

AUSTIN ENGINEERING LTD
Head Office | ABN 60 078 480 136

Kings Row 1, Level G
52 McDougall Street (PO Box 2052)
Milton, QLD 4064 Australia

P +61 7 3723 8600

F +61 7 3271 3689

E enquiry@austineng.com.au



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Managing Directors Address to Shareholders

Thank you Jim. Good morning ladies and gentlemen and thank you for joining us today for our 2017 Annual General Meeting.

Last year when I addressed shareholders at the Austin Annual General Meeting, I had an entire five weeks with my feet under the desk. Twelve months later, I am delighted to say that my initial observations about the business have been reinforced.

Strengths

Austin has a team of talented people, quality products and a significant global footprint.

Austin has a unique business model, holding a market leading position as a non-OEM producer of custom truck bodies and buckets, with strategic locations across four major mining continents including Australia, Asia, North America and South America.

Austin provides a large and diversified product range for above ground and underground mining operations that are customised to meet client requirements.

During my first twelve months it has become even clearer that Austin's core competency is our engineering intellectual property and expertise, reflecting nearly 50 years of experience within the business. We have world class engineering capabilities, with specific design and customisation of off-highway truck bodies, large hydraulic excavators and rope shovel buckets.

Our two engineering teams regionally located in the North American and Perth business units have now been consolidated under unified leadership. The engineering team consolidation has been structured to increase design efficiency and reduce lead times for the sales and manufacturing teams. The combined knowledge and regional expertise of our engineering resources, in conjunction with the global sales and marketing team seeking continuous feedback from clients has resulted in a more structured research and development program for continuous improvement for Austin products.

Austin's global manufacturing footprint remains fundamental to meeting client order fulfilment expectations. Further, the Austin model provides additional flexibility in delivery options from our regionally based business units as well as the ability to manufacture product by approved sub-contractors in those areas where Austin is not located.

Austin will always have competitors in the market, but while there are localised non-OEM competitors and global OEM's, neither of those groups can provide a product on a near global basis that is specifically designed and manufactured to meet individual client requirements.

Strategy

With the implementation of our key strategic decisions by centralising the engineering, global marketing and business development functions Austin research and development activities are more focused in delivering innovative products to our clients.

Austin's new product development will continue to position us as the leader in mining truck bodies, buckets and attachments within the industry. This will protect Austin's existing market share and provide further growth opportunities. Our research and development activities have produced lighter weight, high performance truck bodies, as well as innovative new bucket designs.

Austin increased its order fulfilment capability during the year. We have and will selectively continue to appoint quality sub-contract manufacturers to provide added flexible manufacturing capacity to that of the existing baseload of workshop capacity around the globe. Austin also utilised its Indonesian manufacturing facility to deliver product to the East Coast of Australia to support the growth in this region. Our Indonesian facility now delivers products into Australia, regionally and into other locations where Austin does not have a presence. This facility is now an integral component of Austin's global product delivery chain.

A new global quality and continuous improvement function has been established to ensure that all Austin workshop operations are manufacturing on a best practice basis to maintain our product quality and to take advantage of manufacturing process improvements to reduce costs.

Austin has also commenced a global supply chain project focusing on the largest manufacturing input costs for the business, steel and welding consumables. The full impact of this project are yet to be realised, but are expected to result in a reduction to future input costs of Austin products, relative to our competitors.

Austin expects to allocate capex spend during FY2018 prioritising equipment maintenance and efficiency improvement projects. Our capex spend will be aimed at reducing manufacturing delivery timelines and costs.

Outlook

The strengthening in the global commodity market that is being fuelled by stronger global growth and a general positive outlook, together with Austin's internal improvements and initiatives to drive greater efficiencies, leveraging our global footprint and engineering intellectual property is exciting for the Austin team.

The Austin team is united and focused on taking advantage of our strengths and collaborating in identifying opportunities for continuous improvements to leverage our entire business so that Austin becomes more than the sum of the parts (or individual business units).

Austin is taking a more rigorous approach to evaluating business performance within the group. We expect each business to generate positive contributions and we will continue to review this and any non-core business operations to determine where our management team should direct their energies to optimise financial results.

