



Annual General Meeting

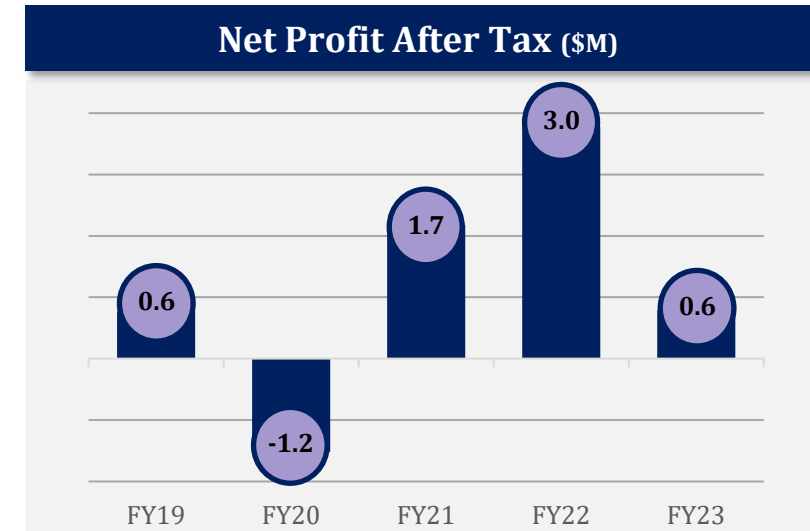
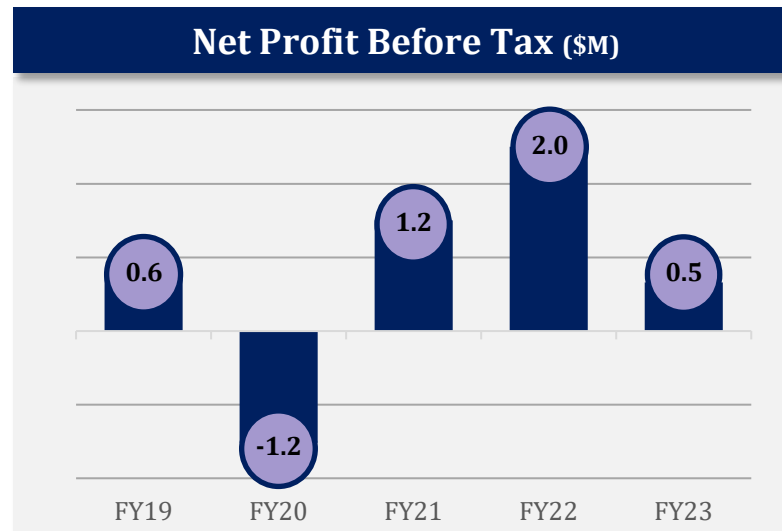
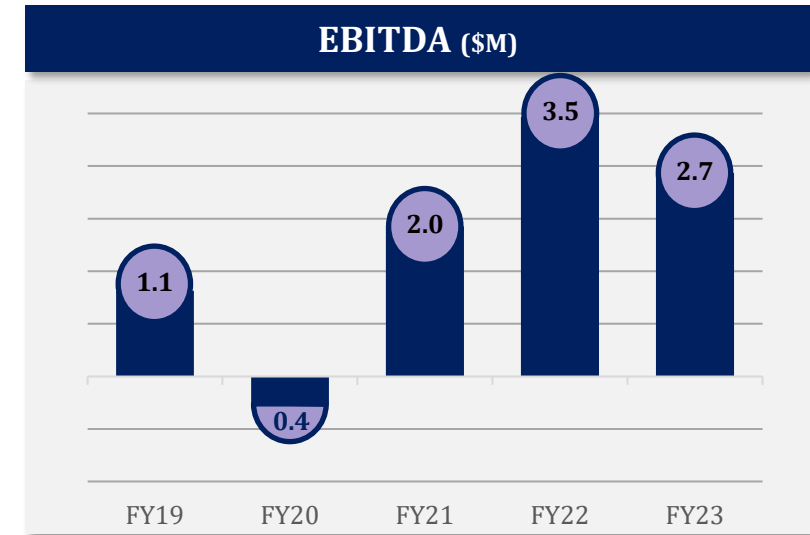
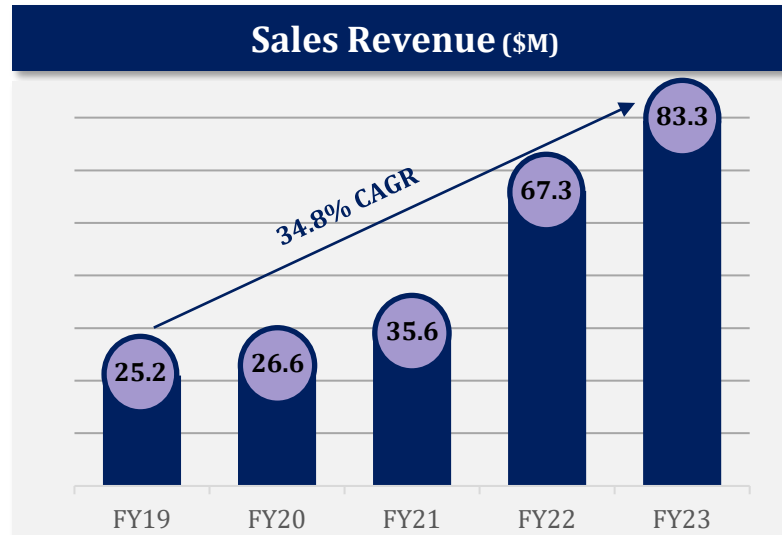
23 November 2023

