



# Quickstep Holdings Limited

FY 22 Investor Day | Melbourne Airport, VIC

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# Your Presenters



**Mark Burgess**  
CEO & Managing Director



**Stephen Gaffney**  
Chief Financial Officer



**Josh Scanlon**  
Business Leader –  
Aerostructures



**Tim Gent**  
Business Leader –  
Aftermarket



**Steve Osborne**  
Business Leader –  
Applied Composites



# Organising for Growth



### Three focused lines of business

- Improved segment focus
- More tailored business management
- Efficient resource and capital allocation



### New business winning process

- High growth focus
- Progressive investment in customer insights, marketing, sales, estimating, contracts, project management



### Emphasis on partnerships

- Customers
- Industry peers
- Technology
- Domestic and International



# Market Positioning

Our Purpose...

# We enable people to do **great things** in aerospace globally

By providing the services and composite solutions needed today and beyond.

CONGRATULATIONS QUICKSTEP ON THE DELIVERY OF  
**10,000 COMPONENTS**  
FOR THE GLOBAL F-35 PROGRAM

And we do this because  
**we believe** that...



Creativity is the key to overcome any obstacle.



'Agile' is a way of thinking beyond just a way of working.



Smarter solutions are more sustainable solutions.



When we say, "we're in", we're ALL-IN!