The signs of improvements to the mining industry globally continued throughout the 2017 financial year, and it has remained positive as we move forward into the 2018 financial year. In addition to the general improvement in commodity prices to which Austin is exposed, market information confirms that delivery of new mining equipment began increasing in the third quarter of calendar 2016, and since then has showed a continuous growth trend. This trend indicates there is a sustained and growing recovery and expansion of mining and equipment worldwide.

Further and in addition to the increasing field population of new equipment and the opportunities it provides to Austin, there has also been an increase in the sale of replacement bodies and buckets based on the efficiency gains made available through the use of Austin's customised products.

Throughout the year, there has been a focus on co-ordinating and taking advantage of Austin's global business development resources. Austin is keen to ensure there is deeper engagement with all of our global clients. Closer engagement with manufacturers of mining earth moving equipment has also been a key goal during the period, to increase utilisation of Austin products on newly delivered equipment.

Austin has entered into a number of distribution agreements to supplement our business development and sales resources. The overall objective is to complement the internal sales resources and provide access to regions where Austin's does not currently have a strong presence.

Based on the above, and as set out earlier by the Chairman, Austin is in a position to confirm the 1H18 normalised EBITDA guidance in the range of \$10 to \$12 million as advised in August 2017.

Our current order book provides sufficient visibility to confirm that we will continue to trade at similar levels until at least March 2018. Based on the information available, we expect that profitability in the second half of the financial year 2018 will be similar to the first half.

We will issue full year EBITDA guidance in February 2018.

Safety

Regrettably and despite every effort to ensure our employees are operating in a safe environment, there have been two employee fatalities during 2017, one due to a road accident whilst commuting, and the other related to a lifting process. These incidents were carefully analysed and the lessons learned used to further improve work processes around commuting and lifting activities.

Austin's focus on safety continues to be reinforced throughout the organisation, with a renewed drive to comply and report within the Austin Global Occupational Health and Safety Standard.

Improved safety monitoring and reporting has seen an increase in the numbers of Lost Time Injuries reported from 2.75 at June 2016 to 4.42 at June 2017. Ongoing safety management activities reduced the Total Recordable Injury Frequency Rate by 4.10 for the year to 17.91, from 22.2 in 2016.

As Managing Director, I am personally committed to safe work place operations for our people. We have now appointed both a Global Safety Manager and a Global Enterprise Risk Manager, improved our training material, and conducted regional safety workshops and employee engagement activities. All Austin managers are committed to safety, with specific safety obligations forming part of every manager's responsibility.

Austin has implemented a detailed Safety Journey Blueprint that is a phased plan to ensure the whole organisation has a uniform approach and cultural alignment to safety with a solid foundation as we move to the next level of maturity in our safety journey.

Diversified Revenue

The Austin product range is clearly aligned with the mining sector, however diversification to date has been largely attributed to regional locations, customer types, commodities and products.

There are opportunities for Austin for further diversification by taking advantage of our manufacturing facilities where we are able to fabricate non-Austin products or projects for clients. Our Indonesian facility manufactures large modular structures and underground mining chutes as an example.

Austin has a large range of underground mining products that we need to be better at selling, this is a key area for our business development teams for future opportunities.

We will continue to assess future diversification opportunities but our current strategy is that any opportunity is to be closely aligned to our core engineering and manufacturing competencies.

Operations

I will now provide a quick refresh on our operating locations. In Australia we are located on the east and west coast, providing manufacturing, repair and maintenance to our clients. Perth is the largest workshop in Australia. The workshops in Mackay and the Hunter Valley predominantly focus on off-site repairs and maintenance of components with small quantity manufacturing.

Austin site services supports customers with on and off-site repair and maintenance. Aust Bore, Mackay offers specialised machining services, overhaul of track frames and other mining equipment, as well as mobile line-boring services.

Our corporate office is located at Milton in Brisbane.

Austin Indonesia is located close to port facilities in Batam, on one of the world's busiest shipping routes, just 20 kilometres away from Singapore. As mentioned previously this first class facility is capable of manufacturing not only Austin products but also non-Austin products.

Our North American facility provides manufacturing and engineering services to customers in North America, Central America and Europe. This facility is home to the Westech brand.

The Colombia workshop is situated in Barranquilla, one of the main coal mining hubs of the country. The Chile and Peru workshops are strategically located close to customers who operate in the South American key copper mining regions.

Financial Performance - Normalised

The 2017 financial year performance was in line with guidance provided, resulting in a normalised EBITDA of \$14.3 million. This was a result of a strong second half performance and was at the upper end of our guidance range.

