



ASX Release: 21 November 2023

## 2023 Annual General Meeting Presentation and Chair's Address

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The annual general meeting of **Quickstep Holdings Limited** (ASX:QHL) (**Company**) will be held today using a webcasting facility, commencing at 2:00pm (AEDT). Online registration will open 30 minutes before the meeting at 1:30PM (AEDT). Please see the Company's Notice of Annual General Meeting (released to ASX on 20 October 2023) for instructions to join the meeting.

Attached is the Chair's Address and the Presentation to be given at the meeting.

**Authorised by and for further information:**

Mark Burgess – Managing Director  
**Quickstep Holdings Limited**  
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- ENDS -

**Important Information – 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, 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.

## QUICKSTEP HOLDINGS LIMITED

### FY23 AGM CHAIRMAN'S ADDRESS

**Tuesday, 21 November 2023**

As indicated in the Annual Report, financial year 2023 was a year of challenges and delivered a financial performance that was both below our expectations and our potential. As flagged this time last year, the first half of FY23 was still heavily impacted by the residual effects of COVID, in particular labour shortages, and a supply chain that was still recovering from the massive dislocation from the pandemic. It was pleasing to note that the second half of FY23 exhibited a much stronger performance as the issues mentioned above receded but did not completely disappear. This stronger performance has been consolidated in the first half of this financial year and we expect the second half of FY24 to show good growth in profitability.

As far as our core Aerostructures business is concerned, we have been focussed on ensuring future machinery reliability. This work has included an in-depth review of critical spare parts. The remaining crucial spare components are anticipated to be delivered and available for use by the end of this calendar year. This delivery is integral to enhancing equipment uptime. We have also been working hard to ensure that we have appropriate human and other resources to deliver outstanding service to our customers while continually seeking and delivering greater efficiency in the business. We expect that both initiatives will underpin a stronger second half to FY24.

Moving to our Aftermarket business; we conducted a detailed business review earlier this year involving all parties, including our suppliers and customers. This review was highly beneficial for the business as it reinforced that an Australian component MRO facility of this nature was of importance for the local aviation industry. Through this process, our customers undertook to further increase their support for Quickstep's facility in Tullamarine and there is now significantly more work being won by our Aftermarket business. In addition to this increased volume of work there is also a much more constant flow, enabling a more efficient scheduling of jobs. On the other side of the coin, the recently announced agreement with ST Engineering will support the Aftermarket business with further additional work and access to technology. This recent improvement in volumes through our Aftermarket business has delivered on our expectations and profitability for this business is now in sight. I have every expectation that this business will become a significant contributor to Quickstep's profitability in coming years.

Our Applied Composites business is focussed on becoming a globally significant player in the drone manufacturing business. We are operating in a unique niche in this marketplace and are positioned as a highly competent mid-sized player with some patented process technology that is ideally suited to high volume drone manufacture. Our competitors tend to be either very small businesses that have limited capacity or systems for high volume drone production or, very large companies with high overheads and much less flexibility to adapt to changes in the marketplace. As always, in developing markets and technologies we can only move as fast as our customers move and whilst the adoption of higher volume drone supply is taking longer than we originally anticipated, we remain convinced that there will be substantial growth in this market and therefore massive potential for us to capture a significant share.

As has been advised previously, it is the company's firm belief and understanding that to deliver on our ambitions to be a leading global aerospace and composites company we need a presence in the USA and to this end a site has been identified in Wichita, Kansas for this purpose. This site could also support growth in our Aerostructures business by providing us with local manufacturing capability in the USA. One of the key priorities for our company is to secure capital partners for the development of this new site.

So, in summary, the priorities for Quickstep over the next year are:

- to significantly enhance the profitability of the Aerostructures business,
- to bring the Aftermarket business to profitability,
- to pursue all avenues to secure both engineering and manufacturing contracts in the drone space and
- to secure funding for the Wichita facility enabling us to deliver internationally on our drone and other leading-edge composite capabilities.

While substantial progress is being made on all fronts, I am looking forward to seeing the benefits of this work becoming apparent in our financial results which we would hope would trigger a re-rating of the Quickstep share value.

