Austal Limited (Austal) (ASX:ASB) announces that the U.S. Navy has awarded Austal USA a US$16.3 million contract to perform extended industrial post-delivery availability on the Littoral Combat Ship (LCS) 20, the future USS Cincinnati, adding to the US$21.1 million drydocking contract it was awarded in late December 2018 for support and sustainment of LCS 14 (USS Manchester).

Austal CEO David Singleton said Austal’s continued accumulation of sustainment contracts, such as this one, was forming the base for a considerable and long-term expansion to its service and support business.

“Building a significant service and support business has been one of Austal’s major business objectives,” Mr Singleton said.

“The award of this contract, combined with being announced as the prime contractor for the drydocking of LCS 14 and other previously announced sustainment contracts, demonstrates our ability to build the services and support business into a material segment for the Company.”

The sustainment program for LCS 20 will be performed at the Vessel Completion Yard at Austal’s Mobile, Alabama, USA, manufacturing facility.

The program will include dry docking services in addition to other post-delivery activities, including engineering prefabrication, material procurement and execution of work items for LCS 20’s Extended Industrial Post Delivery Availability.

Typically, this type of work is performed in San Diego, California, USA. However, to streamline production, support and sustainment for the Littoral Combat Ship program, Austal USA and the Navy are teaming to reduce post-delivery cost and increase efficiency by performing additional work at Austal’s facility in Alabama.

The Austal Independence Class Littoral Combat Ship is a 127m, frigate sized vessel. The program is in a full rate of production at Austal facilities in Mobile, Alabama, as well as supporting industry throughout the United States. The program supports thousands of jobs directly at Austal’s shipyard in
Mobile, Alabama, and indirectly through the contributions from Austal’s supply chain of more than 900 local suppliers in 41 US states.

Austal USA is currently expanding its naval offering to include additional small surface combatants, auxiliary support ships, autonomous vehicles and worldwide post-delivery support and sustainment.

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About Austal

Austal is an Australian shipbuilder and global defence prime contractor which designs constructs and sustains some of the world’s most advanced commercial and defence vessels.

Austal successfully balances commercial and defence projects and celebrates 30 years of success in 2018. Austal has designed, constructed and delivered more than 300 commercial and defence vessels for more than 100 operators in 54 countries worldwide.

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

Austal delivers 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 has grown to become the world’s largest aluminium shipbuilder.