

2 June 2023

Austin commences first builds for US out of Batam

Austin Engineering Limited (ASX: ANG, 'Austin' or 'the Company') is pleased to announce that it has commenced manufacture in Batam, Indonesia, of the first truck trays to support continued growth in Austin's US-based business, and its manufacturing facility in Casper, Wyoming.

The Casper facility has seen substantial growth over the last two years and has a strong order book outlook running into FY24. To ensure that the business has sufficient capacity to meet the projected throughput, Austin's manufacturing hub in Batam will build haul truck trays and buckets for final delivery into the US.

This move aligns with Austin's stated strategy to employ a 'hub and spoke' manufacturing approach using its Batam operations to facilitate growth in its major global markets. Austin's Batam facility underwent a major upgrade and enhancement to ensure that it had the capacity and skills to meet this strategy.

The initial group of orders being manufactured by the Batam business comprise:

1. Eight haul truck trays for existing and long term customers of the Austin US business, with further orders expected.
2. Major sub-assemblies for larger truck bodies delivered as 'flat packs' for final assembly in Casper for onward shipment to customers. Austin expects to continue this approach in the future.
3. Two mining buckets, which includes a recently announced dipper bucket order¹. Austin anticipates that the majority of buckets for this market could be built in this way.

In addition to the capacity advantage for the US, Austin has also determined that Indonesian manufacture and freight to the US provides a current cost advantage.

In April 2023, Austin announced that, for the first time, it had delivered fully built and assembled truck trays from Batam to Western Australia's Pilbara mining region for reasons similar to those described above.²

Austin CEO and Managing Director, David Singleton, said:

"Our upgraded and expanded Batam operations continue to demonstrate their effectiveness in supporting our other global manufacturing businesses, from a production capacity and cost perspective.

"We've already lent on Batam to support our business in Australia with full and partial builds and we are now preparing to support our US business with order overflow. From Batam, we also have options to ship products at various stages of assembly to meet customer needs and utilise our existing operations and final assembly partnerships.

"Again, it is evidence of our Austin 2.0 strategy in play, giving the business flexibility to manoeuvre its operations to meet market conditions and customer requirements."

¹ Refer to announcement dated 10 May 2023: 'Austin secures first Mainetec dipper bucket sale in US'

² Refer to announcement dated 18 April 2023: 'First truck trays fully built in Indonesia delivered to WA'

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Austin's Batam business will manufacture and deliver bespoke truck trays and buckets to the Americas region

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Announcement Authorisation

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

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