ASX: SKS

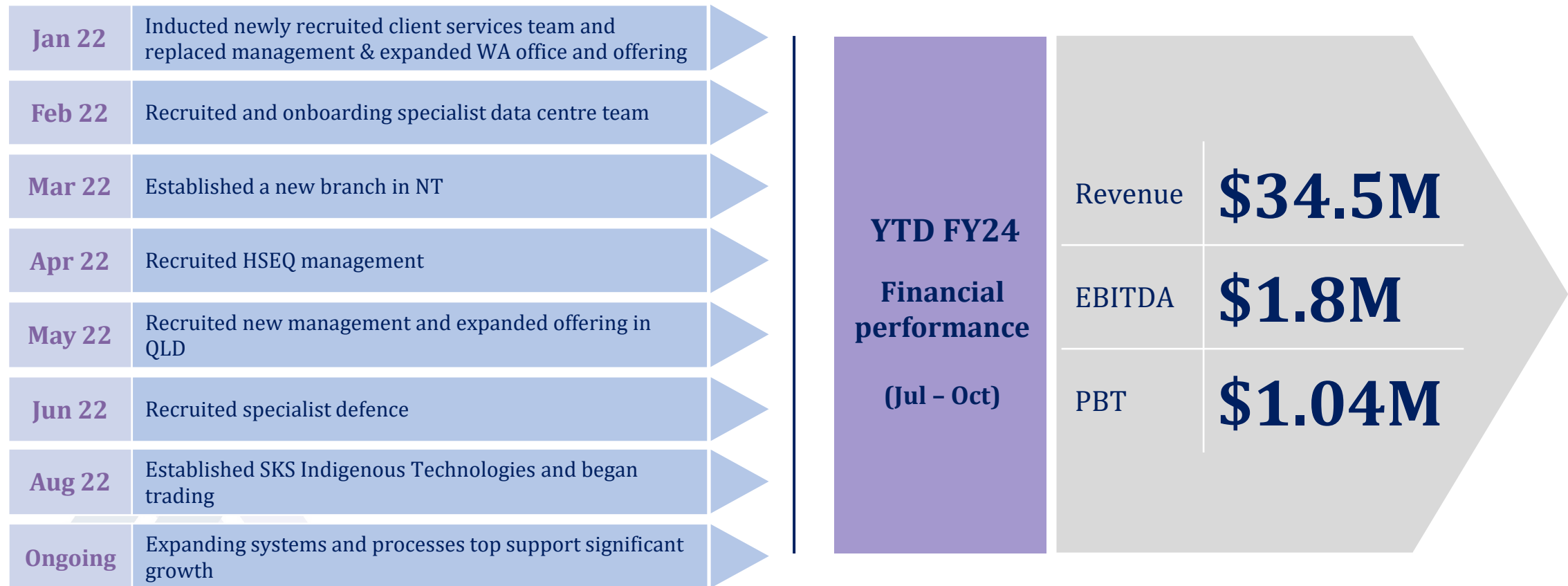


Five-year P&L reflects rate of growth

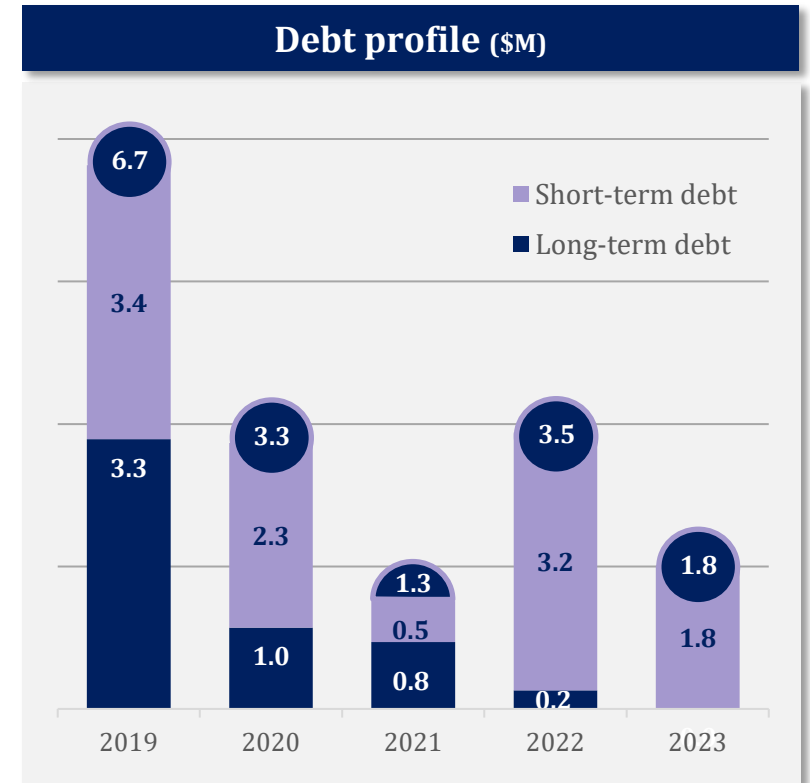
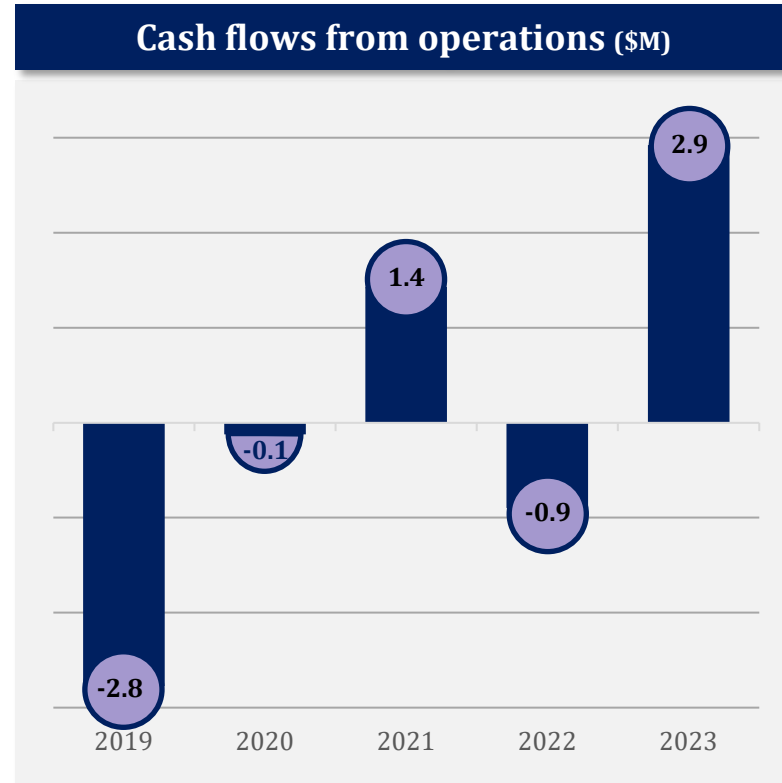
- Annual revenue has grown over the last five years by an average of 34.8%
- Earnings results for FY23 reflect the deliberate decision to invest heavily for rapid expansion
- The strategy's success is now evident in the quality of work being won with new customers in new markets
- Medium-term growth can now largely be achieved with the current cost base



