

21 October 2024

Austin Chile records \$35M of new customer orders for FY25

Austin Engineering Limited (ASX: ANG, 'Austin' or 'the Company') is pleased to announce it has won more than 100 orders for new truck trays at its Chile business in the first three months of FY25. The orders are collectively worth circa \$35 million and are expected to be delivered before the end of this financial year. The orders represent significant, and potentially ongoing incremental business over the previous year.

The bulk of the purchase orders for "first fit" trays to OEMs follow on from an initial small production order to check product quality and capability, awarded earlier and announced to the market in March 2024.¹

The orders represent an improved revenue outlook for Austin's Chile business unit following a record revenue year in FY24. A successful ramp up of production is likely to see further orders placed with the Chile business for delivery towards the end of the current financial year and into FY26.

The increased orders will require Austin to produce up to circa three times the number of trays per month in FY25 from its recent production levels. As a result, Austin has deployed its manufacturing improvement team to Chile to assist in planning the production ramp up. The Chile business is already operating at twice the truck tray production rate averaged in FY24 and is expecting to reach the new required production rate by early CY2025. In addition to the OEM orders, expected production levels of Austin's own brand tray ranges are expected to strengthen alongside continued demand for both new and rebuild mining buckets, including dipper buckets.

Austin is confident that these orders represent a new normal in the level of tray production that can be expected in the region in future years and that the contribution of this business unit to Group results will become increasingly important. In FY24, the Chile business had a revenue base of \$51.6 million, which included only a minor contribution from the program outlined above. As is usual for Austin customer arrangements they are subject to the regular placement of purchase orders and programs do not commit the customers to minimum orders.

Austin Chile is also reporting strong growth in its bucket business for new buckets and rebuilds. As previously announced, in dipper buckets alone, the Chile team expects to have rebuilt more than 22 dipper buckets at the end of CY24 and is currently building a new large dipper bucket for a local customer.²

Austin Chile services the copper mines of northern Chile and southern central Peru where demand has been very strong, driven by a rise in global demand for copper, which has traded at strong levels this year. Chile is the world's largest copper producer, and the latest figures show a significant improvement in output. The Chilean Copper Commission (Cochilco) forecasts Chile's copper output to grow 5.5% year-on-year to 5.7Mt in 2025.³ Chile and Peru are the number one and number two producers of copper globally and Austin's facility is ideally located to service this region.

In FY24, Austin Chile recorded a 26% year-on-year increase in revenue, with strong recurring revenue of 91%. Growth in FY25 is expected to comfortably exceed that level.

At this stage, Austin retains its current FY25 guidance for revenue of circa \$350 million and underlying EBIT of circa \$50 million.

¹ Refer to ASX announcement dated 18 March 2024 *Austin Confirms Global Purchase Order Momentum and Order Book Update*

² Refer to ASX announcement dated 15 October 2024 *Austin marks first international dipper bucket export*

³ Cochilco Copper Market Trends Report 2024-2025

<https://www.cochilco.cl/Mercado%20de%20Metales/Informe%20Trimestral%20Q2%20VF.pdf>

Austin CEO and Managing Director, David Singleton, said:

“This “first fit” tray program represents a significant outcome from the long-term investment in global relationships that Austin has made. We believe this style of order could fundamentally change the growth rate of our business not only in Chile but in our other business units if it is duplicated in other regions.

“These contracts and resultant orders required Austin to develop its operational processes, its capabilities, and its teams. The enabling of this ramp-up has been achieved through the investments made under our Austin 2.0 strategy that has focused on customer relations, integrating the business globally, and readying our manufacturing facilities for increased production.

“In Chile, we are experiencing a complete transformation of the business, much like what has already been delivered in our Batam facility in Indonesia. Chile will move from low-rate production of trays and equipment rebuilds to an operation of global importance to the Group. We have had to reorganise and grow our teams and operations quickly to support the rapid increase in tray output. As with any ramp up, this will reduce Chile’s production margins in the early phase as we implement necessary and significant changes to our operations. However, we believe that this is a good investment in the long-term development of our South American presence.”

-ENDS-



Trays being manufactured at Austin’s Chile facility in La Negra

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Announcement Authorisation

This announcement was authorised by the CEO of Austin and is 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, Chile and Indonesia serving many of the major mining sites in the world both directly and through local partners.