

Annual General Meeting FY2022



Paddy Gregg, Chief Executive Officer
23 November 2022

1. Welcome to FY2022 AGM

FY2022 Full Year - Key Facts



\$1,429 M

REVENUE



\$3.0 B

ORDER BOOK
(\$7 B with OPC
options)



26

SHIPS UNDER
CONSTRUCTION
OR SCHEDULED



9

SHIPS
DELIVERED



5,000

EMPLOYEES



**5 SHIPYARDS
IN 4 COUNTRIES**



**8 SERVICE CENTRES
IN 5 COUNTRIES**



42

VESSELS UNDER
SUSTAINMENT
CONTRACTS

1. Significant construction contract wins since last AGM have substantially increased our order book, and we are hopeful that additional OPC options will be exercised. Austal has spent the last couple of years building its core vessel manufacturing business and broadening its scope to provide diversification and resilience. This is yielding considerable results given the orders we have won and the programs we are now working on.
2. AUSA and Australasia achieved delivery of 9 ships in FY22 despite the challenges Covid has presented.
3. Our service and support business has had some challenges but we still see a bright future and the MGBW acquisition has gone well, we have ordered our floating dock.
4. We are now up to 8 service centres worldwide, with 42 vessels under sustainment contracts.

Financial Headlines FY2022



\$ m	FY2022	Change from PCP
Revenue	\$ 1,429 m	[9%]
EBIT	\$ 120.7 m	5%
NPAT	\$ 79.6 m	[2%]
Total Dividends Declared	8 ¢ per share	-
Operating Cash Flow	\$ 37.5 m	[60%]
Net Cash ¹	\$ 115.6 m	[50%]

1. FY2021 excluded the notional debt of the CCPB 9 & 10 leasing program, completed during FY2022 H1

1. These results demonstrate another strong operational performance, while we have made significant investment in the business.
2. Standouts were:
 - a. Second highest EBIT the business has recorded
 - b. Confidence in the balance sheet to allow us to maintain the dividend year on year
 - c. Continue to invest in both organic and inorganic opportunities
 - d. We are investing for future shareholder returns, including building steel capability in the USA and growing our support business with the San Diego acquisition to mention two things.
3. In particular, the results demonstrate how the nature of our business – being heavily skewed to defence – can withstand the current economic and operational challenges.

Financial Outlook



- Austal has secured a significant pipeline of work recently and the current macroeconomic environment is volatile, including residual impacts from COVID-19
- For this transition year as we move from established existing programmes through the design and long lead material ordering on new programmes, prior to full steady state production, we are providing EBIT guidance of approximately \$100 m



News since FY22 Results



- ASIC closure
- 2022 ESG Report released, including GHG emission reduction targets
- EPF13 trials completed
- Coast Guard approval to proceed with OPC project despite protest from Eastern Shipbuilding
- No new commercial orders
- 3rd Evolved Cape-class Patrol Boat delivered to RAN
- Additional Guardian-class Patrol Boat order
- **Defence Structure Review** underway in Australia; New Australian Government and a new Chief of Navy
- Cyber ISO 27001 & DISP level 1



1. Austal settled matters with ASIC on market disclosure in 10 business days prior to July 4 2016, and this was endorsed by Federal Court.
2. Commonwealth ordered an additional GCPB, taking number of GCPB's ordered to 22
3. Defence Strategic Review underway in Australia, new Government and new Chief of Navy. Austal maintains a good working relationship with all of them.
4. Austal delivered its 3rd Evolved Cape Class vessel to Australian Navy on 3rd November 2022
5. Published or updated ESG report and included GHG emission reduction targets:
 1. By 2030 50% reduction of embodied scope 1, 2 and 3-upstream
 2. By 2050 net zero commitment consistent with scientific targets
6. EPF13 autonomy trials successfully completed.
7. Cyber security is extremely important to Austal given current environment and Austal's role in the defence sector. Austal has achieved ISO 27001 Defence Industry Security Programme level 1 certification.
8. No new commercial orders for SE Asia yards due to future fuel concerns. Consideration to be given to the future of operations.
9. OPC challenge by Eastern Shipyard against US Coastguard dropped from Government Accountability Office and resubmitted in US Court of Federal Claims. In the meantime, Austal endorsed to proceed with the contract.



