For personal use only

30 October 2026

CEO ADDRESS TO SHAREHOLDERS
2026 ANNUAL GENERAL MEETING

Good afternoon, everyone. I would like to welcome our shareholders, directors, employees and advisors here in the room, as well as those joining us by webcast.

As you all know, FY26 was a difficult year. We identified operational challenges across the business and launched a Group-wide improvement plan to address them, and delivering that plan has been our priority. These challenges were internal to the business and within our control to resolve. We responded with stronger operating discipline, clear accountability and decisive action across the Group. While there is more work to do, these measures are beginning to deliver tangible results.

Today, I will begin with a brief overview of Austin before reviewing our FY26 results. I will then discuss our operational improvement program, the early progress we are seeing in FY27, and our priorities and outlook for the year ahead. We will then take questions.

Before turning to the financial performance, it is worth reminding ourselves of the strengths that sit behind Austin. This is a business with more than 50 years of engineering and manufacturing experience, more than 15,500 truck trays manufactured, six operating sites across four continents and more than 1,300 employees and contractors. Those numbers matter because the problems we experienced in FY26 did not change the fundamental capability of the business.

Austin continues to have a global operating footprint, established manufacturing capability and a substantial installed product base. Our job now is to translate those underlying strengths into more consistent financial performance.

Looking now at what we do, Austin designs and manufactures customised mining equipment that helps customers improve productivity and lower their cost per tonne. Our core products include truck trays, water tanks, mining buckets and tyre handlers, with truck bodies accounting for approximately 62% of Group revenue.

Our design-led approach means we tailor each product to the operating conditions at the customer's site, helping improve productivity, efficiency and overall operating performance. This also helps customers reduce their total cost of ownership over the life of our products.

Our footprint gives Austin the ability to manufacture and support customers across the major mining regions in which we operate. At year end, our workforce totalled 1,314 employees and contractors across the Group. That compares with 1,616 in FY25. Reducing the workforce was not something we undertook lightly, but aligning capacity and costs with the work available was necessary.

What matters now is not simply the size of our workforce, but the productivity, capability and discipline of the organisation we have retained. Our objective is a business capable of responding to demand without rebuilding the costs and inefficiencies that affected performance in FY26.

Turning now to the FY26 financial results. Unless otherwise stated, all figures are in Australian dollars, exclude foreign exchange movements, and relate to continuing operations.

FY26 was a challenging and disappointing year for Austin. Operational challenges in North America, South America and Indonesia weighed on earnings. During the year, we took action to address these issues, strengthen operating discipline and position the business for improved performance.

For personal use only

Group revenue declined 12.7% to $329 million, reflecting softer tray volume demand in North America and APAC. This was partly offset by continued growth in Australian buckets and spare parts.

Group EBITDA was $20.4 million, compared with $43 million in FY25. The decline reflected a $9.3 million loss in Chile, largely associated with the legacy OEM contract, as well as lower US productivity, US product mix, and higher US outsourcing costs, and reduced tray volumes in APAC. Group EBIT was $10.8 million.

Despite the earnings decline, cash performance was a clear strength. Operating cash flow increased by $24.1 million to $26.7 million, supported by disciplined working capital management and a $32.2 million inventory reduction. Net debt fell from $12.8 million to $5.8 million, providing greater financial flexibility as we execute our operational improvement plan.

Importantly, the causes of the earnings decline have been identified and are being addressed. Stronger cash generation, lower net debt and early progress from our initiatives provide a firmer platform for FY27.

I'll now go through the FY26 result in a five-year context. Revenue increased from $203 million in FY22 to $377 million in FY25, before declining to $329 million in FY26.

At a regional level, APAC revenue declined 15% to $147 million, mainly due to the timing of major tray orders and softer East Coast demand, and was partially offset by growth in Australian bucket sales. North America revenue declined 13.5% to $127 million, reflecting lower tray demand, customer replacement cycles and product mix. South America revenue was down 3% to $54.9 million, with the cap on OEM production partly offset by an increase in services revenue.

These factors were also reflected in regional EBITDA figures. APAC EBITDA declined by $8.3 million, North America by $8.8 million, while South America's loss widened to $9.3 million.

