

21 March 2022

Austin reports 100% increase in order book y-o-y, sees strong FY23 pipeline

Austin Engineering Limited (ASX: ANG, 'Austin' or 'the Company') is pleased to report that \$82 million of new orders across the business in the three months until end-February 2022 has seen a 100% increase in its order book level compared to the same point in the last financial year.

Austin is now confident it has received sufficient orders to cover FY22 revenue guidance. In addition, Austin has also received a very encouraging level of orders for its FY23 pipeline. Overall, enquiry levels and contract win rates remain strong in all home markets

The new contract wins have resulted in a significant order book lift from December 2021, when Austin reported an increase in orders of 35% year-on-year.¹

The order book improvement is across all of Austin's home markets but dominated by the USA, Chile and Indonesia. The truck tray business has remained strong but is now widespread across more jurisdictions and has been supported by a much stronger level sales of buckets and other equipment. Austin's new JEC High performance bucket range has attracted considerable attention and with four months to go in the current financial year, the Company has already achieved a record level of sales of mine buckets compared to recent years.

Austin has previously announced a series of measures aimed at improving its competitiveness by sharpening its focus on the needs of its customers both in Australia and overseas. As an example, this approach has led to an update to its core Ultima truck trays to meet increased demands around safety and weight carrying capacity. The design updates have been coupled with cost efficiencies from the advanced manufacturing approach and the hub-and-spoke build strategy, increasing Austin's product quality and cost competitiveness in the market. This action has already delivered a material level of new order wins, strengthening the FY22 order book, and driving momentum into FY23.

Austin is now rolling out the initial phase of its advanced manufacturing plan, following an intensive design phase, which aims to increase production efficiency, safety and quality, thereby reduce costs and increase productivity. Austin is now initially rolling out the new production system in Batam, Indonesia because that facility is running at an elevated level of throughput in a trend that is expected to continue.

As flagged in Austin's 1H22 results², the Company reports it is entering a challenging period in Western Australia, which is currently under Level 2 Government restrictions due to rising COVID-19 cases in the State. Potential risks, which to a limited extent are now being experienced, include loss of productivity due to staff shortages and shipping delays, which could impact scheduling and deliveries for Austin and its suppliers. The current level of restrictions is not anticipated to remain in place for long, with Western Australia's COVID-19 caseload peak expected in the next few weeks. Contingency planning continues to reduce risks where possible.

¹ See announcement dated 10 January 2021 *Austin reports spike in orders at end of H122*

² See announcement dated 24 February 2022 *1H FY22 Results Announcement*

Austin CEO and Managing Director, David Singleton said:

“The doubling of orders for equipment in just twelve months, and with most of the improvement in the last six months, is clear evidence the strategies under Austin 2.0 are working. Our sales campaign strategies are seeing Austin win fresh orders from existing and new customers around the globe, and at a higher win rate. Our hub-and-spoke and final assembly partnerships mean we are markedly more cost competitive in the market. Our continued, accelerated investment in new product innovation and technology means we are remaining at the forefront of our industry, aligned with the needs of our customers and maintaining relevance in the market. Our investment in advanced manufacturing means we are increasing our efficiencies in-house; the technology means we can increase production, equipment range and quality too.

“While we see some logistics risks in our Western Australian operations due to rising COVID-19 case levels and subsequent restrictions, we are bolstered by a strong order book and pipeline looking out to full year 2023.”

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Announcement Authorisation

This announcement was authorised by the CEO of Austin and is not market sensitive.

About Austin Engineering

Austin is a global engineering company. For over 50 years, Austin has partnered with mining companies, contractors and original equipment manufacturers to create innovative engineering solutions that deliver productivity improvements to their operations.

Austin is a market leader in the design and manufacture of loading and hauling solutions, including off-highway dump truck bodies, buckets, water tanks and related attachments, supporting both open-cut and underground operations. Complementing its proprietary product range are repair and maintenance services performed in our workshops and on clients' mine sites, and spare parts.

Through Austin's own design and engineering IP and range of tailored products, it delivers solutions for all commodity applications and drives increased efficiencies in productivity and safety in both open cut and underground mining operations.

Austin's products can create more sustainable mining operations by delivering the lowest cost per tonne to end user, reducing fuel usage per material carried.

The Company is headquartered in Perth and has operations around the world in Australia, USA, Canada, Chile and Indonesia serving many of the major mining sites in the world both directly and through local partners.