

QUICKSTEP BUSINESS UPDATE JANUARY 2024

24 January 2024: Quickstep Holdings Ltd (ASX: QHL) (Quickstep or the Company) is pleased to provide an update on organisational changes and key initiatives implemented during December 2023 and January 2024.

- Core business strategy remains unchanged.
- Organisational changes made to continue to align the business with key priorities of growth and profitability.
- Reduction in overall headcount and reprioritisation of growth opportunities.
- A high priority is placed on establishing Quickstep USA.

Business Strategy

Quickstep's strategy is being implemented as we continue to incrementally grow the core structures business in Australia, scale our MRO operations in Australia, establish the first Quickstep USA facility and look to enable new markets in drones and clean technology. These strategic building blocks are underpinned by our philosophy of continuous improvement.

Organisational Changes

To align our business structure with key priorities we have simplified our operating structure absorbing our Applied Composites line of business into our core manufacturing operations which will be referred to as Quickstep Structures. The Aftermarket line of business which includes our commercial and defence MRO operations will be referred to as Quickstep Services. As we increase our activity on the ground in the USA, Quickstep USA becomes its own operating segment. These three segments are supported by our centralised Corporate Services.

These changes are mirrored with a refocused, more aligned and smaller leadership team. Reflecting Quickstep's growth strategy, the business has created a high calibre team that is dedicated to the acquisition of new business globally.

Right Sizing the Australian Business

Quickstep recognises the need to deliver sustainable profit over the long term and to align our human and capital resources with strategic growth plans. Through the implementation of productivity improvements and a thorough review of our operating processes and systems, we have improved the cost base and reduced headcount by 10%. These headcount reductions include aligning direct labour to current demand, reducing indirect and support headcount, and reducing the size of the leadership team.

Importantly, these changes do not impact our ability to service our customers or execute our strategy as they focused on improved manufacturing productivity and reflect improvements achieved through systems and process enhancements.

Sustainable Profit Improvement

Appropriate levels of sustainable profitability, along with generating returns for shareholders, positions Quickstep to have improved access to capital markets and the ability to execute our growth strategy. Along with the initiatives identified above, Quickstep is continuing to seek and implement improved processes and systems to deliver further efficiency and profitability improvements.

In combination with this focus on productivity, Quickstep is actively engaged with all customers to address the impact of inflation and supply chain cost pressures on margins.

Growth Focus

Quickstep's growth strategy remains unchanged and is enhanced by the changes outlined in this release. At the centre of this strategy now sits a dedicated team focused on the acquisition of new business globally. This team is executive led and supported by our experienced Engineering, R&D and Commercial resources. Dedicated resources have also been allocated within Quickstep Services to focus on growing our MRO operations regionally.

Incrementally growing the Australian Structures business requires us to continue to seek new opportunities with our existing defence customers along with servicing and acquiring new customers in emerging aerospace segments such as drones and the rapidly expanding clean technology sector.

Quickstep USA remains committed to the establishment of our first manufacturing facility in Wichita, Kansas. The growth strategy for our US business mirrors that of the Australian business by working with our existing defence customers, who are largely US based, along with converting opportunities in the emerging aerospace and clean technology sectors. The scale of the US market for other composite products such as aerospace components, guided weapons, space, and military drones provides exceptional opportunities for Quickstep USA.

-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

For further information please contact:

Mark Burgess – Managing Director
Quickstep Holdings Limited
Telephone: +61 2 9774 0300
E: mburgess@quickstep.com.au

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.