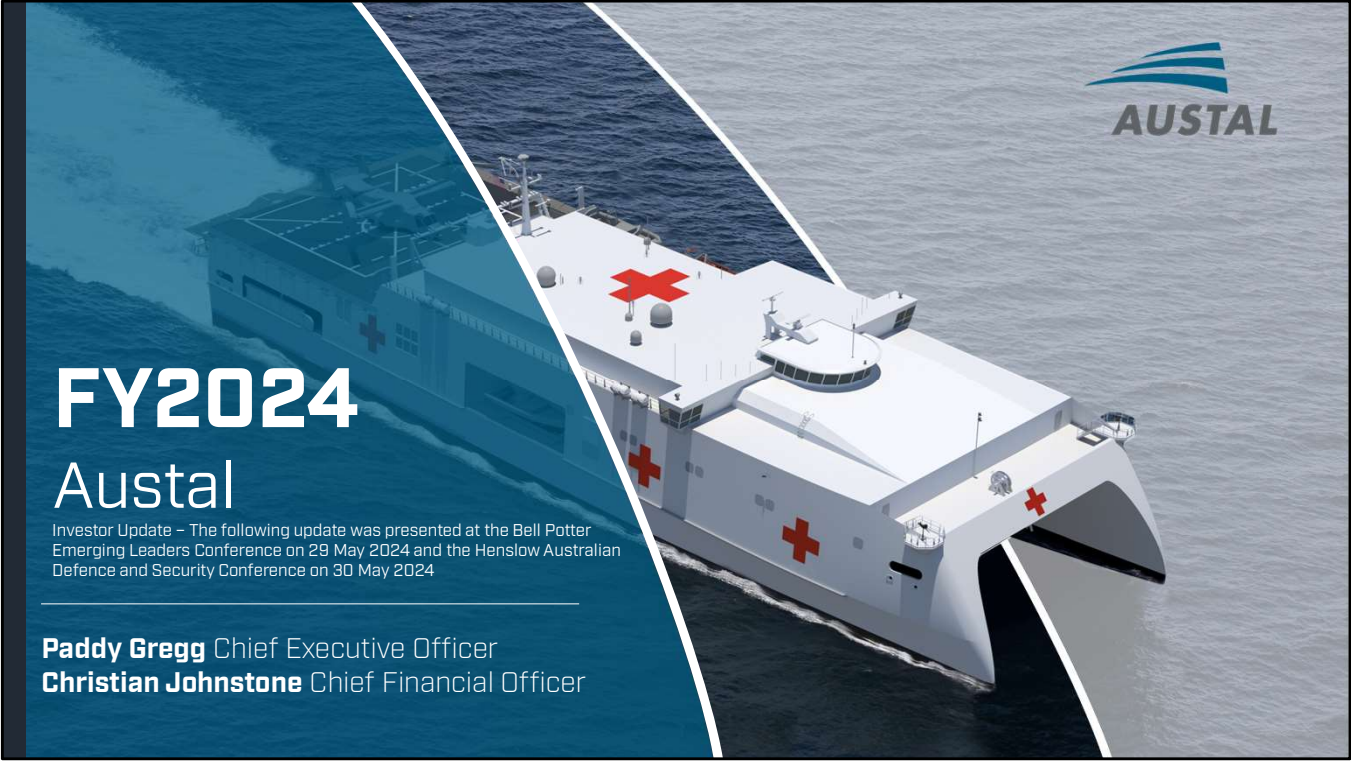


For personal use only



FY2024

Austal

Investor Update – The following update was presented at the Bell Potter Emerging Leaders Conference on 29 May 2024 and the Henslow Australian Defence and Security Conference on 30 May 2024

Paddy Gregg Chief Executive Officer
Christian Johnstone Chief Financial Officer

Group H1 Results Summary



TOTAL REVENUE

↓ 7.0% on HY23

\$718m

EBITDA

↑ \$37.9m on HY23

\$65.3m

ORDER BOOK (inc. options)

↑ +\$5.7bn on HY23

\$12.7bn

EBIT

↑ +\$34.1m on HY23

\$32.1m

NPAT

↑ +\$19.3m on HY23

\$12.0m

NET CASH

↓ **[\$29.5]m on HY23**

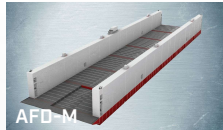
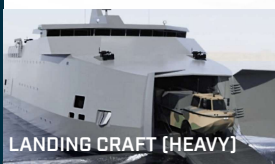
\$28.1m

