

## QUICKSTEP PROVIDES INVESTOR UPDATE & FY23 FORECAST

**15 November 2022: Quickstep Holdings Ltd** (ASX: QHL) (**Quickstep** or the **Company**) is pleased to provide an investor presentation covering business updates, FY23 outlook, growth plans and US expansion strategy.

FY23 forecast highlights include:

- Revenue \$100 million (94% contracted), up >15% yoy
- >80% of revenue growth coming from new lines of business
- Record order backlog of ~\$200 million
- Underlying EBITDA of \$6.5 million, up >35% yoy
- Underlying PBT improvement over FY22
- Continued investment in growth across the group

Whilst operational challenges are expected to continue well into CY23, notably supply chain issues and elevated absenteeism/attrition, the business is recovering well from the significant challenges of CY22. Growth rates in Aftermarket and Applied Composites have exceeded expectations, Aerostructures has secured long-term orders across all F-35 contracts and expects to announce new business wins in the near-term.

The enclosed investor update will be presented at the forthcoming AGM on Wednesday November 16<sup>th</sup>.

**-END-**

*This announcement was approved for release by Mark Burgess (Managing Director) of Quickstep.*

### **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](http://www.quickstep.com.au)

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**Important Information - Forward looking statements**

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# GROUP INVESTOR PRESENTATION

Mark Burgess, Nov 2022





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Other than for the pictures of the Quickstep facilities and machinery, the assets featured in the pictures in this presentation are not assets of the Company.

By accepting this presentation, you acknowledge and agree to be bound by each of the foregoing statements.

## Financial Data

Investors should be aware that certain financial measures included in this presentation are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by ASIC and also ‘non-GAAP financial measures’ within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information / non-GAAP financial measures include EBITDA and EBIT. The Company believes the non-IFRS financial information / non-GAAP measures provide useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this presentation.



# AGENDA

1. NEW LEADERSHIP
2. WHAT WE DO
3. TARGETED GROWTH
4. FINANCIAL PERFORMANCE
5. USA GO-TO-MARKET
6. VISION





## PEOPLE

~300 highly qualified personnel delivering quality and on-time composite solutions across multiple segments

## FINANCIALS (FY22)

Revenue:

**\$86.7M**

EBITDA:

**\$4.8M\***

Operating Cashflow:

**\$3.3M**

*\* Normalised*



# AUSTRALIAN ENGINEERING MANUFACTURING AFTERMARKET

## LOCATIONS

Bankstown Airport  
Melbourne Airport  
Geelong  
Dallas, USA

22,000 sqm of accredited facilities, fully secured and ITAR compliant

## ACCREDITATIONS



Part 145



Part 145

FAR145

Part 21J



Part 145

# NEW LEADERSHIP TEAM WITH GLOBAL EXPERIENCE



**MARK BURGESS**  
CEO

BAE, Honeywell  
USA, Europe, MENA, APAC



**DEMI STEFANOVA**  
COO

Caterpillar, Firmenich  
USA, Europe, APAC



**STEPHEN GAFFNEY**  
CFO

Sikorsky, Ludowici  
APAC, India



**SARAH HART**  
HEAD OF PEOPLE AND CULTURE

NSW Government  
Australia



**JOSH SCANLON**  
EGM AEROSTRUCTURES

Boeing  
USA, APAC



**TIM GENT**  
EGM AEROSPACE SERVICES

Qantas, Transdev  
APAC



**STEVE OSBORNE**  
EGM APPLIED COMPOSITES

RAAF, BAE  
USA, Europe, MENA, APAC



**LUKE PRESTON**  
HEAD OF TECHNOLOGY &  
PARTNERSHIPS

Ford, Holden, Tesla  
USA, APAC



# WE ARE REDEFINING TECHNOLOGIES FOR AEROSPACE

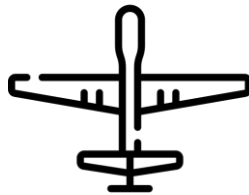
COMBINING **BOUNDLESS IMAGINATION** WITH FOCUS ON **DESIGN AND DEVELOPMENT** TO CREATE  
SOME OF THE **MOST AMAZING PRODUCTS AND SERVICES** AVAILABLE TODAY IN



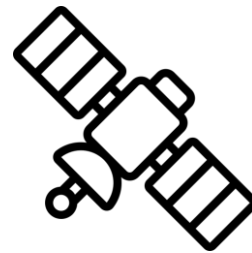
**DEFENCE**



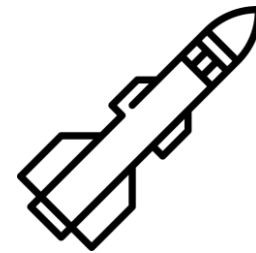
**MRO**



**UAV**



**SPACE**



**GWEO**



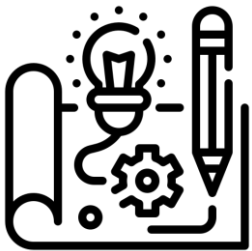
**CLEANTECH**

delivering advanced composite solutions to make aerospace products **lighter, safer, stronger, cost-efficient and sustainable**

