Financial Headlines

<table>
<thead>
<tr>
<th>Description</th>
<th>Year on Year Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBIT</td>
<td>$65 m</td>
</tr>
<tr>
<td>NPAT</td>
<td>$39 m</td>
</tr>
<tr>
<td>Dividend</td>
<td>3 ¢ per share</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>$66 m</td>
</tr>
<tr>
<td>Net Cash</td>
<td>$34 m</td>
</tr>
</tbody>
</table>

1. Excludes Capes 9 & 10 operating lease
2018 Key Facts

- **$1.39B** Revenue
- **$3.0 B** Order Book
- **16** New Ships Ordered
- **48** Ships Under Construction or Scheduled
- **5** Ships Delivered
- **5,250** Employees
- **4** Service Centres
- **5** Shipyards
- **32** Vessels Under Sustainment or Refurbishment
Operational Highlights

- USA Business performing ahead of expectations:
  - Shipbuilding margin increased from 6.8% to 8.6%.
  - 4 Vessels delivered in year.
  - 3 LCS and 1 EPF in US 2018 Federal defense budget.

- Commercial Ferry Market growing fast:
  - $420 million new orders [Total order book $444 million].
  - Commercial revenue will double in FY2019.
  - Significant investment in new vessel designs.
  - Expanding Asian capacity four fold.

- Asia and Australia on track for FY2019 profitability.

- Double digit Support growth maintained. Revenue now over $200 million pa.

- Order Pipeline remains very strong:
  - Commercial ferry order pipeline remains strong.
  - Trinidad and Philippines have announced intention to purchase Austal Defence vessels.
FY2018 Financials
Earnings

<table>
<thead>
<tr>
<th>$ m</th>
<th>FY2018</th>
<th>FY2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$1,392.0</td>
<td>$1,310.1</td>
<td>$81.9</td>
</tr>
<tr>
<td>EBITDA</td>
<td>102.3</td>
<td>77.1</td>
<td>25.2</td>
</tr>
<tr>
<td>EBIT</td>
<td>65.0</td>
<td>45.5</td>
<td>19.5</td>
</tr>
<tr>
<td>NPAT</td>
<td>39.0</td>
<td>15.3</td>
<td>23.7</td>
</tr>
<tr>
<td>EPS (cents)</td>
<td>11.3</td>
<td>4.4</td>
<td>6.9</td>
</tr>
</tbody>
</table>

- Operating Revenue increased across all shipyards (pre FX impact).
- Significant increase across all profit measures, driven by strength of USA earnings.
- USA shipbuilding results exceeded guidance.
- Effective accounting tax rate ~ 31% (cash rate of ~ 12%).
### Segment breakdown

<table>
<thead>
<tr>
<th>$m</th>
<th>Concept</th>
<th>Ships</th>
<th>Systems</th>
<th>Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>USA</strong></td>
<td>Revenue</td>
<td>$855.1</td>
<td>$173.0</td>
<td>$134.6</td>
<td>$</td>
<td>$1,162.6</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>72.4</td>
<td>4.9</td>
<td>8.7</td>
<td>(3.0)</td>
<td>83.0</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>8.5%</td>
<td>2.9%</td>
<td>6.4%</td>
<td>-</td>
<td>7.1%</td>
</tr>
<tr>
<td><strong>Australia</strong></td>
<td>Revenue</td>
<td>$123.5</td>
<td>$</td>
<td>$75.0</td>
<td>$</td>
<td>$198.5</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>(10.9)</td>
<td>$</td>
<td>4.3</td>
<td>$</td>
<td>(6.7)</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>(8.8%)</td>
<td>$</td>
<td>5.7%</td>
<td>-</td>
<td>(3.4%)</td>
</tr>
<tr>
<td><strong>Asia</strong></td>
<td>Revenue</td>
<td>$57.9</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$57.9</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>(1.6)</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>(1.6)</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>(2.8%)</td>
<td>$</td>
<td>-</td>
<td>-</td>
<td>(2.8%)</td>
</tr>
</tbody>
</table>

**USA:** Shipbuilding margin exceeded upper end of guidance range, Support Revenue continued to grow and EBIT excludes some award fees not assessed by the customer at year end.

**Australia:** Volume impacted by OPV outcome, GCPB with zero profit take up in FY2018, as planned. Support strong considering the negative influence of onerous CCPB sustainment contract.

