

03 February 2025

Austin's US Business Shielded from US Tariff Impacts

Austin Engineering Limited (ASX: ANG, 'Austin' or 'the Company') wishes to provide an update on its US business following the announcement on the weekend by the United States Government that it has imposed tariffs on Canada and Mexico.

US President Donald Trump has placed duties of 25 percent on imports from Mexico and Canada, and a 10 percent tariff on all imports from China.

In the last nine months, Austin completed a repositioning of its US business to ensure it would not be directly affected by tariffs imposed on goods imported from Mexico, or exports from the US to Canada, if Canada was to enforce its own tariffs in response.

This has primarily included the development of a new truck tray sub-assembly supply chain route using Canadian contractors for sub-assembly builds. The sub-assembly (part-built) kits are transported to existing contractors for final assembly onto the customers.

Austin has undertaken final-assembly builds in Canada for several years with contracting companies located close to customer sites for final assembly and delivery of its products. However, the sub-assembly builds are a new supply chain route developed over several months to ensure that quality, cost and IP needs are met.

In the last two months, Austin has successfully built 10 truck body sub-assembly kits using two Canadian-based contractors.

Austin is confident the sub and final-assembly partnership arrangements will be sufficient to meet its customer orders and demand in Canada.

Until recently, truck body sub-assemblies were built in Austin's manufacturing facility in Casper, Wyoming. Austin's decision to build Canada-bound truck trays in Canada will free up capacity at the Casper facility to meet current increased demand in the US.

Austin previously imported some sub-assembly trays from Mexico to the US but ceased this supply chain route several months ago. Austin retains sub and final-assembly contractor relationships in Mexico for supply of truck trays in that region, if required.

Austin CEO and Managing Director, David Singleton, said:

"Our decision several months ago to reorganise Austin's US supply chains to avoid tariff risk was timely and effective.

"We expect the cost impact of this change in supply chain to move some elements of production to Canada to be broadly cost neutral. This is due to the increase in supply costs being offset by lower freight costs and lower steel costs in Canada compared to the US."

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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, Chile and Indonesia serving many of the major mining sites in the world both directly and through local partners.