While full year performance was weaker year on year, APAC remains the Group's largest contributor and showed improvement in the second half. North America margins recovered throughout the year, while revised OEM terms and stronger operating controls in Chile provide a foundation for improved performance in FY27.

Turning to cash flow, which was a clear positive for the year. Operating cash flow increased significantly from $2.6 million to $26.7 million, driven mainly by the release of working capital and a $32.2 million reduction in inventory.

EBITDA to free cash flow conversion improved materially to 99% for the full year. Capital expenditure reduced from $9.9 million to $6.8 million, with investment focused on upgrades to our US facilities and operational equipment. Free cash flow after interest, tax, and capex improved to $19.9 million, from negative $6.5 million in FY25.

This stronger cash position enabled us to fund $7.1 million in dividends and a $1.2 million share buyback, while also reducing net debt. This reflects the stronger working capital discipline and financial controls now embedded across the Group.

Looking at the breadth and diversity of our revenue base, by commodity, copper and iron ore each represented 25% of revenue, oil sands accounted for 18%, and our met coal exposure increased from 9% to 15%. While Gold has come back from 15% to 8%.

On the product side, truck bodies remain our largest category at 62%. Pleasingly, buckets increased from 6% to 10%, while other products and parts grew from 8% to 10%, further diversifying our product mix.

For personal use only

On the customer side, miners represented 83% of revenue, reflecting the depth of our relationships with major operators. Our OEM channel held steady at 8% and continues to be an area of ongoing opportunity for the business.

The key takeaway is that Austin has a diversified revenue base across commodities, products and customer types. The growing contribution from buckets, other products and parts further strengthens that diversification, providing greater resilience and multiple avenues for growth.

Turning to our regions, starting with APAC. APAC was our largest revenue-generating region, contributing 44.7% of Group revenue, and continued to be a cornerstone of Group profitability. Revenue was $147.1 million and EBITDA was $24.9 million, representing a 16.9% margin.

The Australian buckets business was a standout, delivering a $17.4 million revenue uplift and growing from 10% to 26% of APAC product revenue. We also broadened our customer revenue mix, with 51% of work now sourced outside single-customer relationships.

Encouragingly, profitability improved in the second half, with margins increasing from 15.0% in the first half to 18.7% in the second half, reflecting operational improvements and disciplined execution. The order book strengthened throughout the year, and together with continued bucket growth and broader customer exposure, this gives us confidence in APAC's outlook for FY27.

APAC therefore illustrates what we want to see more consistently across Austin: stronger product diversification combined with disciplined operating performance. Our objective in FY27 is to build on that second-half momentum.

Meanwhile, North America contributed 38.6% of Group revenue. Revenue declined 13.5% to $127 million, reflecting customer replacement cycles, order delays and product mix. EBITDA was $9.5 million.

Our operational improvement plan is focused on improving workshop productivity and production flow, while reducing our reliance on external contractors. We have introduced better planning, lean manufacturing practices and workstation KPIs, invested in new welding technology and focused on reducing supplier costs. Our weld school is also helping us build our own permanent workforce.

We are starting to see the benefits of these initiatives. Productivity improved from 62% to 80%, while our reliance on outsourcing reduced materially. Outsourced assembly fell from 33 units in FY25 to just 3 in the second half of FY26, while margins increased from 5.8% in the first half to 9.5% in the second half.
There is more to do to improve product margins and order conversion, but these are measurable signs that the operational changes are taking effect. This stronger operating base positions the region to convert future demand into higher margins and earnings.

Looking at South America, revenue was $54.9 million, broadly in line with FY25, but the regional result was significantly impacted by the legacy OEM contract.

The contract generated $21 million in revenue but delivered a $5.7 million EBITDA loss, representing a negative 27% margin. The region recorded an EBITDA loss of $9.3 million, compared with a loss of $1.7 million in FY25.

At last year's AGM, I said we would not accept new orders under the agreement until the terms improved. In March 2026, we renegotiated the commercial arrangements, securing better pricing and payment terms. Deliveries under the revised terms commenced in late June.

