



Austin Engineering Limited Corporate Presentation

26 June 2019

Introduction to Austin

Austin is an engineering company, headquartered and listed in Australia with operations in Australia, Asia, North and South America. The company's global footprint and 'One Austin' operating model allows Austin to provide bespoke engineered solutions to mining clients, delivering compelling productivity gains and reducing the client's operating costs per tonne.

Austin's core competitive advantage is in its engineering intellectual property and deep knowledge of the mining industry across different regions and commodities. It provides customised products, engineered to client specific requirements that are focused on the particular challenges of the mine site.

Austin designs and manufactures customised off-highway truck bodies, buckets, water tanks, tyre handlers and other ancillary products. It is a complete service provider through the product's life cycle, offering on and off-site repair and maintenance.

Since listing on the ASX in 2004, Austin has grown by acquisition with a series of purchases in Australia and the USA before expanding into Indonesia and South America. The integration of these businesses delivered mixed success through the cycle. Since 2017 a number of business and contract rationalisations have been undertaken to improve performance and increase shareholder value. Austin's operations are now focused on its core competencies in markets which have clearly defined growth characteristics.

Core Competencies

1. Engineering Intellectual Property (IP) and Experience

Austin invests in the extension of existing IP and creation of new IP through research and development. Maintaining the edge on regional competitors has been key to the success of Austin through the cycle. Austin provides bespoke solutions to our clients, offering them products designed to suit their individual mine site requirements.

2. Global Manufacturing and Sales Footprint

Austin's 'One Austin' operating model is built on a manufacturing footprint that spans four continents with sales distribution networks across the globe. As our clients progressively change procurement decisions towards central hubs, Austin is well positioned to capitalise on incremental sales to large global miners.

3. Branding and Market Presence

Austin's key brands of Austin, JEC and Westech are well known in the industry for both innovation in product range and quality of engineering, design and manufacture.

4. Manufacturing Expertise

Austin is renowned for manufacturing expertise and is regularly engaged to perform manufacturing services for clients on non-Austin products. In 2018, as part of the 'One Austin' operating model, a Production Efficiency Group was established to bring together the best and brightest ideas from the global Austin network and apply them across all operations.

Corporate Overview

Capital Structure

Share price (at 23 June 2019)	17.5 cps
Fully paid ordinary shares	578,833,756
Market capitalisation	\$101.2m
Net debt (at 31 December 2018)	\$33.5m
Enterprise value	\$134.7m
NTA per share (at 31 December 2018)	16.5 cps

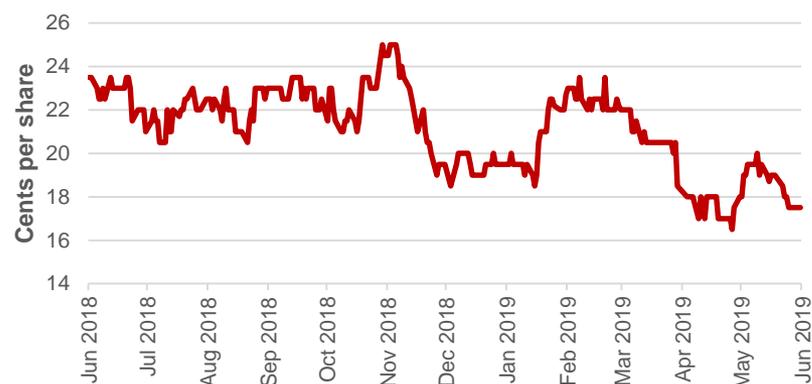
Directors and Senior Management

Jim Walker	Non-executive Chairman
Chris Indermaur	Non-executive Director
Sy Van Dyk	Non-executive Director
David Singleton	Non-executive Director
Peter Forsyth	Managing Director
Sam Cruickshank	Chief Financial Officer

Analyst Coverage

Petra Capital	David Fraser
Wilson	Dan Porter
Blue Ocean Equities	Phillip Pepe
Argonaut	Ian Christie

Share Price

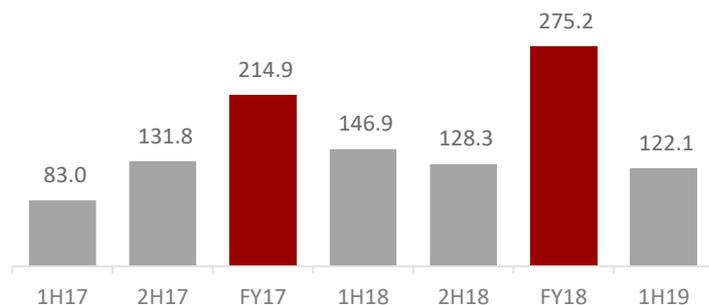


Register – Top 20 as at 2 April 2019

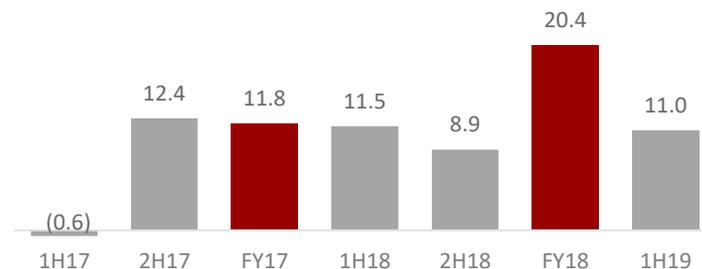
Thorney Investment Group	24.2%
Perennial Value Management	14.9%
LIM Advisors	8.6%
Discovery Asset Management	7.0%
Holders 5-10	15.5%
Holders 11-20	6.3%
Top 20	76.5%

Financial Overview

Revenue (\$m)



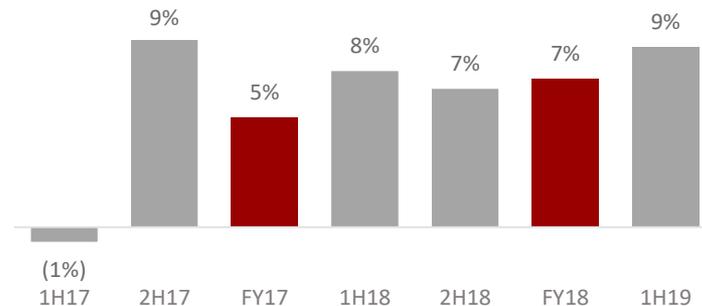
Normalised EBITDA (\$m)



