



Company	Austal Limited
Code	ASB
Meeting	AGM
Date	11 November 2021
Venue	Fremantle Sailing Club, Marine Terrace Fremantle WA. Also a one way webcast.
Monitor	Geoff Read and Keith Mellis

Number attendees at meeting	48 Shareholders and 18 visitors
Number of holdings represented by ASA	26
Value of proxies	\$650,000
Number of shares represented by ASA	345,000
Market capitalisation	\$678m
Were proxies voted?	Yes, on a poll
Pre AGM Meeting?	Yes with CEO Paddy Gregg and others.

Austal cruising along smoothly

The Chairman, John Rothwell, emphasised the annual results especially the record number of ships delivered (19 total) and the second largest profit of \$81m for ASB which was held back by an unfavourable exchange rate. Looking to the future he was confident of Austal being awarded more steel contracts. Two directors attended in person and four attended via Zoom.

The CEO, Paddy Gregg, described the future strategy for Austal which included building an autonomous unmanned ship for the US Navy, and developing ships to operate on a range of clean fuels including electric/battery ferries.

The company is tendering for coastguard vessels in the USA and for amphibious landing craft for the Australian Army. There is also an opportunity for the supply of patrol boats to the Philippines government but the exact progress of this was unclear to the author. There may be a strategic advantage in leasing a shipyard in the area of the US Navy base at Subic Bay in the Philippines.

Austal previously announced the construction of a steel vessel shipyard in Mobile Alabama. This is funded by a grant of USD50M from the Department of Defense and USD50M from internal company sources. Progress on construction is described as good and it is scheduled to open on time in the second quarter of 2022 in time for the first steel contract from the US Navy which is for two Navajo class vessels.

In developments since balance date the company has completed the sale of a joint venture in China and has agreed to lease a shipyard in San Diego California which is adjacent to the US Navy fleet base west. A new CEO has been appointed to the US operations. He is Rusty Murdaugh who was previously the CFO of Austal USA.

The CEO gave the meeting guidance for the 2022 year which was a total revenue figure of \$1.5B. This represents a decline of 4% on 2021 revenue.

All of the resolutions put to the meeting were adopted after a poll. The only surprise was that the Rem. Report attracted an against vote of 19%. We asked the chairman about this and the reasons were unknown. After the meeting we were informed that one proxy advisor had recommended voting this way because of the \$600,000 the retiring CEO received for a short term incentive over his last 6 months service. The remuneration plans allowed this outcome if board discretion was used.

The address by the Chairman is on this link

<https://investor.austal.com/static-files/f63c13f2-2d5f-4fb6-baf9-690b96344095>

The address by the CEO is on this link

<https://investor.austal.com/static-files/2cb2abae-c417-45d8-8394-b1fd300f2881>

The complete voting results can be found on this link

<https://investor.austal.com/static-files/43ec5a2f-05fd-4e1b-bc8b-79f406824857>