27 February 2025

Austin delivers further growth. APAC and USA shine.

FY25 H1 Key Metrics and Highlights[1]

- **Group revenue of $170.2 million, up 18.5%** (FY24 H1: $143.6 million). Revenues increased across all business units, including a 52% rise in USA
- **Underlying EBITDA of $25.3 million,** up 22% (Statutory $18.5 million) driven by a much stronger performance in APAC (EBITDA up 117%) and the USA (up 35%)
- **Underlying NPAT of $17.4 million, up 16.0%** (Statutory $10.6 million)
- **Operating cash outflow from continuing operations of $3.5 million (FY24 H1: operating inflow of $7.3 million[2])** due to higher steel stocks, which will progressively revers
- e in the second half
- **Net debt $10.5 million,** expected to improve in H2 on reduction in inventory (FY24 H1: net debt of $11.4 million)
- **Order book up 22% to $224 million** led by strong demand in the Americas
- **Interim fully franked dividend of 0.6 cents per share, up 50% (FY24 H1: 0.4 cents per share)**
- **Full year 2025 guidance reiterated:**
  - **FY25 revenue of ~$350 million** with upside potential **(FY24: $313.2 million)**
  - **Underlying FY25 EBIT of ~$50 million (FY24: $38.6 million)**

Austin Engineering Limited (ASX: ANG, ‘Austin’ or ‘the Company’) is pleased to announce its results for the first half of Financial Year 2025 (FY25 H1).

Austin CEO and Managing Director, David Singleton, said:

“The performance of the APAC region has been an outstanding success, delivering an underlying EBITDA margin of 21%, and is now on a solid path for the future. We believe that APAC has now returned to being a cornerstone of strength in Austin.

“Our business in the USA is very well managed delivering yet another powerful increase in revenue, profit and order book. This success story will continue to strengthen, following the investments made in growing capacity and because of the environment in which it operates.

“Chile is equally entering a period of rapid growth that we are investing in, and we believe it will emerge as a bigger and more capable business.

“We are particularly pleased with the growing order book, up 22% following the investments in this area that we presented to the market a year ago. This increase will drive further revenue growth in the business.

“We see the new USA administration as a positive for the region’s mining and energy sectors, with a strong focus on domestic production, including critical minerals and energy technologies. As previously

[1] All H1 FY25 numbers referenced throughout this ASX announcement are on a statutory continuing operations basis, except where stated otherwise. Comparisons are based on the prior corresponding period (pcp) and continuing operations.

[2] Comparative FY24 H1 number $7.3 million is a cash inflow from continuing operations.

announced[3], Austin has put in place measures to protect its North American business from any tariffs placed by the USA on Canada and Mexico, and any levies placed by those countries on the USA. We are manufacturing Canadian orders in country using sub and final-assembly contractors, and we ceased imports from Mexico several months ago. We are not impacted by USA tariffs on steel, sourcing all of our USA steel domestically. All activities around shielding the business from impacts of any US-related tariffs have been completed in the first half of the year.

"Austin 2.0 is now focused on growth and efficiency improvement strategies across the business. We are progressing the roll out of a suite of business systems focused on improving business efficiency and collaboration between our different business units, including AustBuy. A new Customer Relationship Management system (CRM) has been rolled out and embedded across all business units and we are seeing its positive impact in new sales. AustBuy has now rolled out a Steel Requirements Planning system (SRP) to all locations except the USA (where tariffs make this approach less useful), and the new Manufacturing Production System (MPS) is operational in APAC and Chile. Importantly we have begun the rollout of our new single Enterprise Resource Planning system (ERP) in APAC, where we have replaced five legacy systems, and we plan to incorporate the USA business later in the year.

"We have continued to build on the Austin 2.0 operational strategy to deliver further year-on-year growth in Group revenue, earnings and order book, aided by particularly strong performances in APAC and the USA."

Financial Results

Group revenue is up 18.5% led by a strong revenue performance in our USA business unit, which was up 52% year-on-year. Positive revenue contributions have also been made by APAC, up 3.8%, and Chile, up 8.2%. Investment in sales and marketing programs are behind the higher sales along with an increase in recurring revenue streams from our installed base and higher adoption rates of our products across our international markets. These factors give us confidence about future revenue growth.

Group underlying EBITDA was up 22% to $25.3 million. Group statutory EBITDA was $18.5 million. The APAC business unit's performance was particularly satisfying, achieving an 117% increase in underlying EBITDA and a margin of 21% following an extensive reorganisation over the last two years. North America continues to go from strength to strength and delivered a 35% increase in EBITDA despite a rapid build-up of revenue requiring a near doubling of the workforce. This growth was partially offset by a lower performance in Chile as it commenced an OEM tray contract[4] that we expect to be a long-term program in the region.

Group underlying NPAT for the period was up 16.0 percent pcp to $17.4 million, while Group statutory NPAT was $10.6 million.

The Group order book has been very strong and followed several periods of continuous growth up 22% to $224 million, a record level for the Austin 2.0 period. Of note was the continued strong performance of our North American business across multiple commodities. Current forecast demand looks stronger than at the beginning of the financial year as sentiment in Australia appears to have improved, along with the USA, following the positive statements by the new administration there. South America remains positive particularly in the copper regions, to which we are primarily exposed.

Net debt of $10.5 million (FY24 H1: $11.4 million) was driven by an investment in increased steel stocks in our AustBuy division. AustBuy was able to leverage its buying power to keep steel costs competitive, which is feeding into margins. We expect steel stocks to return towards our target range of 3-4 turns per annum by the end of the financial year. Net debt was also affected by late receipts of downpayments expected in December that were not received until February 2025.