Normalised Net Profit After Tax (\$m)



Normalised EBITDA Margin (%)



All results relate to continuing operations only

Strategic Priorities

1

To be the market leader supplying customised truck bodies and buckets globally

- Business operations re-oriented to provide clients with engineered solutions combined with high quality and efficient manufacturing capability
- Continued engagement plus strengthening of existing and new relationships with large global mining clients and contractors
- Develop new and existing relationships with original equipment manufacturers (OEMs), utilising 'One Austin' and an integrated sales function to provide better customer coverage and foster relationships

2

Grow and diversify the business through identified opportunities unique to Austin

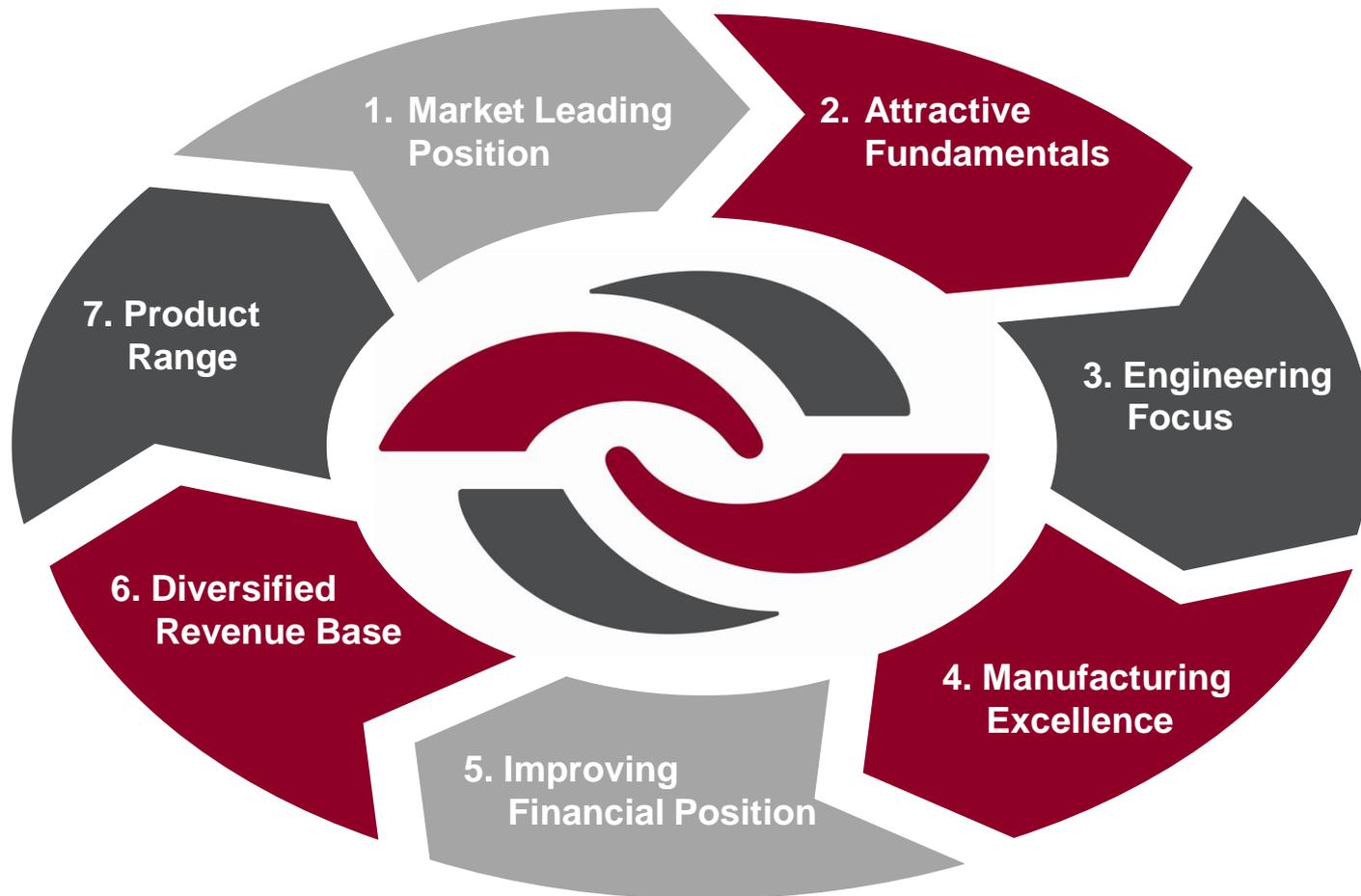
- Leverage Austin's product intellectual property (IP) to expand existing markets and enter new markets
- Innovation team to focus on research and development and new products which continue to reduce client operating costs per tonne
- Grow approved sub-contractor base to provide additional revenue through flexible manufacturing capacity and production facilities where Austin does not currently have an existing footprint

3

Maintain cost competitiveness

- Best practice operational performance and continuous improvement to manufacturing processes
- Remain at the cutting edge of engineering design, with fast, cost efficient techniques used to manufacture high quality products
- Continuous evaluation of the global supply chain for savings through group wide supply agreements

Austin's Value Proposition



1. Market Leading Position

Strategically located across 4 continents, Austin has the largest global footprint of manufacturing facilities of any dedicated off highway mining truck bodies and bucket providers



1. Market Leading Position

Austin operates together, as 'One Austin' across three distinct markets

The Americas

- History of success with the strong Westech product brand
- Existing customer base, particularly in USA, has loyalty to Westech product due to its long term proven success
- Alliances and contracts with key customers
- Austin's approach to innovation, particularly its new water tank design has opened further opportunities
- Oil sands and copper markets have improved
- We believe the South American market has in recent years had a bias to allocating capital to repairing equipment over new product. We are seeing some improvements in this position

