

22 December 2021

Austin Expands Across Australia & New Zealand

Austin Engineering Limited (ASX: ANG, 'Austin' or 'the Company') is pleased to announce a major expansion of its APAC truck body, final build and assembly locations with the establishment of six new partnerships located in QLD, NSW and New Zealand. In addition, Austin will invest in additional sales and product support personnel in eastern Australia and New Zealand to support its expanded network.

Austin expects this new focus will give it a significant advantage in securing new customer orders and increase revenue in key locations across the APAC region.

Austin has successfully implemented the first stage of its global strategy to reduce operating costs across all operations, which has led to a significant lift in H1 2022 EBITDA margins as reported at the Company's recent AGM. This partnership expansion is the key next step to increase revenue through developing market share.

The partnerships are a continuation of the "hub-and-spoke" strategy being rolled out by Austin globally whereby Austin establishes a network of accredited "spokes" to support its major manufacturing centres. The partner firms are located close to key mining areas and will undertake the final assembly and customer delivery of truck bodies that are designed and partially built in Austin's major APAC manufacturing facilities in either Perth, Australia or Batam, Indonesia.

Austin has already established similar style partnerships and operations in North America, including a wholly owned final assembly facility in Western Canada and a partnership with equipment manufacturer Melter in Mexico, to support its major US manufacturing centre in Casper, Wyoming.

In FY 2021, truck bodies accounted for 63 percent of revenue in the APAC region. Under its Advanced Manufacturing strategy, Austin has completed significant design upgrades to its main line of truck bodies for its APAC markets to improve operational performance and improve shipping logistics. The new "hub-and-spoke" partnerships will see overall shipping costs and supply chain complexities reduced, improving the performance and economics of Austin's core offering.

Austin CEO and Managing Director, David Singleton said:

"The reduction in operating expenses is already paying significant dividends and now our focus is moving to revenue enhancement.

In this new phase of Austin – Austin 2.0 - we are looking at the world's major mining regions to see how we better service our customers with market leading products and enhanced customer support at commercially competitive rates. It is natural that we are now focusing on one of the largest truck fleets in the world, right on our doorstep in eastern Australia and New Zealand.

Our newly established Canadian operation is already building its first seven truck bodies from kits built in Casper, whilst our partnership in Mexico was an essential element in securing new truck body orders in that region. We look forward to similarly rapid success in Australia and New Zealand."

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Announcement Authorisation

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