



COMPANY ANNOUNCEMENT
23 NOVEMBER 2022

CHAIRMAN'S ADDRESS TO SHAREHOLDERS
2022 ANNUAL GENERAL MEETING

Chairman: John Rothwell AO

Venue: Fremantle Sailing Club, Fremantle Western Australia

Date: Wednesday 23 November 2022, 2.00pm (Perth time)

Good afternoon shareholders and guests, and welcome to Austal's 2022 Annual General Meeting.

Prior to Paddy's detailed presentation, I will take a few moments to provide my brief overview of Austal's performance for the year and outline the Company's pathway forward.

Amid the background of a volatile global macroeconomic environment and the impacts of COVID continuing to linger during the 2022 financial year, Austal was able to deliver yet another set of strong financial results, which was driven by our excellent operational capability.

I was delighted that we were able to produce Earnings Before Interest and Tax of \$120.7 million, net profit after tax of \$79.6 million, and ended FY2022 with a healthy cash balance of \$115.6 million, even after making major investments including our steel shipbuilding facility and the San Diego support purchase.

This enabled us to declare a final FY2022 unfranked dividend of 4.0 cents per share, adding to the 4.0 cents a share interim dividend and in line with our dividend payments in the prior year.

The FY2022 year marked a period of substantial business transition, as we move from our maturing LCS program to our next phase of growth, underpinned by our expansion into steel shipbuilding in the United States.

In April this year we officially opened our world-class steel shipbuilding facilities in Mobile, Alabama, and have hit the ground running with the award of three steel programs being Towing, Salvage, and Rescue ships, a floating dry dock, and Offshore Patrol Cutters.

The latter was undoubtedly our biggest achievement of the year and has the potential to be worth up to US\$3.3 billion for Austal.

Last month we received full approval from the US Coast Guard to proceed with the detail design work on the contract, despite a protest over that award from the competing, Eastern Shipbuilding Group. It's encouraging to have the support of the Coast Guard to move ahead with this great project.

Our enhanced steel capability positions our business to bid for both aluminium and steel Government shipbuilding contracts and offers substantial opportunities for our next stage of expansion.

Austal's global steel shipbuilding initiative is part of the Company's Growth Strategy 2050, which is focused on long-term, sustainable, and profitable growth.

In line with this core focus, we are building the Service and Support business to increase our recurring revenue stream and future-proofing our business via our continued investment in Systems. This investment has yielded strategically important wins over the year, with our Lifecycle Upkeep Sustainment Intelligence ("LUSI") software on trial on the Cape Class Vessels with the Royal Australian Navy, and the upgraded MarineLink software demonstrating that it will contribute to lower emissions and increased efficiencies in the commercial sector.

Activity in the commercial sector remained subdued in FY22 as COVID continued to impact the tourism industry. However, as these impacts continue to improve in FY23 and travel flows return to normal levels we anticipate a gradual but sustained rebound in commercial ferry opportunities.

Austal is well positioned to cater to the commercial requirements of the future with new product concepts, such as the net zero Volta electric ferry.

Our commitment to Environment, Social and Governance principles continues to deepen and last month we released our 2022 ESG report, which for the second year adopted the Global Reporting Initiative standards. During FY2022 we established a Sustainability Committee to ensure we achieve our ESG goals, including a commitment to achieve a 50% reduction of emissions by 2030.

As always, our prime focus is on ensuring that our employees go home safely every day. We continue to demonstrate excellent safety performance and pursue more stringent targets each year. However, we will not rest on our laurels, and continually improving our safety performance will remain Austal's prime focus.

On a corporate level, post-FY22 we reached a settlement with the Australian Securities and Investments Commission, which was subsequently endorsed by the Federal Court, in relation to ASIC's investigation into historical matters concerning the Company's market disclosures on the Littoral Combat Ship program prior to 4 July 2016.

Austal takes its disclosure obligations very seriously and fully cooperated with ASIC's investigation. Settling this matter was in the best interests of Austal and enables us to dedicate greater resources towards the development of our shipbuilding business globally for the benefit of our customers, employees, and shareholders.

To conclude, on behalf of the Board, I would like to thank all members of our 5,000-strong team for their collective efforts in helping build the bridge towards a new phase of growth for Austal.

Finally, I would once again like to sincerely thank you, our shareholders, for your loyalty during the challenging COVID-impacted period that we are now beginning to emerge from.

The OPC win in the USA underpins business certainty for many years that gives us a robust platform to deliver significant long-term value for our shareholders.

I now invite Paddy Gregg to provide a more detailed overview of our performance in the financial year and the Company's outlook.

This ASX announcement has been approved and authorised for release by John Rothwell, Austal Limited's Chairman.

-ENDS-

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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.

For more than 30 years Austal has contracted more than 340 vessels for over 121 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, including the Middle East.

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 is the only foreign-owned prime contractor designing, constructing and sustaining ships for the US Navy.

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