

Macquarie Australia Conference



David Singleton, Chief Executive Officer

6 May 2016

SHIPS



SYSTEMS



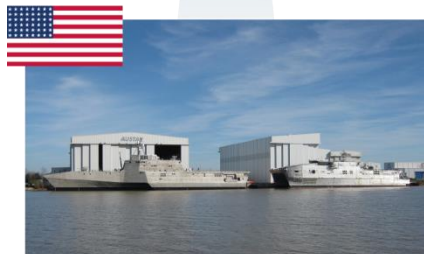
SUPPORT



Austal's Global Presence



● Vessels delivered/in service ● Shipyards ● Service Centres and Offices



Austal USA - Mobile Alabama



Austal Philippines - Balamban Cebu



Austal Australia - Henderson WA

SHIPS • SYSTEMS • SUPPORT

Austal has a 28 year history of vessel construction



Leader of high speed aluminium ferries



High speed transport



Austal has been building patrol vessels for Australia for 17 years



New contract for 19 patrol vessels now signed



High speed support vessel for the Royal Navy of Oman continues tradition of naval vessels



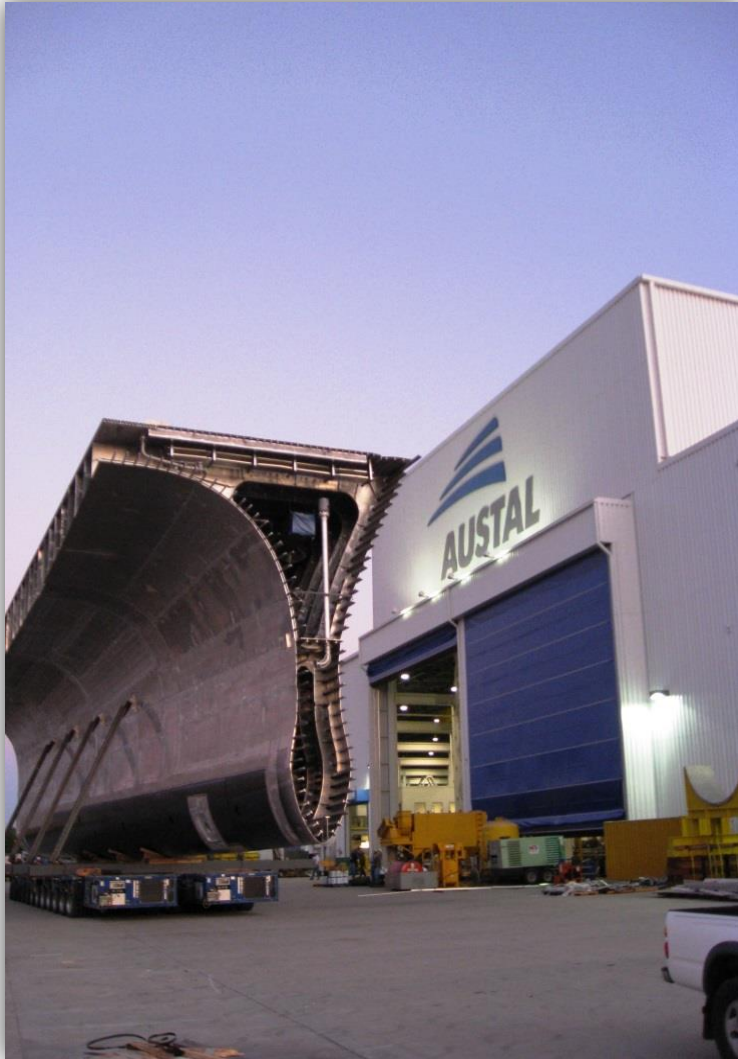
Prime contractorship for 2 classes of vessels for the United States Navy



