



Austin Engineering Limited

FY2019 AGM Presentation

22 November 2019



Agenda

1. Commencement of meeting at 10:00am (AWST)
2. Chairman's address and presentation
3. Formal business
4. Managing Director's address and presentation
5. Questions
6. Close

Chairman's Address

Jim Walker



Mount Keith Mine – Western Australia

Introductions

**Chairman and Independent
Non-Executive Director**

Jim Walker

Managing Director

Peter Forsyth

**Independent
Non-Executive Directors**

**Chris Indermaur, Sy van Dyk
and David Singleton**

Chief Financial Officer

Sam Cruickshank

Company Secretary

Sophie Raven

Auditor

Paul Gallagher (BDO)

FY2019 Highlights

- Operating and investing cash flow surpluses totalling \$26.1 million more than halved net debt from \$45.9 million at 30 June 2018 to \$19.8 million at 30 June 2019
- Increased underlying profitability with normalised NPAT up 33% to \$8.0 million (\$6.0 million in FY2018)
- Further strengthening of the Board
- Restructure and sale of non-core assets substantially complete
- Innovation, productivity gains and a strong order book position Austin well for continued growth in FY2020 and beyond

AGM

Formal business of the meeting



Resolution 1

Re-election of Mr Chris Indermaur as Non-executive Director

To consider and, if thought fit, pass the following as an ordinary resolution:

‘To re-elect Mr Chris Indermaur, in accordance with Listing Rule 14.4, who retires with effect from the end of the Annual General Meeting and, being eligible, offers himself for re-election’

Manner in which the security-holders directed proxy votes (as at proxy close):

Votes for	Votes discretionary	Votes against	Votes abstain
269,247,068	2,239,948	16,385,293	24,822,120
93.53%	0.78%	5.69%	N/A

Resolution 2

Election of Mr David Singleton as Non-executive Director

To consider and, if thought fit, pass the following as an ordinary resolution:

‘That Mr David Singleton, who retires after having been appointed as a Director of the Company on 15 April 2019, in accordance with rule 3.3 of the Company’s constitution, and being eligible for re-election, be elected as a Director of the Company’

Manner in which the security-holders directed proxy votes (as at proxy close):

Votes for	Votes discretionary	Votes against	Votes abstain
299,061,029	2,361,756	10,274,246	997,398
95.94%	0.76%	3.30%	N/A

Resolution 3

Adoption of Remuneration Report

To consider and, if thought fit, pass the following as a non-binding and advisory resolution:

***‘That the Remuneration Report for the year ended 30 June 2019
be and is hereby adopted’***

Manner in which the security-holders directed proxy votes (as at proxy close):

Votes for	Votes discretionary	Votes against	Votes abstain
297,414,435	1,739,948	6,329,928	6,281,618
97.36%	0.57%	2.07%	N/A

Resolution 4

Approval for grant of performance rights to Mr Peter Forsyth, Managing Director

To consider and, if thought fit, pass the following as an ordinary resolution:

‘That for the purposes of Listing Rule 10.14 and for all other purposes, approval be given for the grant of 3,151,515 Performance Rights and the issue or transfer of Shares on vesting to Mr Peter Forsyth, in accordance with the terms and conditions of the Company’s Performance Rights Plan.’

Manner in which the security-holders directed proxy votes (as at proxy close):

Votes for	Votes discretionary	Votes against	Votes abstain
297,247,237	1,294,948	13,070,620	153,124
95.39%	0.42%	4.19%	N/A

Computershare

Poll Procedure



Managing Director's Address

Peter Forsyth



A strong FY2019

\$13.8m

Operating cash flows

\$20.2m

Sale of assets

\$26.1m

Reduction in net debt

2%

Increase in sale of products

\$8.0m

Underlying Net Profit

\$1.5m

Statutory Net Profit

Indian Ocean – Indonesia to Queensland



One Austin – our people

1,719

Austin staff and labour
hire contractors

22%

Reduction from PCP
with no fall in earnings

16

Total Reportable Injury
Frequency Rate

6

Lost Time Injury
Frequency Rate

Austin Batam Facility – Indonesia

Celebrating 50 Years

Austin Westech

- Established 1969
- World's first light-weight truck body design
- Outstanding innovation and manufacturing expertise
- Highly regarded global brand name



Innovation

Awards

Two-piece excavator bucket



Swedish Steel Prize

- Austin placed 2nd in the prestigious Steel Prize held in Stockholm, Sweden for its two-piece excavator bucket
- From the four nominated finalists, Austin won the People's Choice award for its product, securing close to 50% of the votes



Austin rates as AFR Top Innovator.



Austin Engineering has been recognised by The Australian Financial Review (AFR) as one of Australia and New Zealand's Most Innovative Companies of 2019 for its unique two-piece excavator bucket.

In the Agriculture, Mining and Utilities category of the annual AFR / Boss Magazine Most Innovative Companies listing, the Brisbane-based mining equipment designer and manufacturer ranked second out of more than 800 nominated organisations across Australia and New Zealand.

Compilation and ranking of the annual list by a panel of expert judges is based on a rigorous assessment process. And, for the first time in 2019, organisations were ranked directly against their peers.

