



COMPANY ANNOUNCEMENT  
23 FEBRUARY 2026

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## AUSTAL CONTINUES TO ADD TO ORDER BOOK INCREASING RESILIENCE AND DIVERSITY

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### SUMMARY:

- **Growth in revenue and earnings across both shipbuilding and support**
  - Revenue of \$1.1 billion (FY2025 H1: \$825.7 million), up 34.4% on positive contribution from both shipbuilding and support
  - EBIT of \$60.3 million (FY2025 H1: \$42.7 million), up 41.3% with improved margins of 5.4% (FY2025 H1: 5.2%)
  - Net Profit After Tax of \$30.5 million (FY2025 H1 \$25.1 million), up 21.4%
- **Net cash position of \$241.4 million following increased capital expenditure on US manufacturing facilities expansion**
  - Total cash and cash equivalents: \$371.6 million (30 June 2025: \$583.9 million)
  - Net cash position of \$241.4 million (30 June 2025: \$453.1 million)
  - No interim dividend paid reflecting focus on capex program to rapidly increase shipbuilding capacity
- **Order book hits new record at \$17.7 billion**
  - Order book record of \$17.7 billion at 20<sup>th</sup> February 2026 (\$13.1 billion at 30 June 2025), including contract options.
  - Austal Defence Australia awarded ~A\$5.0 billion contracts for Landing Craft Medium and Heavy vessels as a part of the Strategic Shipbuilding Agreement in Australia
  - Remains well positioned to add further defence project opportunities in the USA, as well as in Australia through Strategic Shipbuilding Agreement (SSA)

Austal Limited (**Austal**) (ASX:ASB) has today released its financial results for the six months ended 31 December 2025 (FY2026 H1).

The Company recorded Earnings Before Interest and Tax (EBIT) of \$60.3 million (FY2025 H1: \$42.7 million), on revenue of \$1.1 billion. EBIT growth of 41.3% was driven by a strong performance in Australasian operations which saw a significant rise in Year-on-Year earnings with increased construction throughput. This offset a reduction in USA earnings as the business commenced a significant expansion of manufacturing facilities in Alabama and continued to work on performance improvement on existing programs.

The lower EBIT relative to H2 of FY2025 was within expectations and reflected the recognition of profit in the prior half from the commencement of work on infrastructure construction contracts. These included Modular Manufacturing Facility 3 (MMF3) for General Dynamics Electric Boat and the expansion of the production capacity of the U.S. submarine industrial base (SIB) for the US Navy.

**Austal Chief Executive Officer Patrick Gregg said:** *“Austal has delivered strong year-on-year revenue and earnings growth in the first half of FY2026. The diversification in Austal’s operations has again allowed the Group to continue growing, while our different shipyards undertake periods of consolidation and infrastructure expansion as we continue to execute our robust long term order book. Australasian operations were the standout in the first half period, delivering a turnaround in earnings offsetting a reduction in contribution from the USA.*

*“Austal finalised the Strategic Shipbuilding Agreement with the Australian Government during the period, and followed this up with the award of A\$5 billion of contracts for the design and construction of the Landing Craft Medium and Heavy vessels in Henderson. These are the first in a number of major defence programs planned by the Australian Government, which should see our Australasian operations sustain higher levels of activity going forward and has underpinned the record order book.*

*“The reduced net cash position of \$241.4 million primarily reflects the increased investment in the expansion of US facilities during the half, with Austal’s balance sheet still very well positioned to support the Company’s continued growth in the USA and Australia.*

*“The outlook for the second half remains positive, however we will not match the elevated earnings we recorded in H2 FY2025 which included significant profit*

*contribution from the facilities expansion contract in the US. We expect full year EBIT of approximately \$110m. Our priorities for the second half will be to improve operational performance at our US yard, invest in strengthening our management capability to drive improved operational performance and long term growth opportunities, and also ensure Australasian operations are well placed to execute the exciting defence work opportunities ahead of us."*

## **FINANCIAL RESULTS**

Austal delivered FY2026 H1 revenue of \$1.1 billion, up 34.4% on FY2025 H1, primarily due to significantly stronger contribution from Australasian operations, in shipbuilding and support. USA operations saw increased activity levels in both shipbuilding and support, but earnings continued to be impacted by the Towing, Salvage and Rescue (T-ATS) and Auxiliary Floating Dry Dock Medium (AFDM) programs which recorded increases in onerous contract provisions.