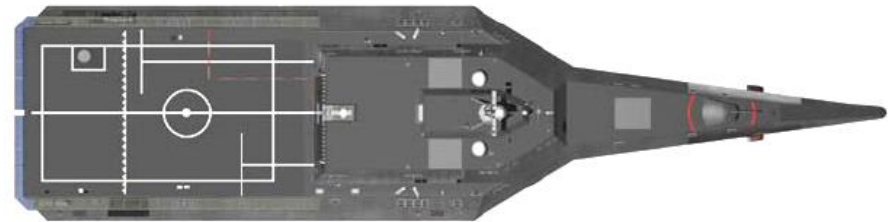
Operations update



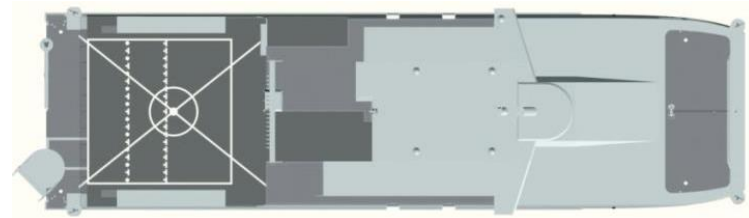
Overview shipbuilding programs



LCS



EPF

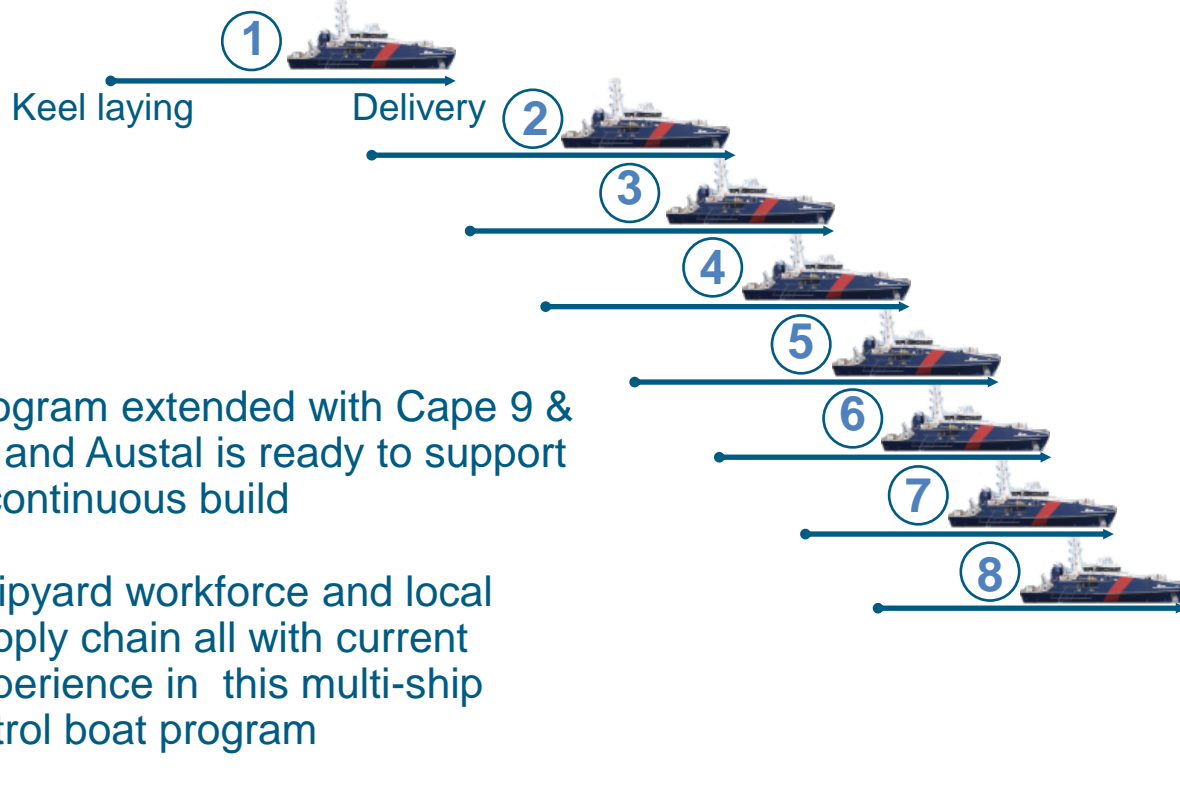


Austal Henderson has completed 8 Cape class patrol boats, delivering at a rate of one 58m vessel every 9 weeks



