



COMPANY ANNOUNCEMENT
28 OCTOBER 2025

CHAIRMAN'S ADDRESS TO SHAREHOLDERS
2025 ANNUAL GENERAL MEETING

Chairman: Hon. Richard V. Spencer

Venue: Fremantle Sailing Club, Fremantle Western Australia

Date: Tuesday, 28 October 2025, 2.00pm (Perth time)

Good afternoon shareholders and guests, and welcome to Austal's 2025 Annual General Meeting.

Ladies and Gentlemen, this is my second address to you as Austal Chairman.

When I stood here 12 months ago, I was just four months into the job after taking over from Austal founder and longstanding chairman John Rothwell - big shoes to fill.

As a result, my comments at that time were limited to my preliminary observations and a few remarks on where I saw opportunities for this great company.

There was a slide in our FY25 results presentation, and which Paddy will discuss when speaks a bit later in the meeting, that detailed every major announcement that we made in FY25 - not all of them, just the major announcements.

It was a graphic designer's nightmare, because the slide is just so busy, but that's because the Company has been exceptionally busy in these past 12 months.

- busy developing the foundations for future success,
- busy closing out some issues from the past,
- and busy building high quality naval vessels and commercial ferries for our valued customers.

Today, I want to expand on three of those events and what they mean to Austal.

Just prior to our 2024 AGM, Austal announced that, through General Dynamics Electric Boat, the US Government was investing US\$450 million – or A\$680 million – to build Module Manufacturing Facility 3 at Austal to expand our role manufacturing US nuclear submarines.

MMF3 will provide 392,000 square feet, that's close enough to 36,500 square metres, of indoor manufacturing space.

The US needs to increase the delivery rate of Virginia class submarines from the current delivery rate of 1.1 to 1.3 submarines per year to the required production rate of 2.33 per year to meet the United States' AUKUS commitments, including the transfer of submarines to Australia, while also fulfilling its own domestic needs.

Outsourcing modules is a key strategy the United States is employing to speed up that production rate, and when MMF3 is up and running in 2026/2027, it will be a case of 'when' not 'if' contracts will flow to Austal to build more modules for more submarines.

To give you some perspective of what that means for Austal, MMF3 will be capable of delivering up to 3 million work hours per annum – work hours which contribute to Austal's revenue and profit – to deliver up to 14 modules a year.

Relatedly, in March of this year we announced a successful \$220 million placement and Share Purchase Plan to fund the construction of Final Assembly 2 and then in June we announced a \$488 million debt refinance, with most of the debt also earmarked for FA2. That debt includes \$160m from the Australian Government's Export Finance agency; it is great to have this further demonstration of support from Canberra.

FA2 is larger than MMF3, coming in at more than 400,000 square feet, or 37,500 square metres, with a shiplift that can launch newbuilt US Navy and US Coast Guard vessels, but is sized for the capacity of an Arleigh-Burke Class Destroyer (DDG), width of a TAGOS, and length of a Frigate.

We plan to assemble modules for Offshore Patrol Cutters and the ocean going surveillance vessels (T-AGOS) in FA2, so this is crucial infrastructure for our growth.

With the combination of the equity capital, debt funding and future cashflow from operations, construction of FA2 is fully funded and has well and truly commenced.

The last significant announcement I want to touch on was the signing of the Strategic Shipbuilding Agreement with the Commonwealth of Australia.

The SSA appoints a new Austal subsidiary, Austal Defence Shipbuilding Australia as the Commonwealth's strategic shipbuilder for Tier 2 surface combatants at Henderson. Tier 2 vessels include Landing Craft Medium and Heavy, General Purpose Frigates and Optionally Crewed vessels.

Under the SSA, Austal will be the prime contractor for Landing Craft Medium and Landing Craft Heavy, and then, provided we perform and the Henderson precinct is consolidated, we hope to build the Mogami-class General Purpose Frigate and then optionally crewed vessels.

The importance of the SSA cannot be overstated. Subject to our performance it effectively anoints Austal as the shipbuilder of the aforementioned vessels for the next 20+ years, providing outstanding forward visibility of our production schedule and a potential order book in the tens of billions of dollars when those programs are combined.

And it provides longevity for ship designers, fabricators and fitters looking for a long and successful career in the Australian shipbuilding industry.

