117m new design Trimaran for Fred Olsen in Europe.
Construction commences in Henderson August 2018 with delivery in March 2020.
### FY2018 H1 Highlights

- **Revenue**: $653 million
- **Order Book**: ~ $3.4 billion
- **Employees**: 5,250
- **Employees Shown**: Icon of employees
- **Ships on Order**: 42
- **Naval Ships Ordered**: 1 (worth >A$700 million)
- **Ferries Ordered**: 9 (worth $380 million)
- **Ships Delivered in H1**: 3

### FY2018 Vessel Construction Programs

<table>
<thead>
<tr>
<th>Program</th>
<th>Navy</th>
<th>MOLSLINJEN</th>
<th>FRED. OLSEN, S.A.</th>
<th>fjordline</th>
<th>Wisdom Marine Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCPB</td>
<td>10</td>
<td>6</td>
<td>6</td>
<td>9</td>
<td></td>
</tr>
</tbody>
</table>

### FY2018 Sustainment & Refurbishments

<table>
<thead>
<tr>
<th>Program</th>
<th>Navy</th>
<th>MOLSLINJEN</th>
<th>FRED. OLSEN, S.A.</th>
<th>fjordline</th>
<th>Wisdom Marine Group</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACPB</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>LCS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>EPF</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Operational Highlights

- USA Business progressing as expected:
  - Shipbuilding margin increased from 6.6% to 7.6%
  - LCS 12 & EPF 9 delivered
  - ~ $750 million for new vessel (LCS 30 Oct 2017)

- Commercial ferry market remains strong:
  - $380 million of new orders (Total order book $435 million)
  - Trimaran hull becoming a strong seller
  - Commercial revenue will increase ~ 50% in FY2019
  - Sales team, design team & production facility expansion
  - China sales developing

- OPV Australia
  - Under negotiation, may take several months
FY2018 H1 Financials

Customer celebration with Mols Linien. 50% complete on Express 4 | Henderson.
## Earnings

- **Revenue**
  - Stable despite higher exchange rate for translating USD earnings

<table>
<thead>
<tr>
<th></th>
<th>FY2018 H1</th>
<th>FY2017 H1</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$652.9</td>
<td>$649.2</td>
<td>$3.7</td>
</tr>
<tr>
<td>EBITDA</td>
<td>46.5</td>
<td>33.3</td>
<td>13.2</td>
</tr>
<tr>
<td>EBIT</td>
<td>29.2</td>
<td>18.1</td>
<td>11.1</td>
</tr>
<tr>
<td>NPAT</td>
<td>25.6</td>
<td>9.3</td>
<td>16.3</td>
</tr>
<tr>
<td>EPS</td>
<td>7.4</td>
<td>2.7</td>
<td>4.7</td>
</tr>
</tbody>
</table>

- **EBIT & EBITDA**
  - Significant increase
    - FY2017 H1 was depressed by legal settlement
    - FY2018 H1 impacted by timing of Sustainment profits

- **NPAT**
  - EBIT flow through
    - Lower current US tax due to tax reform
    - Lower deferred US tax due to tax reform
Segment breakdown

<table>
<thead>
<tr>
<th>$m</th>
<th>Concept</th>
<th>Ships</th>
<th>Systems</th>
<th>Support</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>Revenue</td>
<td>$ 416.4</td>
<td>$ 81.6</td>
<td>$ 59.7</td>
<td>$ -</td>
<td>$ 557.7</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>31.7</td>
<td>2.1</td>
<td>2.6</td>
<td>(0.3)</td>
<td>36.2</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>7.6%</td>
<td>2.6%</td>
<td>4.4%</td>
<td></td>
<td>6.5%</td>
</tr>
<tr>
<td>Australia</td>
<td>Revenue</td>
<td>$ 44.4</td>
<td>-</td>
<td>$ 36.5</td>
<td>$ -</td>
<td>$ 80.8</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>(3.1)</td>
<td>-</td>
<td>3.1</td>
<td>-</td>
<td>(0.0)</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>(7.0%)</td>
<td>-</td>
<td>8.5%</td>
<td>-</td>
<td>(0.0%)</td>
</tr>
<tr>
<td>Philippines</td>
<td>Revenue</td>
<td>$ 22.6</td>
<td>-</td>
<td>-</td>
<td>$ -</td>
<td>$ 22.6</td>
</tr>
<tr>
<td></td>
<td>EBIT</td>
<td>(1.1)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(1.1)</td>
</tr>
<tr>
<td></td>
<td>EBIT Margin %</td>
<td>(4.8%)</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(4.8%)</td>
</tr>
</tbody>
</table>

- **USA:** Shipbuilding margin towards upper end of guidance range, still expect 6 – 8% for full year. Support was impacted by timing of award fees across reporting periods.