**Asia:** Philippines EBIT of $(0.3) m. Vietnam start-up costs expensed $(1.2) m. Philippines throughput constrained by infrastructure, expansion in progress in both countries, will double revenue in FY2019.
USA shipbuilding margin reporting

- FY2019 Accounting changes required under AASB 15 will result in the Ships and Systems components being combined.
- FY2018 & FY2017 results have been recalculated to provide a comparative for future reporting periods.
- FY2018 7.5% is a weighted average of Ships (8.5%) and Systems (2.9%) from the prior slide.

<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>FY2018</td>
<td>Revenue</td>
<td>$1,028.0</td>
<td>$134.6</td>
<td></td>
<td>$1,162.6</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>77.3</td>
<td>8.7</td>
<td>(3.0)</td>
<td>83.0</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>7.5%</td>
<td>6.4%</td>
<td></td>
<td>7.1%</td>
</tr>
<tr>
<td>FY2017</td>
<td>Revenue</td>
<td>$1,049.1</td>
<td>$123.0</td>
<td></td>
<td>$1,172.1</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>62.2</td>
<td>16.3</td>
<td>(2.4)</td>
<td>76.1</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>5.9%</td>
<td>13.3%</td>
<td></td>
<td>6.5%</td>
</tr>
<tr>
<td>B/(W)</td>
<td>Revenue</td>
<td>(21.0)</td>
<td>$11.6</td>
<td></td>
<td>(9.4)</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>15.1</td>
<td>(7.6)</td>
<td>(0.5)</td>
<td>7.0</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>1.6%</td>
<td>(6.8%)</td>
<td></td>
<td>(73.9%)</td>
</tr>
</tbody>
</table>
Cash flow

### Operating
- Significant operating cash flow.
- Strong EBITDA conversion.

### Investing
- Sustaining capex in typical range of $(10) – (15) million.
- Enhancing capex includes $(9.8) m acquisition of ElectraWatch and $(5.2) m expansion of Philippines.

### Financing
- GZB & lease debt reduction.
- Dividends net of DRP.

### Closing cash
- Strong closing cash position.
- Higher net cash excluding CCPB 9 & 10 debt.
- Supports 3 cps final dividend.

<table>
<thead>
<tr>
<th>$ m</th>
<th>FY2018</th>
<th>FY2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$ 65.6</td>
<td>$(37.9)</td>
<td>$ 103.5</td>
</tr>
<tr>
<td><strong>Investing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustaining</td>
<td>$(15.0)</td>
<td>$(10.7)</td>
<td>$(4.3)</td>
</tr>
<tr>
<td>Enhancing</td>
<td>$(15.9)</td>
<td>-</td>
<td>$(15.9)</td>
</tr>
<tr>
<td>CCPB 9 &amp; 10</td>
<td>$(3.0)</td>
<td>$(42.8)</td>
<td>39.8</td>
</tr>
<tr>
<td><strong>Financing</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td>$(9.2)</td>
<td>$(13.5)</td>
<td>$(4.2)</td>
</tr>
<tr>
<td>CCPB 9 &amp; 10</td>
<td>-</td>
<td>38.1</td>
<td>$(38.1)</td>
</tr>
<tr>
<td>Dividends</td>
<td>$(12.8)</td>
<td>$(12.3)</td>
<td>$(0.5)</td>
</tr>
<tr>
<td>FX differences</td>
<td>1.8</td>
<td>5.2</td>
<td>$(3.4)</td>
</tr>
<tr>
<td><strong>Net Cash Flow</strong></td>
<td>$ 11.6</td>
<td>$(73.8)</td>
<td>$ 85.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ m</th>
<th>Jun 2018</th>
<th>Jun 2017</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash @ bank</td>
<td>$ 162.0</td>
<td>$ 150.5</td>
<td>$ 11.6</td>
</tr>
<tr>
<td>Net cash</td>
<td>$ 33.9</td>
<td>$ 19.3</td>
<td>$ 14.6</td>
</tr>
</tbody>
</table>
June 2018 Net Cash $34 m excluding CCPB 9 & 10 residual buyback guarantee
Business Priorities 2019

- Develop **US market**
- Complete **Philippines expansion** and **Vietnam set up**
- Group wide **cost efficiency**
- Continued investment in **product development**
FY2019 Guidance

Revenue of $1.3 – 1.4 billion  USA Margin (new combined method) 7-8%

Defence
• 1 or 2 LCS from 2018 US fiscal budget.
• 1 EPF from 2018 US fiscal budget.
• Trinidad have announced intent to purchase 2 Cape Class Patrol Boats.
• Philippines have announced intent to purchase OPVs.

