Financial Headlines

- **EBIT**: $130.4 m, 41%
- **NPAT**: $89.0 m, 45%
- **Total Dividends**: 8¢ per share, 33%
- **Operating Cash Flow**: $164 m, $0 m
- **Net Cash**: $231 m, $130 m
FY2020 Key Facts

$2.1 B REVENUE

$4.3 B ORDER BOOK

10 NEW SHIPS ORDERED

45 SHIPS UNDER CONSTRUCTION OR SCHEDULED

9 SHIPS DELIVERED

6,800 EMPLOYEES

6 SERVICE CENTRES

31 VESSELS UNDER SUSTAINMENT

17% TOTAL REVENUE FROM SUPPORT

85% TOTAL REVENUE DEFENCE CONTRACTS

7 SHIPYARDS IN 5 COUNTRIES
Operational Highlights

USA continues to perform strongly:
- Shipbuilding margin increased from 7.9% to 8.1%.
- 3 vessels delivered in year (2 LCS + 1 EPF)
- 7 vessels under construction (5 LCS + 2 EPF)
- FFG-X lost but US$ billions of new opportunities in sight following decision to add steel shipbuilding capability.

Exceptional support growth continues:
- 28% Year on Year Revenue Growth to $360 million maintains momentum.
- Group EBIT margin 8.2% above target band of 7-8%.
- Support investment continues and further ship deliveries will drive future growth.

Australasia profitability growing strongly:
- Shipbuilding margin grown 2.1 times following infrastructure investment over the past 3 years.
- Philippines & Vietnam yards both launched major vessels, demonstrating capability.
- 6 vessels delivered in year (3 x GCPB + 3 ferries).
- 20 vessels under construction with a further 15 scheduled (including 9 GCPB + 5 CCPB).
FY2020 Financials
# Earnings

<table>
<thead>
<tr>
<th>$ m</th>
<th>FY2020</th>
<th>FY2019</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$2,086.0</td>
<td>$1,851.0</td>
<td>$235.0</td>
<td>13%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>176.1</td>
<td>135.0</td>
<td>41.1</td>
<td>30%</td>
</tr>
<tr>
<td>EBIT</td>
<td>130.4</td>
<td>92.8</td>
<td>37.6</td>
<td>41%</td>
</tr>
<tr>
<td>NPAT</td>
<td>89.0</td>
<td>61.4</td>
<td>27.6</td>
<td>45%</td>
</tr>
<tr>
<td>EPS (cps)</td>
<td>25.0</td>
<td>17.6</td>
<td>7.4</td>
<td>42%</td>
</tr>
<tr>
<td>ETR (^1)</td>
<td>28%</td>
<td>28%</td>
<td>(0%)</td>
<td></td>
</tr>
</tbody>
</table>

- Record Revenue, EBITDA, EBIT and NPAT
- Revenue increased across all segments underpinned by:
  - Expansion of commercial shipbuilding
  - Support revenue growth in USA
  - Favourable FX translation
- Group EBIT increase of 41%
  - Underlying operations 33 ppts
  - Favourable FX translation 8 ppts
- Effective tax rate 28%
  - Cash component ~ 12.5 ppts

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1. Effective Tax Rate (Income Tax Expense / PBT)
## Segment breakdown

### FY2020

<table>
<thead>
<tr>
<th>$ m</th>
<th>Concept</th>
<th>Ships</th>
<th>Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Revenue</td>
<td>$1,310.7</td>
<td>$293.0</td>
<td>$-</td>
<td>$1,603.8</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>106.8</td>
<td>16.9</td>
<td>(0.7)</td>
<td>123.0</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>8.1%</td>
<td>5.8%</td>
<td>-</td>
<td>7.7%</td>
</tr>
<tr>
<td>Australasia</td>
<td>Revenue</td>
<td>$426.0</td>
<td>$70.8</td>
<td>$-</td>
<td>$496.8</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>17.8</td>
<td>13.0</td>
<td>-</td>
<td>30.9</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>4.2%</td>
<td>18.4%</td>
<td>-</td>
<td>6.2%</td>
</tr>
</tbody>
</table>

