

OPERATIONAL UPDATE

22 April 2022: Quickstep Holdings Ltd (ASX: QHL) (Company or Quickstep) provides the following update on the recent impact that the NSW Floods, ongoing supply chain issues and COVID-19 health directives have had on its operations.

Following the reported strong H1 FY2022 financial result and positive progress in business development initiatives, Quickstep's Bankstown site has faced an especially challenging operating environment in H2 FY2022 that has impacted the previously provided financial performance guidance. Key operational challenges include:

- **Bankstown Flooding:** during March 2022 localised flooding resulted in a site closure for 2 days. Whilst there was only superficial damage to plant and equipment, this was a direct impediment to production schedules;
- **Supply Chain Issues:** well publicised global supply chain constraints continue, with several suppliers experiencing high levels of personnel absence, raw material shortages and constrained freight availability; and
- **COVID-19 Infections and Isolation Requirements:** these have resulted in high levels of direct labour absenteeism, above that experienced whilst Quickstep continued operations during the height of the pandemic. Average direct labour absenteeism during March was 19.6%.

The COVID-19 related challenges are ongoing but are expected to improve over the coming weeks with today's changes to isolation requirements in NSW and VIC. The operating sites of both Tullamarine and Geelong have not experienced comparable impacts.

Mark Burgess, Chief Executive Officer commented:

"These impacts, although significant, are expected to lessen over time. We are fortunate that Bankstown's operations are exclusively make-to-order which results in a delay, rather than a loss of revenue. It is particularly important to remember that the health and safety of our workforce remains paramount. The Quickstep workforce is resilient and is currently working through plans to mitigate the impact for FY2022.

After exemplary performance throughout the last 2 years, H2 FY2022 has represented the most challenging period of the pandemic to our operations. This is anticipated to have an impact on both Revenue and Profit Before Tax ("PBT")."

FY2022 Guidance Update

As a result of these circumstances, Quickstep provides the following updated FY2022 guidance:

- Revenue will be higher than FY2021.
- Positive underlying PBT, albeit lower than the underlying FY2021 PBT.
- Positive cash flow performance – Maintained.
- Demand recovery in commercial aerospace during CY22 – Maintained.
- Applied Composites expansion – Maintained.

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This announcement was approved for release by the Board of Quickstep Holdings Limited.

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About Quickstep Holdings

Quickstep Holdings Limited (ASX: QHL) is the largest independent aerospace composite business in Australia, with facilities in Sydney, Geelong, Melbourne and Dallas. The group employs more than 280 people in Australia and internationally. More information about Quickstep is available at www.quickstep.com.au

Forward looking statements

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions including those related to pandemic disruption, regulatory environment, exchange rates, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, the Company assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, the Company and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release.