Group Earnings Before Interest and Tax (EBIT) increased by \$17.6 million (+41.3%) to \$60.3 million (FY2025 H1: \$42.7 million) with a strong increase in Australasia shipbuilding and support earnings offsetting lower earnings from the USA. FY2026 H1 Group EBIT margin improved to 5.4% from 5.2% in FY2025 H1. EBIT margin was 6.2% for full year FY2025, reflecting the strong earnings contribution in H2 from infrastructure contracts.

Net Profit After Tax increased by \$5.4 million to \$30.5 million (FY2025 H1 \$25.1 million).

## **USA SEGMENT**

Austal's USA segment increased revenue by \$167.6 million (+26.4%) on the prior corresponding half, reporting FY2026 H1 revenue of \$801.4 million (FY2025 H1: \$633.8 million). EBIT was down \$11.0 million to \$38.9 million (FY2025 H1: \$49.9 million), with the majority of the decline attributed to shipbuilding. Support EBIT was down \$1.1 million.

Shipbuilding revenue was \$671.1 million, up 29.8% from \$517.1 million in the prior period. However, shipbuilding EBIT declined to \$17.0 million from \$26.9 million in the prior period, reflecting continued cost pressures from the T-ATS and AFDM programs.

The T-ATS program was 69% complete (weighted) at 31 December 2025 (30 June 2025: 64%). Final settlement of the REA in October 2025 resulted in the previous pause on construction of T-ATS 14 and T-ATS 15 becoming permanent, with the construction

contract now being limited to three vessels with only limited variation of the overall original contract value. The AFDM program was 69% complete at 31 December 2025 (30 June 2025: 65%). The Company is seeking some contractual relief in respect of these programs and is in active discussions with the US Navy to resolve them. The Company's auditors, Deloitte, have completed their half-year review and have included a qualification in their review opinion to reflect the position that, whilst the Company considers it has sufficient evidence to support the judgments made in respect of the contractual relief for these programs, the auditors require additional evidence above what has been provided and so have qualified on this particular judgement on these particular programs. Further details appear in the notes to the half year report.

Key operational achievements included the delivery of the final (19th) Independence-variant Littoral Combat Ship, LCS 38 (the future USS Pierre) to the US Navy in July 2025. This milestone marked the completion of a significant program for Austal USA. The first (of twelve) Landing Craft Utility (LCU) vessels for the US Navy was launched in August 2025, with construction commencing on the fourth vessel in December 2025.

Construction of the second (of eleven) US Coast Guard Offshore Patrol Cutter, USCGC Icarus, commenced in August 2025, with the keel laying for the first OPC, USCGC Pickering, held in December 2025. In September 2025, Austal USA was awarded contract options to fund long lead-time materials for the 4th, 5th and 6th OPCs.

Planning, design and pre-construction works continue for a number of projects contracted, including up to seven steel, multi-hull Ocean Surveillance (T-AGOS) ships for the US Navy, and three Expeditionary Medical Ships under a US \$867.6 million contract for the US Navy.

Construction also continues on new infrastructure projects at Mobile, Alabama, including Final Assembly 2 (FA2) to enable multiple large surface vessels such as OPC to be completed, and Module Manufacturing Facility 3 (MMF3) for additional submarine module manufacturing. An amount of US\$350 million in milestone payments was received in FY2025 from General Dynamics Electric Boat for the MMF3 expansion. Revenue of \$6.7 million in relation to this contract has been recognised during the half year to 31 December 2025.

USA Support revenue increased by 11.7% to \$130.3 million, from \$116.6 million in the prior period. Support EBIT was \$21.9 million compared to \$23.0 million in the prior period, reflecting slightly lower but still resilient margins being sustained in the support business.

**AUSTRALASIA SEGMENT**

Austal's Australasia segment was the standout contributor to the Group's H1 FY2026 result. Revenue increased by 60.6% to \$309.9 million, compared to \$193.0 million in the prior corresponding period. Segment EBIT improved substantially to \$29.2 million from \$1.9 million in the first half of FY2025, demonstrating significant operational leverage to increasing throughput. Shipbuilding revenue contributed \$209.5 million to the half year result, while support services generated \$100.4 million.

