



COMPANY ANNOUNCEMENT
29 MAY 2020

AUSTAL INCREASES FY2020 EARNINGS GUIDANCE

Austal Limited (ASX:ASB) is pleased to advise that it has increased its FY2020 earnings guidance to Group Revenue of approximately \$2.0 billion and Group EBIT of no less than \$125 million. This is an upgrade from previous guidance of Group Revenue of no less than \$1.9 billion and Group EBIT of no less than \$110 million. Guidance on US shipbuilding EBIT margin of 7.5 – 8.5 per cent remains unchanged.

Several factors have contributed to the Company's improved forecast financial performance for FY2020, including:

- continued strong performance across the business;
- COVID-19 having a more limited impact on the Company's performance in April and May 2020 than anticipated;
- the award and immediate activity of a new vessel construction contract in Australia, announced on 1 May 2020; and
- recognition of Research & Development tax credits in the USA after satisfying utilisation and recognition criteria; and
- sustained strength of the US dollar benefiting translation of USD revenue and earnings to AUD.

The Company remains alert to the potential impact of COVID-19 during the last month of FY2020.

"Austal's continued strong performance across our shipyards in the USA, Australia, Philippines and Vietnam during the COVID-19 pandemic has provided confidence to increase the Company's FY2020 earnings guidance at this time," Austal Chief Executive Officer David Singleton said.

Austal is currently in a trading halt, having requested that trading halt pending an announcement in relation to improved earnings. This announcement is the announcement referred to in the trading halt request, hence Austal now requests an end to the trading halt.

-ENDS-

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

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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 is the only foreign-owned prime contractor designing, constructing and sustaining ships for the US Navy.

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

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