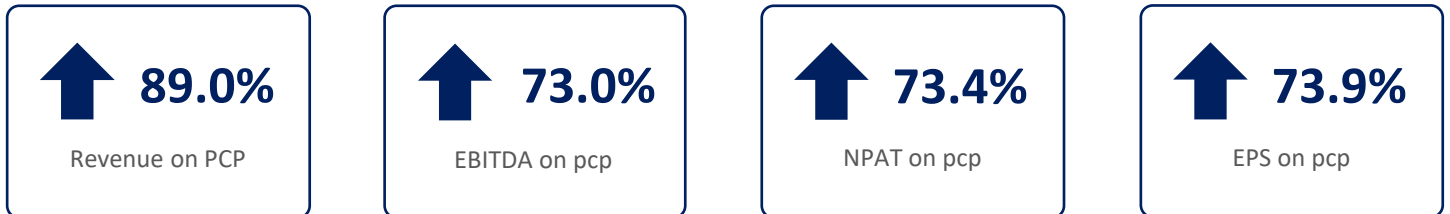


## SKS Technologies Group Announces Record Profit

### FY22 Highlights



SKS Technologies Group Limited (ASX: SKS) announces another successful year with substantial increases in all earnings metrics and a full year unfranked dividend of \$0.0025 per share.

Chief Executive Officer, Matthew Jinks, said, “Our FY22 performance is very pleasing given the lingering presence of Covid and the challenges that continue to emerge.”

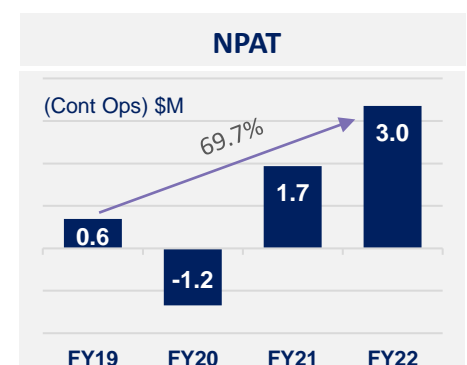
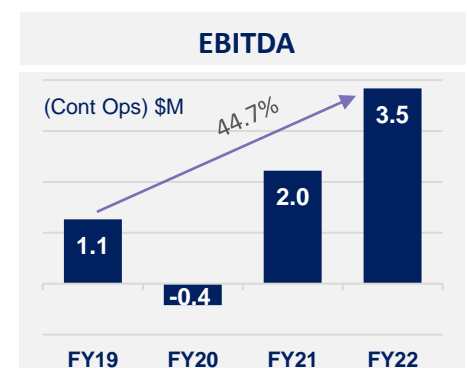
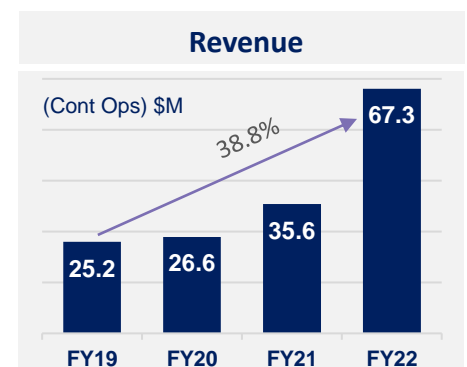
During the year, the company also completed its national footprint, with branches in every state and territory now, except Tasmania, which has historically been effectively serviced from Victoria.

In addition, the concept for SKS Indigenous Technologies was developed, as announced to the market in August this year, and the team has commenced submitting tenders and proposals for work under the direction of new SKS Indigenous Technologies Managing Director, Chris Johnson.

### Financial Performance

Sales revenue from continuing operations increased by 89.0% from \$35.60 million in FY21 to \$67.29 million in FY22, furthering the revenue increases that have been achieved over the past four years. During that period, revenue has grown at a compound annual growth rate of 38.8%. EBITDA was \$3.45 million, representing a 73.0% increase compared with the previous corresponding period, while profit after tax was \$3.02 million, a 73.4% increase on the \$1.74 million achieved in FY21. Since FY20, after-tax profit has turned around by approximately \$4.28 million.

While, supply chain constraints have slowed down revenue recognition, the substantial gains made in winning and delivering projects for a diversity of industry sectors have mitigated the impact.