Commercial
• Commercial vessel order pipeline continues to be strong. Capacity expansion in Asia will be fully functional by FY2019 H2 although start up risks for both sites remain.
• 8 vessels in construction excluding China.
• Australia revenue flat but return to profit.
• Asia revenue to double.

Group
• Expect cash generation to be similar to FY2018.
• Effective tax rates similar to FY2018.

Support
• Continued Naval support growth.
• Expansion in San Diego for LCS.
• Armidale support complete.
• GCPB support starts late FY2019.
• CCPB support performance remains concerning.
Business Overview
Ships in Construction

**Defence**

- **Littoral Combat Ship (LCS)**
  - US Navy
  - LCS 10 Commissioned
  - LCS 14 Delivered
  - LCS 16 Delivered
  - LCS 18, 20 Launched
  - LCS 22, 24, 26, 28 Under Construction

- **Expeditionary Fast Transport (EPF)**
  - US Navy
  - EPF 9 Delivered
  - EPF 10 Launched
  - EPF 11, 12 Under Construction

- **Guardian Class Patrol Boat (GCPB)**
  - Commonwealth of Australia
  - GCPB 1 Launched
  - GCPB 2-4 Under Construction
  - GCPB 5-21 Scheduled

**Commercial**

- **50m Passenger Ferry**
  - Seaspan
  - Hull 418 Delivered

- **42m Passenger Ferry**
  - Blue Sea Jet
  - Hull 880 Delivered
  - 1 x Scheduled

- **56m Passenger Ferry**
  - FRB Hollandia
  - Hull 449 Delivered

- **30m Passenger Ferry**
  - VS Ferries Corporation
  - Hull 450 Launched

- **109m Passenger and Vehicle Ferry**
  - Molslinjen
  - Hull 393 Under construction

- **109m Passenger and Vehicle Ferry**
  - Fjord Line
  - Hull 418 Under construction

- **117m Passenger and Vehicle Ferry**
  - Fred Olsen S.A.
  - Hull 394 Scheduled
  - Hull 395 Scheduled

- **63m Passenger Ferry**
  - JR Kyushu Jet Ferry
  - Hull 396 Scheduled

- **50m Passenger Ferry**
  - Braveline
  - Hull 680 Under Construction
  - Hull 681 Scheduled

- **49m Passenger Ferry**
  - SNG Armiti
  - Hull 421 Scheduled

- **47m Passenger Ferry**
  - Xing Qiao Tourism Co Ltd
  - 4 x Scheduled
Support

Sustainment & Refurbishment

- Cape Class Patrol Boat: 10
- Armidale Class Patrol Boat: 6
- Littoral Combat Ship: 7
- Expeditionary Fast Transport: 9

Active MARINELINK installations on in-service vessels in FY2018: 100+
Shipyards

MOBILE

Only foreign Prime Contractor designing, building and sustaining ships for the US Navy

5th Largest shipyard in the USA
Largest employer in Mobile, Alabama

FFG(X)
One of only 5 shipbuilders selected by the US Government to develop a Guided Missile Frigate FFG(X) Concept Design
Molslinjen
High Speed Ferry

28%
Improvement in production efficiency compared to CY2017

3.4x
Increase in design resources in FY2018

21
Guardian Class Patrol Boat (GCPBs)

New steel construction facility for Pacific Patrol Boat Replacement Program

13
Pacific Island Nations

The first GCPB was launched in May 2018.

GCPB Sustainment 2018-2023

New Cairns office and support centre opened in CY2017 to service GCPBs
3x
2018 shipbuilding capacity when shipyard expansion complete in 2019

500
Workers in 2018

1000
Estimated by 2020

15 vessels
delivered to
8 customers
worldwide since
2012
New Austal Vietnam shipyard announced for Vung Tau, providing additional shipbuilding capacity to meet growing international order book.

72 Workers in 2018

650 Estimated by 2020
In 1990 Austal delivered the fast ferry *Dokdo Sorong Ho* to Chinese operator Nantong High Speed Ship Company.

In 2018 we continue this history as the Aulong - Austal Joint Venture, recognising the strong demand in the Chinese fast ferry market.

6 Vessels in build in 2018

1 42 metre catamaran delivered in FY2018
Strategy and Outlook
Commercial Ferry Market Overview

1. Austal’s core market of commercial ferries has entered a period of likely sustained growth based on the need to replace old vessels and the growth of new routes.

