



2021 Annual General Meeting

26 November 2021



Format of Meeting

- 1. Chair's Address**
- 2. CEO & Managing Director's Address**
- 3. Formal Business**
 - Financial Statements and Reports Discussions/Questions
 - Discussion of Resolutions and Voting
 - Questions
- 4. Closing**



Chairman's Address
Jim Walker





CEO & MANAGING DIRECTOR ADDRESS

David Singleton





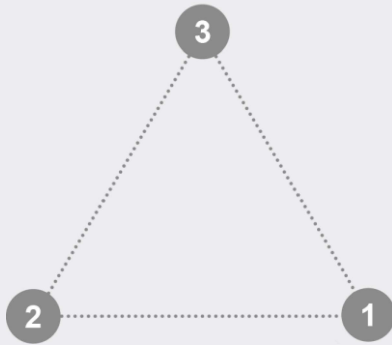
Annual General Meeting 2021

Austin Engineering | 26 November 2021

One of Australia's leading Mining Products groups.



Welcome to Austin 2.0

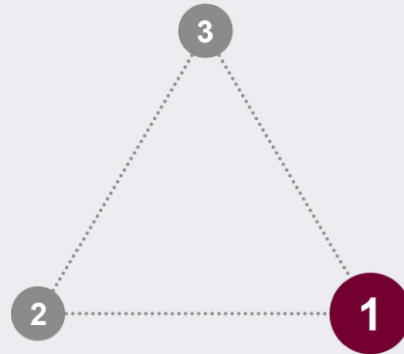


- 1** Drive to higher EBITDA margins through cost optimisation.
- 2** Advanced manufacturing & processes to drive competitiveness & market share.
- 3** Meet miners needs in decarbonisation, efficiency and safety through Innovation & Technology

Austin 2.0 Strategy

1. Three step strategy is delivering forecast cost savings

- ~90% of planned cost optimisation completed YTD.
- Peru operations and Mackay workshop closed and facilities held for sale (value ~\$10m inc. excess facilities in Chile and Columbia)
- Design automation has delivered a 40% reduction in hours in 4 months and growing
- Centralisation of some shared services underway to deliver improvements in FY23



The first stage of the three step strategy announced in August 2021 for Austin is now well developed and nearing completion.

Labour overhead cost reductions are now 90% complete having been reducing through July to October. As such the impact in H1 2022 will not be a full year effect. However H2 will see the full impact of the cost savings and therefore we expect margins to continue to increase in H2 assuming revenue met.

Peru and Mackay contributed to revenue but not margin and have been closed as a result. Austin remains committed to East Coast Australia and has developed a strategy to better serve the market in that region.

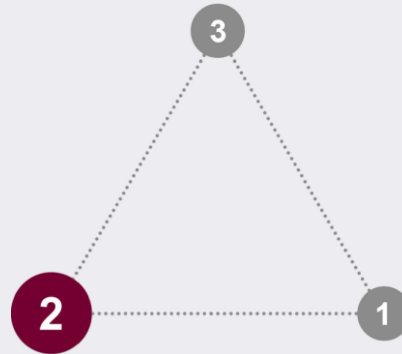
We have made tremendous strides in automating the design process in Austin Perth. The objective is to free up higher calibre engineering resources for development tasks, reduce lead times for product deliveries and reduce overall cost to the customer. Anticipate that the major phase of the work will be complete by the end of the calendar year.

Our operations in Indonesia presents us with opportunities to centralise and reduce cost on certain services used across the group. This process is now underway.

Austin 2.0 Strategy

2. Implementation of Advanced Manufacturing is proceeding to schedule

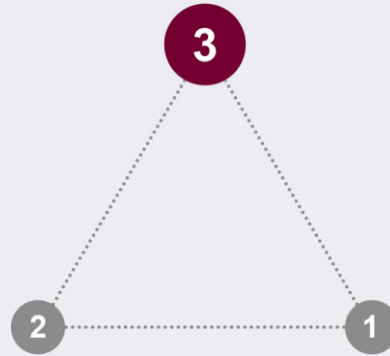
- Board approval received in June 2021
- Project plan completed and savings identified.
- Perth facility implementation underway with initial capability in Q3 FY22.
- Operational 4 (long) day week implemented for structured manufacturing flow and to attract employees.
- Batam upgrades make it central to competitive strategy.
- S. America operations strengthening
- USA steady with significant opportunity to enhance



Austin 2.0 Strategy

3. Investment in Innovation and Technology paying dividends

- Technology Hub will ensure Austin leads in its fields.
- New truck body designs deployed to overcome shipping logistics issues.
- First sale made of new design to Central Asia.
- Anti-hang-up body designed for major customer.
- De-carbonisation and safety enhancement solutions under development



Business Outlook

- Cost focus is delivering EBITDA margin increase as expected
- YTD EBITDA margins are ~ circa 13% (PCP ~7%) and expected to rise as revenue increases in H2
- H1 EBITDA forecast minimum of \$10 million (FY21act. \$6.3m)
- Current outstanding order book up ~ 9% on PCP
- Forecasting full year revenue growth, skewed to H2
- Market conditions remain strong. Labour, material and shipping issues being managed effectively.