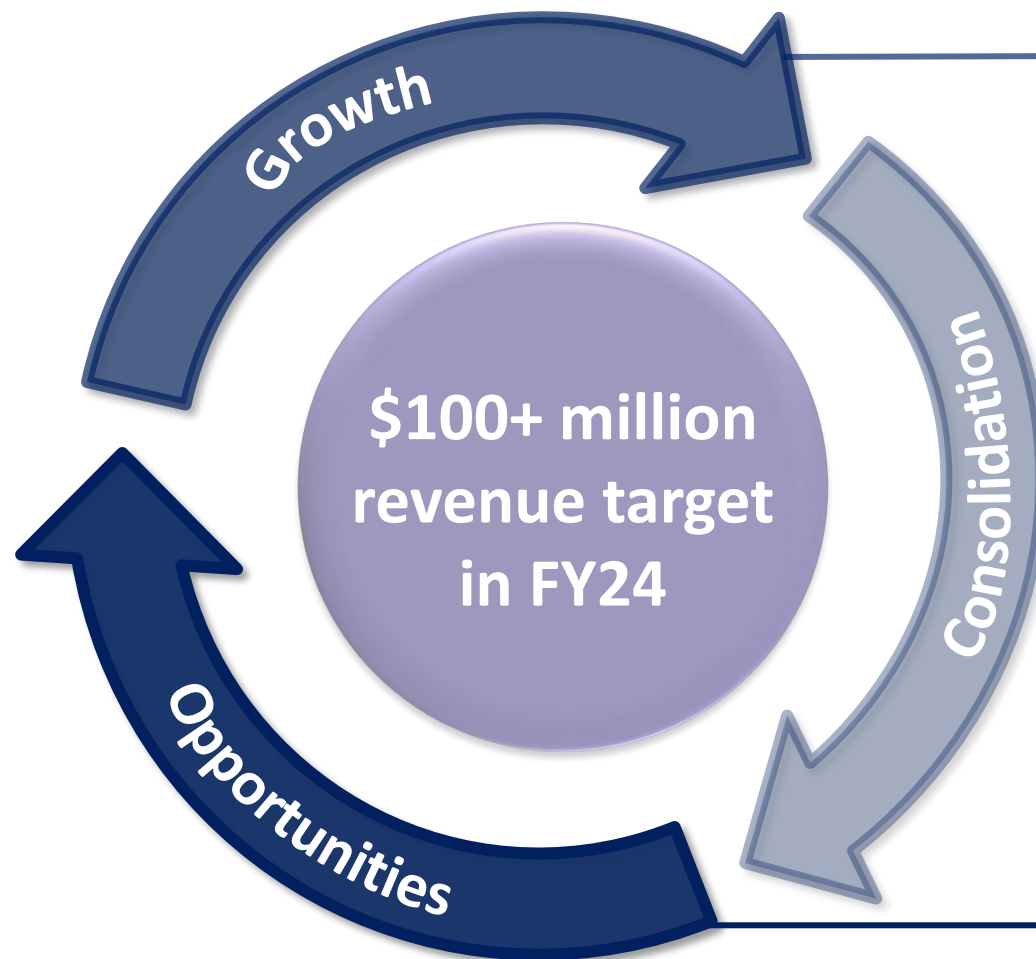
- Approximately \$3 million was invested in initiatives to underpin growth, including hiring industry specialists, opening new offices to complete the national footprint, and strengthening systems and processes
- Medium-term growth can now largely be achieved with the current cost base



- The turnaround in cash flows from operations between FY22 and FY23 enabled full retirement of the R&D liability as well as a net reduction in short-term borrowings
- Thus, the business now has no long-term debt
- Short-term debt fluctuates according to sales and working capital required to fund projects
- Increased CBA financing facilities from \$8 million to \$12 million in Nov 23.



