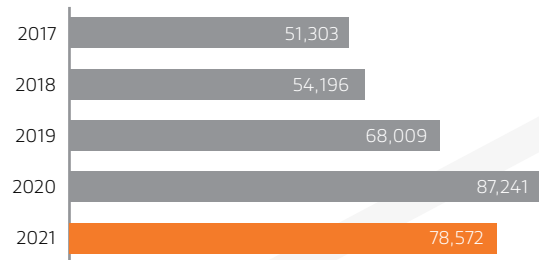
- Drivetrain **\$42.7m**
- Hedemora **\$7.2m**

- Other (including eliminations) **(\$1.2m)**

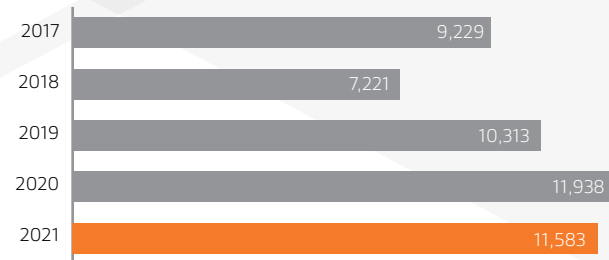
# Rail and Road

## GEMCO RAIL

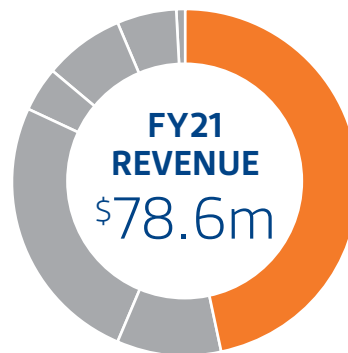
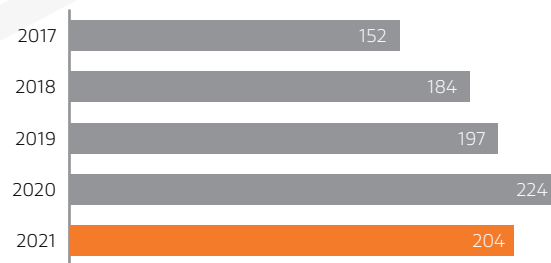
### Revenue (\$'000)



### NPBT (\$'000)



### FTE\* at 30 June



\* Full time equivalent (FTE) employees



## Expansion into Gladstone, Queensland

Rollingstock maintenance facility opened in January 2020 has performed above expectations

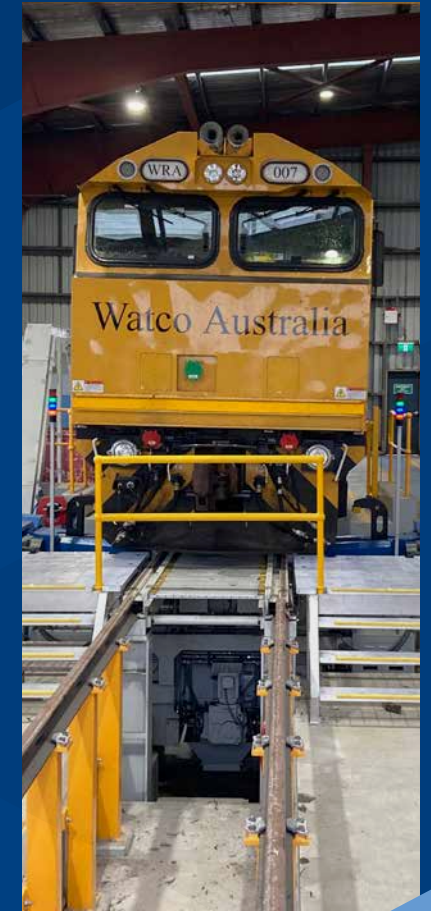
- Strong demand for railway wheelset machining outstripped capacity
- Investment in new underfloor wheel lathe increased capability
- Well positioned to capture increasing share of Queensland rollingstock wheelset market