Delivering on-time, on-budget multi-ship builds

— 2012 —————→ today —————→



- ✓ Program extended with Cape 9 & 10 and Austal is ready to support a continuous build
- ✓ Shipyard workforce and local supply chain all with current experience in this multi-ship patrol boat program
- ✓ Proven verification and validation processes to smooth passage through trials and acceptance

Philippines operations delivers a lower cost base in an internationally competitive commercial market



2 sophisticated oil and gas support vessels currently under construction



Systems and Support is a key strategic focus for Austal



The Government's continuous shipbuilding plan



Submarine

Designer



Build location

Adelaide



Future Frigate

BAE SYSTEMS

FINCANTIERI



Navantia

Adelaide



**Offshore
Patrol Vessel**

DAMEN



FASSMER

LÜRSEN

**Adelaide until 2020
Henderson after 2020**



WHO WILL BE THE AUSTRALIAN SOVEREIGN SHIPBUILDER

	<u>Designer</u>	<u>Build location</u>
 SEA1000		Adelaide
 SEA11800	   	Adelaide until 2020 Henderson after 2020

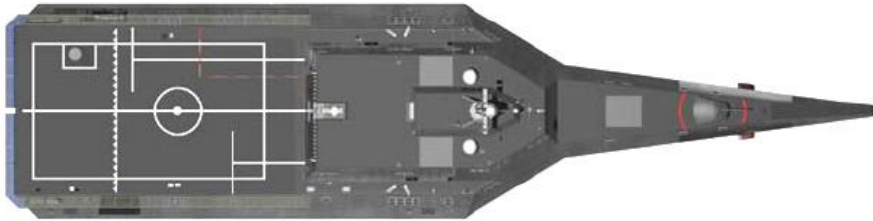
Austal currently building ships as large as the future Australian requirement