Before I finish, I would like to acknowledge the ongoing strong safety performance of Quickstep. Safety is a major focus of any manufacturing business, and it is a credit to the whole Quickstep team that we have managed to continue to work safely, notwithstanding the considerable operational and business challenges experienced over the past year.

I would also like to thank my fellow directors for their contribution, advice, and support over what has been a very challenging period.

Finally, I would like to thank all Quickstep employees for their contribution throughout the year. They have tackled a variety of operational challenges during the year while simultaneously continuing to make progress on our substantial business development programme, all of which I believe, will lead to a bright future for our company.

I will now move to the formal AGM proceedings.



# GLOBAL GROWTH

Annual General Meeting  
November 2023



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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.

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## 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.



~300

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



Sydney

Melbourne

Wichita, KS\*

240,000 sq ft of accredited facilities, fully secured and ITAR compliant

\*planning in process



Revenue:

\$103-106M\*\*

(94% contracted)

EBIT+\*\*

\*\*FY24 forecast

**GLOBAL  
GROWTH**

**STRUCTURES**

**SERVICES**

# WHAT WE DO

## GLOBAL ADDRESSABLE MARKETS



**UAV**

**\$15bn\***

by 2030

We design for manufacture

We take prototype to production

We develop our own products & sub-systems



**CLEANTECH**

**\$15bn\*\***

by 2030

We advance the electrification of flight

Emissions reduction/abatement

H2 storage, propulsion, structures



**SPACE**

**\$1bn\*\***

by 2030

Ready to scale in high-rate satellite systems



**MRO**

**\$244M#**

Oceania in 2023

We keep airline customers flying

We sustain the warfighter



**AERO**

**\$3.6bn\*\***

by 2025

We build components for some of the world's most advanced aircraft

We develop proprietary industrial processes

# DIFFERENTIATED

**AGGREGATED RISK IN  
NEW MARKETS  
(DRONES, H2)**

**YOU DON'T NEED TO  
PICK WINNERS,**

**YOU PICK US AND WE  
DO THE REST**



We are an  
**aerospace**  
company, but  
don't act like one

Access to Federal  
and State support in  
both nations  
(financial & political)



Unique in the  
Australian market

Workload  
balancing, both  
sides of Pacific

10+ years of  
performance in  
global markets,  
mostly USA



Automotive ethos  
delivers  
proprietary  
processes –

Qure™,  
AeroQure™,  
Aeroline™



# WHY INVEST



## LEADER IN DEFENCE AERO

Unique listed exposure to US/AU DoD within AUKUS  
Sovereign Capability & record AU Defence Expenditure



## EMERGING GLOBAL TIER 1 SUPPLIER

Aggregated risk in nascent market  
Leverage defense now, commercial later



## THE 'BEST' COMPONENT MRO

Onshoring/Reshoring  
Rapid recovery of air travel industry  
'Fix Forward' US DoD strategy



