

## **ANNUAL GENERAL MEETING**

### **CHAIRMAN'S ADDRESS**

**25 NOVEMBER 2021**

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Good morning shareholders and guests, and thank you for joining us today. My name is Peter Jinks and I am the Chairman of SKS Technologies Group Limited. I'd like to welcome you all to the 2021 Annual General Meeting. Last year, we addressed you under the name of Enevis Limited. However, after the 2020 AGM, the company's name was changed to SKS Technologies, one of our business unit brands, to better reflect the current nature of our operations and how the business is known in the commercial market.

Given we have a quorum, I now declare the meeting open.

I'd like to begin by introducing my fellow board members. With me today I have Executive Director, Greg Jinks and Non-Executive Director, Terrence Grigg. I also have our Chief Executive Officer and Joint Company Secretary, Matthew Jinks and our Chief Financial Officer and Joint Company Secretary, Gary Beaton. Having worked with the company as Chief Operating Officer since 2013, Matthew was appointed to the position of CEO in January this year, having in his previous role presided over the wholesale restructure that has delivered us to the strong operational and financial position we are in today.

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Our performance over the past year has been very encouraging. At our last AGM, we updated you on all the initiatives that we had implemented to restructure the company and turn the business around, and this year, we're pleased to be able to report a strong focus on the growth that is only really possible off the back of a strong operating platform in the core business.

During the year, revenue increased by 34% to \$35.6 million, while EBITDA was restored from a loss of \$0.4 million in FY20 to a positive \$2 million in FY21. Profit after tax from continuing operations was \$1.7 million compared

with a loss of \$1.21 million last year and our order book has continued to reach new highs as we win work at a faster rate than we complete it. The order book currently sits at approximately \$30 million, which is in excess of four times the \$7 million we reported at last year's annual meeting. The increase is due to significant growth in the underlying business as well as work on hand acquired with the recent APEC Technologies business.

Earnings per share has turned around by 3.4 cents per share over the past 12 months reflecting the return to profit and the huge body of work undertaken to restore and grow the core operations.

In April this year, we completed the acquisition of APEC Technologies to build scale and capability in our core operations. Based in Victoria, APEC Technologies offered fibre networking, communications and electrical solutions to a national, blue-chip client-base in both the private and public sectors. The overlay of services and client bases between the two organisations made the investment an obvious tactic in our growth strategy, also bringing some additional capabilities, such as converged fibre networks for smart buildings. With APEC Technologies having been fully integrated before year-end, combined with solid growth in the existing business, we informed the market that we expected to achieve annualised revenue of \$60 million in the current financial year. I'm pleased to note that the \$28 million of forecast revenue for the first half of FY22, as recently announced, in conjunction with the \$30 million of work on hand, underpins our expectation to achieve this target.

Whilst I don't want to dwell on something that has by now become a fixture in society and a backdrop for commercial activity, again, the year was dominated by the fallout of the Covid-19 pandemic, which affected our business in similar ways to that of businesses across the country, and indeed, the world. The shutdowns in Victoria, and particularly Melbourne, meant that face-to-face negotiations on projects were hampered and there were some delays to projects proceeding. However, we have continued to adopt different approaches to replace the traditional, pre-Covid ways of transacting business, and have enjoyed the agility that comes with it, adapting to changes and impediments as they arose with creative solutions.

The next step in our growth plans relates to the acquisition of a complementary integrated IT solutions acquisition that offers specialist IT

project management, consultancy and ongoing support services, including cyber security, data hosting and procurement. SKS Technologies has collaborated with a number of such businesses on numerous projects and considers such an acquisition as the next logical step in its expansion. Combining the businesses makes good sense, given the shift towards integrating AV and IT that has only been accelerated by the pandemic. While we have extended the timeframe for the acquisition process due to the Covid restrictions and disruptions, and to enable Integrated Solutions to realise some material upside from recent investments in its workforce, we remain committed to acquiring these capabilities that build logically on the foundations of our service offering.

So, as you can see, much has been achieved, despite the backdrop of heightened and constant uncertainty. And all of this activity has been achieved with a team of people who have adapted to the constantly changing trading environment with the speed and efficiency needed to keep the wheels turning. For that, the Board extends its heartfelt thanks to each one of our committed employees. The business is only as successful as the people who propel its operation and we are indeed lucky to have such a great team with the mix of skills and passion to deliver exceptional projects to our clients on a consistent basis.

We also thank our shareholders who continue to support us and who clearly believe we have a future worth being a part of. While forecasting performance is inherently challenging, the Board is confident that we are certainly a much stronger company now with an exciting growth trajectory ahead of us.

The pandemic has tested all Australian businesses and those who have come out the other side with a solid business intact, as we have, are in a prime position to take advantage of the new and emerging ways in which businesses and societies are functioning. We can now face the future with the confidence necessary to identify, understand and seize the newly packaged opportunities that lie in front of us.

The economic indicators, such as property and share markets, commodities, prices, and even central bank monetary policy, signal the expectation of an economic rebound that will hopefully restore at least our domestic economic

health to a level where we can prosecute our growth strategy to maximum effect and build on the restored bedrock of our business.

Before I hand over to Matthew, who will take you through the operational performance of the business in FY21, I'd like to thank you all again for joining our meeting this morning, and wish you a safe, healthy and happy Christmas.

Thank you.

Peter Jinks  
Executive Chairman