2. Austal has invested in major capacity expansion and new modern vessel designs early in the cycle and is in a position to deliver into this market.

3. Austal remains highly differentiated in its core aluminium high speed market.
Global passenger transport sector is strong. Intra-European travel a leading indicator of ROPAX ferry demand.

Growth in global air-travel is accelerating year on year, with negligible impact from high oil prices or recessions

In Europe, local Europeans make up more than 90% of all tourist destination travel, growing at 4% CAGR\(^2\)

Passengers carried, worldwide by airlines millions

Nights stayed in European tourist destinations, millions

1. World Bank compilation of International Civil Aviation Organization, Civil Aviation Statistics of the World and ICAO staff estimates
2. Eurostat
Conventional large ferry construction market is running at record levels of activity, globally.

New build orders per year [Vessels >70m]

- 30 year historic peak
Global high speed ferry replacement market is now underway, but yet to hit its peak

Age of global high speed ferry fleet (vessels >70 metres)

Expected Life = 25 years

Source: Fast Ferry International, Shippax
New build market for large high speed ferries is exceeding Austal projections, due to operators adding new capacity and routes.

New build orders per year [Vessels >70m]

- Projected renewal orders
- Actual renewal orders
- Actual new capacity orders

Austal analysis
Austal’s technology differentiation is evident in new vessel sales; unique trimaran hull-forms paired with next generation Marinelink
Austal has rapidly expanded yard capacity (X4) and in house design capacity at Henderson has grown to match.
Defence Market Overview

1. The core LCS and EPF programs in the US continue to improve in productivity and delivery velocity, providing healthy foundation for Group profitability.

2. Austal’s performance is reflected in the strengthening order book and naval opportunity pipeline, both in the US and exports from Australia.

3. As the operational fleet of Austal designed and built naval vessels steadily increases, income from sustainment activity is growing in parallel.
USA build efficiency has improved dramatically on both LCS & EPF and led to a step change in delivery velocity.
US shipbuilding margin improving, orders are strong.

**US shipbuilding margin, %**

- **FY2017 H1**: 5%
- **FY2017 H2**: 6%
- **FY2018 H1**: 7%
- **FY2018 H2**: 8%

**Orders by year, EPF & LCS**

- **LCS**:
  - FY13: 0.5
  - FY14: 1.0
  - FY15: 1.5
  - FY16: 2.0
  - FY17: 4.5
  - FY18: 1.5

- **EPF**:
  - FY13: 2.0
  - FY14: 1.5
  - FY15: 1.0
  - FY16: 0.5
  - FY17: 3.0
  - FY18: 1.0
Sustainment Revenue linked to growth of OEM vessels under management.

- 9 x LCS
- 10 x CCPB
- 9 x EPF
- 21 x GCPB
Sustainment has been growing in line with naval vessel deliveries, Vessels under management set to grow.

<table>
<thead>
<tr>
<th>Year</th>
<th>Group Sustainment Revenue</th>
<th>Vessels under Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2015</td>
<td>$0</td>
<td>10</td>
</tr>
<tr>
<td>FY2016</td>
<td>$50</td>
<td>15</td>
</tr>
<tr>
<td>FY2017</td>
<td>$100</td>
<td>20</td>
</tr>
<tr>
<td>FY2018</td>
<td>$150</td>
<td>25</td>
</tr>
<tr>
<td>FY2019</td>
<td>$200</td>
<td>30</td>
</tr>
<tr>
<td>FY2020</td>
<td>$250</td>
<td>35</td>
</tr>
</tbody>
</table>

CAGR 30%
FY2018 Operational Overview
USA operations

- Shipbuilding margin improvement to 8.6% (FY2017 margin 6.8%).

VESSEL PROGRAMS:

- Littoral Combat Ship (~US$5.9 billion program).
  - Margin improving ship to ship.
  - LCS 12, 14 & 16 delivered in the year.
  - Awarded LCS 30 through a competitive tender.

- Expeditionary Fast Transport (~US$2.0 billion program).
  - Margin steady and at internal target.
  - 2 additional vessels in current RFP (EPF 13 & 14) maybe contracted in each of next 2 years.
  - Various opportunities for additional vessels in emerging applications.
  - EPF 9 delivered in the year.
Australia operations

- Shipbuilding programs (Mols and PPB) on schedule and cost, but construction volume to increase in FY2018.
- Major cost reduction drive underway. Achieved 25% labour reduction.
- Significant technology investment underway to keep ferry capability ahead given strong market conditions.
  - New 109m and 94m catamaran designs.
  - 2 new trimaran designs (117m & 82m).
  - Several new small vessel designs.
  - Marine Link Smart development.

