

Quickstep Holdings Limited

Investor Presentation

23 February 2021



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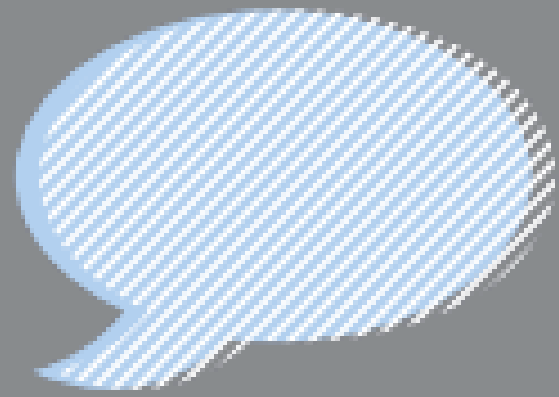
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YOUR PRESENTERS



MARK BURGESS
CEO & Managing Director

Joined Quickstep in May 2017
Global aerospace and defence
experience
Previously with Honeywell & BAE Systems
Extensive experience in Europe, USA,
Middle East and Asia Pacific



ALAN TILLEY
Chief Financial Officer

Joined Quickstep in June 2018
Previously with Brambles, NRMA and
Murray Goulburn (interim)
Multi-sector experience spanning
manufacturing, B2B services and
FMCG in Australia and Europe
Broad experience spanning P&L
responsibility, Finance, Treasury,
Technology and Risk



