



FY2024

H1 Results

Euroz Hartleys Conference

Christian Johnstone Chief Financial Officer

1. Introduce Christian Johnstone Austal CFO.
2. Paddy our CEO send his apologies, but he is in the US for a Board meeting.
3. Good opportunity to talk through H1 results and clarify a few things based on the consistent question received on the virtual roadshow.
4. Also talk through some of the announcement made by Government immediately before results on the outcomes of the Surface Combatant review.

Group 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

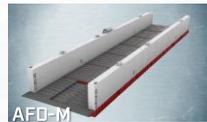
\$28.1m

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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 opportunities in light of Commonwealth announcements 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



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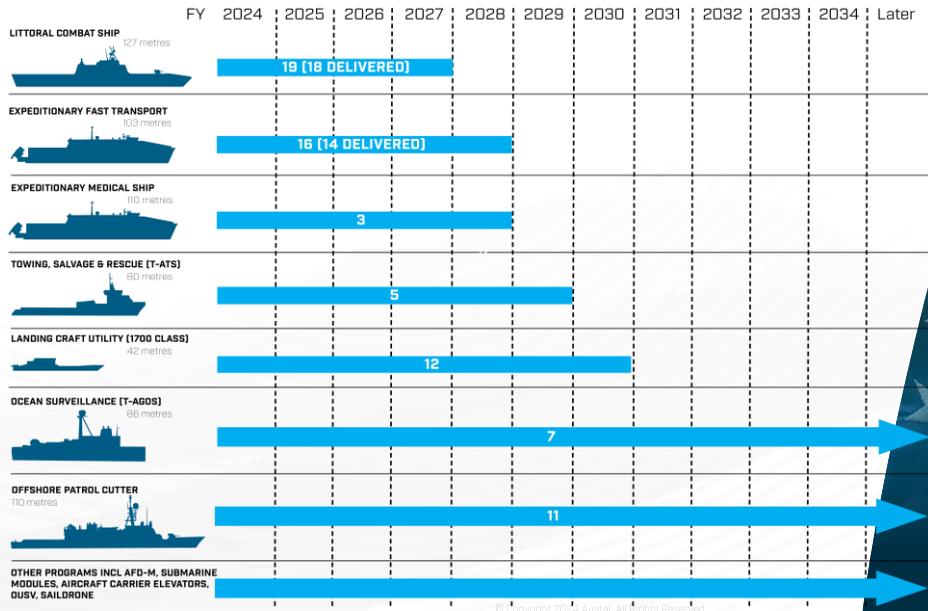
1. 3 years ago a good orderbook looked like 5 ships and \$3bn
2. Today we are on approximately 20 programs across the US and Australia with an order book of \$12.7bn
3. Significant growth in orderbook on contracted programs (assuming options are exercised)

Future opportunities



1. Aiming to develop the significant Defence announcements into contracts through the strategic shipbuilding agreement

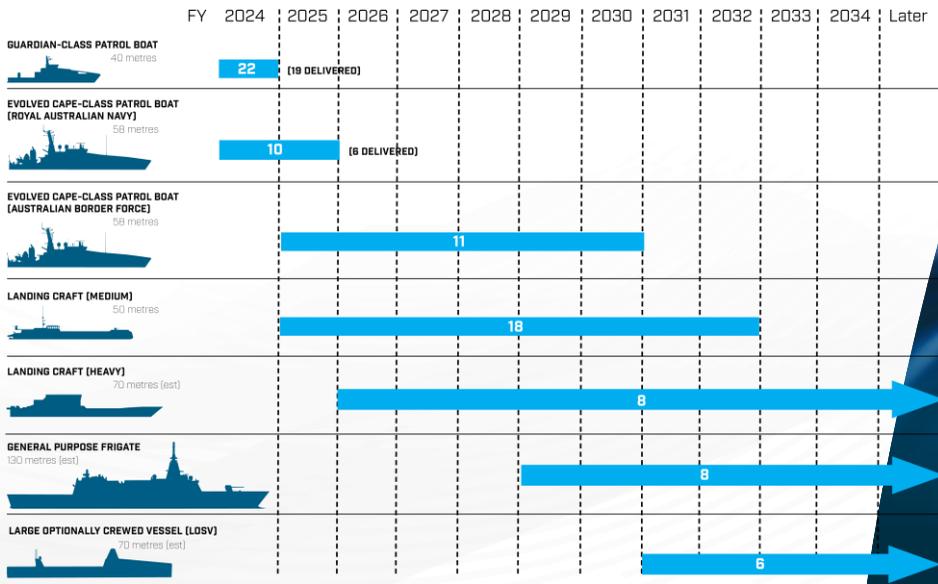
Austal USA



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

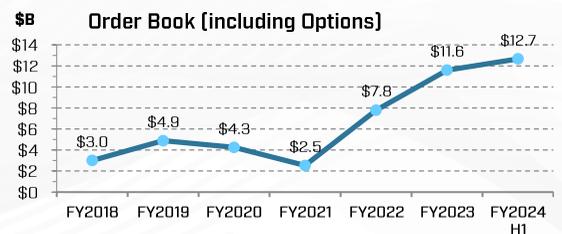
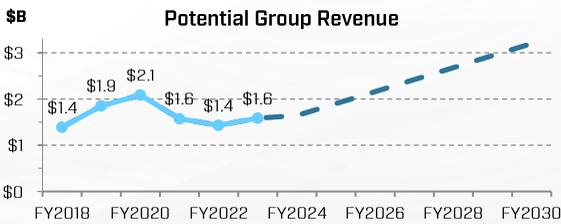
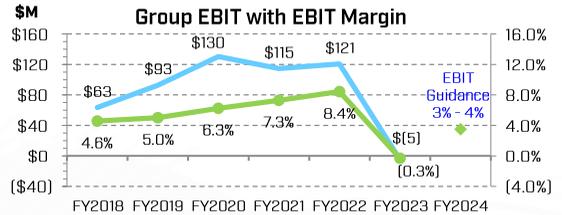
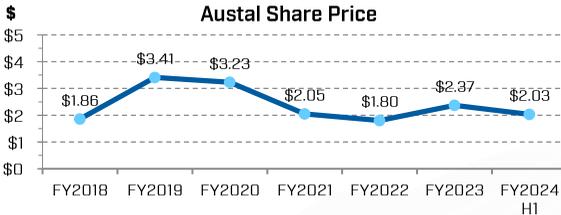
Austal Australia – Pipeline & Opportunities



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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 but should total cc.\$4bn.
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

Long term investment proposition



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

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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).

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

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



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 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.

Guidance FY2024



Revenue

+ 8%
to
+ 10%

(2023: \$1,585)

Underlying EBIT

+ 3%
to
+ 4%

Revenue likely to be at low end of the range but EBIT remains in line with original guidance

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Clarify guidance and open for questions

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