VESSEL PROGRAMS:

- GCPB (~$335 million, 21 ship program).
  - 1st vessel undergoing sea trials on-time.
  - Recognise profit from 2019.
- Mols (~$90 million, 109m vehicle / passenger ferry).
  - Vessel close to launch and on schedule.
  - Best ever efficiency in build.
- Cape Class Patrol Boats 9 & 10.
  - 3 year charter commenced FY2017.
  - Charter extension review in H1 CY2019.

SUPPORT CONTRACTS:

- CCPB support $3.2 million provision in FY2017 as more resources required than anticipated.
- Armidale Class remediation, performed well now complete.

Change since FY2017
Philippines operations

- $22 million investment to increase ship building capacity 3 fold. New facilities complete by year end.
- Yard at full capacity to end CY2019.
- CY2019 revenue will be twice historic peak and ~ 3 times historic average.
  - Investment in facilities unlocks capacity for larger and more vessels.

VESSEL PROGRAMS:

- Fjord Line A$108 million, 109m vehicle / passenger ferry under construction.
  - Modules in build.
  - Integration commences early CY2019 (when new facility complete).
  - Delivery early CY2020, completion in Australia.
- VS Ferries Samar Philippines A$5.5 million, 30m catamaran delivered August 2018.
- Aremiti 49m catamaran, delivery July 2019.
- Brave Line Taiwan A$44 million, 2 x 50m catamarans under construction.
- FRS Germany A$22 million, 56m high speed catamaran delivered.
- Seaspovill South Korea A$16 million, 50m high speed passenger ferry delivered.

Change since FY2017
Vietnam operations (new facility)

- New leased facility in build, capable of building medium to large vessels. Lease is for minimum 2 years plus extensions at Austal option.
- Expatriate management team in place who have built multiple catamarans and operations have commenced supporting Philippines.
- Large aluminium experienced labor pool available.
- 2 significant vessels expected to commence full production during next 6 months subject to order confirmation.
- Low overhead and cost base should drive material profitability in first year.
China operations (Aulong Shipbuilding)

- Growth expected into FY2019.

VESSEL PROGRAMS:
- Blue Sea Jet A$10 m, 42 m high speed ferry DELIVERED January 2018.
- Blue Sea Jet A$5.6 m, 35 m high speed catamaran under construction.
- Xidao Dazhou Tourism Co Ltd. A$20 m, 4 x 42m high speed catamarans under construction.
Disclaimer

This presentation and any oral presentation accompanying it has been prepared by Austal Limited ("Austal"). It should not be considered as an offer or invitation to subscribe for or purchase any securities in Austal or as an inducement to make an offer or invitation with respect to those securities. No agreement to subscribe for securities in Austal will be entered into on the basis of this presentation.

Our presentation contains “forward-looking” statements or projections based on current expectations. These statements are not guarantees of future performance and are subject to risks and uncertainties. Key risks are set out in the Company’s Corporate Governance Statement and published on its website – they include impacts to US programs, the availability of US government funding due to budgetary or debt ceiling constraints; changes in customer priorities or their ability to meet contractual requirements, additional costs or schedule revisions. There are also broader risks to the enterprise such as cyber security, HSEQ incidents, product liability and material unexpected changes to the Company’s financing arrangements. Austal’s expansion into Asia also naturally brings with it a number of risks that are typical when entering new jurisdictions or expanding in others. Actual results may also affect the capitalization changes on earnings per share; the allowability of costs under government cost accounting divestitures or joint ventures; the timing and availability of future impact of acquisitions; the timing and availability of future government awards; economic, business and regulatory conditions and other factors. We disclaim any duty to update forward looking statements to reflect new developments.

Accordingly, to the maximum extent permitted by applicable laws, Austal makes no representation and can give no assurance, guarantee or warrant, express or implied, as to, and takes not responsibility and assumes no liability for, the authenticity, validity, accuracy, suitability or completeness of, or any errors in or omission, from any information, statement or opinion contained in this presentation.

You should not act or refrain from acting in reliance on this presentation material. This overview of Austal does not purport to be all inclusive or to contain all information which its recipients may require in order to make an informed assessment of Austal’s prospects. You should conduct your own investigation and perform your own analysis in order to satisfy yourself as to the accuracy and completeness of the information, statements and opinions contained in this presentation before making any investment decision.