# Good Positions in Great Markets

# Growth horizons across all segments



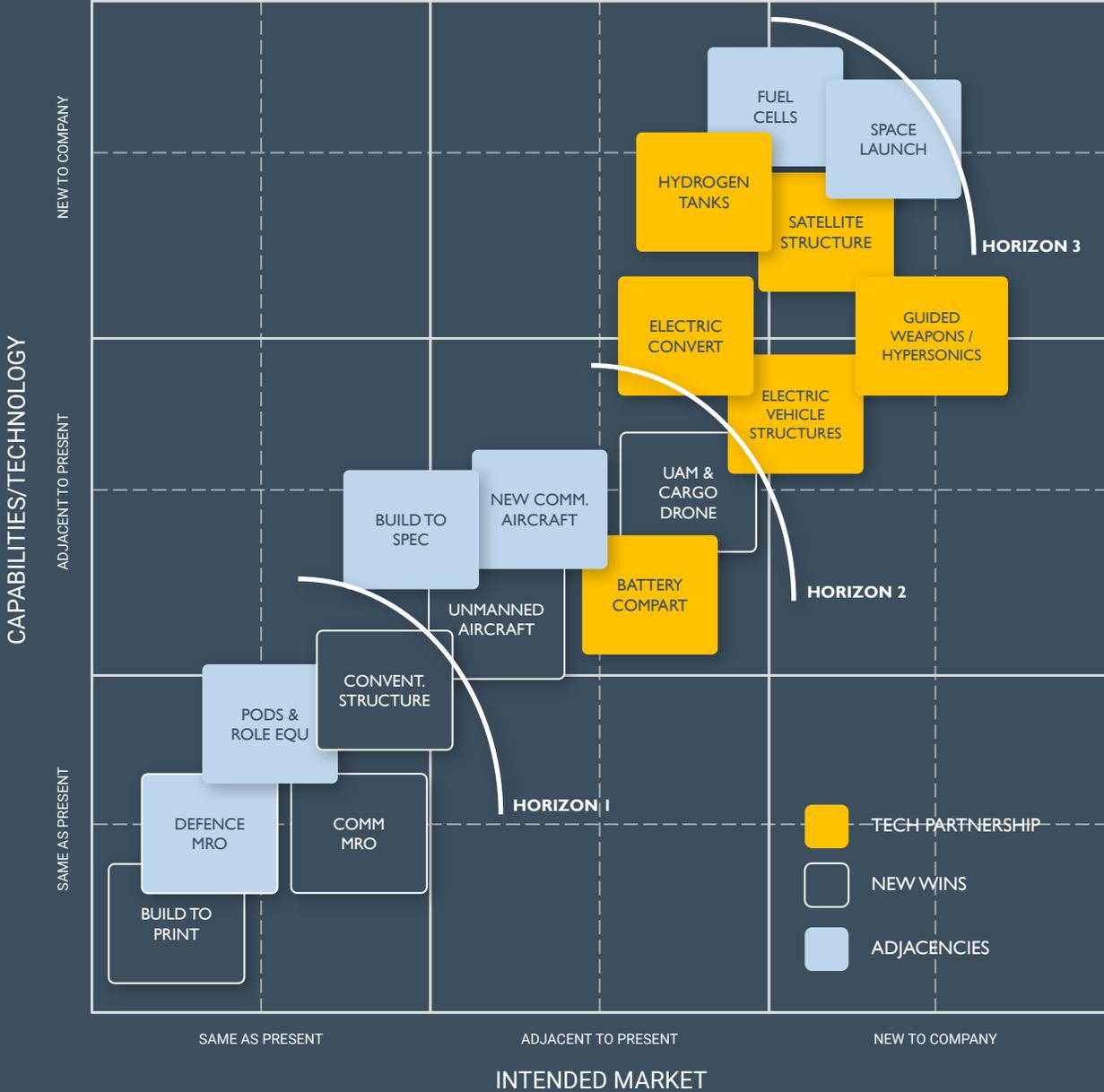
Aerostructures



Aftermarket



Applied Composites





# Financial Highlights

## HI FY22

## HALF YEAR IN CONTEXT - H1 FY22 V H1 FY21



**47,348**

↑ **UP** from **41,494** (14.1% change)



**5,181 / 10.9%**

↑ **UP** from **3,800 / 9.2%**



**2,045 / 4.3%**

↑ **UP** from **1,115 / 2.7%**



**4,034**

↓ **DOWN** from **4,329**

↑ **4th consecutive 6 monthly positive position.**

**\*Underlying basis:**

H1 FY21 - Underlying items exclude \$300k acquisition costs.

H2 FY22 - Underlying items exclude \$1,158k legal accrual writeback.

**...BUILDING A TRACK RECORD**

# Driving Financial Performance - Key Messages



## Strong focus on cash conversion

- Strong cash generation during Covid-19 pandemic
- 4th consecutive 6 monthly period of positive Operating Cashflow



## Progress in “asset light” segments

- Leveraging existing Aerostructures asset footprint
- Aftermarket and Applied Composites segments more asset light than Aerostructures



## Driving back office efficiency through shared services structure... supporting all business lines

- Group function - Finance & Systems
- Common Group ERP platform - consistency in data and analytics
- Positioned to absorb business line growth...ready to scale



## Mature profile on debt facilities / Low Debt Gearing

- New revolving \$6m net working capital facility to 31 December 2023 - drawn as required
- Secured bank loan facility - final repayment 30 September 2023



# Focused Lines of Business



## Aerostructures

### Execution performance

- ✓ Continued baseline performance and margin growth
- ✓ Excellent management of issues related to pandemic response and supply chain challenges
- ✓ Incremental sales growth on key major programs

### Focus on structural growth

- ✓ Space collaboration with Boeing
- ✓ Guided Weapons Enterprise
- ✓ Structures collaboration with Nexport

### Ongoing investment and business optimisation

- ✓ Equipment utilisation and continuous process improvement
- ✓ Digital/Industry 4.0





## Aftermarket

### New leadership team

### Execution performance

- ✓ Launched Feb 2021. During the pandemic. CASA/EASA/FAA/DASA approvals
- ✓ Focused on bringing market-leading aftermarket capabilities to the region
- ✓ Demonstrated first in country 787 nacelle repairs creating significant reduction in cost and turn time

### Focus on structural growth

- ✓ Targeted partnerships with Triumph and others to provide alternatives
- ✓ Dedicated focus on program deliveries to support customer asset management and post-pandemic opportunities
- ✓ Commercial airlines rebound well underway

### Ongoing investment and business optimisation

- ✓ Facilities, systems and skills
- ✓ Integrated design engineering capabilities will support growth
- ✓ Partnership with Victorian state government with investments in excess of \$3.0 million to deliver capabilities in region
- ✓ Launched carbon offset program review to support customers decarbonisation and focus on group sustainment strategies



## Applied Composites

**A new line of business creating revenue streams from our R&D investments.**

**Two focal markets - 3rd evolution of aerospace, global and predominantly composite based:**

- ✓ Advanced Air Mobility - A \$115B market\* by 2035
  - Delivery Drones & Air Taxis
- ✓ Aviation Electrification - An \$8.6B market\* by 2030
  - Hydrogen & Fuel Cells
  - Batteries