Video of Express 5 in the Philippines

Business Overview

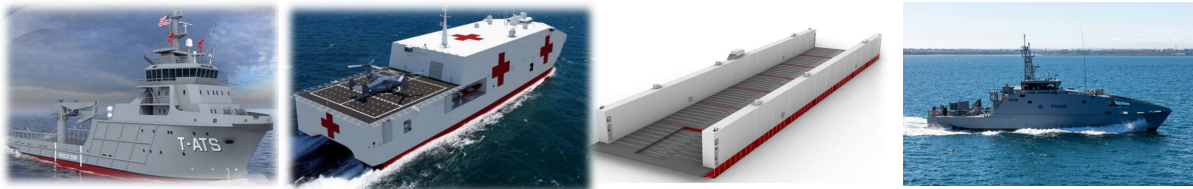


A Guardian Class Patrol Boat being transported from Hope Valley Road to waterfront for launch.

Shipbuilding Contracts



- Pipeline of US Government and Commonwealth of Australia shipbuilding programs – aluminium and steel
- Four ships awarded to Austal USA and two to Austal Australia in FY2022
- Recent awards valued at ~ US\$3.7 Billion (including OPC options)



OPC Cut metal - Q2 2024

We concluded the year with significantly more opportunities/ orders than we started with.

We have diversified our revenue stream from 2 to 6 programmes in the US, and added to the workload in Australia

Expanding Shipbuilding



Light Amphibious Warship



Future Frigate



Australian ILMV
for the Australian Army



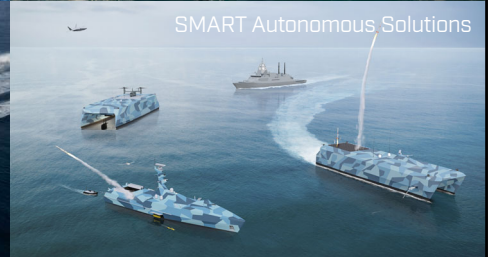
T-AGOS



Large Unmanned Surface Vessel



SMART Autonomous Solutions

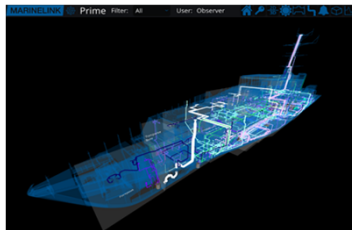


We have space to continue to expand our capacity in the US

1. We continue to expand our capabilities and product offerings. The Steel facility opened ahead of schedule early April in the US.
2. Austal remains technology agnostic in both defence and commercial as we continue to see the fleet age and emission requirements tighten, resulting in an anticipated resurgence in the commercial market in the medium term.
3. There are numerous programmes that we are bidding for in the US and Australia, with a broader and deeper pipeline.
4. We have space to continue to expand our capacity in the US.
5. Autonomy has the potential to be key revenue stream in US and Australia

Enhancing Systems

With a growing range of digital products



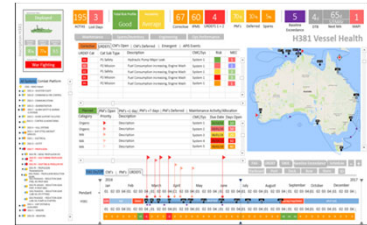
MARINELINK

- Vessel control & monitoring of all onboard equipment
- Intuitive 3D interface
- Critical enabler for vessel automation and autonomy
- Legacy versions on 200+ vessels
- Major upgrade to be deployed on Capes 11-18 & new Mols ferries



MARINELINK Smart

- Machine learning to optimise vessel performance
- Recommendations in real-time to crew on the bridge
- Analytics on web for shore team
- In use on 8 large ferries in UK, Denmark, Norway, Spain & Japan
- Will be deployed on Capes 11-18



- Fleet wide asset management & availability planning
- Secure cloud with data replication to remote assets
- Predictive failure analytics
- Prototype in use on Capes 9, 10
- Full version to be deployed on Capes 11-18

10

1. Investing in R&D to be ready for the future
2. Focused on the product for more efficient operations
3. Looking at it from both an operation and maintenance perspective in both defence and commercial markets.



1. Austal invested in refurbishing its Brisbane slipway in FY2022.
2. There is potential revenue growth in service work as more Guardian Class and Evolved Cape Class vessels are delivered.



1. Austal successfully completed its acquisition of MGBW in San Diego in December 2021.
2. The Graphic shows where Austal would operate the floating dock we have ordered.
3. Austal West Campus continues to grow and secure bookings to increase utilisation.