Australia

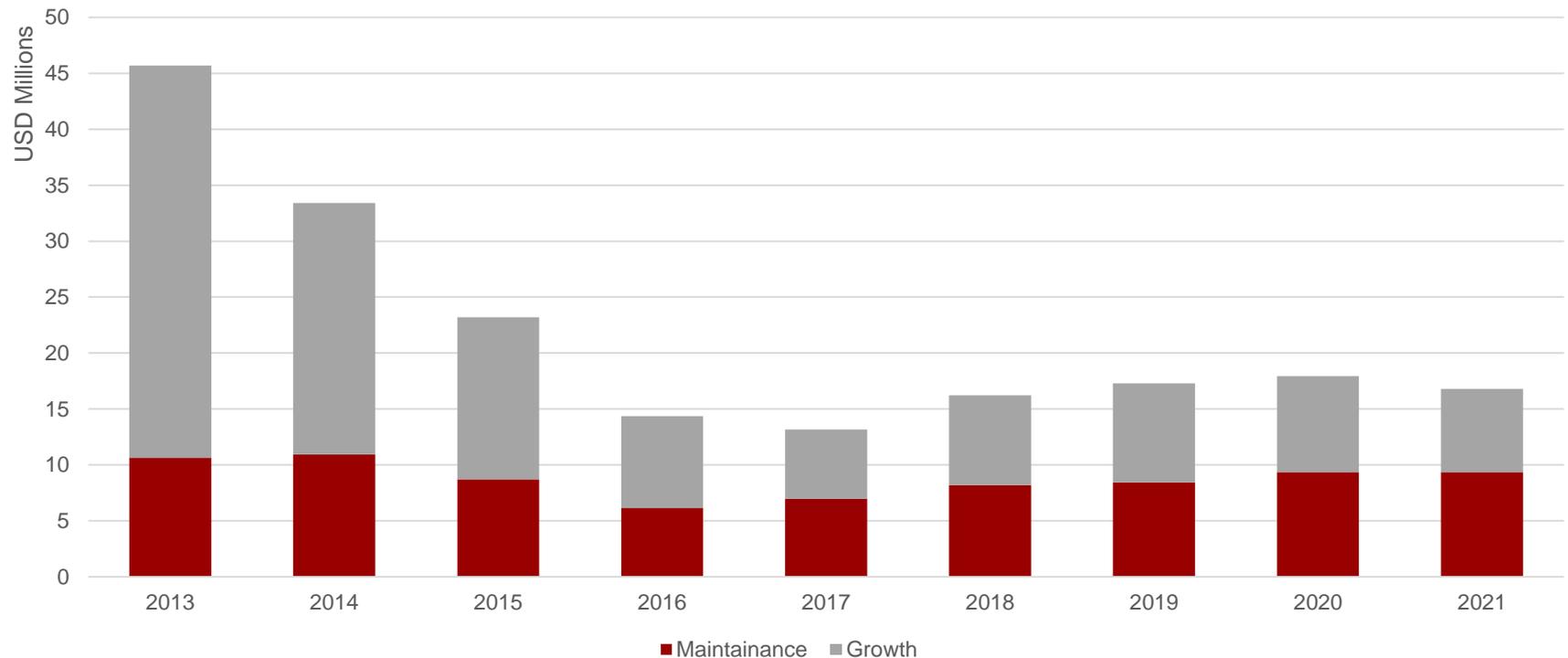
- Innovation such as the new Austin Ultima truck body and two piece bucket has opened up new business opportunities
- Strong commodity prices have created a supportive environment
- Alliances with clients, resulting in global supply arrangements on consistent terms
- Creation of new opportunities in the underground market
- Long-term existing relationships with clients and continued product enhancements have built strong loyalty and trust

Asia

- Batam is a world-class manufacturing facility, meeting Austin's global standards
- Growth in local Indonesia market creating additional opportunities
- Optimal client outcomes are achieved through large batch orders, enabling cheaper per unit shipping costs
- Opportunities in Africa for new products and site support allow product to be manufactured in Batam and shipped direct to the mine site

2. Attractive Fundamentals

Mining capital expenditure has decreased substantially from 2013 levels. The chart¹ shows the aggregated capital expenditure by BHP, Rio Tinto and Glencore. Austin predominantly services the maintenance spend, which is forecast to increase