OUR FOCUS

Aerospace Composites



Defence Aerospace



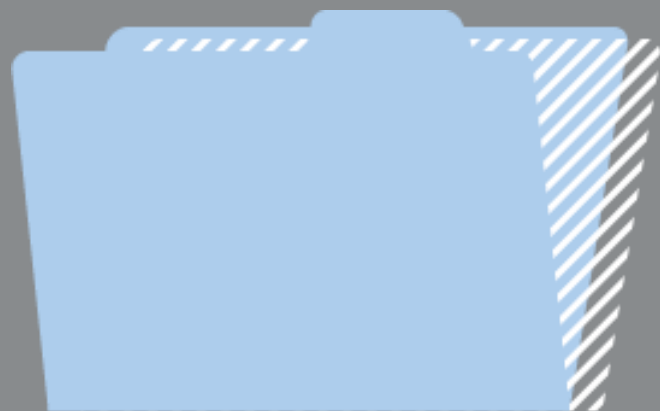
Commercial Aerospace



Aftermarket Services



Other Advanced Sectors



CUSTOMER & PLATFORM

Portfolio







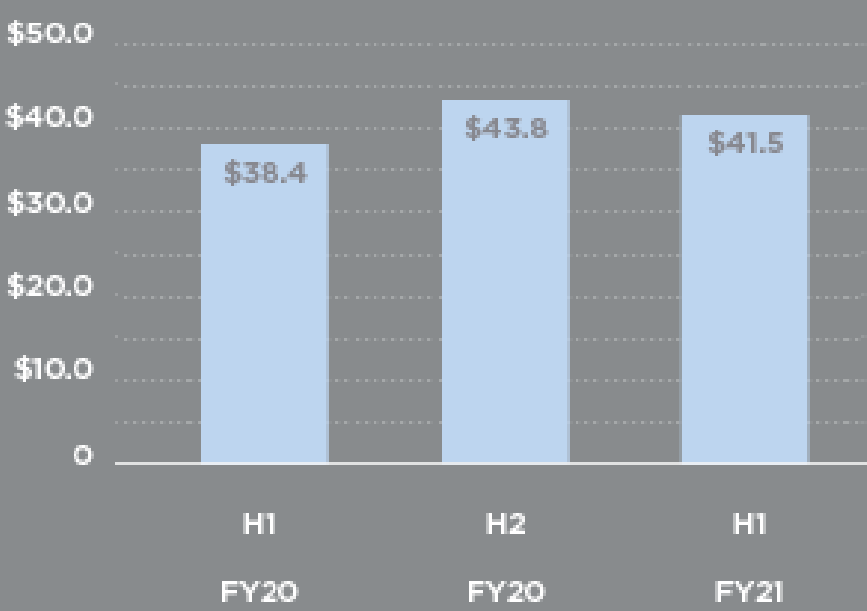




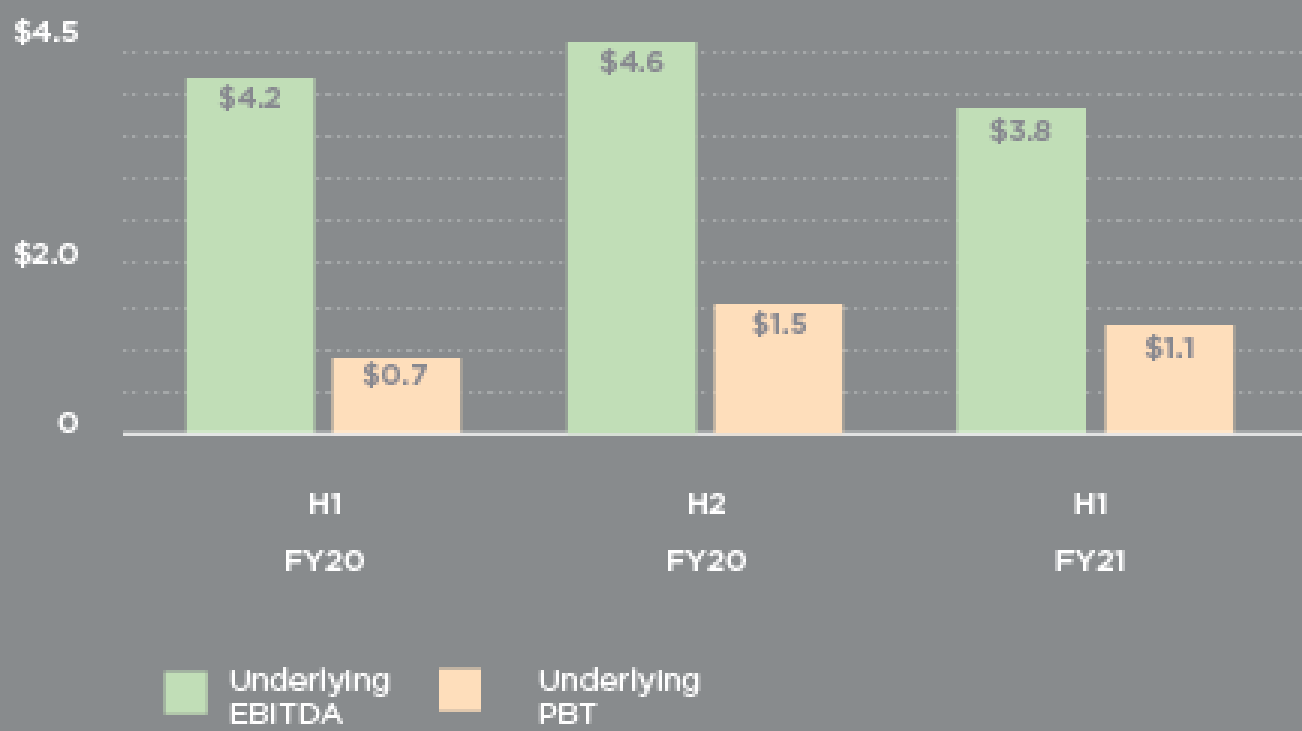


HALF YEAR IN REVIEW

Revenue in AUD millions



Key Profit Metrics AUD millions*



Net Debt (AUD millions)





H1 IN REVIEW

- / Sales ↑ 8% VS pcp
- / Underlying PBT ↑ 57% vs pcp
- / Operating cash flow ↑ \$5.8 million vs pcp
- / Net bank debt down >40% from June 2020
- / Boeing Acquisition Complete
- / Key technology partnerships
- / AeroQure Progress