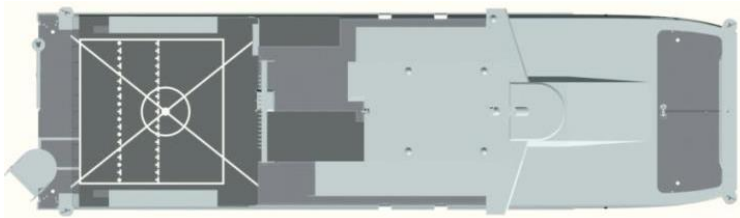
SCALE : 1:1000

Current Austal designs in production

LCS



EPF



HSSV



Cape Class



Planned Australian programs

Australian Future Frigate*



Australian Future OPV*

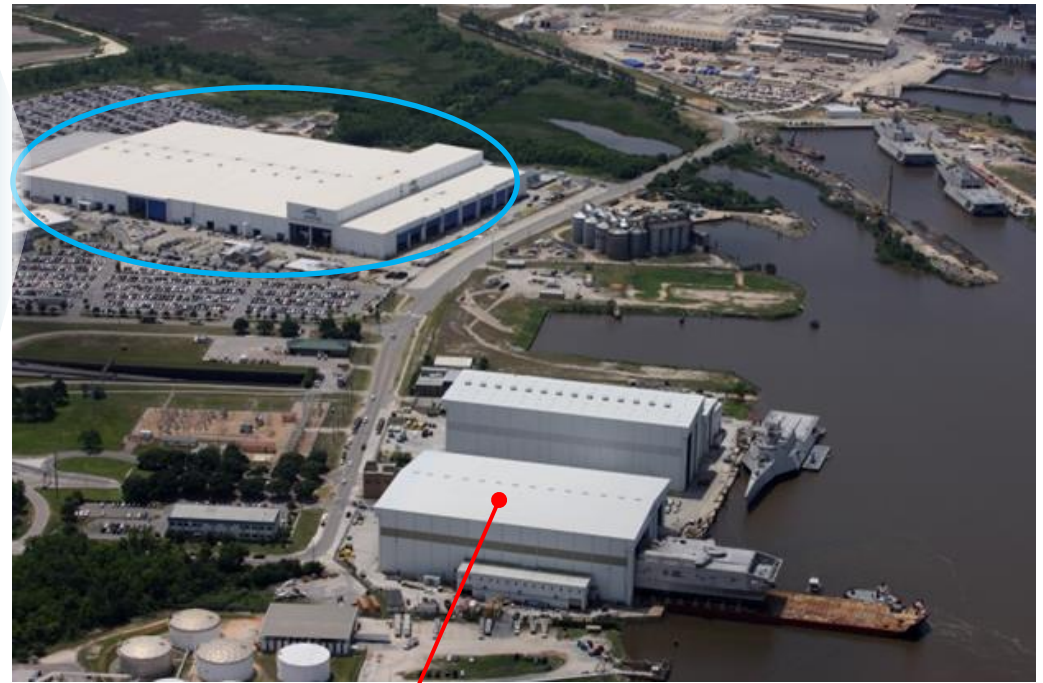


Australian PPB*



* Indicative size.

Austal is a leader in the application of modular manufacturing techniques to naval shipbuilding

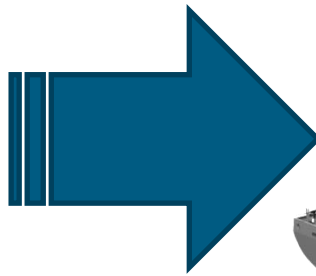


Conventional shipbuilding halls used for final assembly

PPB-R is a bridge to the OPV program



PPB-R (Austal design)



OPV (Offshore Patrol Vessel)

- Demonstrates Austal's capability in steel
- Ensures Henderson remains Australia's home of Patrol boat builds
- De-risks the OPV program for both Government and Austal

Austal is Australia's leading shipbuilding exporter and the best bet for OPV and Frigate exports



Australian Defence

Cape Class



PPB-R



OPV Frigate



Defence exports

Oman HSSV



Export Capes and other Patrol



Additional HSSVs



Commercial market

O&G fast crew boats

New fast ferry cat & trimarans

Additional O&G crew boats

Financial

- **Revenue:** \$747.4 million
- **EBIT:** \$29.0 million
- **NPAT:** \$16.8 million
- **Net cash:** \$30.6 million
- **Interim dividend:** 2.0 cents per share fully franked
- **Order book:** \$2.8 billion, securing work through CY2020

Operational

➤ **Maturing major programs:**

- EPF stable with program extension orders to 12 ships recently placed
- LCS first of class issues continuing with margin under review
- 2 additional Cape Class vessels in production at Henderson
- HSSV for Oman nearing completion
- Henderson workload will reduce in coming months prior to PPB production commencing in CY 2017

Outlook

- **Pipeline:**
 - Extension of US Navy programs
 - Defence vessels to Middle East
 - Australian Future Frigate and OPV
 - Commercial ferry market showing signs of revival
- **Cash:** Strong cash generation and further debt reduction