© Copyright 2024 Austal. All Rights Reserved

2

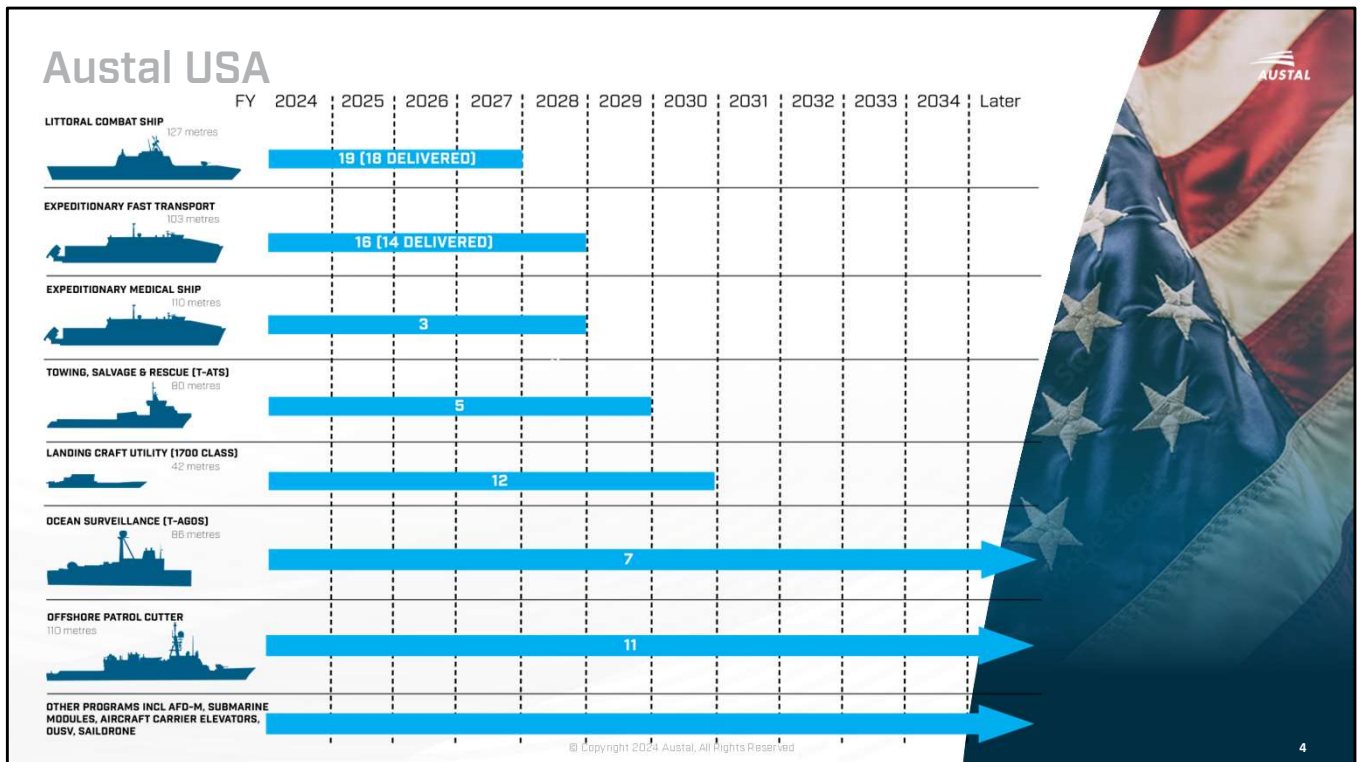
1. Revenue down mainly due to lack of commercial orders in Australasia. Recruitment in the first half will continue to support the revenue growth.
2. EBIT/ EBITDA up on FY2023 H1
3. NPAT up but includes high USA tax Charge (timing of LCS & EPF completion)
4. No dividend declared due to future requirement for cash on CAPEX
5. Net cash reduced due to investment in the business predominantly on San Diego support facility & dry dock.
6. Biggest feature of the results is the orderbook and the success we have had from the strategy pivot 3 years ago. More about those orders and associated growth on next few slides.