Financial results

The board, management and I are extremely conscious that all the contract announcements, SSAs and capital work announcements are fantastic, but if they don't ultimately generate returns for shareholders, then we must question their real value.

I was pleased to report in August that our FY2025 EBIT had doubled to \$113 million and our profit had increased fivefold to \$90 million.

In addition, our contract wins had outpaced the work performed, so our order book (inclusive of options) grew to \$13 billion.

It was a great financial success which reflected the hard work of ship designers and builders, and commercial and finance teams, as well as our executives, to execute on the base they had established in previous years.

And the base we are establishing now will underpin future positive financial results.

While it may be a challenge to repeat the same rate of earnings and profit growth in FY2026, there will be growth nevertheless, which Paddy will provide detail on shortly.

AUKUS

While it's not Austal-specific, every time I'm in Australia, I get asked about the United States' commitment to AUKUS.

I'm on record as saying that AUKUS is some of the best statecraft achieved in the past 70 years. And certainly President Trump's recent statements on AUKUS, when Australian Prime Minister Anthony Albanese was in DC two weeks ago, indicate that the US remains committed to AUKUS.

I must say, there has been a lot of focus on the politics of AUKUS, but little on how it positively impacts on the ability of the US and Australia to defend their nations.

One of the key areas impacting naval battle strategy is how long a vessel can remain in theatre or on station before it needs to be resupplied.

On sailing times alone, the journey to Fremantle from the South China Sea is approximately one-third to one-half of the time taken to transit back to the US.

And then that figure is the same on the return journey.

That is a massive advantage in any Asian engagement and that figure alone is reason enough for the US to continue AUKUS.

When you combine with other strategic and operational rationale, I do think AUKUS is safe and I also think there's an expanding role that Austal can play in AUKUS as it develops from concept to reality.

That said, Australia should not be complacent either. The pace of progress in Australia to increase its force posture has been slow. And while there are various reasons why that inertia exists, it exists nevertheless.

As the saying goes....no snowflake feels responsible for an avalanche. So, while most of those delays are likely to be individually justified, the net effect is that programs that should be underway to equip Australia's armed services men and women with the infrastructure they need to defend this nation and contribute to Australia's strategic position across the region, AUKUS and the globe, remain in the planning stage, when they should be in the build stage.

In addition to impacts on our frontline troops, geopolitics, defence and AUKUS, the delays also impact:

- Prime contractors such as Austal, in terms of labour requirements, revenue and even the ability to meet our ESG commitments; and
- Supply chain participants who have been gearing-up to partner with these primes by installing new equipment, purchasing their own long lead items and expanding their workforce.

So it is time for Australia to pick up the pace – to match the pace of our allies, such as the US, as well as the pace of our adversaries.

John Rothwell

Back to Austal.

Before I finish my address, it is important to note that there is a significant change to the composition of the board members seated in front of you today, but most markedly, for the first time in the Company's history, Austal's founder and former Chairman John Rothwell isn't sitting up here.

John retired from the board at the start of September, ending his formal association with the Company he founded 38 years ago.

As I said at the time, and I want to publicly repeat here today: John has left an indelible mark on Austal specifically, but also shipbuilding in Australia, the United States and in general. His drive and commitment, his capacity to innovate, his fierce desire to build the best designed and crafted vessels using the best people, and his business acumen are embedded deep in Austal's DNA and will serve the Company well for decades to come.

I feel it's appropriate to honour John with a round of applause from our shareholders with us today.

And while some old faces have departed there are some new faces on the board with the appointment of Richard Gibb and Sue Murphy since our last AGM

Both Richard and Sue possess important skills for a well rounded board and have hit the ground running and are already making substantial contributions to the board.

I want to thank them and the remainder of the board for their hard work.

And lastly, I want to thank Austal's staff. As I have moved about Austal's operations over the past 12 months it has become abundantly clear that we have staff and management who are energized, smart, innovative and hardworking, and as a result, they are delivering some amazing vessels to our clients, and I'm looking forward to the next 12 months as we build on the foundations that we have laid.

I now invite Paddy Gregg to provide a more detailed overview of our performance in the financial year and the Company's outlook.

This ASX announcement has been approved and authorised for release by Richard Spencer, Austal Limited's Chairman.

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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 340 vessels for over 121 commercial and defence operators in 59 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.

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