**Our discriminator is to produce Aerospace quality components at Automotive rates and prices.**

**First Drone manufacturing customers:**

- ✓ Swoop Aero
- ✓ Carbonix

**As air regulators open markets we will become more heavily focused behind larger Drones and integrated Aviation Electrification solutions**

**Site expansion to accommodate existing business and forecast growth in FY23**

\*Deloitte Insights. Advanced Air Mobility, January 2021



# Expected FY22 Outlook



Revenue growth  
>10%



Strong annual PBT  
growth



Consistent positive  
cash flow performance



Demand recovery in  
commercial aerospace  
during CY22



Applied Composites  
Expansion



FY22 guidance relative to FY21

# **+/- FY22 Interim Financial Results**

## +/- Profit and Loss

AUD Millions	HI FY22 Reported	HI FY22 Underlying	HI FY21 Underlying	HI FY22 vs HI FY21 Underlying
<b>Revenue</b>	<b>47.3</b>	<b>47.3</b>	<b>41.5</b>	<b>5.8</b>
Gross margin	9.1	9.1	7.4	1.7
Gross margin %	19.2%	19.2%	17.8%	+1.4%
EBITDA	6.4	5.2	3.8	1.4
EBITDA margin %	13.5%	11.0%	9.2%	+1.8%
EBIT	3.9	2.7	1.9	0.8
<b>Profit before tax</b>	<b>3.2</b>	<b>2.0</b>	<b>1.1</b>	<b>0.9</b>
Tax benefit	0.1	0.1	0.0	0.1
<b>NPAT</b>	<b>3.3</b>	<b>2.1</b>	<b>1.1</b>	<b>1.0</b>

Note: Underlying profit metrics exclude HI FY21 \$0.5m acquisition costs, and HI FY22 \$1.2m legal accrual writeback.

## +/- Balance Sheet

AUD Millions	HI FY22	HI FY21	Variance PCP
Trade & other receivables	6.4	8.4	(1.9)
Prepayments & other assets	1.1	1.2	(0.1)
Inventories	10.0	10.0	0.0
Contract revenue assets	10.8	8.1	2.7
Trade & other payables	(11.8)	(13.4)	1.6
Employee benefit obligations	(3.7)	(3.3)	(0.4)
<b>Total working capital</b>	<b>12.8</b>	<b>11.0</b>	<b>1.8</b>
<b>Property, plant and equipment</b>	<b>14.9</b>	<b>15.4</b>	<b>(0.5)</b>
<b>Right of use asset</b>	<b>17.7</b>	<b>16.5</b>	<b>1.2</b>
<b>Investments</b>	<b>3.0</b>	<b>0.0</b>	<b>3.0</b>
<b>Goodwill</b>	<b>2.3</b>	<b>2.3</b>	<b>0.0</b>
<b>Financial instruments/Other liabilities</b>	<b>(1.7)</b>	<b>0.0</b>	<b>(1.7)</b>
<b>Other provisions</b>	<b>(3.4)</b>	<b>(3.4)</b>	<b>0.0</b>
Cash and term deposits	3.2	3.1	0.1
Lease liability	(20.9)	(19.4)	(1.5)
Borrowings	(6.9)	(7.7)	0.8
<b>Net debt (incl. lease liability)</b>	<b>(24.6)</b>	<b>(24.0)</b>	<b>(0.6)</b>
Deferred tax asset	4.2	4.1	0.1
<b>Net assets</b>	<b>25.2</b>	<b>21.9</b>	<b>3.3</b>

## +/- Cash Flow

AUD Millions	HI FY22	HI FY21	Variance PCP
<b>Operating cash flow</b>	<b>4.0</b>	<b>4.3</b>	<b>(0.3)</b>
Gross capex	(1.0)	(1.5)	0.5
Gross funding	0.0	0.3	(0.3)
Investments	(1.5)	0.0	(1.5)
<b>Net investing cash flow</b>	<b>(2.5)</b>	<b>(1.2)</b>	<b>(1.3)</b>
Proceeds from borrowings	1.0	0.5	0.5
Repayment of borrowings	(1.8)	(2.9)	1.1
Repayment of lease liabilities	(0.7)	(0.5)	(0.2)
<b>Net financing cash flow</b>	<b>(1.5)</b>	<b>(2.9)</b>	<b>1.4</b>
<b>Net cash flow</b>	<b>0.0</b>	<b>0.2</b>	<b>(0.2)</b>

# Thank you

Authorised by:



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