- Guided the growth of the business
- Identified the sectors of smart buildings, data centres and defence as attractive targets for expansion
- Identified the value of targeting end user customers for higher margins and the further work that comes with direct relationships.



- Focus on organic growth
- Maintain opportunistic approach to acquisitions – as assessed against specific criteria that drive capability, capacity and scale
- Leverage new networks
- Build higher revenue spread across existing cost base

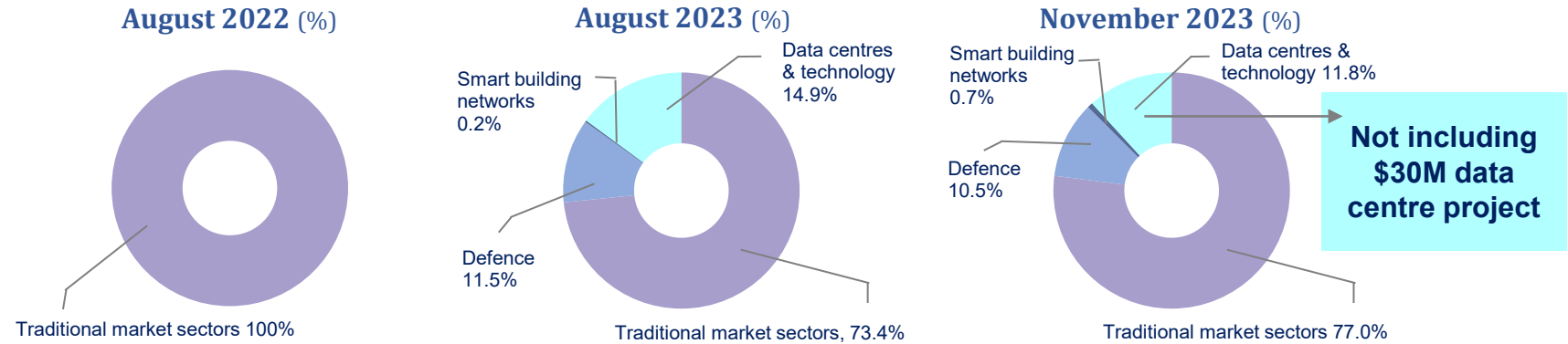
- Build work on hand in newer markets in WA, NT and QLD
- Build work for SKS Indigenous Technologies
- Secure projects directly with the end-user client for repeat work and higher margins
- Continue to strengthen the balance sheet
- Pursue recurring revenue opportunities
- Continue to focus on cost efficiencies

- Capture a share of the lucrative and rapidly evolving data warehousing market
- Continue to focus on technology conversion
- Pursue converged IT networks projects in intelligent buildings
- Pursue defence opportunities

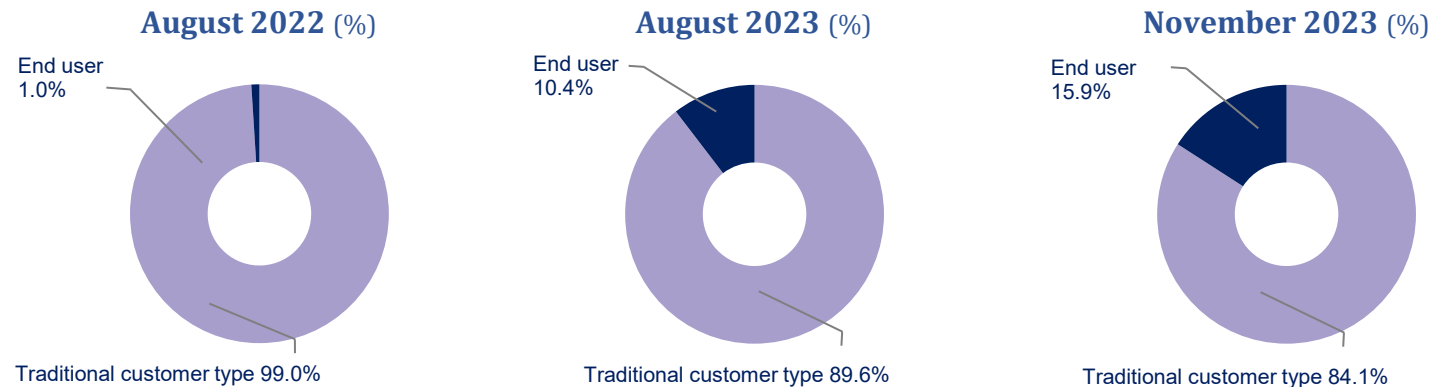
- Solid progress on securing work on hand in new sectors
- New data centre project in excess of \$30million boosts work on hand to: **\$80.6 million**