**Growth**

Penetrate Major  
Customer Base

Expand  
Product Offerings

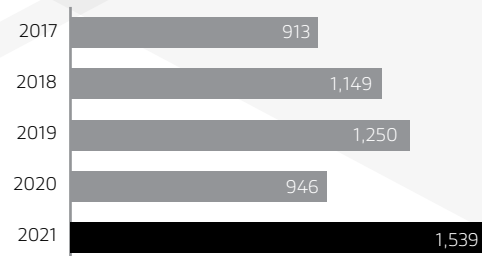


## CONVAIR

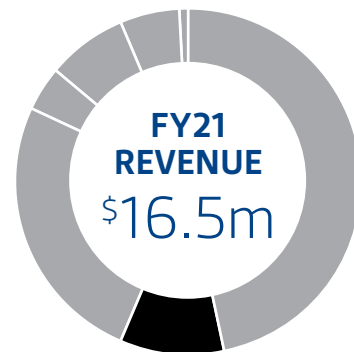
Revenue (\$'000)



NPBT (\$'000)



FTE\* at 30 June



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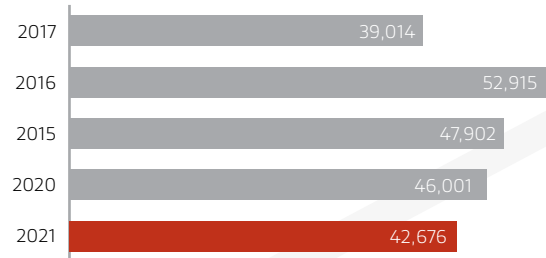




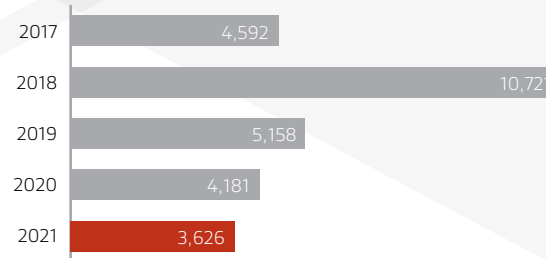
# Power and Propulsion

## Drivetrain

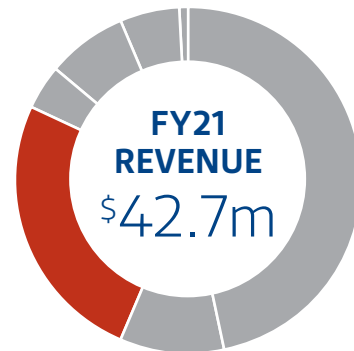
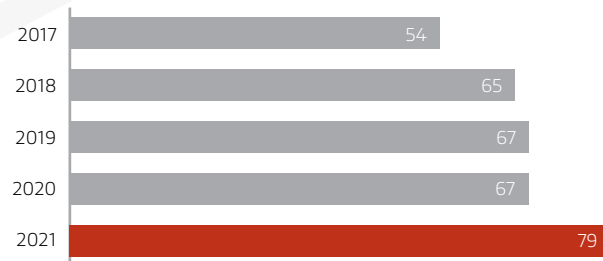
Revenue (\$'000)



NPBT (\$'000)



FTE\* at 30 June



\* Full time equivalent (FTE) employees



## Expanded Drivetrain product range

New products include the Kovatera UT99 underground utility vehicle

- Solutions to Australian mining operations' need to improve performance
- Long life, high capacity, low operating cost and adapted to Australian conditions
- Fleet-size orders received for delivery in FY22



**Growth**

Penetrate Major  
Customer Base

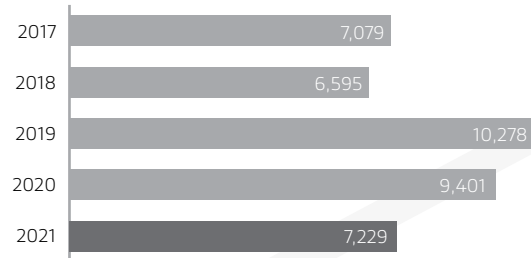
Expand  
Product Offerings



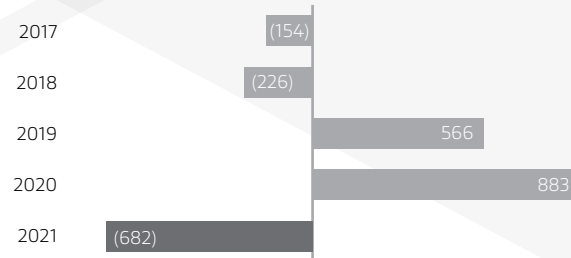
# Power and Propulsion



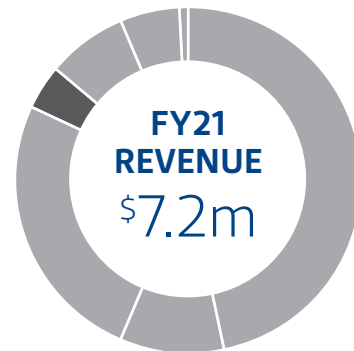
## Revenue (\$'000)