Order Book & Future



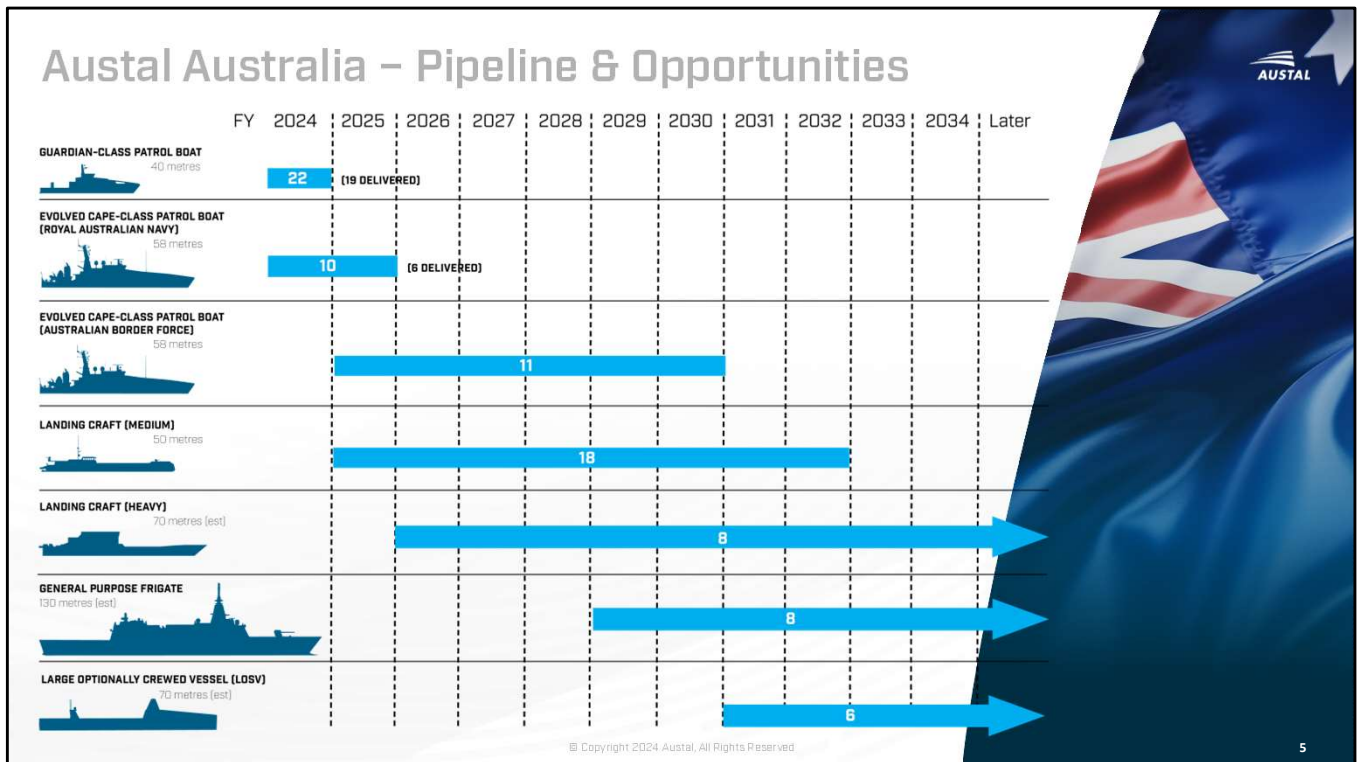
For personal use only

1. Significant growth in orderbook on contracted programs (assuming options are exercised)
2. Significant Defence announcements in Australia as the strategic shipbuilder put long term future opportunities to Austal
3. Potential for substantial involvement on significant programs such as LC-H; General Purpose Frigate and OCSV



1. The profile of Austal USA’s ship build program is shown in the chart.

For personal use only



1. The profile of Austal Australia’s ship build program is shown in the chart.
2. Minister for defence industry in Australia announced Austal will build 2 more ECAPES. Australian Government has also announced its intention for the Medium landing craft and hopefully heavy landing craft to be built under the Strategic Shipbuilding Agreement - this is subject to contract and has been announced as \$7-10bn in total.
3. The Australian Surface fleet review has provided for 8 General Purpose Frigates (in addition to the 3 General purpose frigates to be built overseas) and 6 Large Optionally Crewed Vessels to be built in Australia. Again Austal hopes to be materially involved in these programs under the Strategic Shipbuilding Agreement with the Commonwealth.

