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# XTEK LTD BRIEFING

## HENSLOW DEFENCE & SECURITY CONFERENCE

27 JULY 2023

**PRESENTED BY: SCOTT BASHAM**  
GROUP CHIEF EXECUTIVE OFFICER

# XTEK GROUP OVERVIEW

**XTEK GROUP IS AN ASX LISTED INTERNATIONAL DEFENCE INDUSTRY COMPANY.  
THE GROUP OPERATES AS TWO DISTINCT DIVISIONS – BALLISTICS & TECHNOLOGY.**



## **BALLISTICS DIVISION (HIGHCOM)**

Focused on designing, manufacturing, and supplying global military, law enforcement, and first responder customers with world-class, advanced personal protection ballistic products and solutions for:

- Body Armour
- Ballistic Helmets
- Composite Armour Structures



## **TECHNOLOGY DIVISION**

Focused on manufacturing and supplying global Defence and Security Agencies with world-leading Australian-made and globally sourced:

- Systems – UAVs & UGVs Solutions and Sensor Payloads
- Software – 3D Mapping & Modelling SW
  - Tactical Situational Awareness SW
- Support – System Integration, Training, & Service Support

# XTEK LIMITED CORPORATE SNAPSHOT

## Capital Structure (25 July 23)

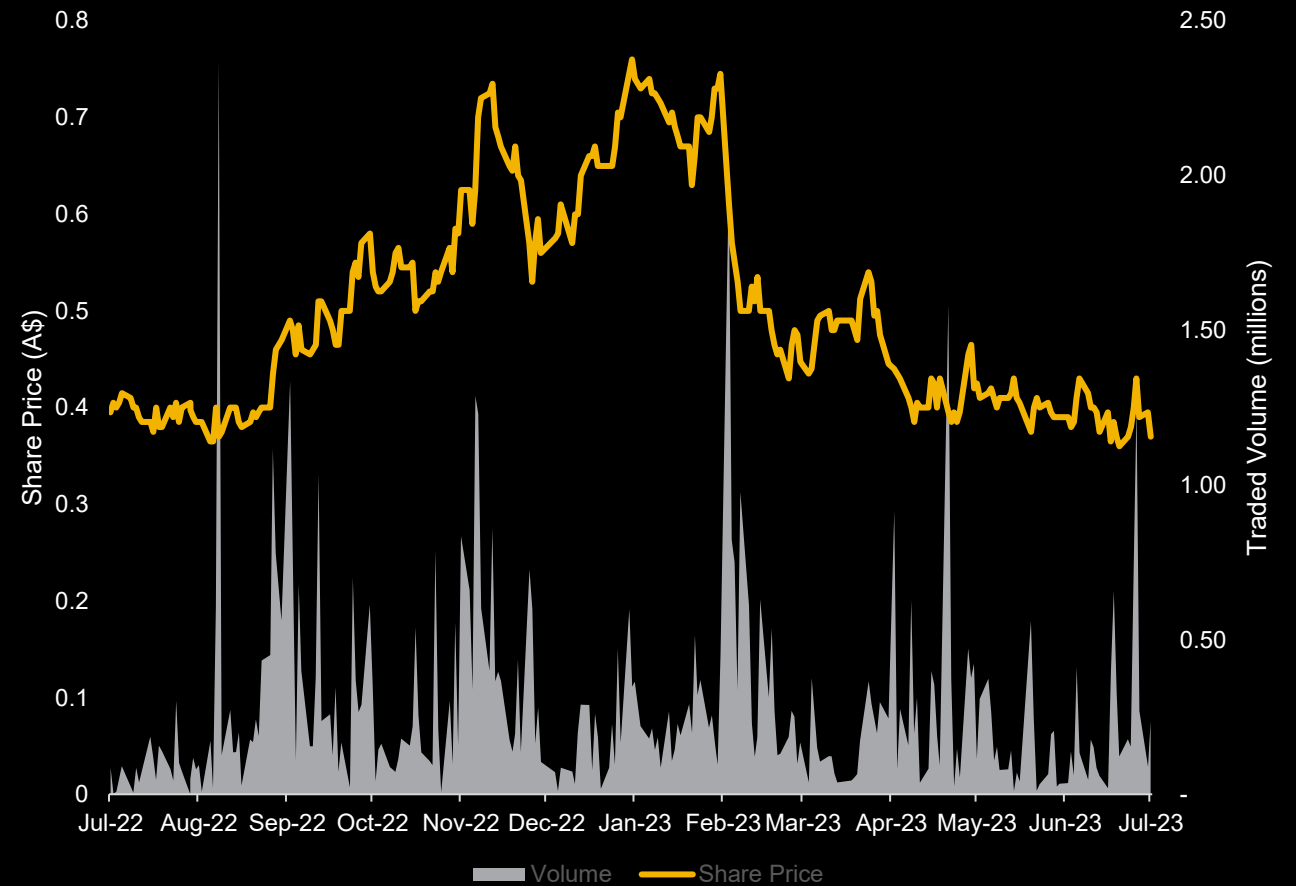
Shares Outstanding	101,761,703
Share Price	A\$0.37
Market Capitalisation	A\$37.6m
12 Month Share Price Range	A\$0.34 – A\$0.765