The 2017 result was a product of some much improved activity from a number of the Austin operations globally, including our Perth operations. Not all of our business units contributed to group earnings during the financial year. It is our expectation that growth opportunity exists across the group, with operations in the Americas to show marked improvement during 2018.

Improvements in revenue and normalised EBITDA were achieved due to a combination of, increasing sales volume of fabricated or new products, improved profitability resulting from the change in product mix, increased fixed cost recovery across higher revenue generation and continued focus on cost reductions.

Overall the second half was a very good result, meeting our expectations and I would like to take this opportunity to thank the Austin team for all their efforts to help us achieve our goal.

FY17 by region - Australia

Perth operations continue to be Austin's most profitable business. Austin is providing assistance to a major iron ore client with their significant replacement cycle. Activity levels remain high across our core client base in the Pilbara, with a number of new product deliveries scheduled for the remainder of the 2018 financial year. The profitability Perth's site services business has been impacted by low-cost competitive pressures.

Hunter Valley operations have capitalised on the recent increases in coal prices with a marked improvement in revenue from previous levels, and this activity is continuing into the 2018 financial year. Hunter Valley did not achieve the expected level of performance for the year, some of which is attributable to high labour rates in the region and the need for improvements in the efficiency of manufacturing processes. Management changes have been implemented and we are expecting an improvement during 2018.

Our two **Mackay** businesses are generating steady returns to the group and we have seen an increase in activity in recent months as a result of improved business development efforts and signs of an improving market.

FY17 by region - Americas

North America's performance improved towards the end of FY2017, with the largest order ever received by Westech to manufacture the 76 truck bodies. These were delivered in the first quarter of FY2018. I will talk more about this project towards the end of my presentation.

Client enquiries in the region and tender book opportunities continue to increase, with new orders being received as funds are released from client budgets.

Profitability of the North American business unit is expected to improve during 2018 as the business returns to a higher base load of work, however some challenges remain as a result of the US Department of Commerce anti-dumping laws that have caused steel price increases which have impacted margins.

Colombia was our strongest performing business unit in South America, with a marked increase in new product deliveries as a result of improvements in coal prices.

Chile has not performed to level we would expect during the 2017 financial year and it has been impacted by the serious safety incidents that I previously mentioned. A significant amount of organisational restructure and rationalisation has occurred in this business unit and we believe that this will result in improving profitability in the future.

With the copper price expected to continue to improve, we have seen the level of client activity and tender opportunities also increase.

Austin's crane business in Chile has not performed well following the loss of a service contract and a reduction in spot work in recent months.

Peru's performance also continues to be below expectations. As with Chile, market conditions are showing some signs of improvement as a result of copper price increases. An internal review is in progress for our Peru business unit to further reduce costs in line with current activity levels. Further work is required to improve our business development activities in this region to take advantage of the changing market conditions.

FY17 by region - Asia

Indonesian operations are increasingly becoming a vital component of our global delivery strategy, in particular for the East Coast of Australia. Together with the supply of product into Australia, this workshop has been successful in manufacturing a number of large scale non-Austin products for clients based in Indonesia and Africa.

Major Customer Productivity Project

We recently delivered our biggest single order ever consisting of 76 off-highway truck bodies to a deep pit copper mine in Utah, USA, Kennecott Copper, Bingham Canyon Mine.

This deal was close to three years in the making and involved numerous on site field studies and meetings with the client to develop a custom design that resulted in enhanced payload and provided significant production benefits.

To give one sense of the application, the trucks are loaded by P&H 4100 shovels and the pit is approximately one thousand metres deep or one kilometre. The trucks haul whilst loaded on a 10% grade for over forty minutes.

As part of this productivity project our client released a video that I am pleased to share with you.

Rio Tinto – Kennecott Pink Pilot Program

Working with clients, understanding their individual needs, developing hauling and loading solutions. That is the Austin story. This is what Austin is all about.

In summary I am optimistic about the year ahead. I would also like to express my sincere thanks to Jim Walker and the Board for their ongoing guidance and support. To all of our shareholders, some of who are here today, I thank you for your continued support.

I will now hand back to Jim for questions.

END

For further information, contact:

Christine Hayward – Chief Financial Officer and Company Secretary on +61 3723 8600