## NPBT (\$'000)



## FTE\* at 30 June



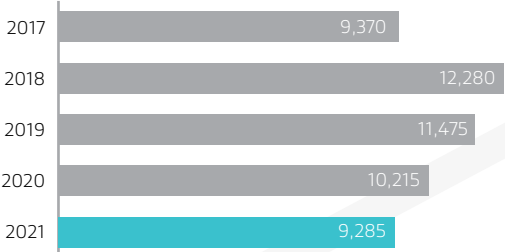
\* Full time equivalent (FTE) employees



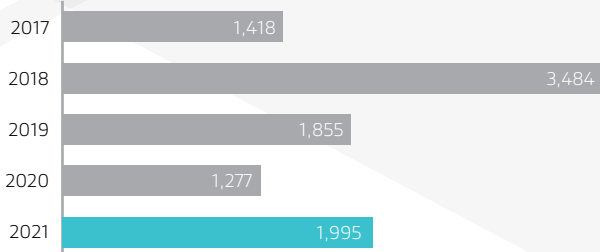
# Workforce Solutions



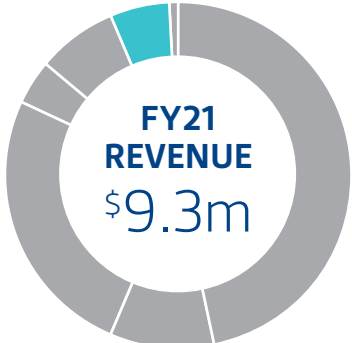
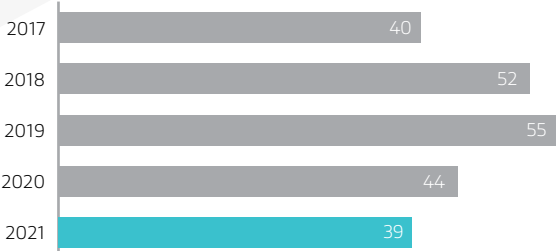
Revenue (\$'000)



NPBT (\$'000)



FTE\* at 30 June



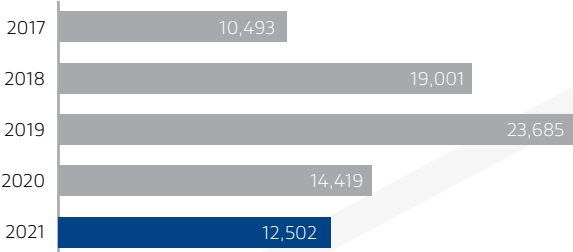
\* Full time equivalent (FTE) employees



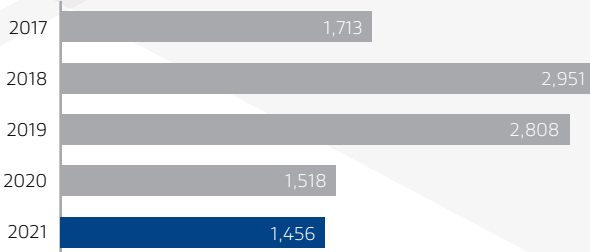
# Workforce Solutions



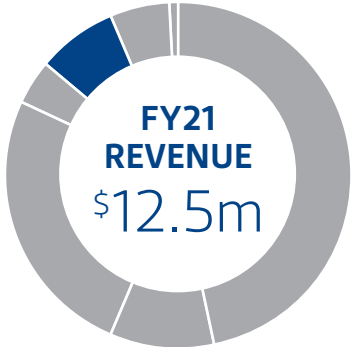
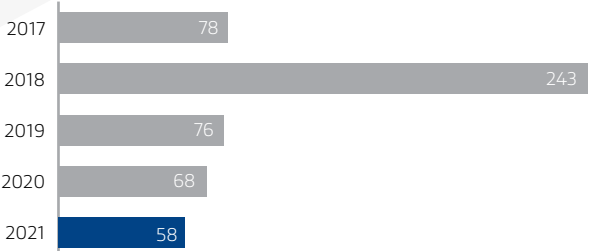
Revenue (\$'000)



NPBT (\$'000)



FTE\* at 30 June



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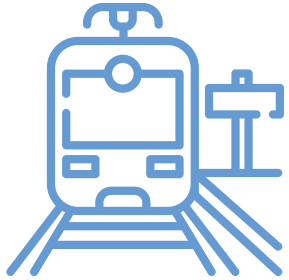
# People and Culture

We aim to be a leading supplier of technical products and solutions to the transport, resources and defence markets, delivering superior value and returns.