### FY2019

<table>
<thead>
<tr>
<th>$ m</th>
<th>Concept</th>
<th>Ships</th>
<th>Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Revenue</td>
<td>$1,248.1</td>
<td>$224.6</td>
<td>$-</td>
<td>$1,472.7</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>98.6</td>
<td>16.3</td>
<td>(8.5)</td>
<td>106.4</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>7.9%</td>
<td>7.3%</td>
<td>-</td>
<td>7.2%</td>
</tr>
<tr>
<td>Australasia</td>
<td>Revenue</td>
<td>$323.1</td>
<td>$70.1</td>
<td>$-</td>
<td>$393.2</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>6.4</td>
<td>5.3</td>
<td>-</td>
<td>11.7</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>2.0%</td>
<td>7.6%</td>
<td>-</td>
<td>3.0%</td>
</tr>
</tbody>
</table>

### USA:
- Shipbuilding margin near the middle of the guidance range.
- Strong Support revenue growth, margin below target band (7 – 8%).

### Australasia:
- Record revenue from Australasia was a key strategic achievement.
- Total segment EBIT margin doubled.
- Shipbuilding revenue increased 32% and EBIT more than doubled (~180%).
- Support EBIT increased by ~$8 m due to strong GCPB and CCPB ISS contract performance.
- Support margin is expected to return to the target band.
Cash flow

Operating:
- Strong conversion of EBITDA to operating cash flow.

Investing:
- Sustaining capex in typical range of $(10) – (15) million.
- Enhancing capex of $(4) million to conclude Asia facilities expansion.

Financing:
- Lease principal repayments disclosed separately in line with AASB 16.
- 6 cps of dividends paid in FY2020.

Closing cash:
- Net cash position of $272 million supports an increase of the FY2020 final dividend to 5 cps (FY2019: 3 cps).
- Capacity to fund major capital programs under evaluation (e.g. Steel capability in USA, San Diego dry dock, Philippines acquisition).

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### Cash flow

<table>
<thead>
<tr>
<th>$m</th>
<th>FY2020</th>
<th>FY2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td>$ 164.5</td>
<td>$ 164.5</td>
<td>$(0.0)</td>
</tr>
<tr>
<td>Investing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustaining</td>
<td>$(13.9)</td>
<td>$(14.3)</td>
<td>$ 0.4</td>
</tr>
<tr>
<td>Enhancing</td>
<td>(4.3)</td>
<td>(23.5)</td>
<td>19.2</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td>$ -</td>
<td>$(10.7)</td>
<td>$ 10.7</td>
</tr>
<tr>
<td>Loan origination</td>
<td>(0.6)</td>
<td>-</td>
<td>(0.6)</td>
</tr>
<tr>
<td>Lease principal</td>
<td>(6.0)</td>
<td>-</td>
<td>(6.0)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(20.6)</td>
<td>(19.2)</td>
<td>(1.4)</td>
</tr>
<tr>
<td>Shares</td>
<td>-</td>
<td>8.6</td>
<td>(8.6)</td>
</tr>
<tr>
<td>FX differences</td>
<td>1.9</td>
<td>8.2</td>
<td>(6.2)</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td>$ 121.0</td>
<td>$ 113.6</td>
<td>$ 7.4</td>
</tr>
</tbody>
</table>

### Cash

<table>
<thead>
<tr>
<th></th>
<th>Jun 2020</th>
<th>Jun 2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash @ bank</td>
<td>$ 396.7</td>
<td>$ 275.7</td>
<td>$ 121.0</td>
</tr>
<tr>
<td>Net cash</td>
<td>$ 272.4</td>
<td>$ 150.7</td>
<td>$ 121.7</td>
</tr>
</tbody>
</table>

1. Excludes the notional debt of the CCPB 9 & 10 leasing program
Net Cash / (Debt)

June 2020 Net Cash $272 m

1. Excludes the notional debt of the CCPB 9 & 10 leasing program

End of Period
Business Priorities 2021

Implement US$100 million upgrade to US shipyard to meet new steel naval vessel program demands

Use strategic Asian positioning to pursue Defence and Commercial programs

Exploit technology leadership positions

Continue to drive group-wide competitiveness through automation, ERP systems and using international footprint
Strategic Outlook
Austal USA has committed to a US$100 million extension to the Mobile, Alabama shipyard to build steel warships (50% funded by US Government)
Austal USA investment will increase value of target projects by ~ 3 times

New naval shipbuilding opportunities set to increase threefold.