## RAPID US SCALING

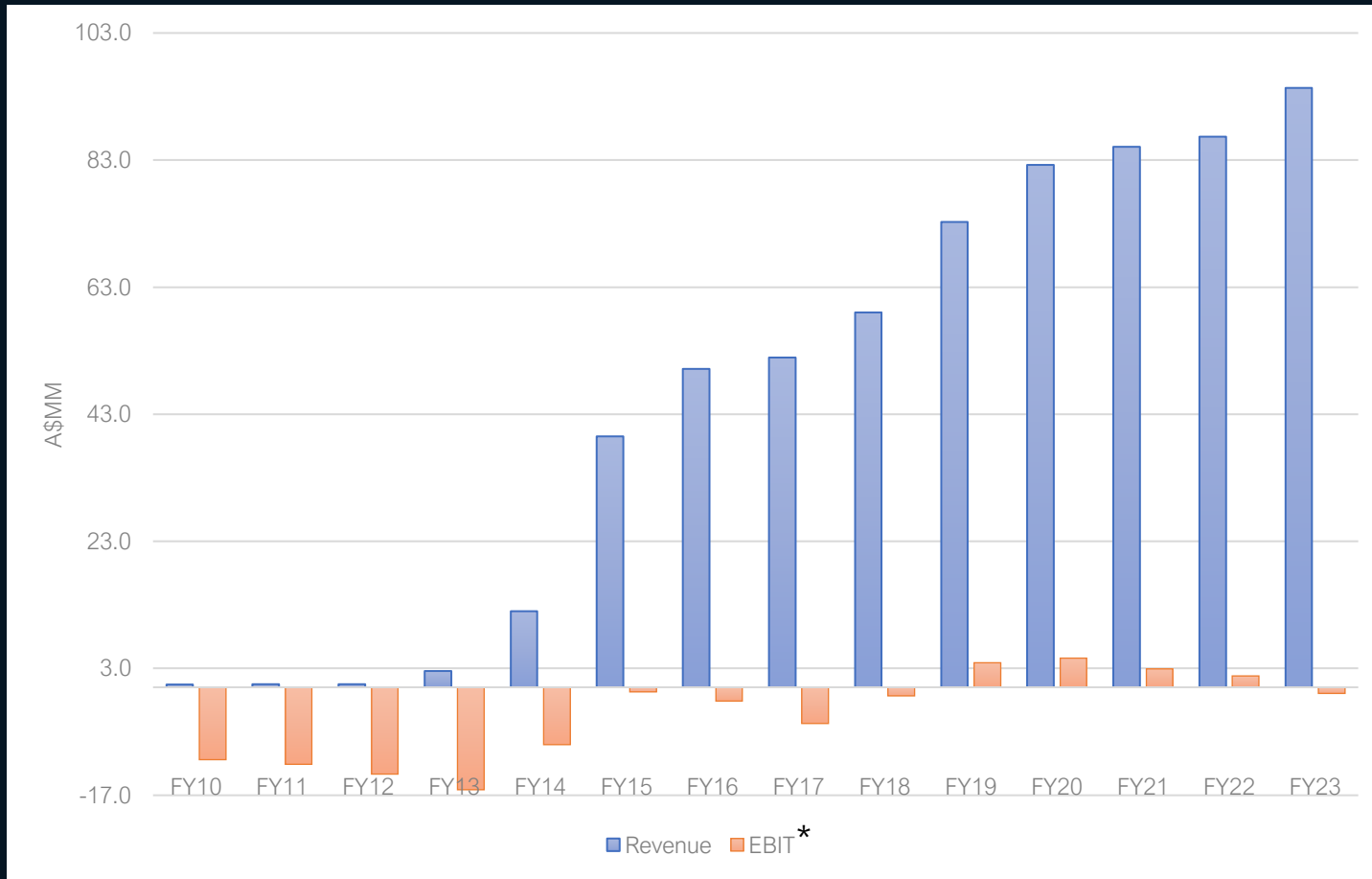
US supply constraints  
'Old aero' manufacturing approach



## INNOVATIVE ENGINEERING

Proprietary processes  
Emissions reduction/abatement  
H2 storage, propulsion, structures

# WHERE WE'VE COME FROM



**51.3%**

Average Group Revenue  
CAGR FY10-FY23

**>\$15M**

Invested In Growth Sectors  
(FY21-FY23)

