Austin Engineering Ltd

H1 FY24 Interim Financial Results

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Agenda

- **Interim Results Overview**
- **About Austin**
  - Financial Results H1 FY24
  - Who we are
  - H1 FY24 Highlights
  - Our 40-Year Journey
- **Financial Results**
- **Sector analysis**
- **Global Strategy**
- **Outlook and Guidance**

Financial Results H1 FY24

Austin 2.0 is now delivering outstanding results that set a new performance benchmark

- Revenue up 26% to $143.6 million
- EBITDA up 70% to $20.8 million
- NPAT up 2.8 times to $15 million
- Operating cashflow $6.9 million
- Net debt of $11.4 million, on track to be debt free in FY24
- Order book up 16% to a multi-year high of $184 million
- Return on Equity increased to 27%
- Interim dividend reinstated of 0.4 cents per share, fully franked

For further explanation of results refer to ASX announcement dated 27 February 2024.
All numbers referenced throughout this presentation and the associated ASX announcement of the same date are on a normalised, continuing operations basis and comparisons are on a PCP basis (unless otherwise stated).

Who we are

Austin designs and manufactures customised dump truck bodies, buckets, water tanks, tyre handlers, and other ancillary products used in the mining industry.

Austin's products deliver high returns on investment to customers through performance enhancement compared with OEM products.

Austin is the largest global producer of customised truck bodies and is developing strong growth in the mining buckets sector that delivers similar performance improvements.

40+ years

Engineering and manufacturing mining equipment

89%

Recurring revenue stream

6 Operating sites across four continents

13 Partner final assembly companies

~1,326

Employees and contractors worldwide

H1 FY24 Highlights

Strong, annual revenue and margin growth

Revenue

$143.6m

Up 26% from $114m in PCP

Order Book

$184m

Up 16%

EBITDA*

$20.8m

Up 70% from $12.2m in PCP

Operating Cashflow

$6.9m

Net Debt

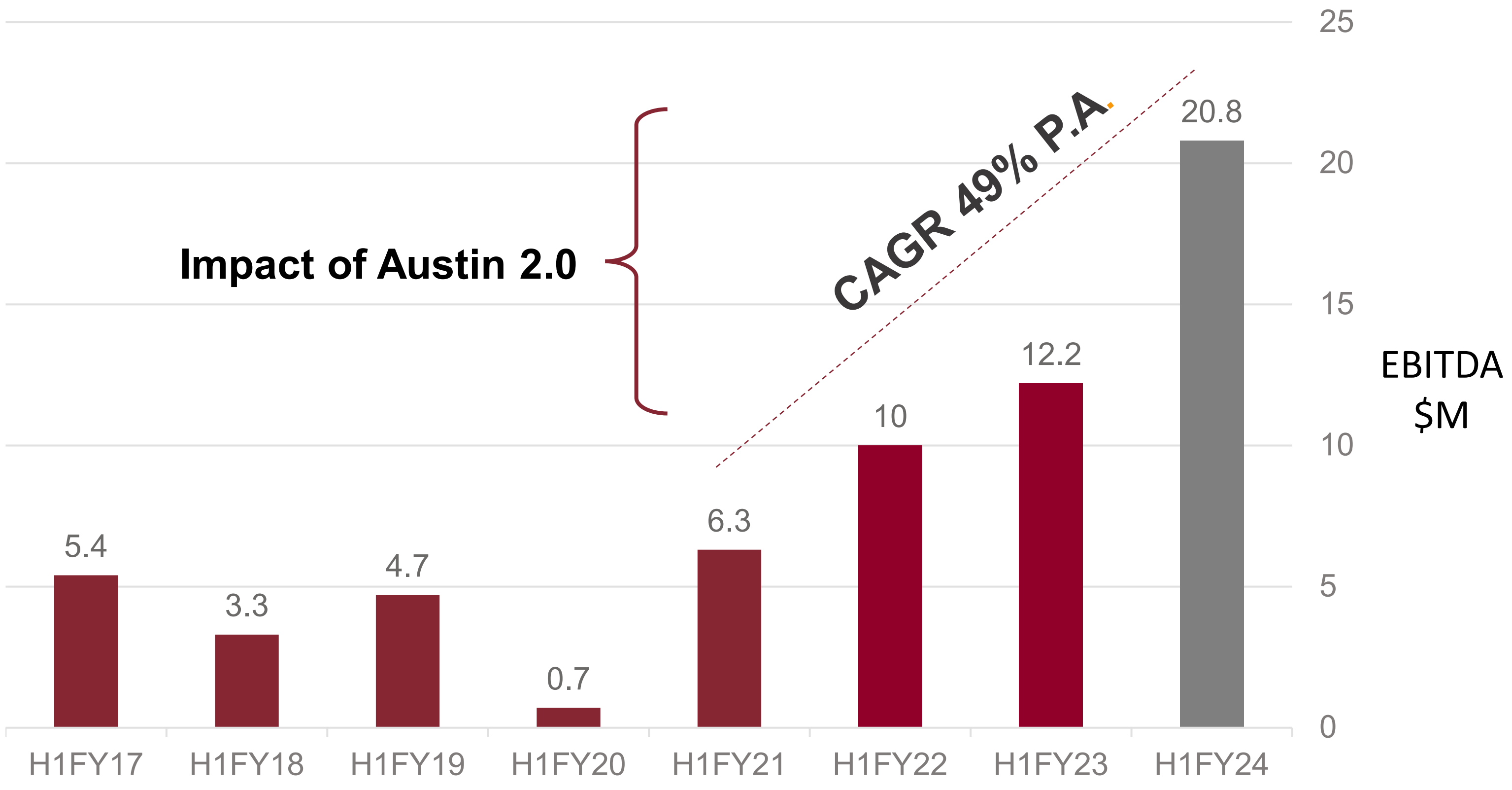
$11.4m

Includes Mainetec acquisition

NPAT*

$15m

Up 178% pcp.