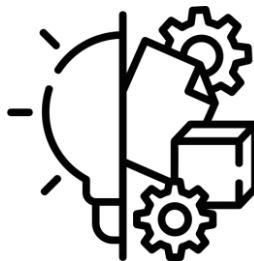


# OUR COMPETITIVE ADVANTAGE:

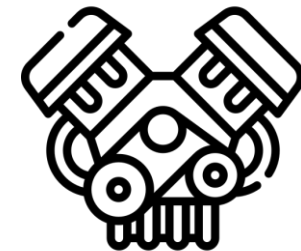
VALUE CREATION FOR OUR CUSTOMERS FROM IDEA TO FULL SCALE MANUFACTURING



**CO-DESIGN**



**FAST PROTOTYPE TO  
MANUFACTURE**



**INDUSTRIAL SCALE-UP  
AND REDUCED TIME TO  
MARKET**

# COMPANY SNAPSHOT

*\*The forward looking statement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and factors beyond the control of Quickstep, its directors and management and may involve significant elements of subjective judgement and assumptions.*



## AEROSTRUCTURES

250

Employees

1%\*

Revenue CAGR  
FY21-FY23(F)

- Stable, long-term defence aerospace contracts
- World-class composite structures

### Customers



## AFTERMARKET

25

Employees

268%\*

Revenue CAGR  
FY21-FY23(F)

- Major supplier to commercial airlines and charters
- Global regulatory approvals across commercial and military aircraft

### Customers



## APPLIED COMPOSITES

20

Employees

142%\*

Revenue CAGR  
FY21-FY23(F)

- Engineering & series production of commercial drones
- Global customer base

### Customers



# SEGMENTS GROWTH



## AEROSTRUCTURES

- Record AU defence expenditure: ~\$500Bn 10 year value, strong CAGR<sup>+</sup>
- High growth segments: space, guided weapons, UAV, CleanTech

**\$10Bn\***

Addressable Market



## AFTERMARKET

- Large, underserved Oceania aviation market
- Generational shift to onshore capability
- Low competitive intensity

**\$400M\***

Addressable Market



## APPLIED COMPOSITES

- High growth commercial drone market US\$7.2Bn, 9.1% CAGR<sup>++</sup>
- Early mover advantage in design for manufacture