Segment breakdown



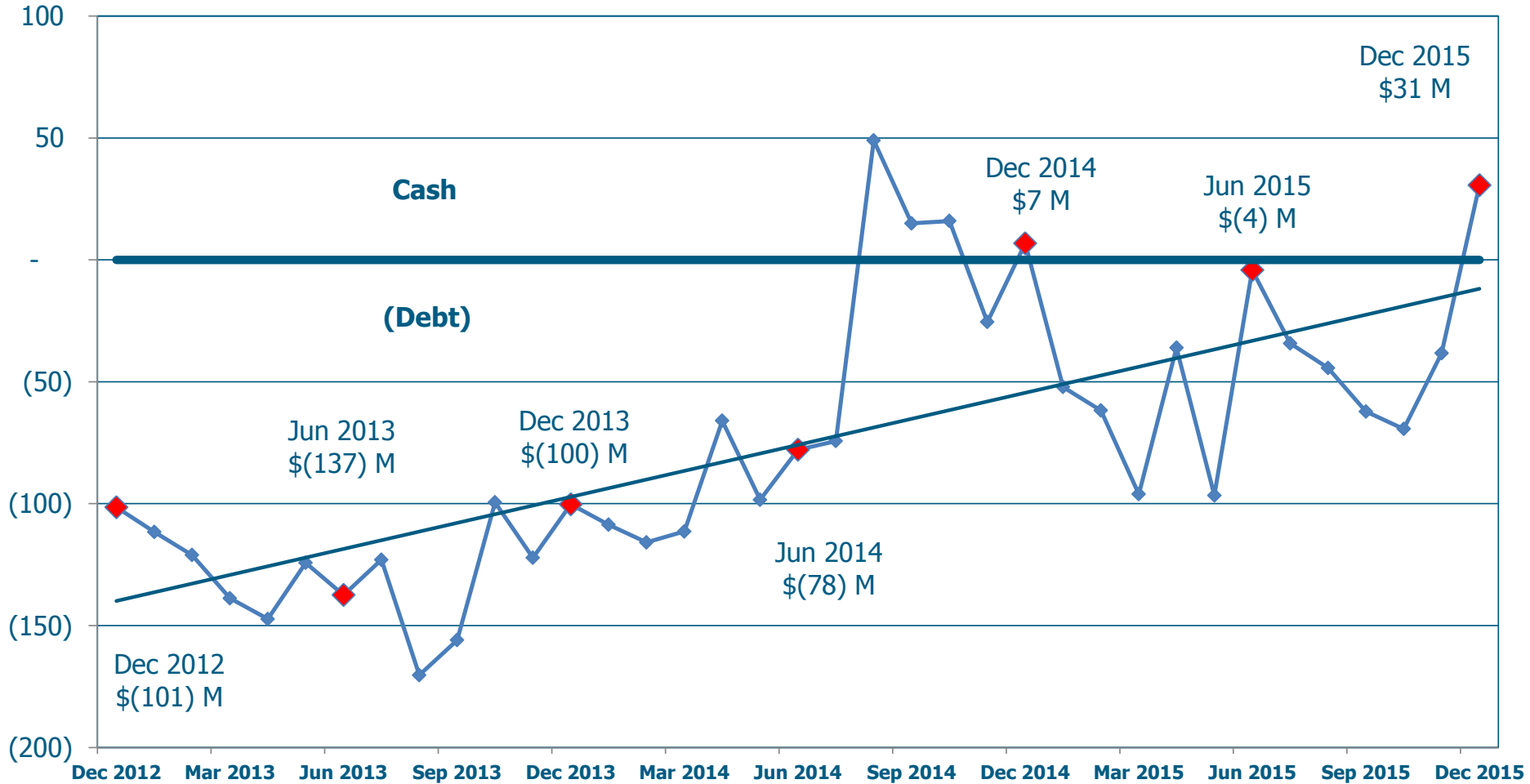
	(\$m)	Ships	Systems	Support	Other ¹	Total
USA	Revenue	497.7	109.4	31.4	-	638.4
	EBIT	27.4	0.8	3.3	(4.6)	26.9
	EBIT Margin%	5.5	0.7	10.5	-	4.2
Australia	Revenue	78.8	-	26.8	-	105.6
	EBIT	8.8	-	3.5	(1.0)	11.3
	EBIT Margin%	11.2	-	13.0	-	10.7
Philippines	Revenue	15.1	-	1.2	-	16.3
	EBIT	0.5	-	0.1	-	0.6
	EBIT Margin%	3.4	-	5.2	-	3.5

¹ unallocated overhead targeting growth

Positive trend in net cash / (debt)



A\$ millions



Questions



Disclaimer



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