Note: EBITDA numbers are normalised for comparison purposes.

* Normalised basis – Continuing operations FY24 Normalised for FX only ($0.24m) see ASX announcement of same date

Our 40-year journey - business delivering globally

Brisbane, Australia
1982
Austin is founded

Perth, Australia
2004
Acquired JEC

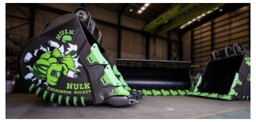
Casper, USA
2007
Acquired Westech

La Negra, Chile
2009
Acquired Conymet

Batam, Indonesia
2011
Commenced operations

Global Operation
2017
Austin is rebranded

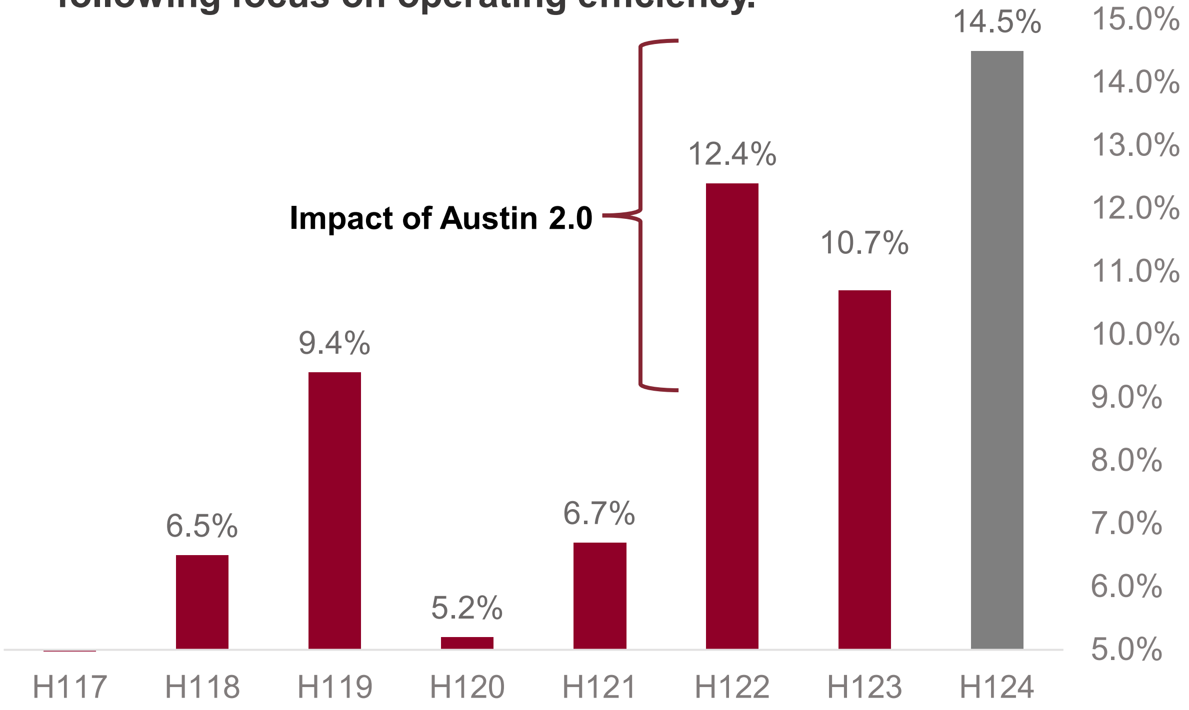
Worldwide
2022
Austin 2.0 commenced



Mackay, Australia
2022
Mainetec joins Austin

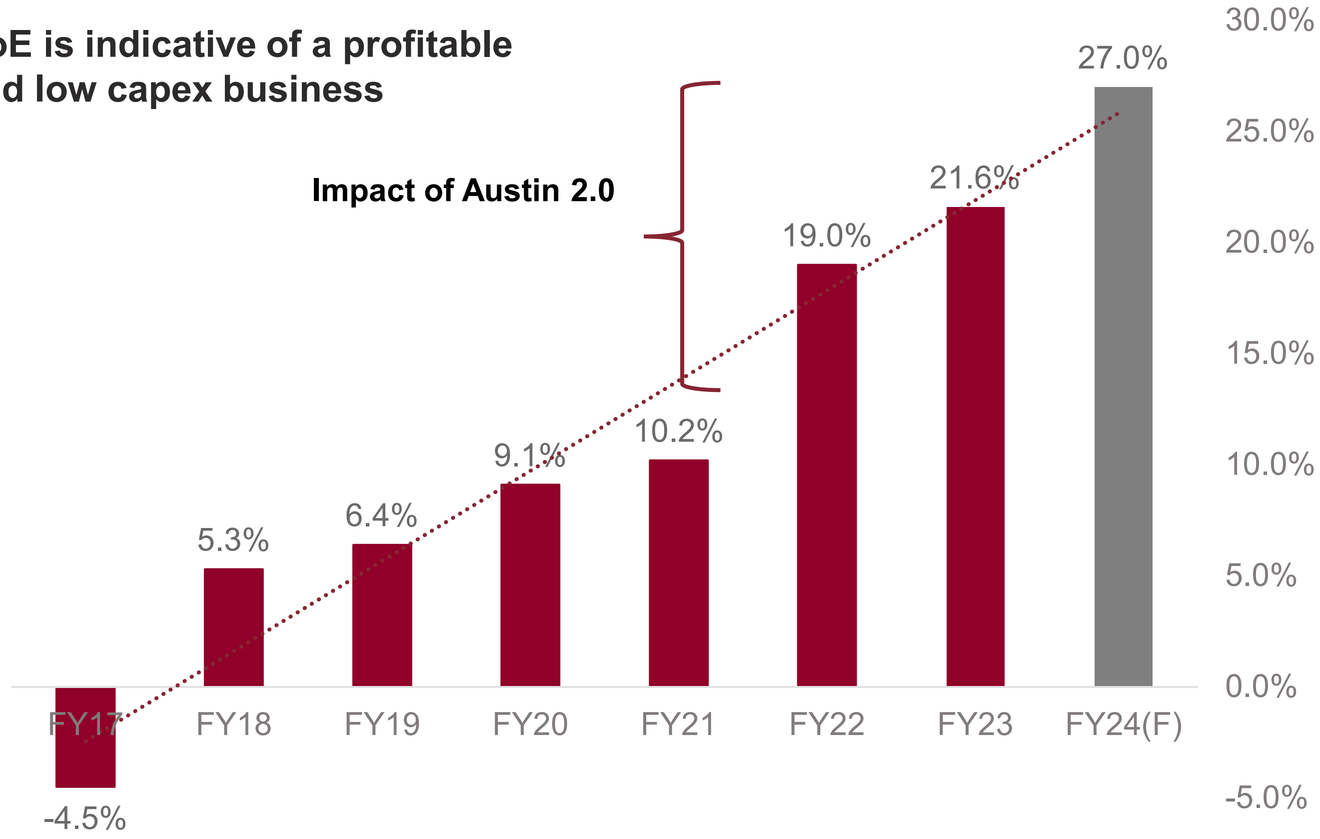
Batam and La Negra
2023
Facility expansion