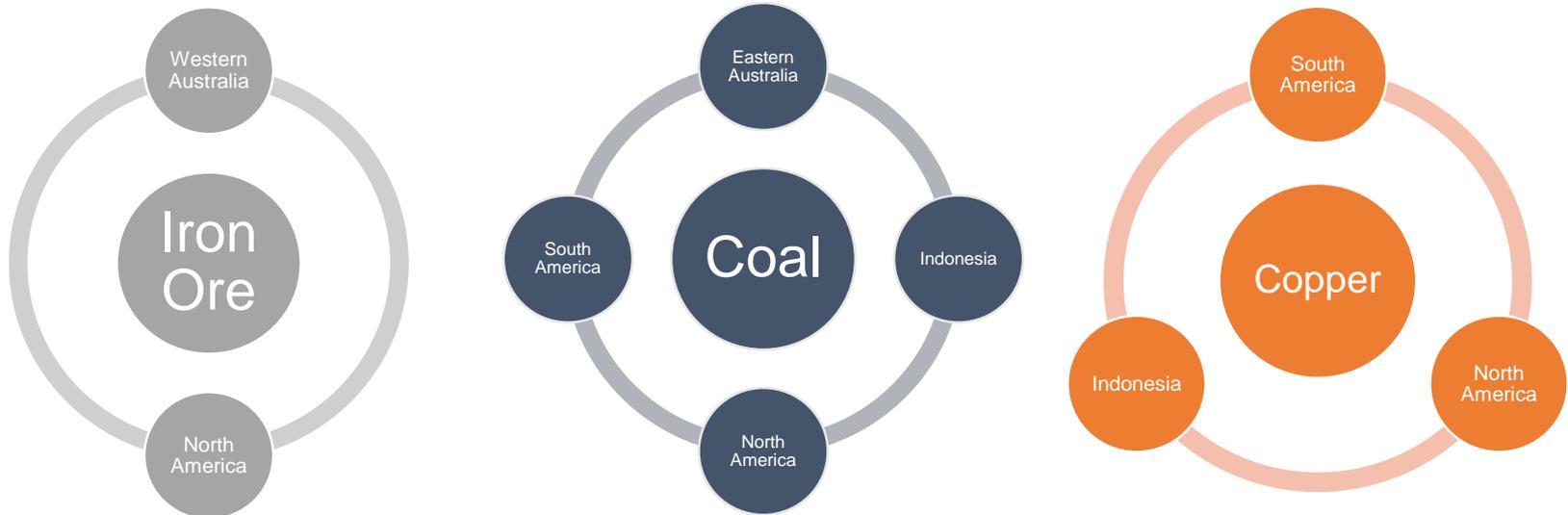


¹ Capital IQ data

2. Attractive Fundamentals

During FY2018, 85% of Austin's revenues were derived from Iron Ore, Copper and Coal. Group manufacturing operations are situated to take advantage of high producing mines of these key commodities

Austin's Key Commodities by Region



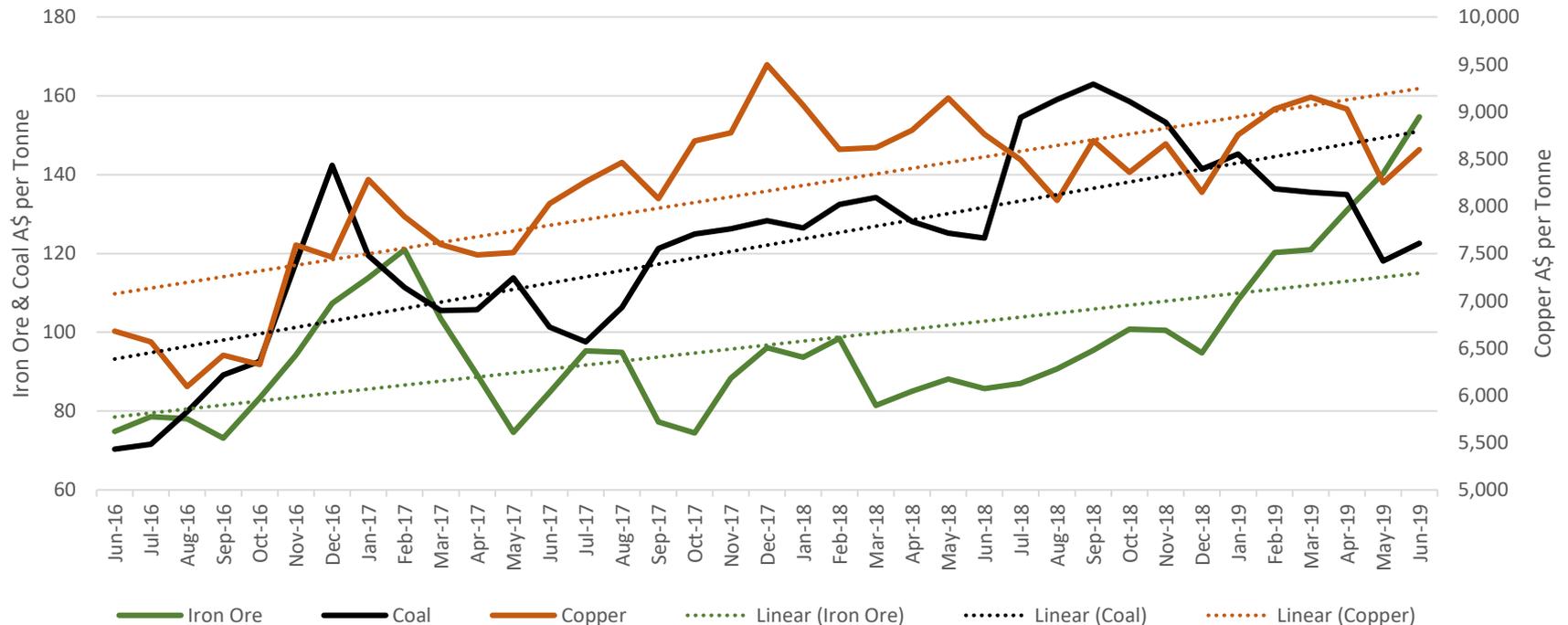
Austin's manufacturing footprint covers a high proportion of each commodity's global production, including the majority of global copper production and iron ore outside of Brazil.¹

¹ Capital IQ data

2. Attractive Fundamentals

Austin's key commodities have performed well over the last three years, global production in these commodities have also increased 3-6%¹ from 2016-2018

Iron Ore, Coal and Copper Prices²



¹ Office of the Chief Economist, Department of Industry, Innovation and Science – March 2019

² Capital IQ data

3. Engineering Focus

Austin has engineering resources deployed globally and, operating as 'One Austin', we can deliver 24/7 engineering support to our clients

Key teams are located in Perth, Australia and Casper, Wyoming USA and are responsible for Austin's key brands



Perth-based John's Engineering & Cranes Pty Ltd (JEC), was one of Australia's longest established manufacturers of Mining and Earthmoving attachments and off-highway truck bodies. The JEC branded range of products are now designed and manufactured by Austin operations globally.



Western Technology Services, or Westech, was one of the world's largest non-OEM designer and manufacturer of off-highway truck bodies. Acquired by Austin in 2007, Austin USA, based in Wyoming is home to the Westech branded range of products are now designed and manufactured by the Austin Engineering Group globally.