Projected potential new ALUMINIUM value per year

Projected potential new STEEL value (accessible to Austal USA) per year

Diagram is for illustrative purposes only and may not be accurate. Representations herein are based on management opinions, supported where practicable by material published by or on behalf of USN or USCG.
New shipbuilding projects* ~ US$2 billion per year are estimated to occur from 2022

* Projects that have been assessed by Austal to be suitable for construction in the existing aluminium and planned steel shipbuilding facilities.
Defence Support is a key strategic focus and has grown by 10 times in 6 years

Chart shows revenue increases in support activity as ships in the USA and Australia have been delivered and enter service.
Support Revenue has potential to rise to $500 m in the next few years as ship deliveries & other initiatives occur

Emerging Support Opportunities that will contribute to Growth

- 31 ships to be delivered to US & Australian Navies next 3 years (69 total)
- Singapore service centre supporting US Navy
- Additional Asia base to support US and other ships possible
- San Diego service centre potential expansion (more ships and more services)
- Australian service centres potential expansion for RAN Programs
- Australian service centres have qualified to bid for visiting US Navy ship support, repairs

FY2020 $360 m

*8 x ABF CCPB, 2 x RAN CCPB, 2 x TCG CCPB
* Support for 6 x new CCPB for RAN yet to be determined by Commonwealth.
Recently published Force Structure Plan indicates significant opportunities for Australian Shipbuilding over next 15 years

The estimates above have been made by Austal from the recently published Force Structure Plan and are indicative of uncontracted new ship requirements however this data is indicative and not necessarily revenue expected by Austal. (includes Austal view on CCPB replacement).
Commercial ferry market will likely be affected by COVID-19 but is relatively small in our business and we see a reasonable pipeline.
Engineering maintenance software system sold to Royal Australian Navy

MARINELINK-Smart available on all new ships

Electric boats system developed for major ports

Unmanned Surface Vessels in Operation
Ships in build

**Defence**

- **Littoral Combat Ship (LCS)**
  - US Navy
  - LCS 22 and 24 under construction

- **Expeditionary Fast Transport (EFP)**
  - US Navy
  - EFP 11 under construction

- ** Guardian Class Patrol Boat (CCPB)**
  - Commonwealth of Australia
  - Hull 644 and 651 delivered
  - Hull 652 and 653 under construction

- **Austral Patrol 60**
  - Trinidad and Tobago Coast Guard
  - Hull 646, 650, 651 and 652 under construction

- **Shipe Class Patrol Boat (CDPB)**
  - Royal Australian Navy
  - Hull 641 under construction

**Commercial**

- **45m Passenger Ferry**
  - BBC Aranda
  - Hull 92 under construction

- **48m Passenger Ferry**
  - Vello Vickers Western Co Ltd
  - Hull 800 delivered
  - Hull 802 under construction

- **49.4m Passenger Ferry**
  - Shanghai Zhangjiagang
  - Hull 900 under construction

- **49.3m Passenger Ferry**
  - Shwe pet JET
  - Hull 900 under construction

- **47m Passenger Ferry**
  - A3000 under construction

- **70.6m Passenger Ferry**
  - Jelif Offshore
  - Hull 900 under construction

- **18m Passenger Ferry**
  - Jif Kiyakhi
  - Hull 900 under construction

- **9.6m Passenger and Vehicle Ferry**
  - National Infrastructure Development Company (NIDCO)
  - Hull 900 under construction

- **10.4m Passenger and Vehicle Ferry**
  - Fold Line
  - Hull 900 under construction

- **175m Passenger Ferry**
  - Asia
c
  - Hull 900 under construction

- **177m Passenger and Vehicle Ferry**
  - Euskal Herria
  - Hull 900 under construction
In-service Support

31 vessels for 5 operators in USA and Australia

12 x LCS
3 x EPF
10 x CCPB
6 x GCPB
20 YEARS
Austral USA celebrated its 20th anniversary on December 8 2019

FY2020 Vessel Deliveries
1
2

US$100M
Future joint investment with US Government in Shipbuilding and Maintenance Capacity
A$324M contract to build 6 Cape Class Patrol Boats for the Royal Australian Navy is the biggest contract awarded for Australian vessels in Austal’s history.