EBITDA% has been transformed in recent years following focus on operating efficiency.



*Data is normalised for comparison purposes and continuing

RoE is indicative of a profitable and low capex business



*FY24 is based on full year NPAT guidance.

Financial Results

David Bonomini, Chief Financial Officer

Financial Performance

6 months ending		1H24*	1H23*	VAR %
Revenue	**$M**	**143.6**	**114.1**	**26%**
EBITDA	**$M**	**20.8**	**12.2**	**70%**
EBITDA margin	%	14.5%	10.7%	35%
Depreciation and amortisation	$M	(4.0)	(3.0)	33%
EBIT	**$M**	**16.8**	**9.2**	**83%**
EBIT margin	%	11.7%	8.1%	44%
Net interest expense	$M	(1.0)	(0.7)	43%
PBT	**$M**	**15.8**	**8.5**	**86%**
Tax Expense	$M	(0.8)	(3.1)	(74%)
NPAT	**$M**	**15.0**	**5.4**	**178%**

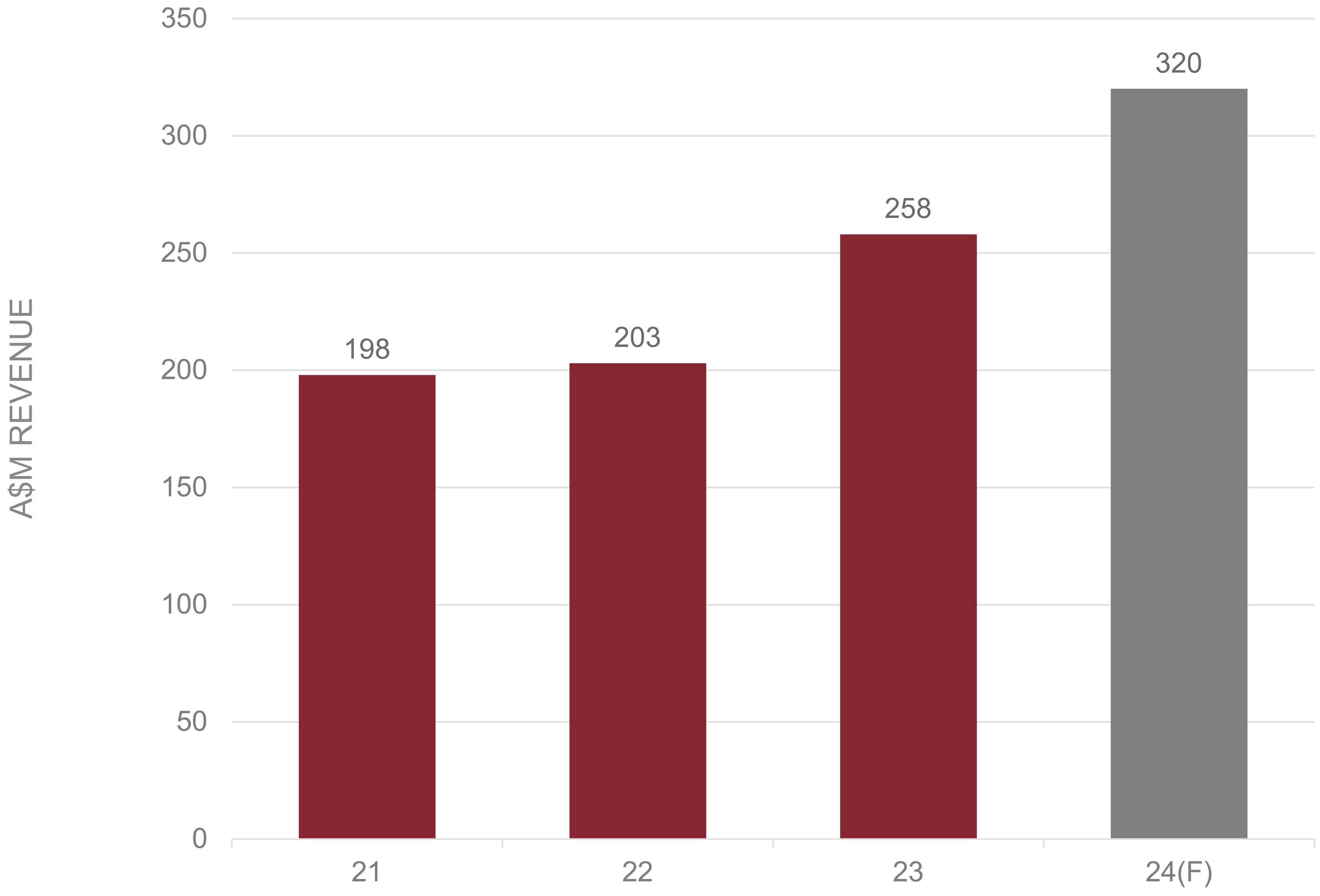
- D&A expense increase due to prior year facility investment and depreciation on additional leased premises.
- Effective tax rate across the Group is 5% benefiting from a one-off credit following completion of Mainetec acquisition tax effect accounting. ($1.5m)
- Actual tax paid in the period was $3.8 million in the USA and Indonesia.
- NPAT of $15m was 36% above the mid-point of guidance provided.