The assessment process measures a unique innovation implemented in the past twelve months. Specifically, the judges look at how valuable the problem is that the innovation is solving, the quality and uniqueness of the solution, and the level of impact that the innovation has had. Cultural aspects of the company including strategies, resources and process which demonstrate a sustainable and repeatable approach to innovation are also part of the assessment process.

Designed and manufactured in Australia by Austin Engineering, the two-piece bucket features well-defined reusable upper and consumable lower structures, designed for quick and safe bucket change-outs during scheduled maintenance intervals.

The reusable upper section has been designed to maintain overall structural integrity of the assembly for a predetermined service life through multiple change-outs of the lower, consumable, section.

Both sections of the bucket are fabricated with combinations of high-strength steel for maximum fatigue resistance and durability. According to the company, typical baseline service life for the upper section service will be in the vicinity of 30,000 hours; approximately 4-5 years based on industry expectations of conventional one-piece buckets of similar size and capacities.

"This is a prestigious award and we are honoured to be a recipient," said Peter Forsyth, managing director at Austin Engineering. "Our commitment to the mining industry, our industry, has been one of innovation and our product range reflects that commitment.

"We are committed to developing and manufacturing the reliable equipment our customers demand to maintain productivity and profitability," he added. "And we are not about to change our approach."

Partnering for success

Anti Hang-up Ultima Body



Austin's Perth Workshop, Western Australia

Partnering for success



Austin's Perth Workshop, Western Australia

FY2020 Guidance

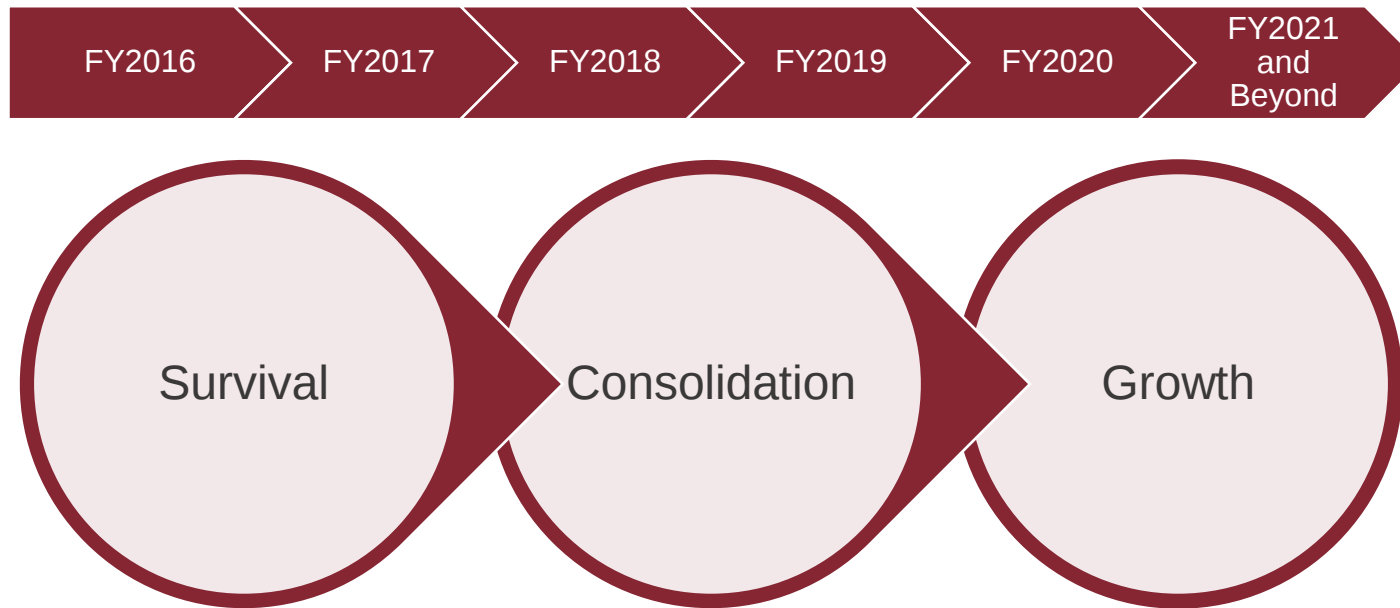
FY2020 Normalised EBITDA of \$24 to \$28 million

- Austin is on track to meet the guidance range provided in August 2019 of Underlying EBITDA of \$24 to \$28 million from continuing operations
 - currently expected to be towards the upper end of this range
- First half FY2020 will be materially lower than the second half due to delays in orders, now received
- Guidance is based on the current order book, committed work and tender opportunities
- In excess of 70% of projected revenue relates to firm orders and other committed work. This is higher than the 66% confirmed work at same time last year
- Perth, the historical profit leader in the group, has an above average level of locked in work compared to prior years following strong order intake
- FY2020 guidance excludes contribution from discontinued operations including the Chile crane hire business

* Guidance is not a guarantee of future performance and is subject to known and unknown risks. Orders may be delayed or amended depending on client requirements.



Austin's Journey



Questions?



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