118 metre Trimaran Launched Hull 394 The ‘Bajamar Express’ is the first of two high speed vehicle/passenger ferries for Fred. Olsen Express of Canary Islands.

83 metre Trimaran Launched Hull 396 The ‘Queen Beetle’ is a high speed passenger ferry for JR Kyushu of Japan.

50% build process COMPLETE 6 Pacific Patrol Boat Replacement Program started in April 2017 and will conclude September 2023. 21 Guardian Class Patrol Boats (GCPBs) Delivered

3 months Between each vessel completion has been maintained in FY2020.
Largest aluminium vessel ever launched in the Philippines

Hull 419
109m high speed vehicle/passenger ferry the “FSTR” for Fjord Line of Norway

>840
Employees

98%
Local Filipino

Hull 395
The ‘Bahaderos Express’, the second of two high speed vehicle/passenger ferries for Fred Olsen Express commenced construction
First Vessel Launched

Hull 397

94m high speed vehicle/passenger ferry the ‘APT James’ for NIDCO of Trinidad and Tobago
Is the first vessel to be constructed by Austal Vietnam

>360 Employees

97% Local Vietnamese

Hull 424

The ‘Marla Galanta II’, a 41m high speed passenger ferry passenger ferry for SGTM Mauritius
commenced construction

AUSTAL VIETNAM
The largest high speed catamaran ferry built in China

Hull AL008

70.6m passenger ferry for Beibei Gulf currently in build

5

Vessels under construction in FY2020

2

42 metre passenger ferries delivered in FY2020
USA operations

- Shipbuilding margin improvement to 8.1% (FY2019 margin 7.9%).
- Littoral Combat Ship
  - LCS 22 & 24 delivered
  - LCS 32, 34, 36 commenced construction
  - LCS 38 scheduled
- Expeditionary Fast Transport
  - Mature program, steady margins
  - EPF 11 delivered
  - EPF 13 commenced construction
  - EPF 14 scheduled
- Autonomous (unmanned) surface vessel solutions in further development
Australia operations

- Guardian Class Patrol Boat Replacement Project continues - 3 vessels delivered, 2 awaiting crews for training and delivery

- Hulls 398 and 399 – 2 x 58 metre Cape Class Patrol Boats for Trinidad and Tobago Coast Guard under construction

- Hull 394 (1st of 2 x 118 metre trimarans for Fred Olsen SA) under construction; delivered July 2020

- Hull 396 (1 x 83 metre trimaran for JR Kyushu) under construction

- Six 58 metre Cape Class Patrol Boats ordered by Australian Department of Defence for the Royal Australian Navy (Hulls 811 – 816)
Philippines operations

- Philippines Government continuing discussions with Australian Government for funding support of 6 x OPV for Philippines Navy. If awarded to Austal, would be constructed at Austal Philippines

VESSEL PROGRAMS:

- Hull 419 - Fjord Line 109 metre Auto Express ferry launched

- Hull 421 – SNC Aremiti 49 metre catamaran, delivered July 2019

- Hull 395, the 2nd of 2 x 118 metre trimarans for Fred Olsen Express commenced construction – Banaderos Express

- New contract for 115 metre catamaran for Molslinjen of Denmark announced (Hull 423 construction commenced July 2020)
Vietnam operations

- Hull 397 – 94 metre Auto Express catamaran ferry for Government of Trinidad and Tobago was launched May 2020
- Hull 424 – 41 metre catamaran ferry for SGTM of Mauritius commenced construction
China operations

- 2 x 42 metre catamaran ferries delivered, including
  - Hull AL004 – Xidao Dazhou Tourism
  - Hull AL007 – Shenzen Airport

- 5 x vessels under construction during FY2020, including the largest, fastest high speed aluminium ferry constructed in China – Hull AL008 (delivered July 2020)
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