*** 1H24 has been normalised for $0.24m of unrealised FX loss.**

*** 1H23 EBITDA has been normalised for unrealised FX & other one off adjustments. (See FY 23 interim results)**

Results are on a continuing basis

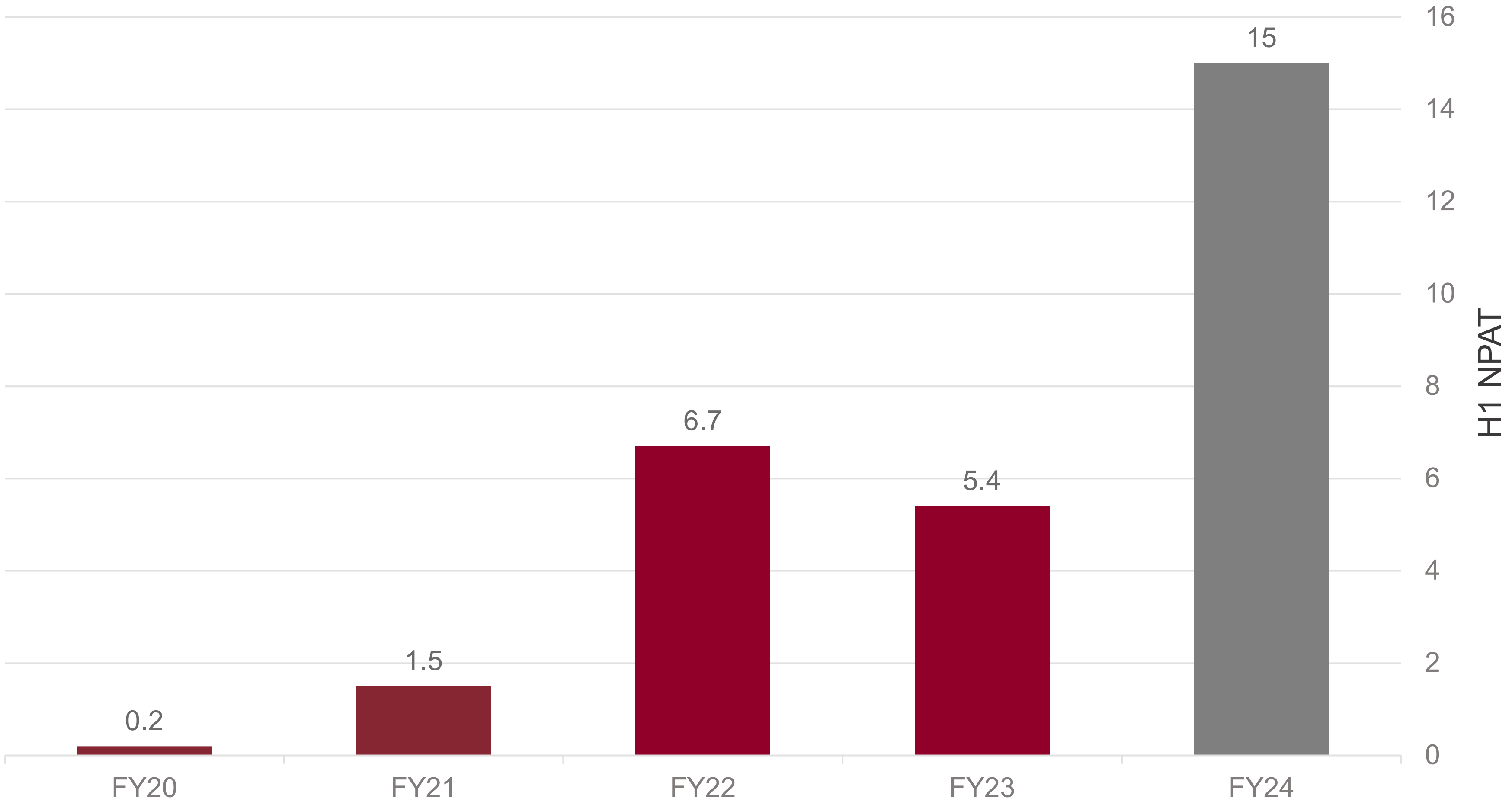
Full year revenue on a strong upward trajectory and projected to reach multi-year record as expansion programs deliver



FY24 (F) is the mid-point of formal guidance provided on 27 February 2024.

- Revenue up 24% driven by order book growth across the business and enabled by capacity expansions:
  - North America up 29%,
  - South America up 48%,
  - APAC up 19%
- The 89% recurring nature of the revenue has been a consistent feature that is driving growth.
- Order book strength suggests strong revenue through H2 FY24 into FY25.

Strong NPAT growth – continued focus on underlying operational efficiency is the basis for ongoing & stronger performance.