## Senior Executive Management

Scott Basham	Group CEO
Jacqui Myers	Group CFO

## Board of Directors

Mark Stevens	Non-Executive Chairman
Mark Smethurst	Non-Executive Director
Christopher Pyne	Non-Executive Director
Ben Harrison	Non-Executive Director
Adelaide McDonald	Non-Executive Director
Christopher Fullerton	Non-Executive Director
Laurie Gardiner	Company Secretary





# TECHNOLOGY DIVISION



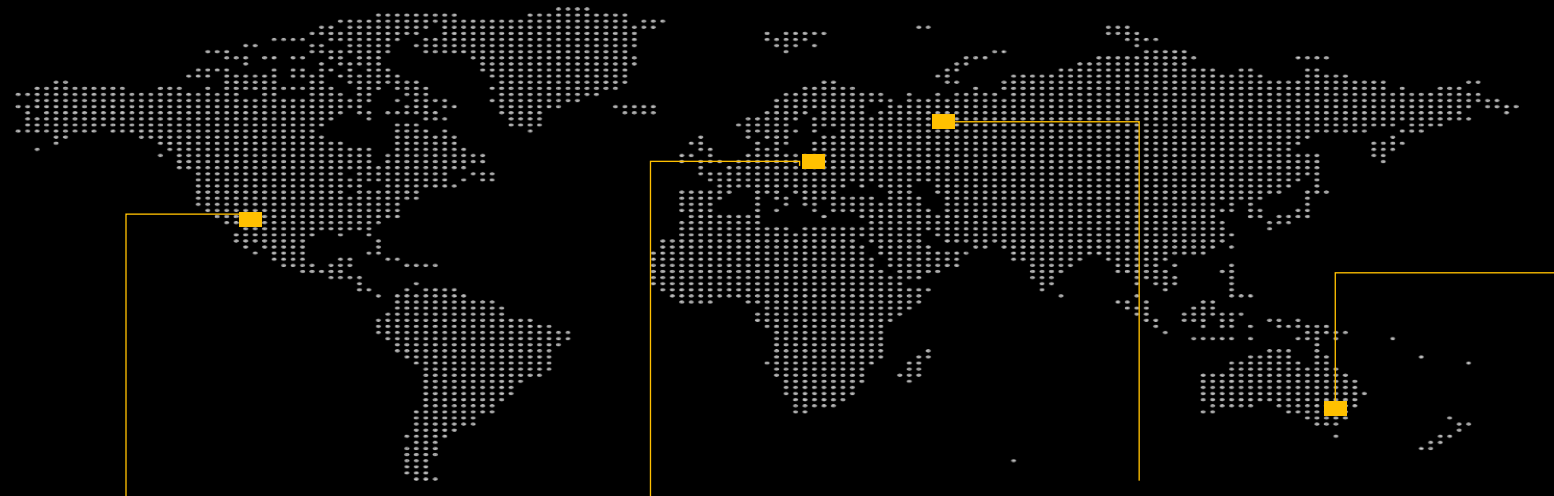
# TECHNOLOGY DIVISION OVERVIEW



Co-located with Corporate Headquarters in Canberra, ACT, Australia.

Focused on manufacturing and supplying Australian Dept. of Defence and Security Agencies with world-leading Australian-made and globally sourced:

- **Systems** - UAVs & UGVs Solutions and Sensor Payloads
- **Software** - 3D Mapping & Modelling SW and Tactical Situational Awareness SW
- **Support** - System Integration, Training, & Service Support



Our world leading  
OEM systems partners:



# TECHNOLOGY DIVISION SYSTEMS



AeroVironment™ is a global defence supplier based in the USA, that specialises in unmanned aerial vehicles.

XTEK Group's Technology Division is the exclusive regional AeroVironment distributor for Wasp (SUAS), Puma (SUAS+) and SwitchBlade (LM) across Oceania.



