



COMPANY ANNOUNCEMENT
23 OCTOBER 2020

AUSTAL TO FURTHER EXPAND AUSTRALIA SUPPORT BUSINESS THROUGH ACQUISITION OF BSE MARITIME SOLUTIONS

Austal Limited (**Austal**) (ASX:ASB) is pleased to announce it is building on its growing global support business by entering into an agreement to acquire Australian-based BSE Maritime Solutions Group (**BSE Maritime Solutions**). The acquisition of the business is at an enterprise value of A\$27.5 million.

BSE Maritime Solutions is a leading ship repair and support business for defence, commercial, tourism, and luxury vessel customers, operating in Cairns and Brisbane. Current customers include Australian Border Force, BAE Systems, Thales and Svitzer. BSE Maritime Solutions employs approximately 60 permanent staff who will be offered employment with Austal.

The acquisition aligns with Austal's stated strategy of continuing to build the Company's key support business. Revenue from Austal's support segment has grown at an annual rate of 28 per cent over the past four years to reach \$360 million in the 2020 financial year, providing reliable ongoing revenue in addition to Austal's shipbuilding operations.

Austal Chief Executive Officer David Singleton said: "BSE Maritime Solutions is a quality business and its acquisition aligns with our stated strategy of growing our support division, adding further scale to our operations on the east coast of Australia in addition to our existing support services at Henderson, Cairns, and Darwin.

"In particular, the acquisition provides Austal with dockyard and ship lift capability in the north-east region of Australia – including the Pacific's largest mobile boat hoist, capable of moving 1120 tonnes – supporting our existing and future customers and reinforcing our commitment to grow in the region. It further enhances our in-service support capabilities, currently provided across multiple facilities in Cairns, for the Austal designed and constructed Cape-class and Guardian-class Patrol Boats."

Austal expects that the new business will generate an EBITDA of A\$5m in FY2021 rising to A\$11m by FY2025 as more Austal ships covered by current sustainment contracts are delivered to the Commonwealth of Australia.

Agreement terms

Under the acquisition agreement Austal will acquire all of the shares in BSE Maritime Group Ltd, Brisbane Slipway Holdings Pty Ltd, and Brisbane Slipways and Engineering Pty Ltd.

The purchase will be funded from Austal's strong cash reserves, with the Company holding a \$272.4 million net cash position as at 30 June 2020.

The Agreement is subject to a number of customary conditions precedent to completion and is expected to settle at the end of November 2020.

This ASX announcement has been approved and authorised for release by David Singleton, the Chief Executive Officer of Austal Limited.

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About Austal:

Austal is Australia's global shipbuilder and defence prime contractor designing, constructing and sustaining some of the world's most advanced commercial and defence vessels.

For more than 30 years Austal has contracted more than 300 vessels for over 100 commercial and defence operators in 54 countries, worldwide.

Austal is Australia's largest defence exporter and first ASX-listed shipbuilder. Austal has industry-leading shipyards in Australia, the United States of America, Philippines and Vietnam with service centres worldwide, including the Middle East.

Austal delivers iconic monohull, catamaran and trimaran commercial vessel platforms – including the world's largest trimaran ferry and multiple defence programs such as the Littoral Combat Ship (LCS) and Expeditionary Fast Transport (EPF) for the United States Navy.

Austal has grown to become the world's largest aluminium shipbuilder and is Australia's largest defence exporter.

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