

Quarterly Activity Report and Appendix 4C

Quickstep Holdings Limited (ASX:QHL) attaches its Quarterly Activity Report and Appendix 4C (Quarterly Cash Flow Report) for the quarter ended 31 December 2024.

The Quarterly Activity Report and Appendix 4C (Quarterly Cash Flow Report) have been authorised for release by the QHL Board.

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Second Quarter FY25 UPDATE

30 January 2025: Quickstep Holdings Ltd (ASX: QHL) (Quickstep or the Company) today released its quarterly update for the second quarter of FY25.

SUMMARY Q2 FY25 (Unaudited)

- Revenue from continuing operations \$17.07m, down 21% on the same period in FY24.
- EBITDA from continuing operations \$0.96m, up 44% on pcq FY24.

FINANCIAL UPDATE

- Q2 revenue declined compared to the same period last year, reflecting a more stable and consistent volume profile in the Structures business relative to Q2 FY24, the closure of the Services business, and reduced volumes in Development Engineering (drone production).
- EBITDA from continuing operations increased by 44% year-on-year, demonstrating the positive financial impact of the significant restructuring efforts within the Structures business during Q1.
- A strong net operating cash inflow of \$7.3 million was achieved during the quarter, underpinned by consistent customer receipts and disciplined management of operating costs across the business.
- The company ended the quarter with a healthy cash balance of \$8.9 million.
- Financing activities included repayment of borrowings of \$2.3m in the quarter, leaving the company with \$11.8 million in drawn loan facilities.

BUSINESS UPDATE

Quickstep remains focused on the disciplined execution of its business strategy to deliver sustainable growth and value for shareholders and customers.

Business Development

On 9 December 2024, Quickstep signed a Deed with Defence, marking a key milestone expected to lead to future contracts in Guided Weapons and Explosive Ordnance (GWEO). Quickstep continues to engage with major customers in these areas and is well-positioned to secure new business opportunities, supported by its strong market reputation and technical expertise.

Closure of Services Business

As announced on 23 October 2024, the Services business was closed on 31 October 2024. Proceeds from customer orders, inventory, and asset sales were finalised during the quarter. The closure resulted in restructuring and make-good costs of \$1.4 million for the quarter, contributing to an estimated total closure cost of around \$2.4 million (ongoings for the period), with the full site exit expected by the end of February 2025.

Scheme Implementation Deed with ASDAM

On 20 December 2024, Quickstep announced to the ASX that it had entered a Scheme Implementation Deed ("SID") with ASDAM. Further details, including the indicative timetable and next steps, are outlined in the ASX announcement from that date.

-END-

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

About Quickstep Holdings

Quickstep Holdings Limited (ASX: QHL) is the largest independent aerospace composite business in Australia, with facilities in Sydney and Geelong. 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.

Appendix 4C

Quarterly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

QUICKSTEP HOLDINGS LIMITED

ABN

55 096 268 156

Quarter ended ("current quarter")

31 DECEMBER 2024

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	28,558	50,861
1.2 Payments for		
(a) research and development	(578)	(1,119)
(b) product manufacturing and operating costs	(8,841)	(23,226)
(c) advertising and marketing	-	(3)
(d) leased assets	(830)	(1,586)
(e) staff costs	(7,435)	(14,324)
(f) administration and corporate costs	(2,505)	(3,903)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	6	17
1.5 Interest and other costs of finance paid	(305)	(562)
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (restructuring cost)	(809)	(2,853)
1.9 Net cash from / (used in) operating activities	7,261	3,302
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities	-	-
(b) businesses	-	-
(c) property, plant and equipment	(112)	(328)
(d) investments	-	-
(e) intellectual property	-	-
(f) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
2.2	Proceeds from disposal of:		
	(a) entities	-	-
	(b) businesses	-	-
	(c) property, plant and equipment	20	20
	(d) investments	-	-
	(e) intellectual property	-	-
	(f) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	(92)	(308)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	666	2,300
3.6	Repayment of borrowings	(2,300)	(2,600)
3.7	Transaction costs related to loans and borrowings	-	(12)
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	(1,634)	(312)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,103	5,853
4.2	Net cash from / (used in) operating activities (item 1.9 above)	7,261	3,302
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(92)	(308)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(1,634)	(312)
4.5	Effect of movement in exchange rates on cash held	346	449
4.6	Cash and cash equivalents at end of period	8,984	8,984

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	8,984	8,984
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	8,984	8,984

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	118
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
6.3	Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
	- Directors' and Company Secretary remuneration (Item 6.1)	\$A'000 118

7.	Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
7.1	Loan facilities	11,800	11,800
7.2	Credit standby arrangements	2,300	0
7.3	Other (please specify)	0	0
7.4	Total financing facilities	14,100	11,800
7.5	Unused financing facilities available at quarter end		2,300
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	Lender: Commonwealth Bank of Australia (CBA)		\$A'000
	1) Working Capital Facility (Secured) – Interest rate 7.47%		10,000
	2) Secured Loan Facility (Secured) - Interest rate 7.47%		1,800
	3) Overdraft facility (Secured) – interest rate 13.05%		-

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	7,261
8.2	Cash and cash equivalents at quarter end (item 4.6)	8,984
8.3	Unused finance facilities available at quarter end (item 7.5)	2,300
8.4	Total available funding (item 8.2 + item 8.3)	11,284
8.5	Estimated quarters of funding available (item 8.4 divided by item 8.1)	N/A
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	N/A	
8.6.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	N/A	

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

N/A

Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30th January 2025



Authorised by:
(Patrick Largier – Non Exec. Chair, Independent Director)