For the last 15 years, XTEK's Technology Division has been the incumbent supplier and maintainer of the fleet of Telerob "Teodor" large EOD Robots to Defence.

XTEK Group's Technology Division is the exclusive distributor for Telerob across the Australasian region.



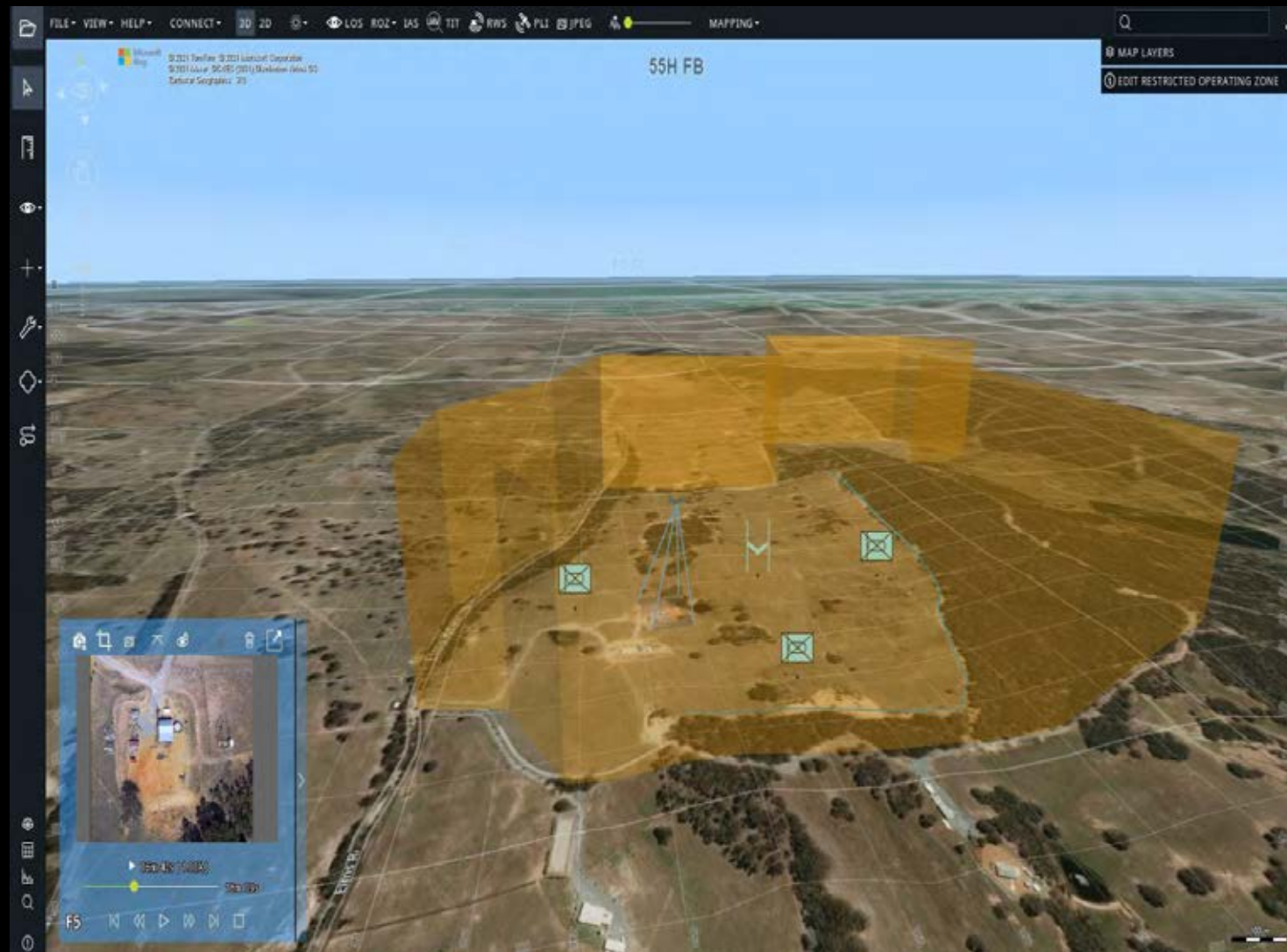
Milrem Robotics is a leading robotics and autonomous vehicle systems developer in Europe.

XTEK Group's Technology Division is the exclusive distributor for the THeMIS and TYPE-X UGVs across Australia, New Zealand and the South Pacific.





# TECHNOLOGY DIVISION SOFTWARE



XTEK Group continues to develop its suite of **XTAtlas** software applications:

- **Scout** – is a Geospatial Intelligence Application, offering a range of AI enabled software tools for UAV Mission Planning, **3D Mapping & Modelling**, Data Dissemination, and Decision Making.
- **AirWolf** – is a Tactical Situational Awareness Application, containing AI enabled data fusion tools designed to shorten the “**Sensor to Effector**” timeline.

