

9 May 2025

Updated FY25 Outlook

Following the completion of the April 2025 trading period and Management's review of business segment forecasts, Engenco Limited (ASX: EGN) (**Engenco** or **Company**), is updating its outlook for FY25.

While it is anticipated that financial performance in the second half will still be positive, the Company is no longer expecting an improvement for FY25 when compared to FY24. This is principally due to challenges being faced by the Gemco Rail business unit in meeting production targets for the capital wagon program and lower than anticipated bearing sales in the June 2025 quarter. The FY25 net profit after tax (NPAT) is now expected to be broadly in line with FY24.

Gemco Rail has a strong pipeline of iron ore wagons being manufactured at Forrestfield for the June 2025 quarter. Due to difficulty in attracting and retaining skilled trades critical to the program, part of the revenue expected in the June 2025 quarter will be deferred to FY26.

In addition, workshop activity in Drivetrain is not increasing at the rate anticipated in the second half as some mining operators experience lower activity and have insourced their work.

Commenting on the tempered outlook, Engenco's Managing Director and Chief Executive Officer, Dean Draper said: "Whilst the deferral of Gemco Rail revenue is disappointing, the pipeline remains strong to support growth in FY26. The establishment of our rollingstock and rotatable maintenance facility in Karratha remains on track. The manufacture of iron ore wagons will commence in Karratha in the second half of FY26.

"Drivetrain is implementing a strategy to broaden its service offering to new industrial segments to increase workshop activity into the future."

This announcement has been authorised for release by the Engenco Board of Directors.

About Engenco Limited

Engenco specialises in:

- Maintenance, repair and overhaul of heavy-duty engines, powertrain, propulsion and gas compression systems;
- Design and manufacture of road and rail transportation and storage tankers for dry bulk products;
- Product development, manufacture, installation, maintenance and spare parts services for Hedemora Turbochargers and Hedemora Diesel Engines, for customers in all parts of the world;
- Maintenance, repair and overhaul of locomotives;
- Rollingstock manufacture, maintenance services and products for the Australian and New Zealand rail markets; and
- Nationally accredited training, contract labour solutions and outsourced workforce management for the Australian rail and transportation industries.

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

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