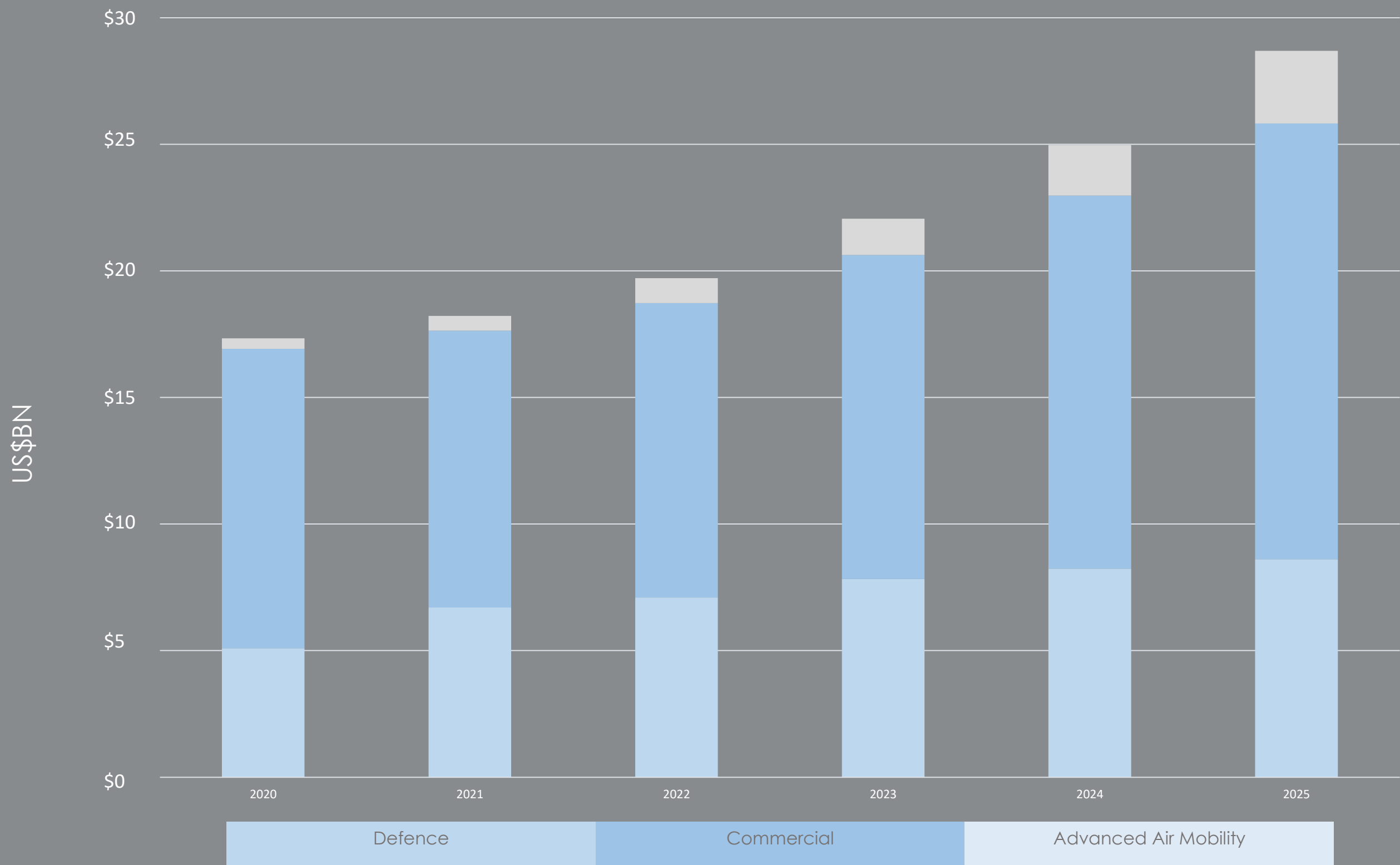
COMPOSITES GROWTH

Aerospace Global Market

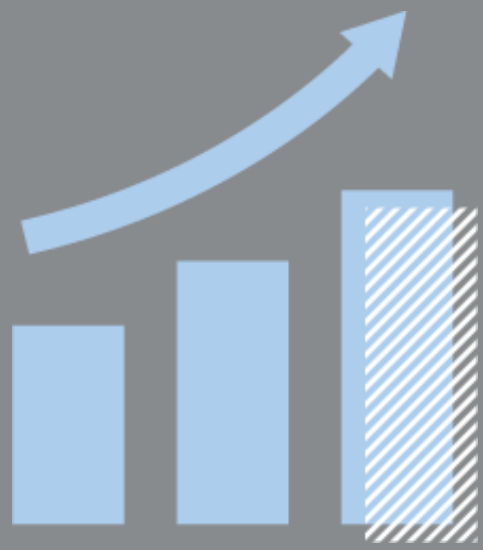
FORECAST

- / ~7.5% CAGR (post C-19)
- / ~US\$30Bn market by 2025
- / Growth in all markets
 - Defence
 - Commercial
 - AAM

Forecast Composites Use in Aerospace (US\$BN)



Data sources: Markets and Markets - Aerospace Composites Market Report - July 2020, Fortune Business Insights - Composites Market Size Forecast - June 2020
Global Markets Insights - Composites Market Report - April 2020 and management estimates