The ninth Evolved Cape-class Patrol Boat, ADV Cape Spencer, was delivered to the Royal Australian Navy in September 2025, with the final boat, ADV Cape Hawke, scheduled for delivery in February 2026. In December 2025, Austal Australia was awarded a contract for two additional Evolved Cape-class Patrol Boats for the Australian Border Force, valued at over A\$135 million and construction continued on the remaining two Guardian-class Patrol Boats for the Commonwealth at Henderson, Western Australia (Hulls 543 and 544).

The Strategic Shipbuilding Agreement (SSA) with the Commonwealth of Australia was signed in August 2025 and resulted in a A\$1.029 billion contract award in December 2025 for the design and build of Landing Craft Medium (LCM) vessels at Henderson shipyard, followed by the signing of the Landing Craft Heavy contract on 20<sup>th</sup> February 2026 at ~\$4 billion. This is the largest value contract Austal has ever signed in Australia. The contracts reaffirm Austal's position as Australia's strategic shipbuilder in Western Australia, with construction commencing in the current calendar year.

Also during the half, a Memorandum of Understanding was signed between Austal's Australian and United States entities and Australia's sovereign submarine partner, ASC, enabling collaboration on additive manufacturing technologies and workforce planning and development.

Australasia secured new commercial business with a circa A\$15 million contract to construct a 36-metre catamaran for Cruise Whitsundays, with construction commencing at the Vietnam shipyard in December 2025. Construction continued in

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Vietnam on 'Dory 2', a 71-metre steel monohull ferry for The Degage Group of French Polynesia. Austal Philippines cut metal on the 130-metre hydrogen-ready catamaran, Horizon X (for Gotlandsbolaget of Sweden) and the 66-metre sailing trimaran (for VELA Transport of France), whilst also completing a maintenance and repairs contract for YWAM Medical Ships.

**CASH AND CAPITAL MANAGEMENT**

Austal had cash at bank of \$371.6 million at 31 December 2025, compared to \$583.9 million at 30 June 2025. The net cash position was \$241.4 million at 31 December 2025, down from \$453.1 million at 30 June 2025.

The reduction in net cash was due to a combination of net operating cashflows, significant capital expenditure to expand USA manufacturing capabilities, and timing of receipt of payments. Net cash used in operations was \$62.9 million, however the lower net cash position was primarily due to increased capital expenditure during the period of \$154.7 million (H1 FY2025 \$50.4 million).

No interim dividends were paid in line with the Company's current focus on expanding manufacturing capabilities.

**OUTLOOK**

Austal expects FY2026 EBIT to be around \$110 million. The Company has entered the second half of FY2026 with significant momentum, supported by a record order book of \$17.7 billion (including options) and 76 ships scheduled or under construction. The focus in the second half will be to continue delivering the order book in both the USA and Australasia, with improved cost management across programs.

The company remains well positioned to maintain longer term growth through major contract awards and government partnerships that provide decades of work visibility. Austal has additional opportunities for growth through AUKUS agreement within both submarine modules and technological capabilities. Close relationships with AUKUS partners will deliver major security and economic benefits along with Government support.

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This ASX announcement has been approved and authorised for release by Austal Limited Chief Executive Officer, Paddy Gregg.

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### **About Austal**

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

In November 2024 the Australian Commonwealth Government appointed Austal as its Strategic Shipbuilder for the construction of key Defence vessels in Western Australia.

For almost 40 years Austal has contracted more than 360 vessels for over 122 commercial and defence operators in 59 countries, worldwide.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. Austal has industry leading shipyards in Australia, the United States of America, Philippines and Vietnam with service centres worldwide.

Austal manufactures and delivers large, complex vessels to the United States Department of Defense, United States Coast Guard, Australian Department of Defence and Australian Department of Home Affairs and other defence and border force agencies around the world.

Having designed, manufactured and delivered iconic monohull, catamaran and trimaran commercial vessel platforms – including the world's largest trimaran ferry and multiple defence programs such as the Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) for the United States Navy, Austal's capability has expanded to include the delivery of Offshore Patrol Cutters for the United States Coast Guard, nuclear submarine modules for US Virginia and Columbia class submarines, auxiliary vessels for the United States Navy and landing craft and patrol boats for the Australian Department of Defence.

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