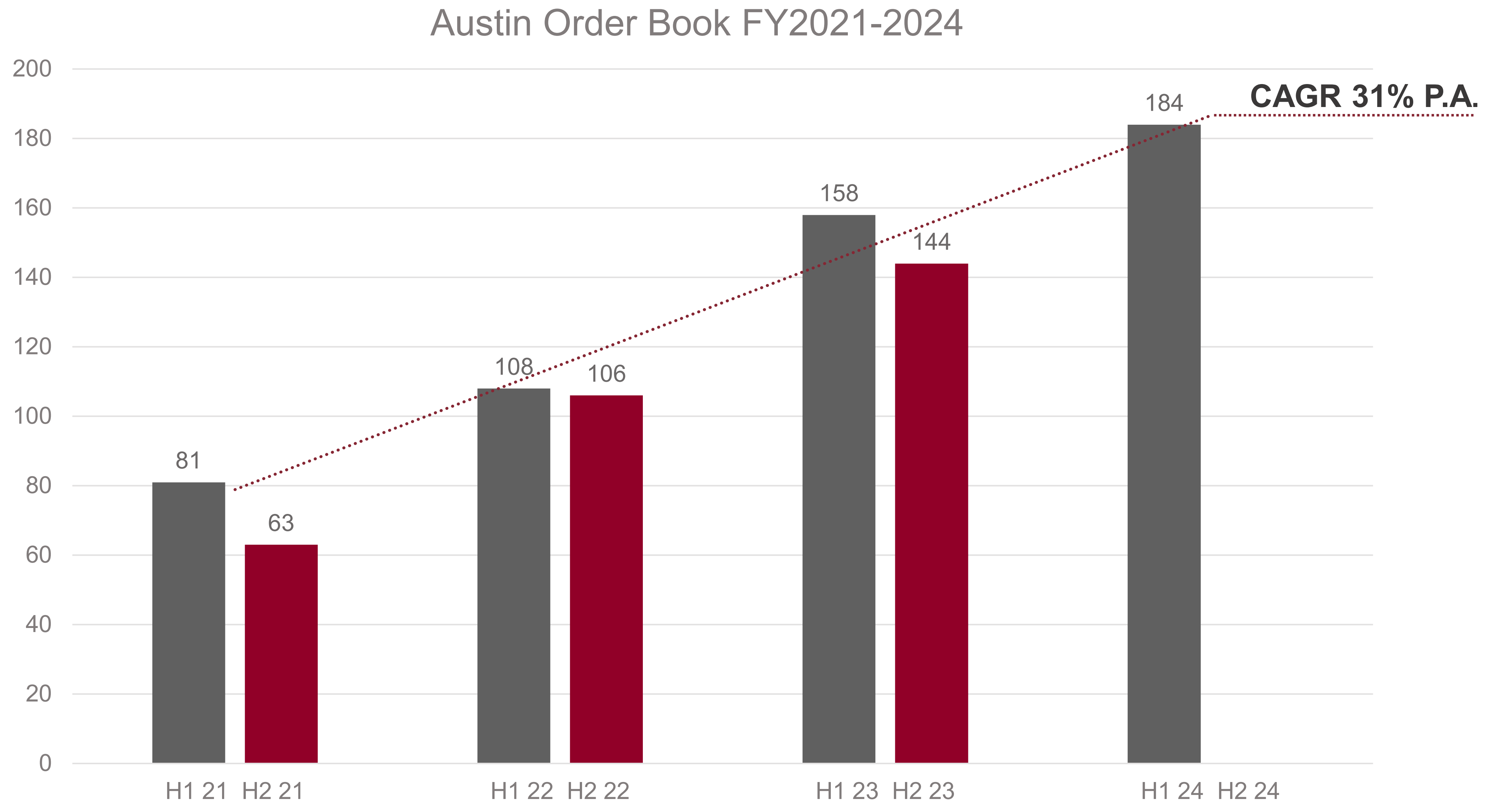


* **H123 and H124 amounts are normalised**

H1 FY24 NPAT up 178% pcp driven by positive performances across the Group.

- South America margins now up to 25% driven by improving quality of business.
- APAC margin growing well pcp and expected to grow further as the investment in increasing volume in Indonesia and retooling of Australia matures.
- North America % margin near target levels and consistent despite capacity expansion in the period, which is now largely complete in this phase.

Order book - has been growing at 31% CAGR and should drive multi-year revenue high this FY