GOOD POSITIONS IN GREAT MARKETS

Growth Horizons

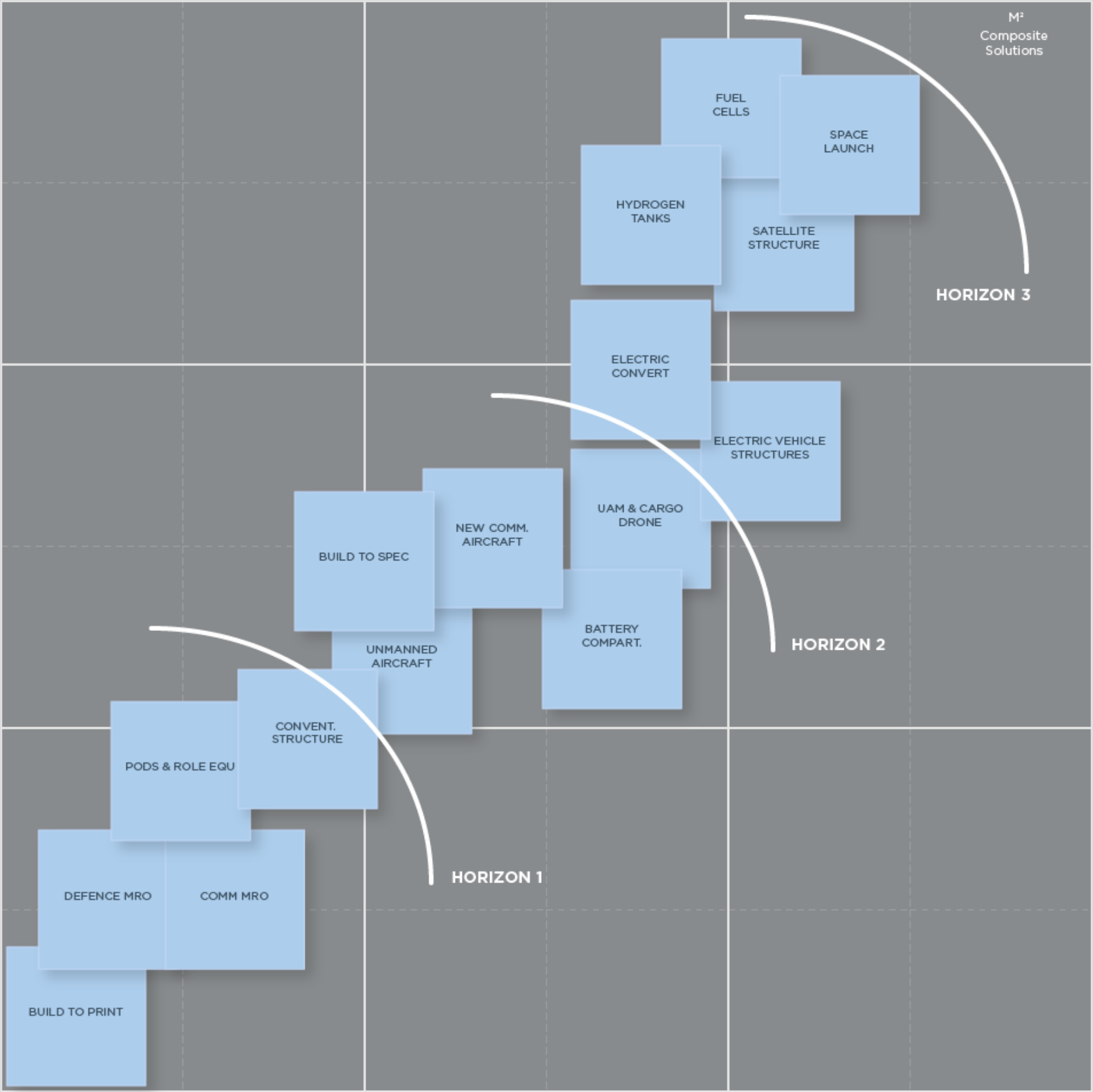
- / Horizon 1
 - / Core sales up 8%
 - / Aerospace Services (QAS) launch
- / Horizon 2
 - / Commercial aerospace (AeroQure)
 - / Volansi strategic relationship
- / Horizon 3
 - / Vaulta strategic relationship
 - / Space

CAPABILITIES/TECHNOLOGY

NEW TO COMPANY

ADJACENT TO PRESENT

SAME AS PRESENT



INTENDED MARKET



QUICKSTEP AEROSPACE SERVICES

- / Highly complementary to core business
- / High growth potential
- / Acquisition complete
 - / Challenging short-term outlook
 - / Expected to be EPS accretive by year 2
 - / Defence – strong opportunity pipeline
 - / Commercial – single aisle, early stage recovery
 - / Commercial – twin aisle, 2-3 year recovery
- / Growth plan
 - / Defence sustainment
 - / Single aisle airlines/charters
 - / Expansion – International defence/APAC airlines and twin aisle