Expanding Shipbuilding Capacity

USA

1. Invest in facilities for current and future shipbuilding programmes and additional submarine module capacity
2. Requirement for ~US\$300m capital expenditure over three years
3. Half year FY24 operating cash generation of A\$33m (~US\$22m)
4. Focus on resolving the ongoing investigation with US DoJ/SEC



- Desire to continue to invest in facilities for current and future programmes
- Commenced the design process to help finalise capital required and timing
- Sources of debt being explored to fund what's required above cash generated over time
- With share price below NTA debt favoured over equity
- Update at full year once design complete



© Copyright 2024 Austal. All Rights Reserved

6

1. We have spent the last 2 years growing the order book and bringing diversity of programmes to the business
2. Not only are we looking broadly on programmes we are looking further into the future through funded design studies
3. In the past we have looked to exclusively prime shipbuilding contracts; we are now working with partners as a major subcontractor
4. We believe we are well placed for a positive, long-term outlook due to the orders won and future opportunities; resolution of the DoJ/SEC proceedings in the US is a priority and should add to confidence over the long term outlook
5. Now is the right time to invest so the facility is ready for any programme we have won or look to bid for over the next 30 years.

For personal use only

Expanding Shipbuilding

Australia

Strategic Shipbuilding Agreement and Surface Fleet Review announced requiring:

1. +2 ECCPB's already on contract
2. 18 x Medium Landing Craft
3. Heavy Landing Craft
4. 8 x General Purpose Frigates (11 in total, first 3 to be constructed overseas)
5. 6 x Optional Crewed Surface Vessels
6. Additional Evolved Cape-class Patrol Boats TBC



*"This partnership (with Austal) represents a **new approach** to Australian shipbuilding and reflects the Albanese Government's steadfast commitment to **delivering a future made in Australia.**"*

*"A **continuous pipeline of work and an efficient, streamlined approach** will not only benefit the delivery of Defence capability but **create industry confidence to invest in a highly capable shipbuilding workforce** in Western Australia..."*

The Hon Pat Conroy MP, Minister for Defence Industry
23 November 2023



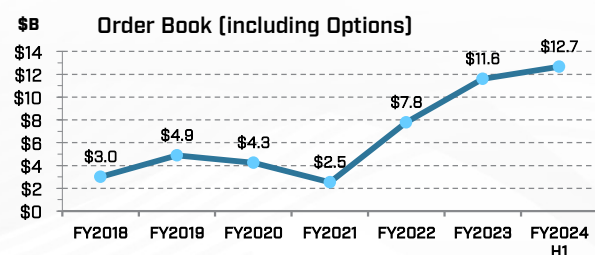
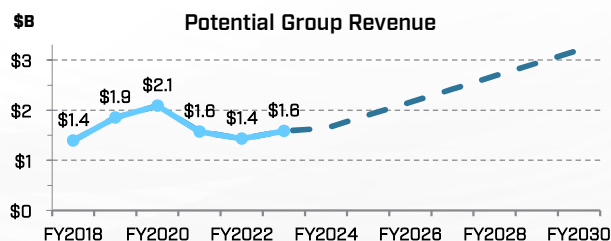
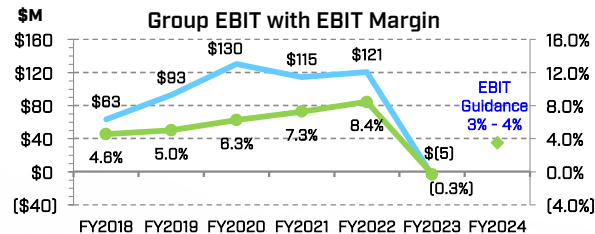
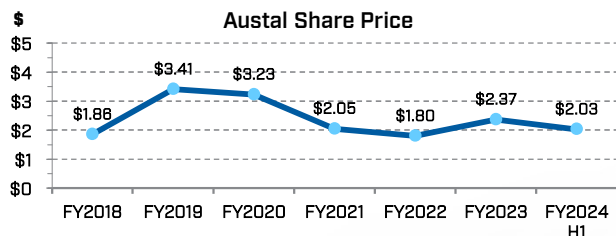
© Copyright 2024 Austal. All Rights Reserved

7

1. We have spent the last 2 years growing the order book and bringing diversity of programmes to the business
2. Not only are we looking broadly on programmes we are looking further into the future through funded design studies
3. We believe we are well placed for a positive, long-term outlook as announced through the Strategic Shipbuilding Agreement and output of the Surface Fleet review

For personal use only

Long term investment proposition



Recent contract wins and announcement in US and Australia underpin potential for significant future growth