[3] Refer to ASX announcement released 3 February 2025, *Austin's US Business Shielded from US Tariff Impacts.*
[4] Refer to ASX announcement 21 October 2024, *Austin Chile records $35M of new customer orders for FY25.*

Regional Analysis

North America

The USA business achieved yet another year of strong revenue growth, up 52% compared to the pcp, and is a performance that is expected to flow into the second half. Revenues reflect the addition of new customers and repeat orders from existing customers enhanced by local commodity market strength.

The USA business undertook a reorganisation of its supply chain logistics over the last nine months. This ensured that they were effectively positioned to deal with the risk of any tariff imposed on goods imported to the USA by the new administration.

All trays destined for the Canadian market can now be manufactured in-country using contracted sub and final assembly partners. In December 2024 – February 2025, ten truck trays were manufactured and delivered from Canadian operations. Canada orders constitute around 30% of the North American business unit's tray production, so the action has had the additional benefit of freeing up capacity in Austin's Casper facility in Wyoming, USA. Austin has ended outsourcing of sub-assemblies for North America from Mexico, although it retains manufacturing partnerships to build products for Mexico and Central America if required.

These measures will protect Austin's ability to deliver to customers and shield it from cost impacts. It has also proven the sound strategic focus and agility of the business.

To support the rising order book, the business has added a leased facility close to its existing workshop in Casper, which is now being brought online. This will provide the USA business with more productive capacity to grow. This considerable change in the business has seen EBITDA grow by 35% pcp, albeit at a reduced percentage margin in the short term and is a situation that will continue to improve.

Asia Pacific

The APAC business unit has returned to its position as a cornerstone of profitability for the Group after the extensive reorganisation over the last two years delivering an EBITDA margin of 21%, which was more than twice the pcp on similar revenue levels. We expect this to be the 'new normal' for this business unit.

Revenue increased by 3.8% to $80 million, which was a good outcome considering that there was some uncertainty in the sector at the beginning of the year as discussed at the AGM in October 2024.

Pleasingly, the investment in growing our sales and onsite support capability, announced a year ago, has been successful. The business unit order intake over the last nine months included ~20% of sales to new or returning customers and this increase in customer share is expected to continue and thereby improve revenue diversity.

The Batam facility now operates with improved capacity and efficiency and continues to support the USA and Australian markets with a competitive cost base and the ability to meet capacity surges. Batam has become a very important component of our strategy as outlined when we launched our Austin 2.0 strategy.

South America

The Chile business saw revenue grow 8.2% as it commenced builds for a multi-year OEM order for truck bodies[5], which is expected to transform the size of the unit. Early work for this program impacted the higher margins achieved on other client orders, resulting in a breakeven for FY25 H1. However, Austin sees this improving going forward as the product mix improves. We expect the outcome to be a larger business in the region with strong sales into the mining hubs of Chile and Peru, particularly to copper miners.

[5] Refer to ASX announcement released 21 October 2024 *Austin Chile records $35M of new customer orders for FY25.*

Austin had deployed a manufacturing excellence team to Chile, which is implementing some further capacity expansion and implementing the flow manufacturing techniques already rolled out in Batam, Indonesia.

Dividend

As a result of the Company's positive outlook on cash generation, the Board has determined to declare a fully franked FY25 interim dividend of 0.6 cents per share, up 50% from 0.4 cents per share in FY24 H1.

Outlook and Guidance

Austin continues to see solid demand for its products and services around the world as a result of a reasonable demand profile given the high return on investment Austin's products deliver to customers, and the international capability of its business. Austin sees the OEM-style outsourcing truck tray contracts in Chile as an opportunity that could extend into other regions and therefore become an expanding part of the business. Together with normal market growth, Austin sees revenue opportunities for both the short and medium term.

Austin expects a stronger second half revenue and profit in line with historic performance.

The APAC region is now on a solid footing with opportunities to grow margins further. The USA continues on its very strong growth path and, based on the order book, we see this continuing to feature. We expect Chile to be profitable in FY25 H2 as it has a stronger product mix than in H1.

The first half cash position is set to reverse as Group steel holdings are reduced, as discussed above.

As a result, Austin reiterates FY25 guidance as follows:

- Revenue increase of 12% to circa $350 million with potential to improve based on the strong order book. (FY24: $313.2 million)
- Underlying EBIT increase of 30% to circa $50 million (FY24: $38.6 million)

Austin has the balance sheet strength to fund an acquisition and continues to assess potential strategic M&A opportunities that would complement Austin's existing offering and business structure. There are currently no opportunities that Austin considers are sufficiently advanced to warrant disclosure at this time.

Reconciliation - Statutory to underlying for continuing operations	Dec-24 $M	Dec-23 $M
Statutory EBITDA	18.5	20.6
Add Foreign Exchange (FX) loss	0.9	0.2
Add APAC restructure	0.5	-
Add HPT new product – Next Gen version	0.7	-
Add USA capacity expansion	0.9	-
Add Chile expansion to support OEM	1.0	-
Add rework on historic product	1.0	-
Add USA mining Expo (4-year cycle unlikely to repeat)	1.4	-
Add NetSuite & other systems (one off introduction costs)	0.4	-
Total underlying adjustments	6.8	0.2
Underlying EBITDA	25.3	20.8
Statutory NPAT	10.6	14.8
Add underlying adjustments	6.8	0.2
Underlying NPAT	17.4	15.0

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Announcement Authorisation

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