19 August 2021

# Austin Approves Major APAC Manufacturing Investment

## *CAPEX program initiates Phase 2 of strategic review*

**Highlights:**

- **Commencement of a $6.5 million capital investment across Perth and Indonesian design and manufacturing facilities**
- **Investment will transform manufacturing facilities through automated processes and systems to deliver significant reductions in cost and delivery time, increasing Austin's competitive advantage**
- **Automation will allow for increased production, plus improved product quality, safety and capability**
- **Deployment to begin immediately in Perth for completion by June 2022, followed by Indonesia for completion by December 2022**
- **Payback in less than a year post-implementation with material benefits flowing in FY2023**
- **Scalable model able to be deployed to further Austin locations**

Global mining equipment design and manufacturer, **Austin Engineering Limited** (ASX: ANG, 'Austin' or 'the Company') is pleased to announce the commencement of a $6.5 million capital investment to transform and automate its design and manufacturing facilities at its major Asia Pacific centres in Perth and Indonesia.

The CAPEX program will involve a new manufacturing flow approach with increased automation, custom jigs, fixtures, workstations and a standardised manufacturing approach to building product. Austin will still be able to provide customised engineering solutions and products to its customers while leveraging the benefits of a production flow line. In particular, Austin sees major benefits to its truck body product offering, which comprises ~70% of Austin's annual revenues.

Critical outcomes to the investment will be to reduce the time to deliver customised solutions to clients, while maintaining or enhancing quality outcomes. Further targets include waste reduction and decreasing the workshop capacity required, lowering the overall product cost base.

The program of works was outlined in the second phase of Austin's recently communicated global strategic review results, which identified opportunities for future growth and ways to optimise the Company's cost base.

The expected payback period is twelve months post-implementation, with the majority of benefits to be realised in FY2023, although incremental benefits will be achieved during the latter months of FY2022. Funding will be available through operating cash flows and surplus asset sales. The approach is expected to be scalable and transferable to other Austin manufacturing operations in the medium term and will support Phase 3 of the strategic review, which focuses on further product and service improvements through technology and innovation.

**Austin CEO and Managing Director, David Singleton said:**

“Improvements being made in Austin’s manufacturing facilities in Perth and Batam in Indonesia will elevate an already market-leading service offering. We will be able to deliver products more quickly, in larger quantities, with less waste, and with improved quality, while still offering tailored design and engineering solutions to our customers. What is exciting about our manufacturing improvement project is its scalability at a relatively modest incremental cost. This made the decision to adopt a fast follow from Perth to Batam easy. The investments made also support longer term strategies around product and service innovation as outlined in our strategic review."

**-ENDS-**

**Contacts:**
**AUSTIN ENGINEERING LTD**
**Head Office | ABN** 60 078 480 136
**100 Chisholm Crescent,**
**Kewdale WA 6105, Australia**

**P** +61 8 9334 0666
**E** investorrelations@austineng.com.au
**W** www.austineng.com

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| **Company** | | |
| David Singleton | Chief Executive Officer | +61 8 9334 0666 |
| Sam Cruickshank | Chief Financial Officer | +61 8 9334 0666 |
| **Media** | | |
| Jane Munday | FTI Consulting | +61 488 400 248 |
| Shane Murphy | FTI Consulting | +61 420 945 291 |

**Announcement Authorisation**

This announcement was authorised by the CEO.

**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 Australia as well as in Asia, North and South America with two key engineering hubs operating from Perth, Australia and Casper, Wyoming USA, with strategic partnerships and representation in Africa, Brazil and Eastern Europe.