



Company	Austal Limited
Code	ASB
Meeting	AGM
Date	1 November 2019
Venue	Fremantle Sailing Cub, 151 Marine Terrace, Fremantle, WA.
Monitor	Geoff Read Assisted by Keith Mellis.

Number attendees at meeting	44 shareholders and 22 visitors
Number of holdings represented by ASA	20
Value of proxies	\$1.25m
Number of shares represented by ASA	301,256 (equivalent to 30th largest holder)
Market capitalisation	\$1.5b
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes, with chair John Rothwell

A buoyant mood for the shipbuilder's AGM

The board, executives and shareholders were all in a buoyant mood for the 2019 Austal AGM.

The share price has run up from \$1.80 to over \$4.40 during the past 16 months and Board had a positive story to tell those present. The chairman described how the performance of the USA operation had improved in terms of cost, timeliness and quality of shipbuilding; he described the USA results as excellent. The decision to invest in the USA twenty years ago is paying dividends with the Austal shipyard now ranked among the largest in the country and the only foreign owned supplier to the US Navy. The combined total of US ships ordered, underway and delivered is 19 littoral combat ships, and 14 expeditionary fast transport ships.

ASB has constructed and opened a new shipyard in Cebu, Philippines. One vessel is nearing completion and another has just commenced. The expanded shipyard in Vietnam is fully operational.

The CEO told the meeting that year on year NPAT growth had been 64% and that this had been achieved because of the increased shipyard capacity. 12 ships were completed in 2019 and 11 new orders were received. ASB has an order book of 58 ships or \$4.9billion. He went on to describe how Austal was trebling its R&D budget including designing LNG powered vessels and unmanned vessels for the US Navy.

In reply to questions from the ASA we learned that ASB is investigating a shipyard in Subic Bay, Philippines which is for sale, and that any decision is some time away. Another reply concerned the reason for a recent trading halt, the answer, because the customer was in danger of announcing it before ASB. In reply to another question concerning the reasons for a SEC investigation in the USA we heard that the company does not know the reason, and questions if the SEC has any jurisdiction over it.

The CEO gave some 2020 financial guidance to the meeting as follows; revenue not less than \$1.9billion and EBIT not less than \$105million.

The newest LCS, number 20, is to be named the USS Canberra. During a recent to Washington the President presented a model of this ship to the Prime Minister.

Voting on the resolutions was uneventful and as the rem. report was adopted with 98.5% in favour there was no need to put the board spill resolution. Voting for all the other resolutions was 97% or higher in favour.

The presentations to the meeting can be found here:-

<https://www.asx.com.au/asxpdf/20191101/pdf/44b6prlvdkf3hz.pdf>

<https://www.asx.com.au/asxpdf/20191101/pdf/44b6pmp4j76vbl.pdf>

The voting results for the meeting can be found here:-

<https://www.asx.com.au/asxpdf/20191104/pdf/44b7lcx5znzwq.pdf>