- Over the last three months, end-user work on hand has increased by approximately 50%

Increase in work on hand in targeted market sectors (%)



Increase in work on hand by customer type (%)

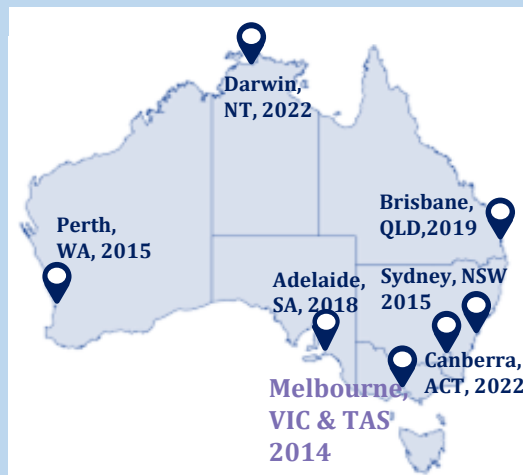


Services include AV, communications, electrical, building and energy management solutions, and maintenance.

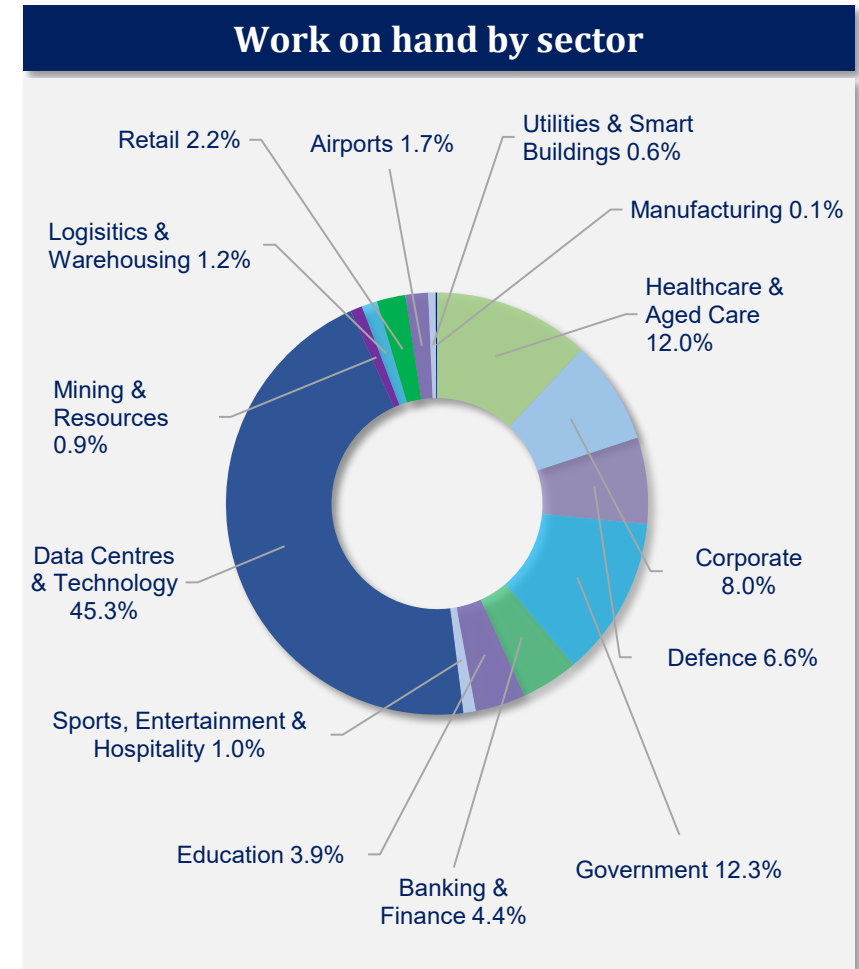
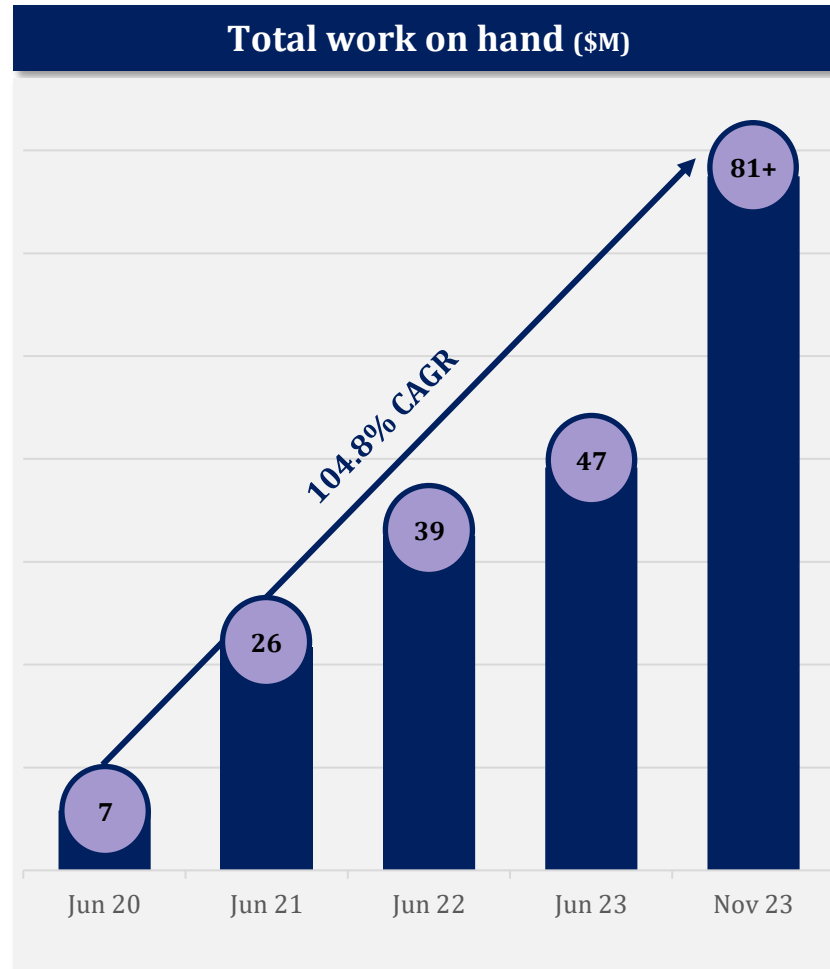
Client base includes household brand names across all market sectors in Australia.

Projects are delivered to customers across the entire economy, including:

- hospitals and aged care facilities
- manufacturing and distribution facilities
- commercial buildings
- correctional facilities
- hotels
- defence buildings
- airports
- data centres
- retail centres
- smart buildings
- sporting complexes
- universities
- government/defence
- mining and resources businesses
- utilities
- banks and financial institutions
- public sector buildings.



- A concerted drive to win projects in the targeted sectors of Defence, Data Centres and Technology, and Mining and Resources has resulted in almost 53% of total work on hand in those three sectors
- New \$30+ million data centre project comprises a large portion of the Data Centre and Technology work on hand
- Broad stable of Federal and state government customers provides a solid base of projects