YTD based on unaudited actuals on a Statutory basis v's Normalised FY21 results, forecast based on current FX rates and steady market conditions.

Reduction in labour overheads is now 90% complete with some secondary cost saving areas identified and being progressed. Impact is being seen in average EBITDA margins which are 85% higher than PCP 2021 and 24% higher than full year 2021.

The nature of the Austin business is a relatively rapid turnover making clear revenue predictions difficult, however H2 revenue is likely to be higher than H1 and the full FY22 above FY21 (act).

Based on performance to date and the expected revenue pipeline we anticipate a minimum H1 EBITDA of \$10m which is 60% up on the PCP.

There is much discussion about shipping costs, material costs and labour availability in Perth. This is an area that is requiring detailed management but is not creating significant risks to our business. With a few exceptions, including a multi year contract in the USA, we have been able to react to input cost changes because order to delivery times are usually over a few months. On shipping we have rapidly developed changes to our product designs and approach which whilst not eliminating risks has reduced the potential impact considerably. Overall, we see the market as creating real opportunity to differentiate ourselves rather than creating significant risk.



Q & A.

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Financial Report Discussion

To receive and consider the Financial Statements and the reports of the Directors and the Auditor for the financial year ended 30 June 2021.



Resolution 1

ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, pass the following ordinary resolution under section 250R(2) of the Corporations Act:

“That the Remuneration Report (which forms part of the Directors’ report for the year ended 30 June 2021) be adopted.”

Note: The vote on this resolution is advisory only and does not bind the Directors or the Company



Resolution 1 *continued*

ADOPTION OF REMUNERATION REPORT

For: 330,818,727

Against: 8,230,241

Abstain: 5,846,708

At the Proxies' Discretion: 1,696,863

Total Proxy Votes: 346,592,539



Resolution 2

RE-ELECTION OF CHRIS INDERMAUR AS A NON-EXECUTIVE DIRECTOR

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

“That Mr Chris Indermaur, who retires with effect from the end of the Annual General meeting in accordance with rule 3.6 of the Company’s constitution, and, being eligible, offers himself for re-election, be re-elected as a Director”



Resolution 2 *continued*

RE-ELECTION OF CHRIS INDERMAUR AS A NON-EXECUTIVE DIRECTOR

For: 333,519,040

Against: 4,566,820

Abstain: 6,809,816

At the Proxies' Discretion: 1,696,863

Total Proxy Votes: 346,592,539



Resolution 3

APPROVAL TO ISSUE SECURITIES UNDER PERFORMANCE RIGHTS PLAN

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

“That for the purposes of Listing Rule 7.2 (exception 13) and for all other purposes, future issues of securities under the Performance Rights Plan, as described in the Explanatory Memorandum, be approved”



Resolution 3 *continued*

APPROVAL TO ISSUE SECURITIES UNDER PERFORMANCE RIGHTS PLAN

For: 329,918,945

Against: 14,837,663

Abstain: 187,330

At the Proxies' Discretion: 1,648,601

Total Proxy Votes: 346,592,539



Resolution 4

ISSUE OF OPTIONS TO DAVID SINGLETON

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

‘That for the purposes of Listing Rule 10.14, Chapter 2E of the Corporations Act, Part 2D.2 (including sections 200B and 200E) of the Corporations Act, Listing Rule 10.19, and for all other purposes, approval be given for:

- (a) the issue of up to 42,900,000 Options under the Option Plan to Mr David Singleton, or his nominee; and
- (b) the provision of benefits to Mr Singleton or his nominee under the Option Plan and the Options in connection with a loss of position or office,

on the terms set out in the Explanatory Memorandum.’



Resolution 4 *continued*

ISSUE OF OPTIONS TO DAVID SINGLETON

For: 311,700,968

Against: 19,674,611

Abstain: 294,366

At the Proxies' Discretion: 1,628,601

Total Proxy Votes: 333,298,546





MEETING CLOSED

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