3. Engineering Focus

Austin's key market is off-highway truck bodies. Below are some examples of leading products in the range



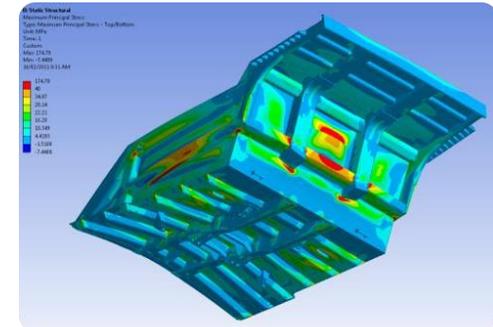
3. Engineering Focus

Austin uses the latest engineering technology in the design, testing and simulation of its products

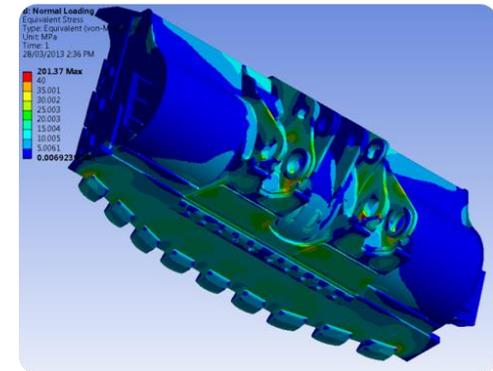
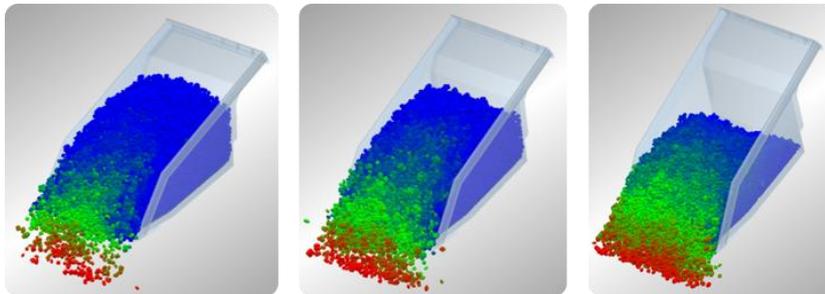
CREO (ex Pro Engineer) 3D Design



ANSYS FEA Analysis



EDEM Load & Flow Simulation



4. Manufacturing Excellence

Austin's workshops are equipped with high quality equipment and tooling, including modern robotic systems and welding processes



Gantry Robotic Welding Machine



Large Capacity Workshops



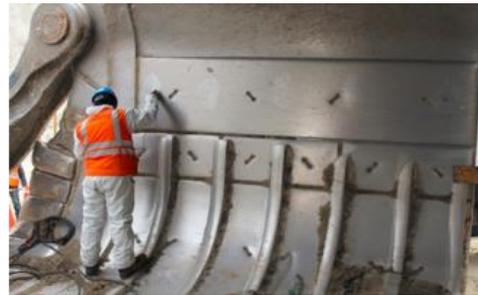
Plasma Cutting Machine



Overhead cranes up to 50 Tonnes

4. Manufacturing Excellence

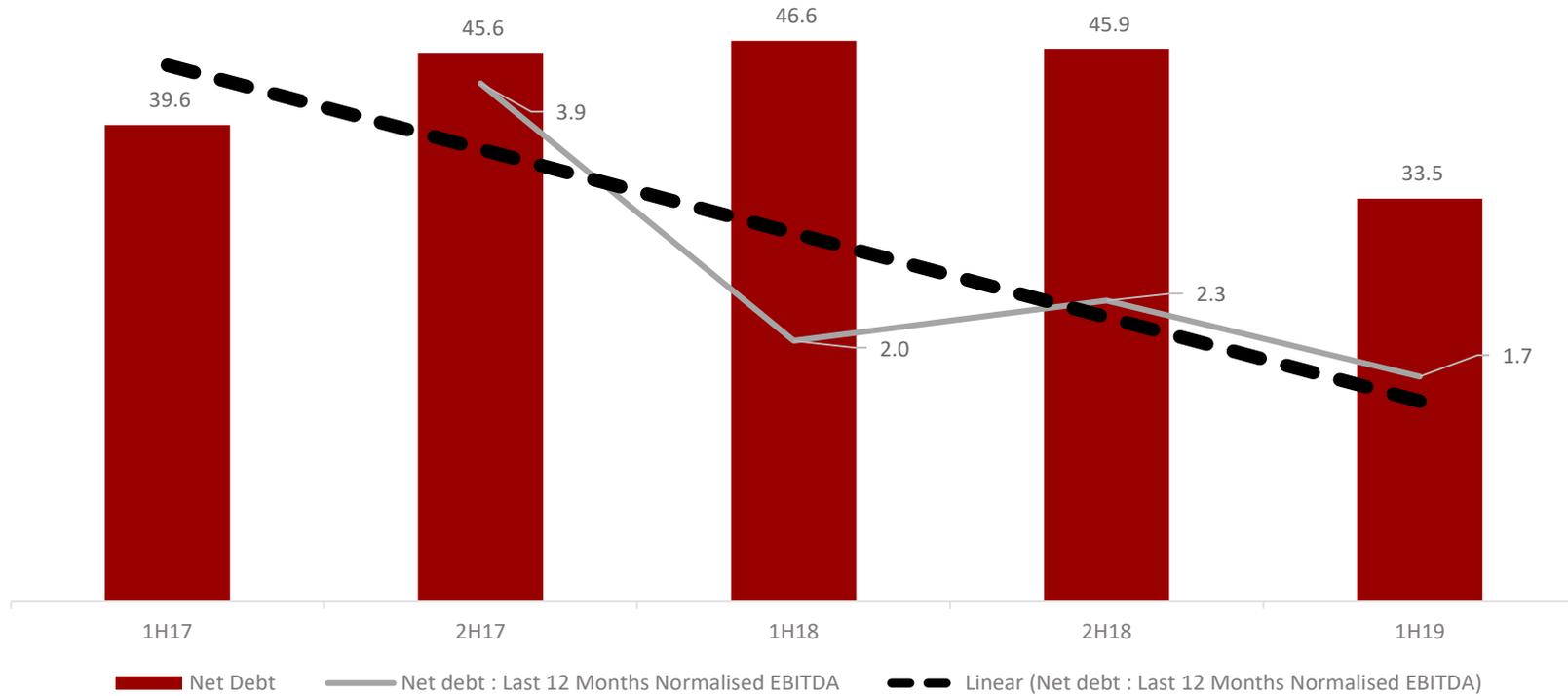
Austin's people are the core of the business, we employ welders and boilermakers, trained to the highest standards, to ensure our products are delivered to the highest quality and built to last