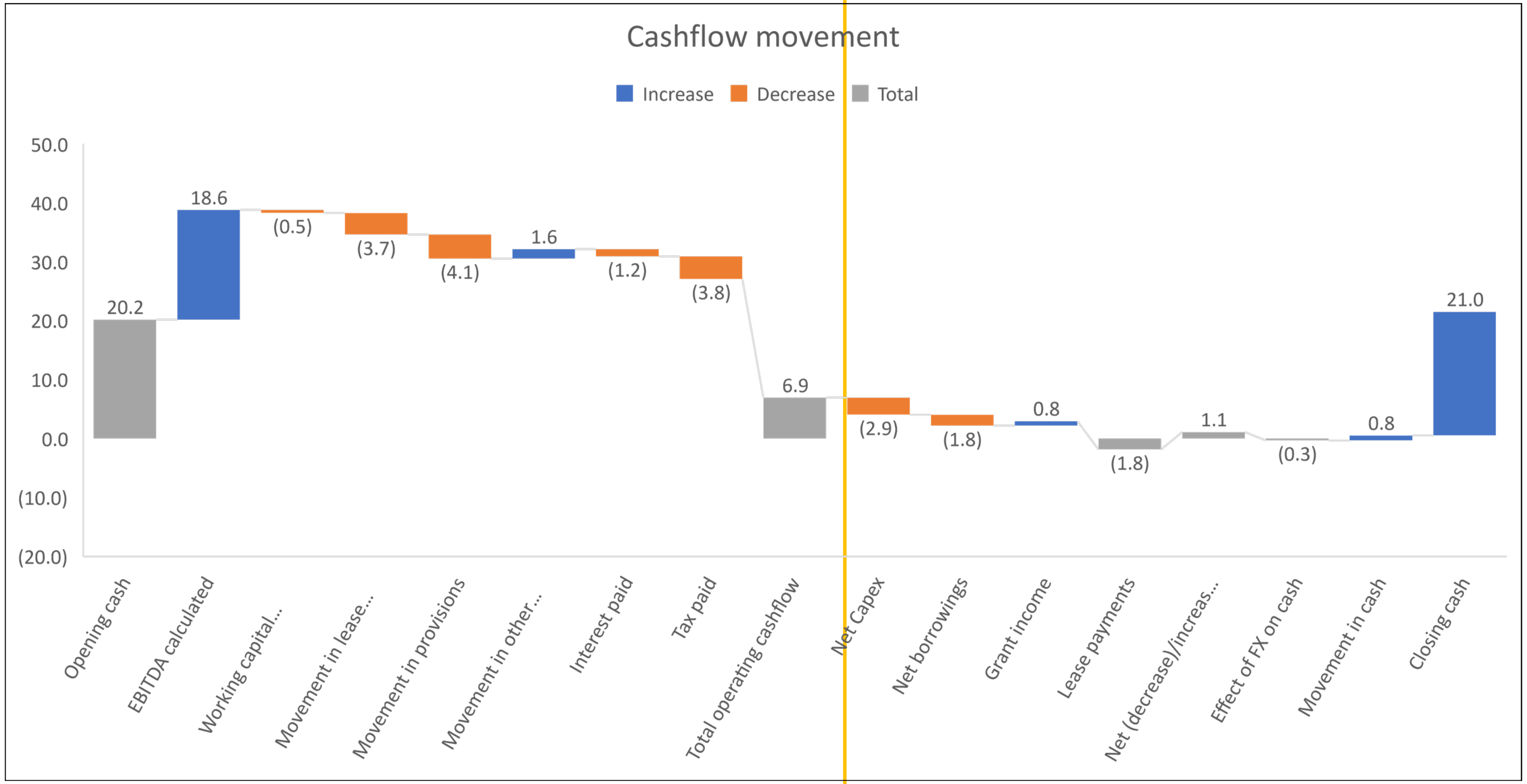


Working capital - raw materials reduced by $6.7m and moved to WiP as revenue grows.

$M	1HFY24	1HFY23
Work-in-progress	26.9	20.6
Raw materials	41.1	47.8
Finished goods	0.4	0.4
Total inventory	**68.4**	**68.8**
Trade receivables	34.0	43.3
Accrued revenue	6.1	1.0
Total receivables	**40.1**	**44.3**
Trade & other payables	48.7	50.9
Customer advance payments	18.7	19.2
Total payables	**67.4**	**70.1**
Net Working Capital	**41.1**	**43.0**

- Raw materials reducing, driven by AustBuy central steel procurement management
- Work in progress increase on the back of increased production
- Receivables improvement from continued focus on customer trading terms and collections
- Customer advance payments remain strong but could have been higher as significant customer deposits delayed to February 2024.

Operating cashflow - $6.9M to strengthen over the second half



- Cash improved to $21 million.
- Chile receivable reduced in value comprising of $0.9 million outflow on building and leasing the trays and $2.8 million foreign exchange movement.
- Capital expenditure of $2.9 million supporting production expansion in Batam and retooling in Perth.
- Repayment of debt of $1.8 million.
- Lease facility payments of $1.8 million in line with prior periods.

Cash flows reflect continuing and discontinued operations, as such certain amounts will not reconcile to performance statements above, which are shown on a continuing basis

Net debt of $11.4M - expect net cash position by year end

$M	1H24	FY23
Total Assets	254.0	260.9
Total Shareholders Funds	118.6	114.2
Net Debt*	11.4	14.1
Net Debt to Net Debt plus Equity*	8.8%	11%

- Net debt of $11.4 million decrease due to the continued payment of the Mainetec acquisition term loan.
- Net Debt to Net Debt plus equity ratio reduced to 8.8%.
- Anticipate net cash in FY24 with continued improvement in operational performance and reduction in inventory.

- **Net Debt excludes Mainetec deferred consideration & IFRS16 leases**

Sector Analysis

David Singleton, Chief Executive Officer and Managing Director

Sector Analysis

Asia-Pacific		H1FY2023	H1FY2024
Revenue (continuing operations)	$M	64.9	77.1
Normalised EBITDA	$M	4.8	7.7
Normalised EBITDA margin	%	*7.5%*	*10%*

Austin Australia

- APAC sales and product support team expanded and delivered strong first half order intake and pipeline
- New order intake in H1 FY24 was on target and the pipeline for new orders remains very strong.
- Tray build finished in October 2023 – capacity immediately filled with mining bucket builds.
- Perth retooling to mining buckets is maturing with margins projected to lift in Q4FY24
- Mainetec performing well with dipper bucket activity a major feature.

Austin Indonesia

- Revenue was up 18.8% as the focus on the location as a manufacturing hub continues.
- Greatly improved management bench strength.
- Significant investment in new equipment, capacity and control systems.
- Deliveries to USA, Australia, Indonesia, India and Africa provides good customer and geographic diversity.
- Order book and pipeline into the second half is strong;
    - New truck chassis line commenced work with multi-year build horizon.
    - Truck tray line expected to be at full capacity in H2.

Sector Analysis

North America		H1 FY2023	H1 FY2024
Revenue (continuing operations)	$M	32.6	41.9
Normalised EBITDA	$M	5.6	7.2
Normalised EBITDA margin	%	*17.1%*	*17.2%*

- USA has a record order book and is adding new multi-year customers. Expect high utilisation to end of CY24 at least.
- Revenue up 29% supported by new feeder facilities with support from Batam.
- Increased focus on mining buckets in the region with expansion of the sales team.
- A new facility is due to be built at the Casper site following a confirmed grant and loan package from the Wyoming State for US$20m. Building work is expected to commence in H1 FY25.
- North America has 1670 truck trays in service hauling ~28 million tonnes per day. High installed base infers a strong replacement market over many years.