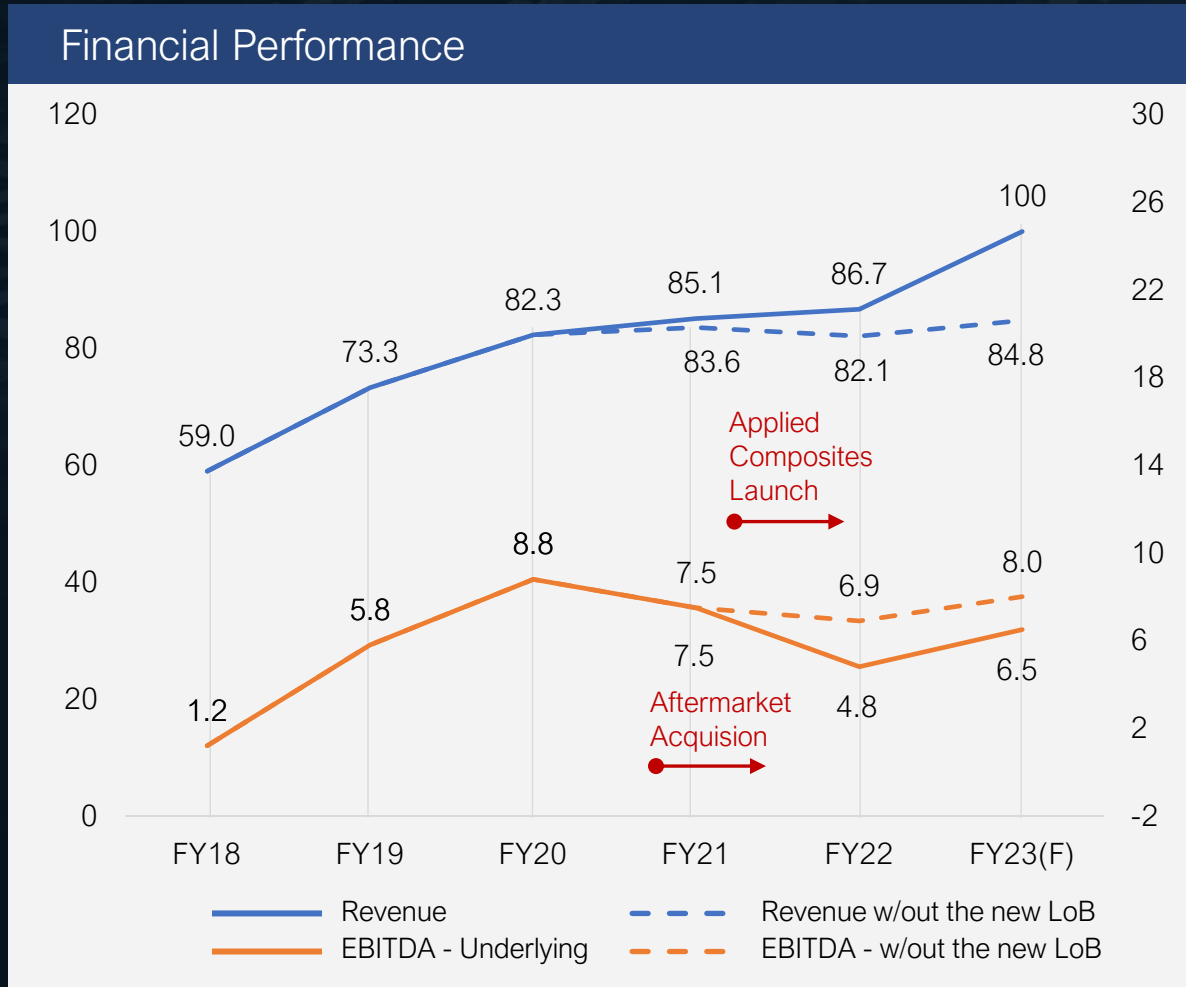
**\$1.8Bn\***

Addressable Market

**>\$1.6Bn\* PIPELINE**



# GROUP FINANCIAL PERFORMANCE



**1%\***

Aerostructures  
Revenue CAGR  
FY21-FY23(F)

**268%\***

Aftermarket  
Revenue  
CAGR FY21-FY23(F)

**142%\***

Applied Composites  
Revenue CAGR  
FY21-FY23(F)

**11%**

Average Group Revenue  
CAGR FY18-FY22

**\$100M\***

FY23 Revenue Forecast  
(94% Contracted)

**\$12M\*\***

Invested In Growth  
Sectors (FY21-FY23F)

**>\$200M**

Record order backlog

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*\*\*Aftermarket business acquisition goodwill, Applied Composites equity investments in Swoop / Carbonix and Aftermarket trading losses FY21-FY23(F).*

# USA GO TO MARKET STRATEGY

<b>KEY PARTNERS</b> <ul style="list-style-type: none"><li>▪ Lockheed Martin</li><li>▪ Northrop Grumman</li><li>▪ Boeing</li><li>▪ Spright</li><li>▪ Dronamics</li><li>▪ Swoop Aero</li><li>▪ US DoD</li></ul>	<b>KEY ACTIVITIES</b> <ul style="list-style-type: none"><li>▪ Advanced Engineering</li><li>▪ Manufacturing</li><li>▪ Final Assembly</li><li>▪ MRO</li></ul>	<b>VALUE PROPOSITION</b> <ul style="list-style-type: none"><li>▪ Commercial Drones &lt;25kg</li><li>▪ Military UAV / UAS</li><li>▪ Commercial Drones &gt;25kg</li><li>▪ GWEO (Hypersonics)</li><li>▪ Aviation Electrification (H2) Fuel Cells</li><li>▪ Space Structures</li></ul>	<b>CUSTOMER RELATIONSHIPS</b> <p>Meeting current and future customer base demand in the USA</p>	<b>CUSTOMER SEGMENTS</b> <ul style="list-style-type: none"><li>▪ Aerostructures</li><li>▪ Commercial</li><li>▪ Defence</li><li>▪ Space</li><li>▪ MRO</li></ul>
	<b>KEY RESOURCES</b> <ul style="list-style-type: none"><li>▪ Sales</li><li>▪ Engineering</li><li>▪ Manufacturing</li><li>▪ Supply Chain</li></ul>		<b>CHANNELS</b> <p>Existing contract extensions for the USA Market</p> <p>New contracts in drones and MRO</p>	
<b>COST STRUCTURE</b> <ul style="list-style-type: none"><li>▪ Set up cost (3 Phases)</li><li>▪ Shorter supply chain and time to market</li><li>▪ Best-in-class supplier</li></ul>			<b>REVENUE STREAMS</b> <ul style="list-style-type: none"><li>▪ Engineering Services</li><li>▪ Manufacturing of components</li><li>▪ Final Assembly</li><li>▪ MRO</li></ul>	

## PHASE I (FY23)

Prime Site set up  
Engineering Services

## PHASE 2 (FY24)

Manufacturing Capability

## PHASE 3 (FY25)

Establish 2<sup>nd</sup> site Operations



# QS VISION ROADMAP



## PROJECT PURRAI 2030

Established global presence and segment dominance

## PROJECT WINTON 2025

Complete factory of the future

## PROJECT CORAL SEA 2024

US Scaling  
Broad-based revenue & margin growth

## PROJECT DARAMULUM 2022

Building global engineering capability





**AUSTRALIA'S LARGEST INDEPENDENT AEROSPACE  
AND COMPOSITE BUSINESS. TRUSTED BY THE  
WORLD'S MOST TRUSTED. ENGINEERING,  
MANUFACTURING, AFTERMARKET SERVICES**

**THANK YOU**

<https://www.quickstep.com.au/>