5. Improving Financial Position

Austin's net debt position has decreased markedly in recent years with Net Debt: Annualised Normalised EBITDA trending towards < 1 times

Net Debt vs Normalised EBITDA \$m



5. Improving Financial Position

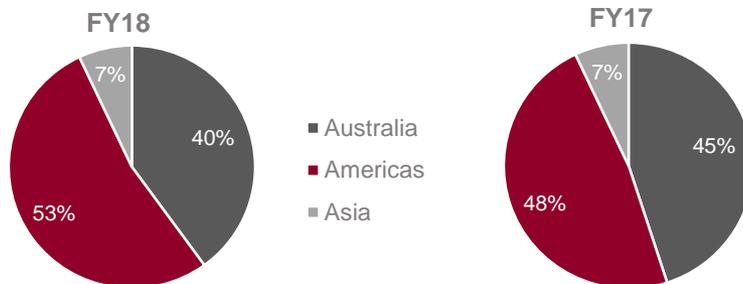
Austin has systematically reviewed non-performing businesses, assets and contracts, restructuring group operations to deliver improved performance

Project	Rationale	Assets Held for Sale at 31 December 2018	Updated Position
Chile Crane Business	Business was identified as non-core. Whilst a contributor to EBITDA, high depreciation and interest costs led to poor profitability. Synergies between this business and traditional operations were not realised.	Plant and equipment: \$12.5m Land and buildings: \$1.9m	>90% of plant and equipment sold in excess of market value. Land and Buildings agreed for sale for ~\$3.0m, expected to settle in Q1 of FY2020.
Peru – Large Site Contract and Lima operating facility	A large site contract was analysed for profitability and Austin determined not to tender for its renewal. The Lima based operating facility was in poor condition and not to the standard of other Austin facilities. Operations were moved to a better situated and equipped facility in Arequipa.	Land and buildings: \$0.9m	Negotiations are on-going with an interested party for the purchase of this property in line with its carrying value.
Hunter Valley Operations	An in-depth analysis of Hunter Valley operations concluded that its performance had not reached a sustainable level and was therefore unlikely to make a sufficient positive contribution to group results.	Land and buildings: \$1.6m	Property assets are expected to be sold in Q1 of FY2020 in excess of carrying value.

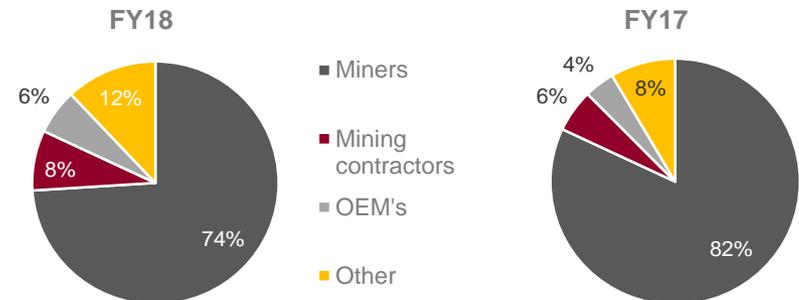
6. Diversified Revenue Base

Austin's revenue base is not over-reliant on any one country, client, commodity or product/service. Our diversified revenue base enables us to perform in varying market conditions

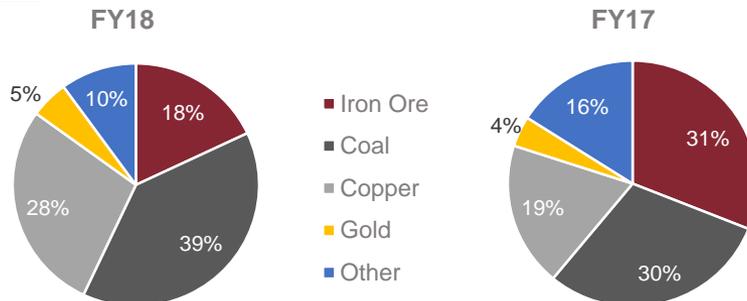
1 Revenue by region - % of total



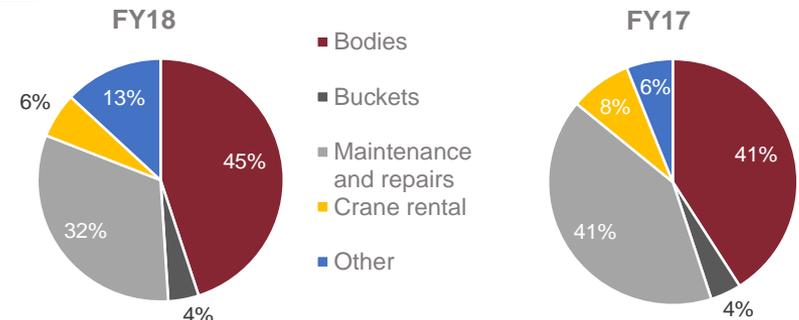
3 Revenue by customer type - % of total



2 Revenue by commodity - % of total



4 Revenue by product and service - % of total



7. Product Range

Austin maintains an exceptional product range, and continues to innovate, providing its clients with the optimal solution specific to their needs

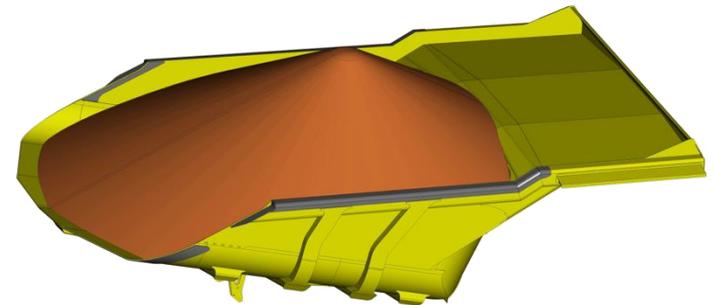
Austin Ultima Dump Body

Innovation in summary:

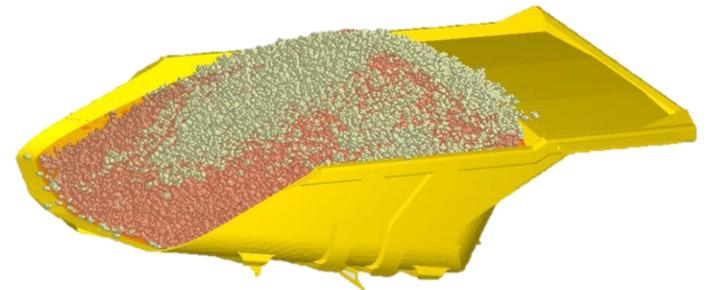
- Design focus is maintained on safety, weight reduction, increased fatigue life and higher impact resistance
- Improved specifications for manufacturing and in-field servicing, alternative construction materials and enhancements that reduce “carry-back” properties
- The new **Austin ULTIMA** body design is intended to be a liner-less configuration that is “fit for purpose” for a pre-determined fatigue life or replacement cycle

Key advantages:

- 10% - 15% weight savings over comparable designs further improves productivity for the end user
- Reduction in client’s Total Cost of Ownership
- “Real world” payload modelling techniques guarantee projected payloads are actually achieved



design
matters



Patent Pending

7. Product Range

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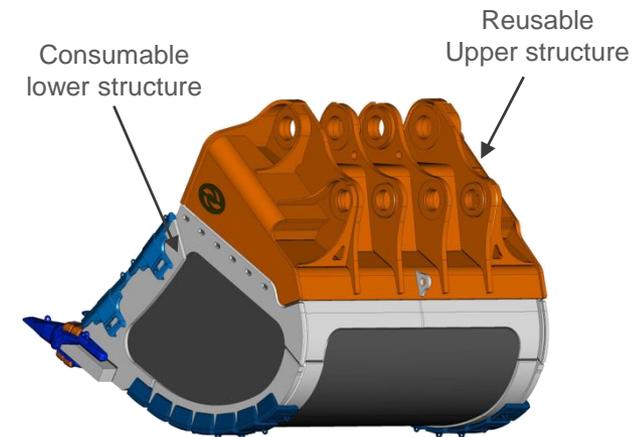
Two Piece Excavator Bucket

Innovation in summary:

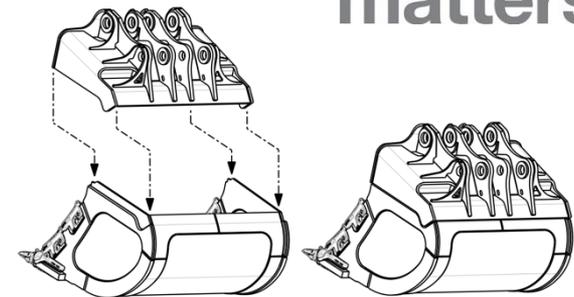
- Designed with safety in mind, the upper structure represents the core capital expenditure component for our clients. This is reusable for significantly higher numbers of operating hours compared to traditional designs
- The lower structure is subject to a higher degree of wear and becomes a consumable that is changed out multiple times over the life of the bucket

Key advantages:

- Lower sections can be changed out quickly and safely, miners can keep lower sections in stock as consumable items
- Fully customisable to suit any application
- Designs to fit all current OEM models and can utilise a range of ground engaging tools (GET)
- Particularly suited to high abrasive material extraction
- Reduction in client's Total Cost of Ownership



design
matters



Patent Pending

7. Product Range

Austin maintains an exceptional product range, and continues to innovate, providing its clients with the optimal solution specific to their needs

Stairway Access Water Tank

Innovation in summary:

- The World's safest water tank, designed for safer access and operation
- Unique interlocking corrugated baffle system provides greater strength, rigidity and truck stability

Key advantages:

- The safest tank to access in the market
- Large access port equipped with stairway and handrails that the worker can safely walk through
- Large access portholes in the vertical baffles allowing 360° access inside tank
- The Stairway Access Tank eliminates slip or trip hazard with a flat top surface to walk on
- A flat floor removes trip hazards when walking inside the tank
- During maintenance, air extractors can be added to draw fresh air into the tank through front wall access holes and extract stale air/CO² through the rear access holes



design
matters

Patented

Summary

Macro-Economic Environment Remains Positive

Commodity prices have performed well in recent years with a number of new mines planned to open in Austin's key markets such as the Pilbara, Western Australia and South America. We expect copper, iron ore and metallurgical coal to perform well in the short to medium term, whilst thermal coal will continue to be in demand to service installed coal fired power stations.

Continuing Review of Operations, Assets and Contracts

The group has been successful in rationalising the business over the last two years, exiting underperforming operations and contracts and focusing on activities where it has a competitive advantage and that support a 'One Austin' operating model.

Capital Management

Austin's commitment to balance sheet repair since 2017 has delivered a progressive reduction in debt. Consideration will be taken over the course of FY2020 on allocation of capital between further debt repayment, shareholder returns and growth.

Appendices

- Historical Financials
- Manufacturing Sites

Historical Financials

	1H19	FY18	2H18	1H18	FY17	2H17	1H17
	\$m	\$m	\$m	\$m	\$m	\$m	\$m
Profit and Loss (normalised, adjusted for continuing operations)							
Revenue	122.1	275.2	128.3	146.9	214.9	131.5	83.4
EBITDA	11.0	20.4	8.9	11.5	11.8	12.3	(0.5)
EBITDA margin (%)	9%	7%	7%	8%	5%	9%	(1%)
Net Profit Before Tax	6.4	8.6	3.1	5.5	(0.9)	7.6	(8.5)
Net Profit After Tax	4.5	6.1	2.2	3.9	(0.6)	5.3	(6.0)
EPS (cents)	0.78	1.04	0.37	0.67	(0.12)	0.95	(1.10)
Cash flows							
Cash from operations	10.7	1.2	0.6	0.6	(14.8)	(2.5)	(12.3)
Cash from investing	1.8	-	0.1	(0.1)	2.6	(4.8)	7.4
Cash from financing	(9.8)	0.4	(0.9)	1.3	3.4	2.0	1.4
Total cash flows	2.7	1.6	(0.2)	1.8	(8.8)	(5.3)	(3.5)
Financial Position							
Cash	8.3	5.6	5.6	5.7	3.9	3.9	9.3
Net working capital	29.6	29.5	29.5	25.3	21.3	21.3	11.0
Gross debt	41.8	51.5	51.5	52.3	49.5	49.5	45.9
Net debt	33.5	45.9	45.9	46.6	45.6	45.6	36.6
Net assets	106.7	104.2	104.2	118.0	112.2	112.2	140.0
Net tangible assets per share (cents)	16.53	16.13	16.13	17.52	16.50	16.50	17.80