OUTLOOK

- / FY21 revenue growth expected year on year assuming no change to the current AUD v USD exchange rate
- / Integrate & grow Quickstep Aerospace Services
- / Defence pipeline conversion
- / Uncertain near-term outlook for MRO market



PROFIT AND LOSS

Commentary

Revenue up 8% on pcp primarily due to growth in JSF volumes

Gross margin below pcp due to unfavourable movement AUD vs USD, payroll tax concession ending Dec '19, modest price down on C-130.

EBITDA margin explanation per gross margin plus impact of increased R&D spend offset by Corporate cost savings.

PBT vs pcp up 57% with small FX gain in FY21 vs \$0.6m loss in pcp

AUD millions	H1 FY21 Underlying	FY20 underlying	H2 FY20 Underlying	H1 FY20	H1 FY21 vs H1 FY20
Revenue	41.5	82.3	43.8	38.4	3.1
Gross margin	7.4	17.8	9.4	8.4	-1
Gross margin %	17.8%	21.6%	21.5%	21.9%	-4.0%
EBITDA	3.8	8.8	4.6	4.2	-0.4
EBITDA margin %	9.2%	10.7%	10.5%	10.9%	-1.8%
EBIT	1.9	5.1	2.7	2.3	-0.4
Profit before tax	1.1	2.2	1.5	0.7	0.4
Tax benefit	0	2.2	1.4	0.8	-0.8
NPAT	1.1	4.4	2.9	1.5	-0.4

Note : underlying profit metrics exclude FY20 \$0.5m restructure costs and FY21 \$0.3m acquisition costs



CASH FLOW

Commentary

Operating cash flow \$5.1m boosted by improved working capital management including a \$4.1m reduction in inventory and contract revenue asset.

Capex \$1.2m net of \$0.3m flares grant is broadly representative of recurring spend to fund capacity and efficiency improvements.

Borrowings repaid includes \$1.7m long term loan and \$0.8m working capital facility repayments.

AUD Millions	H1 FY21 underlying	H2 FY20	H1 FY20	H1 FY20 vs H2 FY20
Operating cash flow	5.1	1.7	-1.5	3.4
Gross capex	-1.5	-2.2	-3.8	0.7
Grant funding	0.3	0.1	0.4	0.2
Net capex	-1.2	-2.1	-3.4	0.9
Proceeds from borrowings	0.5	6.2	3.2	-5.7
Repayment of borrowings	-2.9	-6.1	-2.6	3.2
Payment of borrowing costs	0	-0.2	0	0.2
Repayment of lease liabilities	-0.5	-0.5	-0.4	0.0
Net financing cash flow	-2.9	-0.6	0.2	-2.3
Net cash flow	1.0	-1.0	-4.7	2.0

Note : FY21 underlying metrics exclude \$0.5m restructure costs and \$0.3m acquisition costs



BALANCE SHEET

Commentary

Inventory and contract revenue asset reduction \$4.1m from tighter management of raw materials and better management of WIP acknowledging supply chains risks (COVID-19).

Trade and other payables reduced by \$2.7m helped by improved inventory management.

Net bank debt decreased by \$2.7m to \$3.7m due to strong operating cash flow.

Derivative financial asset \$0.4m represents unrealised gains on FX hedge contracts.

AUD millions	Dec 20 reported	June 20 Reported	Variance
Trade & other receivables	7.2	7.7	-0.5
Prepayment & other assets	0.6	0.8	-0.2
Inventories	9.1	10.1	-1.0
Contract revenue assets	6.5	9.5	-3.1
Trade & other payables	-9.5	-12.2	2.7
Other provisions	-3.2	-3.6	0.4
Employee benefit obligations	-2.2	-2.4	0.2
Total working capital	8.5	9.9	-1.4
Property, plant and equipment	32.2	33.0	-0.8
Cash and term deposits	2.6	2.4	0.2
Lease liability	-17.4	-18.0	0.6
Borrowings	-6.3	-8.8	2.5
Net debt	-21.1	-24.4	3.3
Deferred tax asset	3.2	3.2	0
Derivative financial instruments	0.4	0.0	0.4
Net assets	23.2	21.7	1.5

THANK YOU

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20 YEARS
2001 - 2021