We also appointed a new management team, supported by our North American colleagues, and are applying operating practices that have proven successful in Casper. We have improved control of our steel yard and steel utilisation, rightsized the workforce and strengthened production governance.

For personal use only

Chile is on a path to recovery. The order book is robust, extending to the end of the current calendar year, with further demand expected. There is more work to do, but the revised commercial terms, new regional leadership and tighter operating controls, position the business for a stronger foundation in FY27.

Turning to our strategy on a page. Our strategy remains simple and focused on margin recovery, customer growth, and product differentiation, supported by three operational pillars: Manufacturing Leadership, Product Leadership and Customer Focus.

Under Manufacturing Leadership, we are introducing common operational systems across the business, standardised work practices and disciplined KPI management.

Under Product Leadership, we continue to design customised products to improve mining efficiency, while growing bucket sales and advancing austIQ and our broader digital capability.

Lastly, under Customer Focus, we have invested in our sales teams, increased our marketing and trade show presence, and expanded customer support across Australia and Chile.

I will now move to our outlook for FY27. Importantly, we are seeing early traction from our operational improvement plan. At 30 September 2026, the Group order book was $139 million, up 18% from $118 million in the prior corresponding period. October has also started well, with month-to-date order intake of $39.7 million.

In APAC, the order book is up 52%. Our Batam facility is operating at full capacity, East Coast tray orders have been secured following sustained sales investment, and we continue to diversify our customer base and expand internationally. We have started to manufacture a large dipper bucket for an OEM and the opportunity is significant, with the potential to grow to approximately 10 units a year.

In South America, the order book is up 33%. Pleasingly, Chile delivered a positive unaudited year-to-date EBITDA contribution before corporate overheads, compared with a loss in the same period last year. This was achieved despite flooding at the facility in August and is encouraging evidence that the operational reset is taking hold. We have added specialist manufacturing expertise and remain focused on productivity and cost control.

In North America, we expect a softer first half followed by a stronger second half. The order book is down 43%, reflecting lower regional activity rather than any loss of market share. In early October we rightsized the cost base, including furloughs, while retaining the skills required to meet the demand we expect in the second half of FY27 and into FY28. Historically, October, November and February are key ordering months, and October orders secured to date total $35.3 million.

Across the Group, the operational and productivity measures we have implemented are contributing to margin recovery and building a stronger foundation for FY27.

Austin's strategic fundamentals remain strong. Our global footprint, diversified commodity exposure and design-led products position us to help customers increase productivity and efficiency.

The actions we have taken provide clear drivers for earnings improvement in FY27. In South America, these include the OEM contract reset, new management and tighter operating controls. In North America, the focus is on productivity gains, lower outsourcing and increased order conversion, while in APAC, the priorities are bucket growth, customer diversification and margin discipline.

At a Group level, cost control, working capital discipline and our embedded operating KPIs will support cash generation and financial flexibility.

For personal use only

We reconfirm our FY27 guidance of underlying EBIT from continuing operations, excluding foreign exchange movements, of $17 million to $21 million.

We've entered FY27 as a leaner and more disciplined business, with stronger cash generation, lower net debt and clearer operational foundations. Our focus now is on translating this progress into stronger earnings and sustainable long-term growth.

Before I finish, I would like to thank our people. FY26 was a demanding year, with significant change across each of our regions. Our teams in Australia, Indonesia, the United States and Chile have responded with commitment and a clear focus on execution, and we are beginning to see the benefits of that work.

I would also like to thank our customers and partners for their continued trust, my fellow directors for their support, and you, our shareholders, for your patience and ongoing support.

We have more work ahead of us, but we enter FY27 with a stronger operating foundation and a clear focus on delivering improved results.

Thank you.

We would now like to take your questions.

-ENDS-

Contacts:
AUSTIN ENGINEERING LTD
Head Office | ABN 60 078 480 136
100 Chisholm Crescent,
Kewdale WA 6105, Australia

Company
Sy van Dyk
Chief Executive Officer
investorrelations@austineng.com.au

Media
Shane Murphy
+61 420 945 291
shane.murphy@fticonsulting.com

Announcement Authorisation
This announcement was authorised by the Board of Directors.

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.

For personal use only