Sector Analysis

South America		H1 FY2023	H1 FY2024
Revenue (continuing operations)	$M	16.6	24.6
Normalised EBITDA	$M	1.7	6.2
Normalised EBITDA margin	%	*10.5%*	*25.4%*

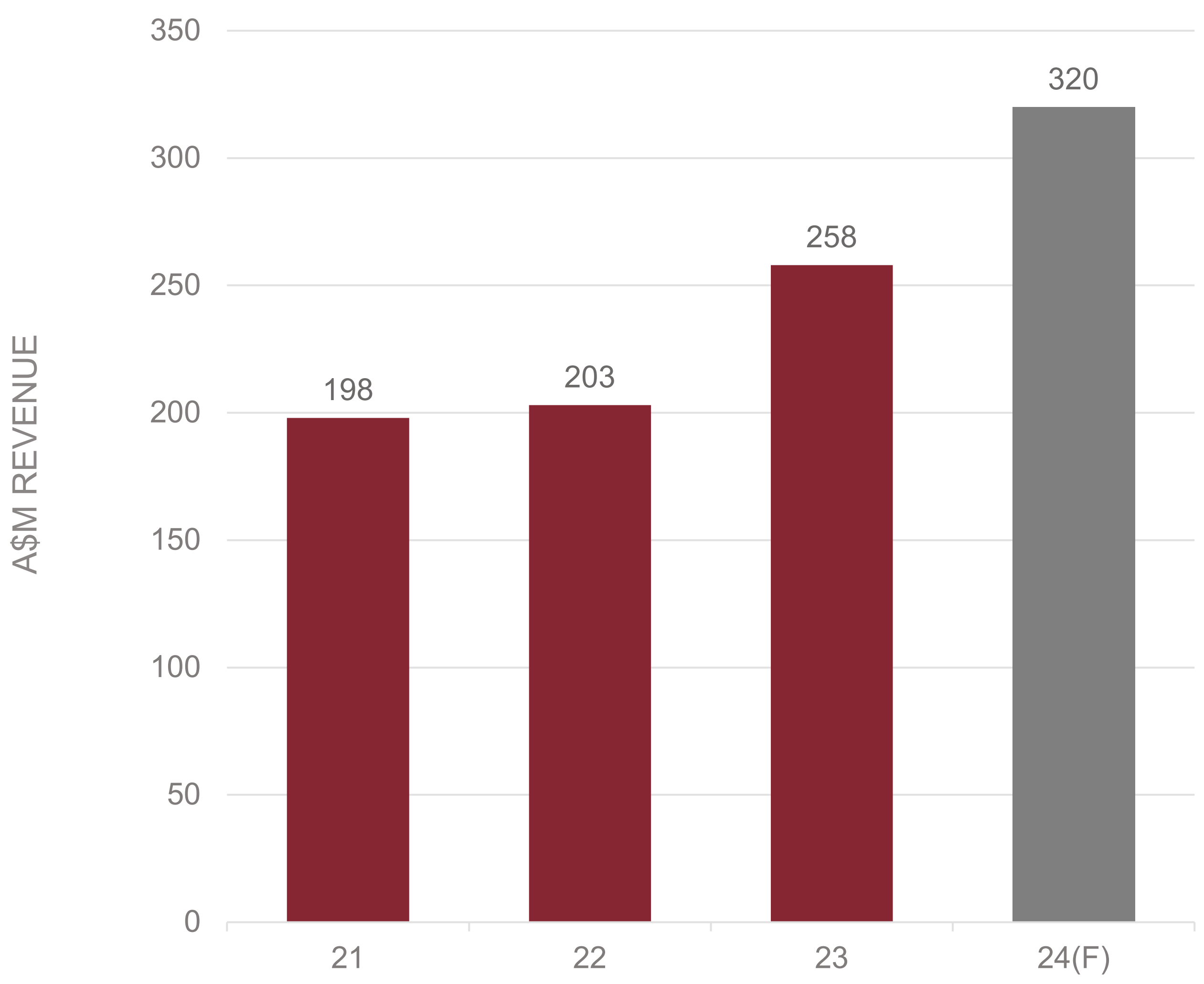
- Revenue was up 48%
  - New management focus on improving quality of income and developing new customers.
  - Capacity expansion now completed and is delivering growth.
- Austin is now the largest non-OEM supplier of truck bodies in Chile.
- Developing the new build bucket business in the region, including into the large dipper market with the aid of Mainetec, can lift revenues further.
- Recently completed a ‘test and evaluation’ tray that was approved by a major OEM, which is an important step before the OEM will place further orders. Our discussions with the OEM are encouraging, and there is potential for it to place significant multi-year orders, commencing H2 FY24, dependent on a favourable decision by the OEM.

Global Strategy

David Singleton, Chief Executive Officer and Managing Director

Strategy - now focusing on key customer improvements to drive revenue growth

Revenue growth strong - market analysis indicates much more can be achieved.