© Copyright 2024 Austal. All Rights Reserved

8

1. The graphs show historical share price, EBIT margin and order book.
2. The revenue chart shows potential for future growth based on orders that have been won (including the exercise of options for further vessels).
3. The Order book is shown inclusive of all of the OPC, TAGOS & LCU contracted options (including those that have not yet been exercised)

Comparison to Defence Primes



Company	Price as % of 52 Wk. High ⁽¹⁾	Enterprise Value ⁽²⁾ (\$m)	EV / EBITDA (x)		EV / FCF ⁽³⁾ (x)	
			CY 2024E	CY 2025E	CY 2024E	CY 2025E
RTX Corporation	86.0%	243,410	12.4	11.5	15.4	14.2
Lockheed Martin	86.0%	182,746	12.3	12.1	15.0	14.8
General Dynamics	100.0%	127,363	14.0	13.0	16.9	15.2
Northrop Grumman	94.0%	122,184	14.0	12.9	20.4	17.5
L3Harris	100.0%	81,469	13.6	12.7	15.2	14.1
Huntington Ingalls	100.0%	20,460	12.4	11.5	25.6	21.5
		Mean	13.1	12.3	17.7	16.0
		Median	13.0	12.4	16.2	15.0
Austal Limited	67.0%	676	5.0	4.1	15.4	7.7

Source: Bank of America

(1) As of February 23, 2024.

(2) Enterprise Value calculated as Equity Value + Debt + Finance Leases + Minority Interest - Cash and Cash Equivalents - Long-term Investments.

(3) FCF calculated as (EBITDA - Capex).

9

1. A comparison of recent trading multiples for Austal compared to Defence Prime peers is shown in the table.

Disclaimer

Christian Johnstone, Chief Financial Officer
Telephone: +61 8 9410 1111
For further information visit www.austal.com
Disclaimer

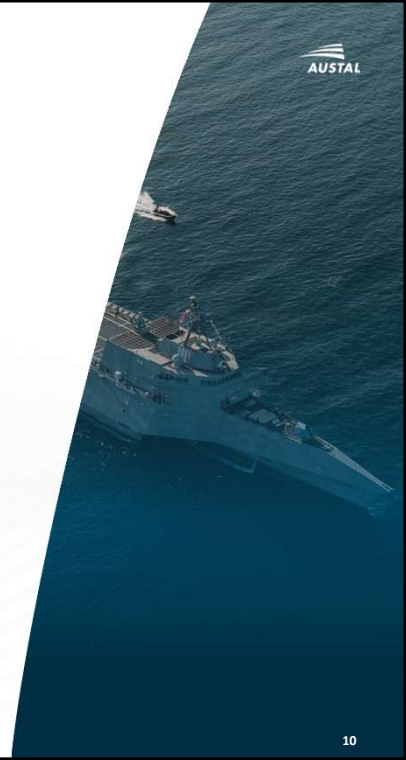
This presentation and any oral presentation accompanying it has been prepared by Austal Limited ("Austal"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in Austal or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Austal will be entered into on the basis of this presentation.

Our presentation contains "forward-looking" statements or projections based on current expectations. These statements are not guarantees of future performance and are subject to risks and uncertainties. Key risks are set out in the Company's Corporate Governance Statement and published on its website – they include – but are not limited to – impacts to US programs, the availability of US government funding due to budgetary or debt ceiling constraints; changes in customer priorities or their ability to meet contractual requirements, additional costs or schedule revisions. There are also broader risks to the enterprise such as cyber security, HSEO incidents, product liability, unexpected impact of regulatory investigations and material unexpected changes to the Company's financing arrangements. Austal's expansion in Asia also naturally brings with it a number of risks that are typical when entering new jurisdictions or expanding in others. Actual results may also effect the capitalization changes on earnings per share; the allowability of costs under government cost accounting divestitures or joint ventures; the timing and availability of future impact of acquisitions; the timing and availability of future government awards; economic, business and regulatory conditions and other factors. We disclaim any duty to update forward looking statements to reflect new developments.

Accordingly, to the maximum extent permitted by applicable laws, Austal makes no representation and can give no assurance, guarantee or warrant, express or implied, as to, and takes no responsibility and assumes no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

You should not act or refrain from acting in reliance on this presentation material. This overview of Austal does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Austal's prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.

For personal use only



For personal use only



ASX:ASB
austal.com

© Copyright 2024 Austal. All Rights Reserved

End