The Group is collaborating with Australian and international partners to expand XTAtlas software offerings.



# TECHNOLOGY DIVISION SUPPORT



That sale of maintenance support services and equipment spare parts continues to provide our Technology Division with **regular profitable recurring revenue**.

Technology Division continues to support the Australian Army's Wasp SUAS fleet under the Land 129-4A multi-year support contract.

After 6 months of effort, we are in the final stages of negotiations with the Army to close out another **major multi-year support contract** for the \$26.9m SUAS order booked in Dec 22 and delivered in Jul 23.





# BALLISTICS DIVISION



# BALLISTICS DIVISION OVERVIEW



## Locations:

- Columbus Manufacturing Centre (CMC), OH, USA
- Adelaide Manufacturing Centre (AMC), SA, Australia
- Adelaide Special Projects (R&D), SA, Australia
- “New” European Sales & Distribution Centre (SDC), Poland, EU

Focused on **designing, manufacturing, and supplying** global military, law enforcement, and first responder customers with world-class, advanced personal protection ballistic products and solutions for:

- Body Armour
- Ballistic Helmets
- Composite Structures



# BALLISTICS DIVISION CMC



Our **Columbus Manufacturing Centre** is a 65,000 square foot advanced ballistics manufacturing and distribution facility that is well positioned for large scale and time sensitive global supply needs.

We make hundreds of thousands of lifesaving ballistic protection products here each year.





# BALLISTICS DIVISION AMC



Our HighCom Australia **Adelaide Manufacturing Centre** is a world class research and development, prototyping, and advanced manufacturing facility.

**Patented** XTclave™ technology.  
**Unique** in the world products.



# BALLISTICS DIVISION ASP



Our Adelaide Special Projects R&D team creates world-leading “next-generation” **ultra-lightweight** and **high-performance** hard armour plates with **complex curvatures** and **geometries**.

They also create our range of advanced “**featherweight**” NIJ **Level 3A** helmets, and our unique in the world “**rifle rated**” **Level 3+** ballistic helmets that stop AK47 “mild steel core” and other assault rifle and machine gun bullets.





# BALLISTICS DIVISION SDO



Our new **Sales & Distribution Office** was established in Bydgoszcz, Poland, in Dec 22.

The 3000 square foot location provides **excellent proximity** to military and law enforcement customers in Central & Eastern Europe, and Scandinavia.

Sales team engaging with existing customers and partners in region, and new sales campaigns are underway to pursue a **large pipeline of opportunities** across the territory.

HighCom can provide “kitting” and order “assembling” from locally held stock for new deliveries across Europe.





# TAILWINDS, GROWTH STRATEGY, FY23 FORECAST, FY24 OUTLOOK



# GLOBAL TAILWINDS CONTINUE TO BLOW ...



Global tailwinds continue to blow due to **ongoing uncertainty** in Eastern Europe and the South China Sea.

This is **driving investments** by militaries worldwide to upgrade capabilities. As a result, outlook for international Defence suppliers **remains positive**.

For XTEK:

- The **Defence Strategic Review's** apparent preference for US "Military-Off-The-Shelf" capabilities **appears positive** for our **Technology Division's** business. *(See ASX Ann. "\$3.4m Defence SUAS Spare Parts Order" 12 July 23)*
- Internationally, our **Ballistic Division's** growth potential **appears strong** for foreseeable future, especially in the US & EU. *(See ASX Ann. "New A\$2.6m Ballistic Armour Order" 17 July 23)*

# XTEK STRATEGIC GROWTH STRATEGY

**LASER SHARP FOCUS ON OUR CORE MARKETS AND CUSTOMERS,  
AND A CLEAR STRATEGY FOR CONTINUED GROWTH AND SUCCESS:**



## REINFORCE SUCCESS

Invest in the areas of our business that have been successful and have potential for continued enhancement and growth.



## SEEK ADJACENCIES

Find new business opportunities that extend our reach and can draw on our experiences and expertise.



## CREATE OUR FUTURE

Invest in organic and inorganic expansion opportunities to create new products and service offerings for sustained future growth and profitability.