Australia



Austin Engineering Perth WA



Workshop Facility Size

12,500m²

Hardstand Space

5,000m²

Equipment

3×25, 3×16, 4×10, 1×25 tonne overhead cranes,
1,800 tonne brake press, ESAB HD plasma cutter.

Specialty Equipment

Rail mounted automated welding system.

Main Products & Services

Heavy fabrication facility, manufacturing of custom bodies, buckets, water tanks, service modules, tyre handlers, underground tubs, cable reelers, stemming buckets, mining attachment products.

Specialist Products & Services

Large engineering department with design capabilities using specialist software – EDEM and Ansys.
Water wise flow control system for water trucks.

Austin Engineering Mackay QLD



Workshop Facility Size

3,000m²

Hardstand Space

2,309m²

Equipment

All auxiliary equipment used in fabrication and manufacture. Welding, cutting, articulated LP gas, air and welding cases. 2x fully equipped service trucks.

Specialty Equipment

4×50, 3×20, 1×10 tonne overhead travelling gantry cranes. PTAW specialised welding.

Main Products & Services

The Mackay operation specialises in fabrication services for the Mackay region, structural repair and manufacture of a wide range of mining equipment, including loader and excavator buckets, dump bodies and tyre handlers.

Specialist Products & Services

Manufacture of dragline/excavator buckets, Westech/JEC and OEM truck bodies. On-site repair services using fully equipped service trucks.

Austin Aust Bore

Mackay QLD

Workshop and Office Facility Size

1,600m²

Hardstand Space

6,695m²

Equipment

The workshop houses a variety of heavy machining equipment and auxiliary equipment to handle / manage components.

Specialty Equipment

Mobile line boring units x 6; CNC Floor borer – 40 tonne capacity; CNC Table borer – 15 tonne capacity; CNC Vertical borer with a 2200mm swing; CNC milling machines – 4 tonne capacity; 2 x 5 Axis multi-tasking machining centres; Horizontal borers – 7 tonne capacity; Automatic bore and outside welding; Sub Arc and Cast Iron welding; Plasma Transfer arc welding; Metal and Hot spray facilities.



Main Products & Services

The Austin Aust Bore operation specialises in the repair, refurbishment, overhaul and remanufacture of machinery utilised in the mining industry.

Specialist Products & Services

On site machining services and site milling, specialised fabrication and welding services.

Indonesia



Austin Engineering Batam Indonesia



Workshop Facility Size

12,800m²

Hardstand Space

10,000m²

Equipment

CNC plasma cutting, 2 x 1500 tonne CNC plate press, 10 x 5-50 tonne capacity overhead cranes, sandblasting and painting booth, lathe and drill, 2 x portable line boring units, large bandsaw.

Main Products & Services

JEC and Westech trays, water tanks, tyre handlers and buckets.

Specialist Products & Services

General fabrication, structural steel, heavy plates, skids and modular structures.

Americas



Austin Engineering

Casper, Wyoming USA



Workshop Facility Size

15,329m²

Hardstand Space

190,200m²

Equipment

2 x high def plasmas, 1500 tonne press brake, 1000 tonne press brake, horizontal boring machine, NC milling machine

Specialty Equipment

Various positioners

Main Products & Services

Engineering and fabrication of custom and OEM truck bodies, custom water tanks, OEM dragline buckets, OEM dipper buckets, Westech FEL buckets.

Specialist Products & Services

Spool reels for oilfield applications – truck and trailer mounted.

Austin Engineering

La Negra & Calama, Chile



Workshop Facility Size

5,603m²

Hardstand Space

1,240m²

Equipment

1 x 50-16; 1 x 25-25; 2 x 25-5 tonne overhead cranes.
12mm guillotine, 2x 600 tonne press brake, 2x lathes,
220mm milling machine, vertical drill 2x plasma cutting
machines up 38mm and oxy cutting up to 250mm.

Specialty Equipment

2x cutting table 12000 x 3000 up 38mm in plasma
process and up to 250mm in oxy cutting process.

Main Products & Services

Westech and JEC designed customised mining
components, truck bodies, water & fuel tanks,
service modules, excavator & face shovel buckets,
rope shovel dippers, tire handlers, cable reels
and other specialty mining products.

Specialist Products & Services

Repair and maintenance contracts.

Austin Engineering

Arequipa Peru



Workshop Facility Size

2,975m²

Hardstand Space

2,646m²

Equipment

60 tonne/30 tonne Gantry crane,
60 tonne mobile crane, compressor,
4x4 pickup and 12 welding machines

Specialty Equipment

1 x line boring machines

Main Products & Services

Repairs and maintenance; dippers,
buckets and ancillary equipment.
Final assembly for trays for mines in
South Peru.

Austin Engineering Malambo Colombia



Workshop Facility Size

3,600m²

Hardstand Space

3,600m²

Equipment

1500 and 600 tonne press

Specialty Equipment

Plasma cutting machine, portable line boring machine, band saw, drill bench, lathe, hoist, overhead cranes x 10 tonne, 25 tonne, 50 tonne

Main Products & Services

Westech and JEC designed customised mining components, including truck bodies, water tanks, fuel modules, service modules, excavator buckets, face shovel buckets, rope shovel dippers, tire handlers, cable reels and other specialty mining products. Repairs and maintenance of mining components. On-site welding and line boring services.

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