

13 October 2022

## **CHAIRMAN'S ADDRESS TO SHAREHOLDERS 2022 ANNUAL GENERAL MEETING**

Good afternoon, ladies and gentlemen. I am your Chairman Jim Walker and it is my pleasure to welcome you to the 2022 Annual General Meeting of Austin Engineering Limited.

I am very proud to say Austin Engineering has performed strongly on both an operational and financial level over year, despite significant macroeconomic volatility, and continued impacts of COVID-19.

Austin's refined strategic focus on enhancing margins, in tandem with improving our product range, performance and customer support delivered a strong full year result, including a 155% rise in EBITDA to \$32.5 million and a 525% rise in net profit after tax to \$20.6 million. The results exceeded our forecasts and were the direct result of the growth measures instigated as part of the Company's global strategic review undertaken last year.

David will step through the initiatives undertaken by the Company to increase orders and sales, to improve our product range and performance, and customer reach. Together this has resulted in a significant improvement in financial and operational aspects of the Company and, crucially, has set us up with a buoyant momentum and robust financial performance that is sustainable in the longer term.

We have released new products onto the market using the latest in technology and innovation. The lightweight HPT truck body and JEC High performance buckets are best in class and showcase Austin's superior engineering expertise in creating products that meet the changing needs of customers and offer improvements in safety, efficiency and environmental footprint.

Our bucket product base will be significantly enhanced by the recently announced acquisition of Mainetec. This Australian-based producer of high performance buckets like the Hulk excavator and dipper range will allow us to grow our bucket market offering domestically, and to expand that offering internationally especially into the Americas. David will speak more on that acquisition shortly, but it's an excellent addition to our Company from an operational and financial perspective.

Our enhanced focus on prudent cost control, increased utilisation of Batam into the Austin supply chain, and our agile 'hub and spoke' strategy has enabled us to source materials and labour in a highly efficient manner. This has allowed us to effectively manage rising costs for input materials like steel, as well as the tight labour market in Australia.

While those pressures have resulted in a difficult time for the Asia Pacific region, this has been offset by record revenue and earnings margins in our North and South American operations, which looks to be able to be sustained.

Sustainability has been a key focus of the Board during the fiscal year, and we have made significant strides in this area on a number of fronts. We are cognisant that clients increasingly want greener, more sustainable solutions that are safer and increase productivity.

Our people's safety and wellbeing are central to our business, and continues to be a critical focus area for Austin. We are pleased to report a significant improvement in our safety performance once again this year.

We released our first Sustainability Report last month that details Austin's environmental, social and governance credentials, and provides a baseline to work from. Austin is building a safety-first, environmentally conscious, and diverse business that will ensure a prosperous long-term future ahead.

The substantial strategic initiatives we have undertaken during full year 2022 has given us a solid platform for the 2023 year. We are set up for a strong year ahead with increased orders and a much improved business.

### **Dividends**

We will pay a fully franked final dividend of 0.3 cents per share later this month, bringing dividends for the year to 0.5 cents. Our policy reflects the importance of paying dividends to our Shareholders, balanced with the priority of retaining the financial flexibility to enable the continued execution of our growth strategy.

### **People**

We would like to welcome new Non-Executive Director, Ms Linda O'Farrell, who has recently joined the Board and who is with us here today. Linda has held senior resource sector roles in people, culture, and leadership development roles for Newcrest, BHP and Mount Gibson Iron. She's currently at FMG as the Director Fortescue People and we are very grateful to have her join the Austin Board.

Next month, we will welcome new CFO, Mr David Bonomini to Austin. David has global experience in leading governance, regulatory and commercial initiatives in high growth companies and was most recently the CFO of Orbital UAV, which has operations in Australia and the US.

I'd like to thank our current CFO Gareth Jones for his contribution to Austin and ensuring a smooth handover to David.

### **Conclusion**

In closing, on behalf of the Board of Directors, I would like to extend my great thanks to CEO David Singleton, and the management team for achieving excellent growth while navigating a challenging year of wide-scale inflationary pressures and lingering impacts of COVID-19, which are continuing to ease.

To our workforces on sites around the world, along with our contractors, suppliers and support services – you are key to our success, and we thank you for another year of hard work and commitment to a safe and successful operation.

Thank you to my fellow Directors for their wise counsel and support. Lastly, thank you to our Shareholders for your commitment to Austin and its growth strategy.

I will now hand over to David Singleton for his CEO and Managing Director address.

**Jim Walker**  
Chairman

**-ENDS-**

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**Announcement Authorisation**

This announcement was authorised by the CEO of Austin and is not market sensitive.

**About Austin Engineering**

Austin is a global engineering company. For over 50 years, Austin has partnered with mining companies, contractors and original equipment manufacturers to create innovative engineering solutions that deliver productivity improvements to their operations.

Austin is a market leader in the design and manufacture of loading and hauling solutions, including off-highway dump truck bodies, buckets, water tanks and related attachments, supporting both open-cut and underground operations. Complementing its proprietary product range are repair and maintenance services performed in our workshops and on clients' mine sites, and spare parts.

Through Austin's own design and engineering IP and range of tailored products, it delivers solutions for all commodity applications and drives increased efficiencies in productivity and safety in both open cut and underground mining operations.

Austin's products can create more sustainable mining operations by delivering the lowest cost per tonne to end user, reducing fuel usage per material carried.

The Company is headquartered in Perth and has operations around the world in Australia, USA, Canada, Chile and Indonesia serving many of the major mining sites in the world both directly and through local partners.