**>\$250M**

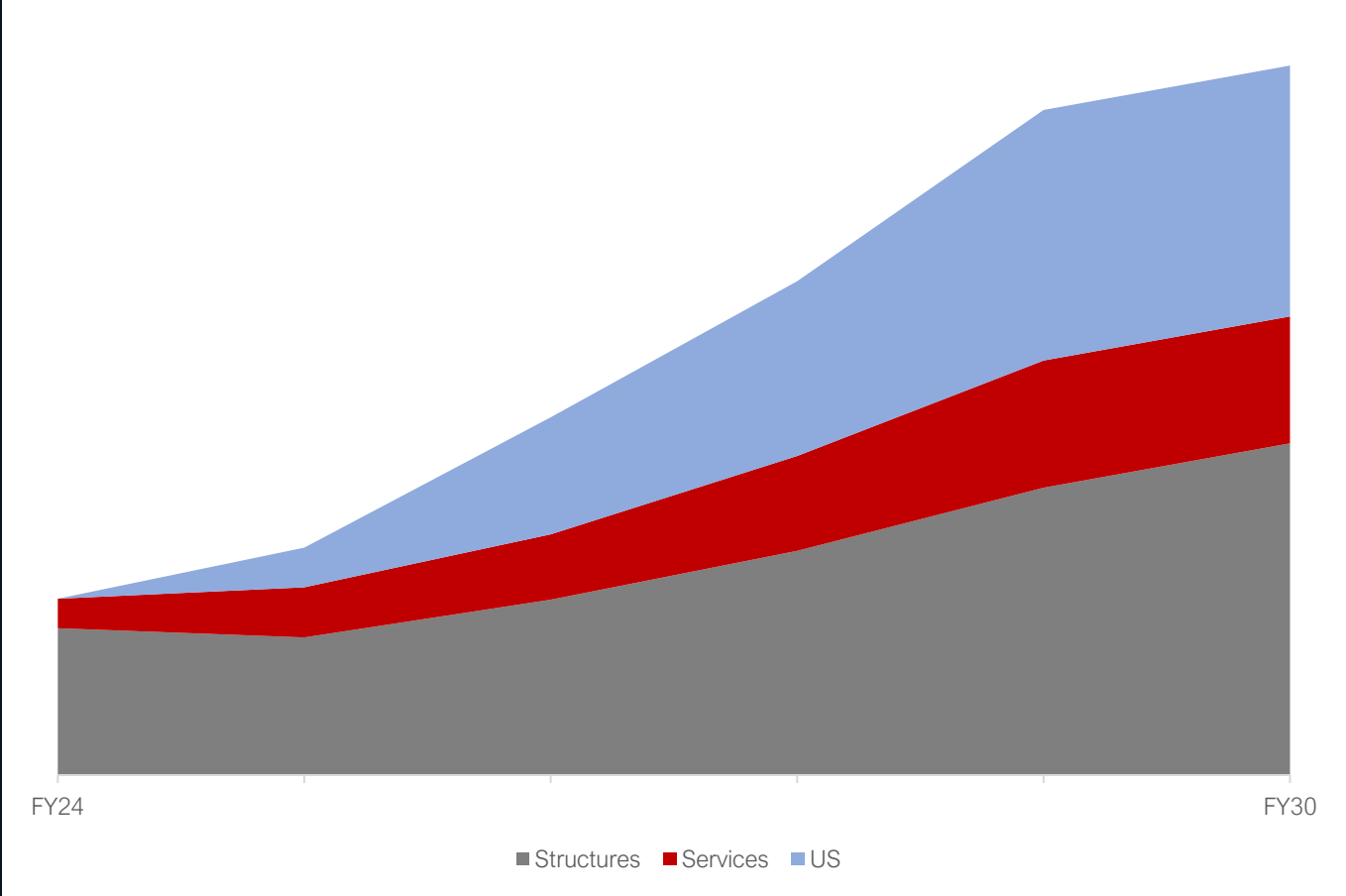
Record order book FY23

**>95%**

Defence Revenue

\*excluding impairment

# WHERE WE'RE GOING



**64%**

Commercial drone Revenue  
CAGR FY21-FY24(F)

**115%**

Services Revenue  
CAGR FY21-FY24(F)

**~30%**

Group CAGR through FY28  
(Forecast)



## WHO GETS US THERE

performing with purpose

ethos

**COURAGEOUS**

**AGILE**

**ALL-IN**

average tenure

**5Y**

diversity

**40**

nationalities

qualifications

**~80%**

Vocational or Higher

# STRATEGY

## STRATEGIC PLAN



Incrementally grow Structures in Australia



Scale Australia MRO



Build first US facility



Inorganic US defence growth



Leverage government funding in Clean Tech

# SHORT TERM OUTLOOK



Reaffirm FY24  
Revenue guidance,  
\$103-106M (>10%  
Growth over FY23)



Continue revenue  
growth across  
multiple segments



Aggressive cost and  
price management



Continued Execution  
of US expansion

Return to  
**PROFIT**

EBIT Positive  
FY24