

Major Customer Contract and Volume Update

18 June 2024: Quickstep Holdings Ltd (ASX: QHL) (Quickstep or the Company) is pleased to provide an update on ongoing major customer contract renewals and forecast demand.

SUMMARY

- Quickstep has previously advised the market about ongoing long-term agreements with Northrop Grumman, Lockheed Martin and Marand.
- Over the coming months, production is transitioning to the next phase of multi-year orders under these long-term agreements.
- This provides clear demand signals out to FY27 for F-35 components and to FY29 for C-130 components.
- All demand requirements are expected to be finalised through receipt of purchase orders before the end of July 2024.

F-35 Demand

As the F-35 approaches the midpoint of its initial volume buildout, Quickstep has been working closely with its customers to establish production schedules which meet their demand profiles, while providing the Company with the opportunity to streamline its operating model. As production commences on Lots 18 to 20, Quickstep will run a 'level-loaded' production schedule which will see consistent production volume through FY25 to FY27. In line with customer requirements, overall demand for F35 components will be circa 8% lower than average demand over the FY23 / FY24 period, however, Quickstep's streamlined operating model aims to ensure program margins remain consistent despite this lower demand.

C-130 Demand

Quickstep's next contract period for C-130 components commences in mid-FY25 and goes out to FY29. The demand profile is expected to see 20 ship sets of components supplied each year. This is in line with the current demand profile for these components. The streamlined operating model being initiated by Quickstep will support continued improvement in margins.

New Programs

Quickstep continues to be actively engaged with all major customers and partners to identify new opportunities in traditional program component supply and new and emerging sectors. Interest in and demand for advanced composites along with next generation production processes remains strong and provides opportunities for Quickstep globally.

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

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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

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.