Strategic Outlook



1. Fundamentally delivering our growth and diversity plan
 1. Steel
 2. Systems
 3. Autonomy
 4. Future Fuels
2. Significant success in winning steel work with orderbook ~\$7 billion (OPC options included)
3. Much broader and deeper pipeline
 1. Programs e.g. T-AGOS, LUSV, FFX, LAW, IMLV
 2. Support e.g. SEC E&W
 3. Additive revenue opportunities/ focus factory e.g. Aircraft carrier elevators, Saildrone
4. Autonomy has potential to be a key revenue stream in US and Australia
5. San Diego acquisition completed. Targeting \$500m support revenue by FY2027
6. Strategic wins in Australia to transition to future opportunities in the Force Structure Plan
7. Opportunities for Systems to generate revenue
8. Capability to deliver steel & aluminium shipbuilding and sustainment in commercial & defence sectors globally

1. Great set of results with strong operational performance.
2. Our strong balance sheet has helped during COVID, and allowed us to continue to invest in an exciting future
3. We are a more diversified business now....very established in shipbuilding, support and systems
4. We also see significant opportunities in advanced technology autonomous vessels
5. Austal does need to generate new contracts in the next few years, but we are optimistic about the future because we have demonstrated we can deliver operationally, have the capability to deliver in steel and aluminum, in shipbuilding, systems and support, in commercial and defence, and there are a lot of opportunities out there for us to go and win



Video #1 top be played – OP60 (Short)

Disclaimer

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For further information visit www.austal.com

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Resolution 1

“That the Remuneration Report as set out in the Annual Report for the year ended 30 June 2022 be adopted.”

Eligible proxies received :

FOR	AGAINST	PROXY'S DISCRETION
230,073,928	1,556,284	755,209
99.01%	0.67%	0.32%

Resolution 2

“That Ms Sarah Adam-Gedge, being a Director of the Company who retires in accordance with Article 8.1(f) of the Company’s Constitution and, being eligible, is re-elected as a Director of the Company.”

Eligible proxies received :

FOR	AGAINST	PROXY’S DISCRETION
254,685,087	9,939,312	776,517
95.96%	3.75%	0.29%

Resolution 3

“That, for the purposes of ASX Listing Rule 7.2 exception 13(b) and for all other purposes, approval be given to the Austal Limited Rights Plan and for the grant of indeterminate rights, and further issues of Shares on vesting and exercise of such Rights, on the terms set out in the Explanatory Materials.”

Eligible proxies received:

FOR	AGAINST	PROXY'S DISCRETION
261,309,330	2,972,496	755,784
98.59%	1.12%	0.29%

Resolution 4

“That, subject to the passing of Resolution 2 above, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to \$26,416 worth of Share Rights to Ms Sarah Adam-Gedge on the terms and conditions set out in the Explanatory Memorandum, and any issue of Shares pursuant to those Share Rights.”

FOR	AGAINST	PROXY'S DISCRETION
259,651,152	4,175,634	749,759
98.14%	1.58%	0.28%

Resolution 5

“That, pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to \$26,416 worth of Share Rights to Mr Chris Indermaur on the terms and conditions set out in the Explanatory Memorandum, and any issue of Shares pursuant to those Share Rights.”

Eligible proxies received:

FOR	AGAINST	PROXY'S DISCRETION
259,660,859	4,154,421	750,215
98.15%	1.57%	0.28%

Resolution 6

“That, pursuant to and in accordance with ASX Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to \$26,416 worth of Share Rights to Mr Giles Everist on the terms and conditions set out in the Explanatory Memorandum, and any issue of Shares pursuant to those Share Rights.”

Eligible proxies received:

FOR	AGAINST	PROXY'S DISCRETION
259,661,859	4,153,421	750,215
98.15%	1.57%	0.28%

Resolution 7

“That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of 149,153 Short Term Incentive Deferred Equity Rights for FY22 under the Austal Limited Rights Plan to Mr Patrick Gregg, on the terms and conditions set out in the Explanatory Memorandum, and any issue of Shares pursuant to those Rights.”

Eligible proxies received:

FOR	AGAINST	PROXY'S DISCRETION
260,950,801	3,109,849	755,915
98.54%	1.17%	0.29%

Resolution 8

“That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the grant of up to 416,872 Long Term Incentive Rights under the Austal Limited Rights Plan for FY2023 to Mr Patrick Gregg on the terms and conditions set out in the Explanatory Memorandum, and any issue of Shares pursuant to those Rights.”

Eligible proxies received:

FOR	AGAINST	PROXY'S DISCRETION
260,963,439	3,102,492	755,915
98.54%	1.17%	0.29%

Resolution 9

“That pursuant to and in accordance with Listing Rule 10.14 and for all other purposes, Shareholders approve the issue of 41,831 Shares to Mr Patrick Gregg pursuant to the exercise of 41,831 vested LTI Rights (granted for FY2020) on the terms and conditions set out in the Explanatory Memorandum.”

Eligible proxies received:

FOR	AGAINST	PROXY'S DISCRETION
260,784,904	3,236,274	811,015
98.47%	1.22%	0.31%



End

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