Additional funds to grow the business are available through external debt facilities and given the revenue momentum and growing order book we believe our working capital remains adequate. We also expect that the cash position will improve off the back of record billings of \$10 million for the month of June.

## Operational Performance

Work on hand increased by 65.4% between 1 July 2021 and 20 August 2022, reflecting the ongoing strong demand across all market sectors as well as the company's 96% rate of repeat business.

New SKS technologies branches were established in Darwin and Canberra to access local work in Indigenous, defence and broader government sectors, while management was strengthened in Perth and Brisbane to

capture significant demand in both states. As converged networks become more sophisticated and more critical to the efficient and secure operation of significant company assets, the role of SKS Technologies is expanding as the business broadens its capability to cater to a wider set of customer needs. During the year, and in line with the strategic plan, SKS Technologies moved into converged networks in intelligent buildings and recently secured its first such project in South Australia. A specialist data centre team has also been recruited to capture a share of the rapidly evolving data warehousing market and another initiative is underway to secure direct, end-user work, with the aim of owning the customer relationship and being contracted by the ultimate end-user.

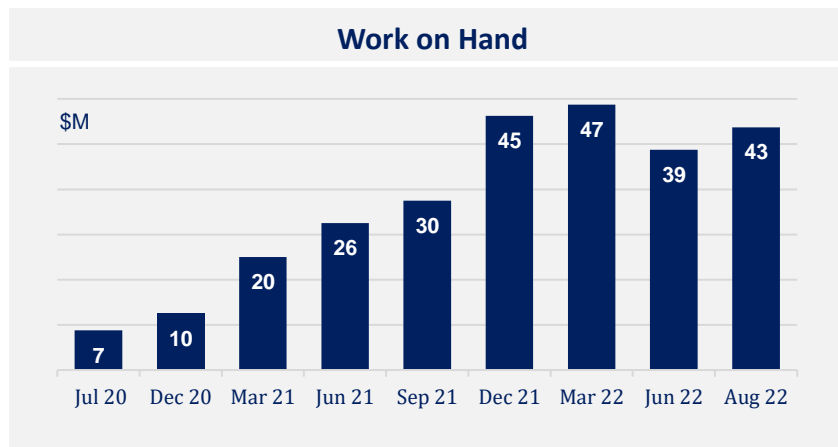
Fortunately, SKS Technologies has not been hampered by the current workforce shortages that are being experienced across the economy. While suitably qualified and experience technical people are scarce, this was a problem before the onset of Covid and one that we habitually manage.

Supply chain issues have caused some delays to project completions which have, in turn resulted in longer time lapses between payment of some projects costs and revenue collection, however, the delays are manageable and customers have come to expect and accept them as part of the current economic environment.

The company's safety record remains excellent and over the year the lost time injury rate decreased relative to the significant increase in hours worked. The culture of the organisation, as the operations consistently ramp up to meet higher levels of demand, remains a focus for the Board and management, and there is now a strong push towards greater diversity in gender and ethnicity. In this vein, SKS Technologies looks forward to building its new Indigenous business, SKS Indigenous Technologies.

## Dividend and Outlook

Based on our robust growth trajectory, and taking account of the need for capital to fund it, the Board has determined to pay a final unfranked dividend of \$0.0025 per share. It is the maiden dividend for shareholders and follows the turnaround program that was implemented two years ago to streamline the business and reorganise it around the most profitable part of it.



Mr Jinks also said, “In FY23, we will retain our focus on organic growth as the most effective means of growing the business, concentrating on new geographic markets and new components to enhance the integration of systems for customers. We occupy an enviable position in the competitor landscape, with the broadest range of integrated services of any of its competitors, including those which have a nationwide presence. This ability to offer a fully integrated approach nationally is SKS Technologies’ competitive advantage.”

The company remains committed to achieving its annual revenue target of \$90 million based on the unrelenting demand and sustained increases in work on hand over the past two years. The growth is anticipated to come from new projects in new geographic locations as well as expansion into new areas that are an extension of the current bank of systems and services, such as data centres and intelligent buildings. SKS Technologies Group understands the ever-evolving landscape of technology convergence and is intent on capturing the enormous value that it represents.

~ ENDS ~

Approved for release by the Board of SKS Technologies Group.

#### Further Information

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### About SKS Technologies Group Limited (ASX: SKS)

SKS Technologies delivers advanced technology through digital transformation via creative design and installation of converged AV/IT, electrical and communication networking solutions nationally.