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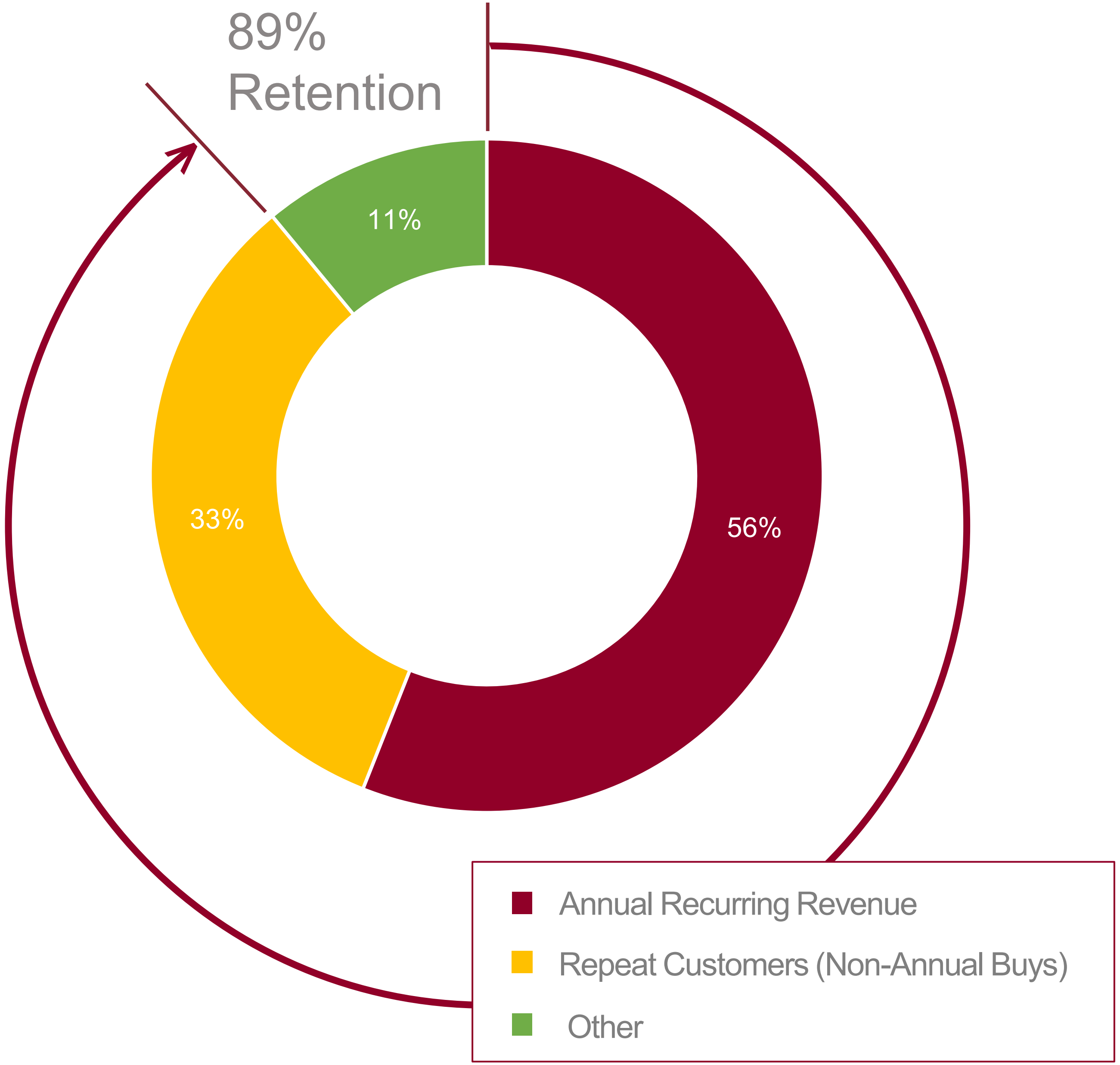

Customers include many of the industry ‘blue chips’

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Customer map showing major orders over the last 12 months.

Imperial
Rio Tinto
BARRICK
KOMATSU
Peabody
Newmont
Teck
SSR MINING MARIGOLD
SUNCOR
Canadian Natural
NEVADA GOLD MINES

KOMATSU
CODELCO
SG mining
ANTAMINA
COLLAHUASI
Teck
PUCOBRE
CAPSTONE COPPER
ANTOFAGASTA MINERALS
C.A.T. GLOBAL
EL ABRA
Sierra Gorda SCM
SQM
lundin mining

FREEPORT-MCMORAN COPPER & GOLD
HEXINDO
THIESS
BOUYGUES CONSTRUCTION
PT FREEPORT INDONESIA
RUC Cementation MINING
TÜPRAG

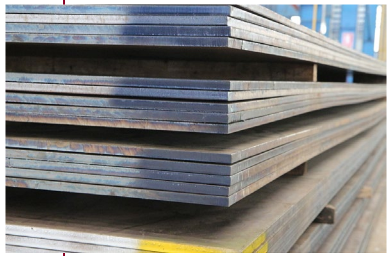
L&H
KINROSS
MINERAL RESOURCES
NRW Holdings
HANCOCK PROSPECTING
HITACHI
Rio Tinto
FIRST QUANTUM MINERALS
BHP
maca
KOMATSU
GLENCORE
Perenti
NEWCREST MINING LIMITED
YANCOAL
OCEANAGOLD
B2GOLD

Outlook & Guidance

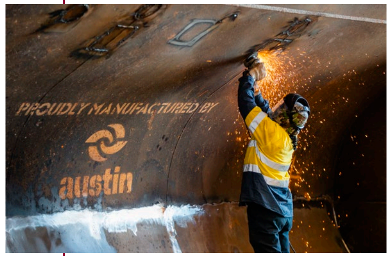
6 months objectives – building on the momentum…

Order book strength with key strategic opportunities.

Batam & USA manufacturing expansion driven by strong growth.



AustBuy will contribute as a significant profit centre.



Strong cashflow will be a feature of the business.

FY24 forecasts.

FY24 Full Year Guidance – continued strong growth with major market opportunities ahead.

Outlook

- **FY24 revenue of $310 million - $330 million, up ~24% from FY23**
- **FY24 NPAT of $31 million - $33 million, up ~75% from FY23**
- **Company on track to be debt free in FY24**

- Guidance has been made on the following basis:
  - Constant FX rates applied based on end FY23 actuals.
  - YoY guidance increases are from the mid point of ranges compared to FY23, all normalised and continuing.

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