- Continued investment in people to cultivate a constructive, high-performance culture.
- Growing our future workforce, training more apprentices and employing more young people.
- Elevating the workforce into one that is more engaged, responsible and accountable.

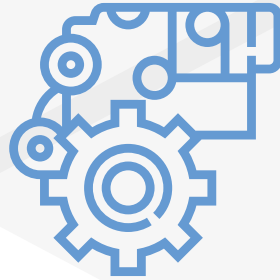


# Group Outlook



## Rail and Road

Increased capacity is expected to realise improving return in the periods ahead. We continue to introduce new products and expand our range of offerings.



## Power and Propulsion

We are optimising our supply chain and logistics to support an expanded service network. Progress on specialised remote power generation projects continues.

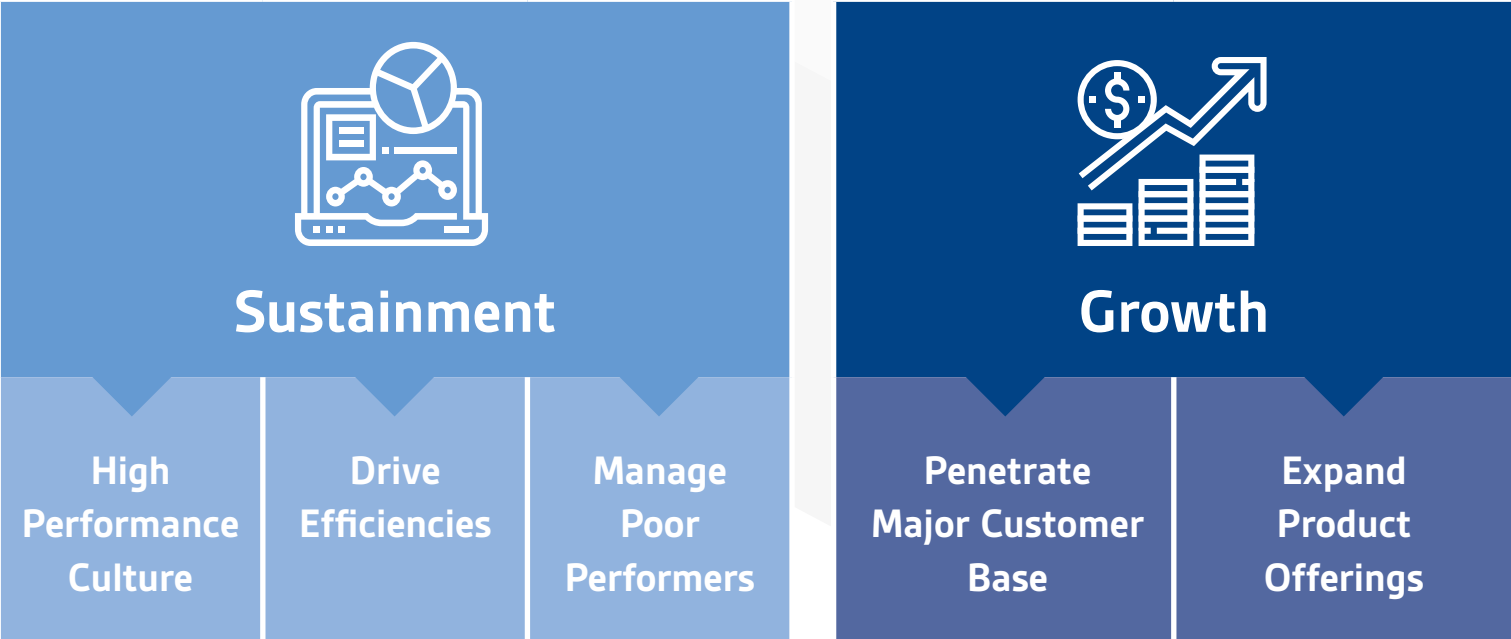


## Workforce Solutions

New division benefiting from synergies between Momentum Rail and CERT Training, despite pandemic-related constraints. Positive Eureka 4WD demand in WA with national rollout planned.

# Outlook – Strategy

We continue to focus on our customers' needs as we build scale and structure that supports the continued growth of the business.





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