

12 October 2023

CHAIR'S ADDRESS TO SHAREHOLDERS 2023 ANNUAL GENERAL MEETING

Good afternoon everyone. My name is Jim Walker, the Chair of Austin Engineering and it is my pleasure to welcome you to the Company's 2023 Annual General Meeting.

I'm pleased to report on a decent year of progress from an operational perspective. Our Austin 2.0 strategy has created a more resilient business, and I firmly believe the Company is now well set up for future growth.

This year hasn't been without its challenges. Most notably these include inflationary pressures faced by the mining equipment sector, particularly in relation to steel prices, and the shortage of labour and qualified trades, especially in Australia.

However, measures put in place under the Austin 2.0 strategy have seen Austin centralise some of its production and secure its supply chains, to improve margins and shield it from some of those pressures.

Cost reduction initiatives and improved manufacturing efficiency, together with new product launches and the integration of Mainetec resulted in higher full year revenues across all of our business units as bid-win rates also improved.

For the full year, we recorded a 27 percent increase in group revenue to \$258.3 million, with an 8.4 percent rise in underlying NPAT to \$18.1 million, and a 9.5 percent rise underlying EBITDA to \$31.3 million.

We see the revenue trajectory continuing as we build the business and the impacts of revenue diversification continue to manifest. We have provided first half 2024 guidance for an approximate 14 percent increase in revenue year-on-year, and an approximate 100 percent lift in underlying NPAT. We've also started full year 2024 with an order book covering around 50 percent of forecast full year revenue, compared to 42 percent at the same time the previous year.

In his address, David will give more detail on the initiatives undertaken by the Company to increase orders and sales, and on the new products we've brought to market, supported by the integration of Mainetec into the business.

I would like to particularly highlight our achievements around the expansion of our Indonesian manufacturing hub in Batam, and the rollout of our AustBuy procurement program. These are the two largest strategic changes we've made in the business in some years, and I believe the benefits of each will lead to growth and returns.

We have doubled the size and capacity of our Indonesian facility, upgrading the fabrication capabilities to produce our whole suite of products. In a period of critical labour constraints in Western Australia, we have been able to redeploy some of our manufacturing to Indonesia, where we have a committed and available team. The expansion of Indonesia has coincided with a return to pre-pandemic freight rates, and we have been able to ship products from Indonesia to customers globally. We see its importance as a lower cost manufacturing hub only growing as it provides ramp up support to our other business units.

AustBuy is our global bulk procurement program, allowing us to buy goods at volume – particularly steel – at better prices, driving down significant business costs and allowing us to manufacture and deliver to customers at competitive prices.

We continue to show we are a market leader in engineering and design solutions. We are meeting customer requirements for innovative products that provide increased operational efficiency, safety, and aid in the pathway to decarbonisation.

Demand for mining equipment is being driven by both traditional commodities, and demand for critical minerals supply as the world moves towards increased electrification and renewable energy sources.

Pleasingly, the level of recurring business has increased as existing customers look to Austin for replacement fleets and equipment, plus repairs and maintenance. In the year we have launched lighter weight, more efficient products designed to reduce steel requirements, increase payload, and minimise fuel and tyre usage. We are exploring new markets such as India and found markets for new products like underground-specific equipment, all with the potential to further diversify our revenue base.

The full benefit of Mainetec is also starting to emerge. Our operations in Queensland have been complemented by the establishment of a specialist bucket fabrication facility in Perth, which can produce the entire range of Austin and Mainetec buckets. As we'd hoped, the team has successfully forged a path for the international sale of Mainetec buckets, with the first dipper bucket sold to the US, where there is a much greater market opportunity to explore.

The health and safety of our people remains our core focus and we have continued to offer programs and initiatives to support the health, safety, and wellbeing of our staff right across the globe.

It has been important to attract and retain staff especially in jurisdictions where labour shortages are being felt. We had a 75 percent increase in apprenticeships this year compared to 2022. All of our apprentices are offered full time roles in the Company and we want to make sure they are given opportunities to further their careers at Austin.

We have taken on more staff in Batam following our expansion in operations and that has necessitated the need for more training and upskilling. Our Quality Control welding program has been well attended, as has our in-house welding training program, which recently employed a group of female welders.

We were pleased to release our second Sustainability Report last month that details Austin's environmental, social and governance credentials, and will give you a full picture of how we're creating a sustainable business aligned to our core values.

Conclusion

On behalf of the Board of Directors, I would like to thank David Singleton for overseeing a productive year at Austin implementing his Austin 2.0 growth strategy while navigating inflationary pressures and lingering labour issues in WA. He has built a strong executive team, which is ready to build a stronger, more integrated global business.

We have a growing workforce of employees, as well as contractor and supplier groups who are all committed to Austin's success. Thank you for another year of support and making sure safety and safe work practices are a priority.

A great thank you also to the Directors for their guidance and counsel through the year. Finally, to our shareholders who have continued to show support for the Company's strategy and vision.

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

Jim Walker
Chair

-ENDS-

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Announcement Authorisation

This announcement was authorised by the Board 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, Chile and Indonesia serving many of the major mining sites in the world both directly and through local partners.