**Leveraging** our new HighCom Sales Office & Distribution Centre in Poland

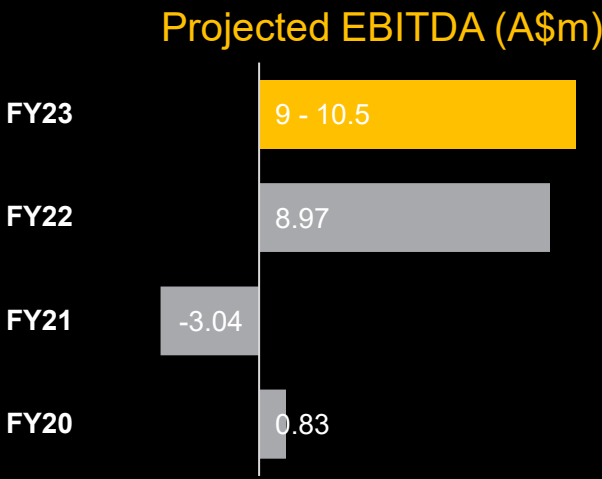
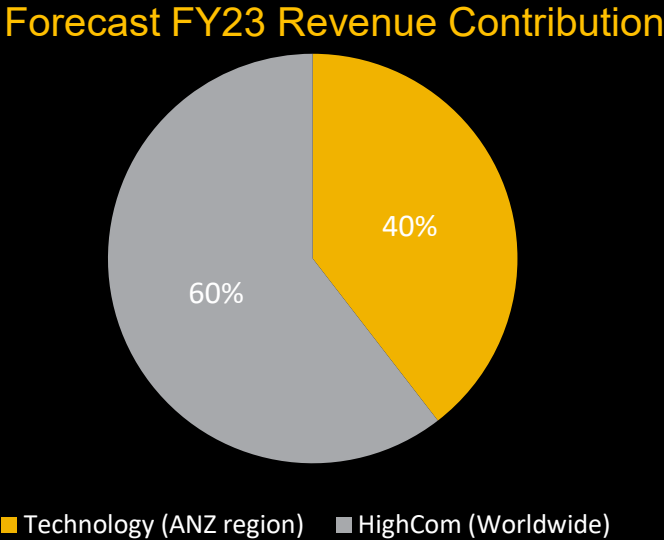
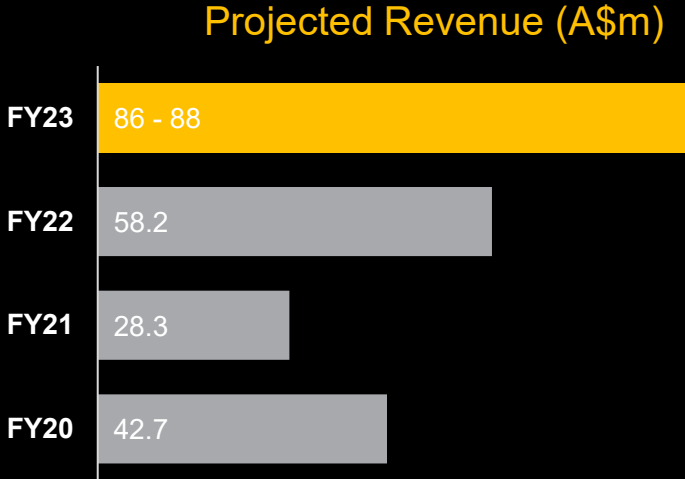
Actively seeking **M&A expansion** opportunities for HighCom in the US & EU

Developing plans for **US XTclave manufacturing** capability to capture large US DoD “next-gen” lightweight body armour and ballistic helmet opportunities





# FY23 FORECAST RESULTS



**Summary:**

- Forecast FY Revenue of **\$86m - \$88m**
- Forecast FY EBITDA of **\$9m - \$10.5m**
- **No Debt** with \$4.9m of undrawn WC facilities
- Other key financial metrics announced at end Aug 23
- Strong uplift in Revenue of ~50% YoY
- Delivering consistent profitability in competitive global market
- Executing on Strategic Growth Plan
- Attractive sector fundamentals underpin future growth



# FY24 OUTLOOK & FORECAST

## FY24 Opportunity Pipeline

At the end of June 23, the Group had an opportunity pipeline of leads at various stages of qualification worth more than **\$200m**:

- **Technology Division** is progressing multiple ANZ SUAS related Acquisition & Support Contract opportunities valued in excess of **\$50m** and expects to provide an update on major new multi-year Support Contract order imminently.
- **HighCom Armor** has a growing global pipeline of leads that exceeds **\$150m** and is pursuing multiple large ballistic protection contracts for delivery through FY24 and beyond.

## FY24 Forecast

Based on current sales and business development activity being progressed around the world, the Group is optimistic about maintaining **continued revenue growth and profitability in FY24**.



# QUESTIONS?





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