- **Australia:** Breakeven result reflects inadequate shipbuilding throughput, PPB will generate circa 20% revenue growth into FY2019. Strong support was driven by ACPB despite onerous CCPB support contract.

- **Philippines:** Shipbuilding reflects throughput which will approximately double from FY2018 to FY2019 with the growth and delivery of the commercial order book.
# Cash and debt

Negative operating cash flow:
- ~ $240 m operating cash flow over last 4.5 years
- $50 m working capital movements month to month
- Cash flows from delivery of EPF 9 & LCS 14 to be received post 31 December 2017

Investing:
- Typical sustaining capex

Financing includes:
- Disciplined approach to debt reduction, US$(4.5) m of Go Zone Bond reduction during the half
- $6.3 m of dividends (net of reinvestment scheme)

Cash
- Continued strong cash position
- Announced 2 cps interim dividend

## Cashflow

<table>
<thead>
<tr>
<th>$m</th>
<th>FY2018 H1</th>
<th>FY2017 H1</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$ (16.9)</td>
<td>$ (43.8)</td>
<td>$ 27.0</td>
<td></td>
</tr>
<tr>
<td>Investing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sustaining</td>
<td>(3.6)</td>
<td>(2.8)</td>
<td>(0.9)</td>
</tr>
<tr>
<td>CCPB 9 &amp; 10</td>
<td>(3.0)</td>
<td>(30.0)</td>
<td>27.0</td>
</tr>
<tr>
<td>Financing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt</td>
<td>(6.9)</td>
<td>(11.7)</td>
<td>4.8</td>
</tr>
<tr>
<td>CCPB 9 &amp; 10</td>
<td>-</td>
<td>18.9</td>
<td>(18.9)</td>
</tr>
<tr>
<td>Dividends</td>
<td>(6.3)</td>
<td>(5.9)</td>
<td>(0.4)</td>
</tr>
<tr>
<td>FX differences</td>
<td>(1.8)</td>
<td>4.4</td>
<td>(6.2)</td>
</tr>
<tr>
<td>Net Movement</td>
<td>$ (38.5)</td>
<td>$ (70.9)</td>
<td>$ 32.4</td>
</tr>
</tbody>
</table>

## Cash

<table>
<thead>
<tr>
<th>$m</th>
<th>Dec 17</th>
<th>Dec 16</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash @ bank</td>
<td>$ 112.0</td>
<td>$ 153.5</td>
<td>$ (41.5)</td>
</tr>
</tbody>
</table>
Net cash / (debt) – subject to volatility in working capital

Net Debt $(11) m excluding CCPB 9 & 10 residual buyback guarantee

End of quarter

SHIPS • SYSTEMS • SUPPORT
FY2018 H1 operational performance

John Rothwell AO and Austal Australia Staff proudly celebrating Australia Day (vessel is super structure for Mols).
USA operations

➢ Shipbuilding margin improvement

VESSEL PROGRAMS:

➢ Littoral Combat Ship (~$7.5 billion program)
  o Turnaround developing well and confidence continues to grow
  o LCS 12 delivered in the half and LCS 14 imminent
  o Awarded LCS 30 through a competitive tender (LCS 28 in June 2017)
    - Vessel pricing reflects current known costs therefore expect normalised profit level
  o USA FY2018 appropriations look positive

➢ Expeditionary Fast Transport (~$2.5 billion program)
  o EPF 9 delivered
  o EPF 10, 11 and 12 under construction
Australia operations

- **Shipbuilding** – at front-end design phase on two significant vessel programs throughout CY2017 but construction volume to increase in FY2018.
  - Pacific Patrol Boat (~$305 m, 19-ship program)
    - Strategically important; in line with budget and time.
    - First vessel delivery October 2018.
    - Recognise profit from FY2019.
  - Mols (~$90 m, 109 m vehicle / passenger ferry)
    - Over 50% complete and on schedule.
    - 20% productivity improvements demonstrated.
  - Cape Class Patrol Boats 9 & 10
    - 3-year charter commenced late in FY2017.
    - Expect engagement on charter extension over next 12 months.

- **Support contracts**
  - CCPB in-service support: in line with previous provisions.
  - ACPB remediation: Performing well.

- **Significant technology investment underway to keep progressing ferry capability ahead given strong market conditions.**
Asia (Philippines & China)

- **Philippines**
  - FRS - ferry for Germany will be delivered in FY2018 H2. ($22m, 56m vessel)
  - VS Grand Tours $5 m - Construction of a 30 m ferry just commenced.
  - Fjord Line (~ $108 m, 109 m vehicle passenger ferry). First metal was cut February 2018.
  - Braveline $44 m – Construction of 2 x 50 m ferries will commence in FY2018 H2.
  - Aremiti ferry $30 m – Construction of a 49 m ferry will commence in FY2018 H2.

- **China**
  - 6 x ~ $5 - 6 m, 35 m high-speed catamarans in Aulong Joint Venture.
Disclaimer

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