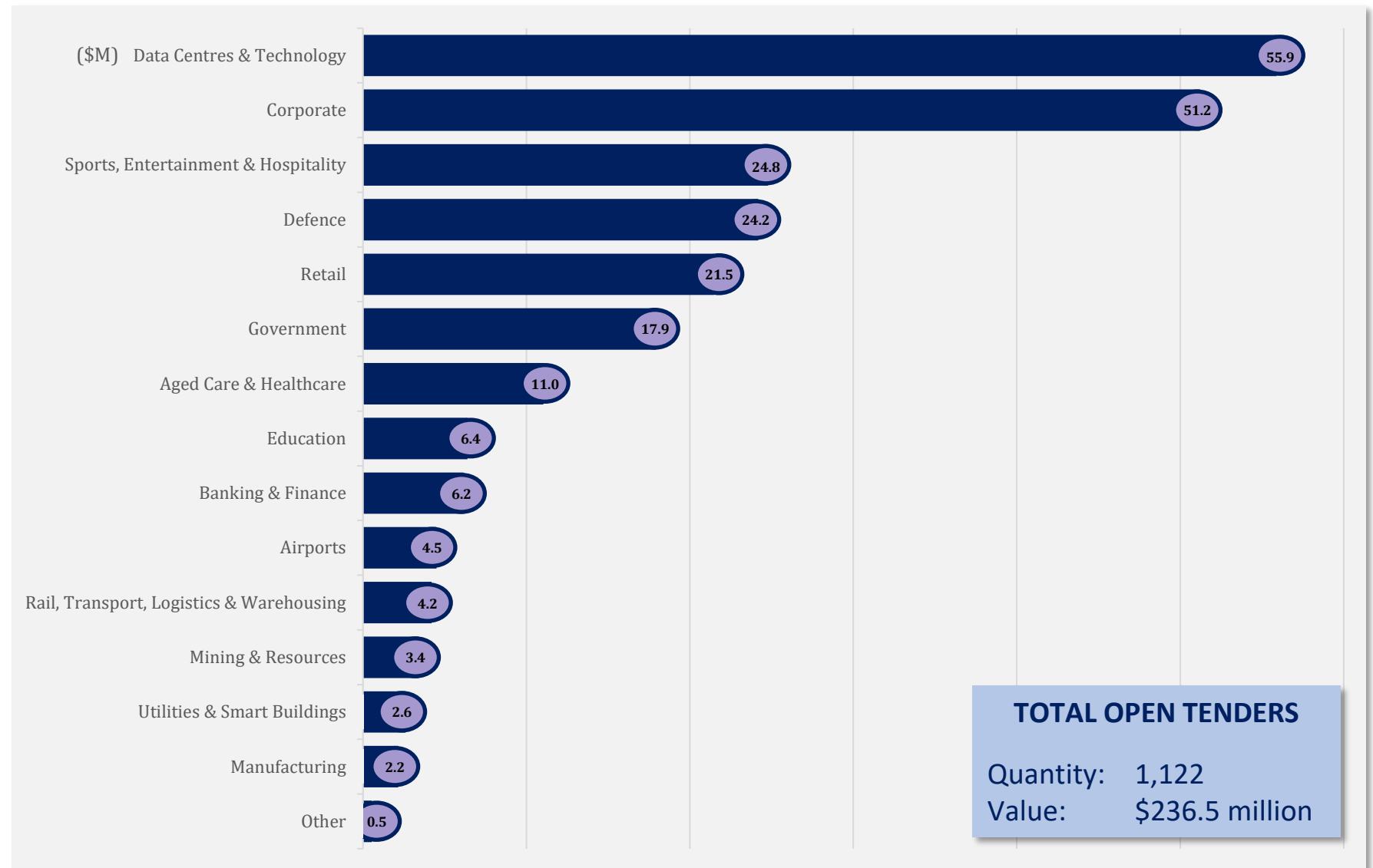


Our valuable and growing pipeline of opportunities is unremitting

➤ Pipeline shows no sign of abatement

➤ Significant amount of work under tender in targeted sectors of defence and data centres

➤ Newly enhanced tendering database will enable greater transparency and analysis of pipeline in future years



51% owned by
Indigenous identity,
Chris Johnson



49% owned by SKS
Technologies Group



Achieved the initial target of **3% Indigenous employment** in the business, to match the national target. The new target is 4% - 5%, depending on the future rate of growth



Achieved order intake of **>\$10 million**, all of which will be delivered in FY24. Work won is for Government, defence and corporates



Increasing pipeline of **opportunities** across all market sectors



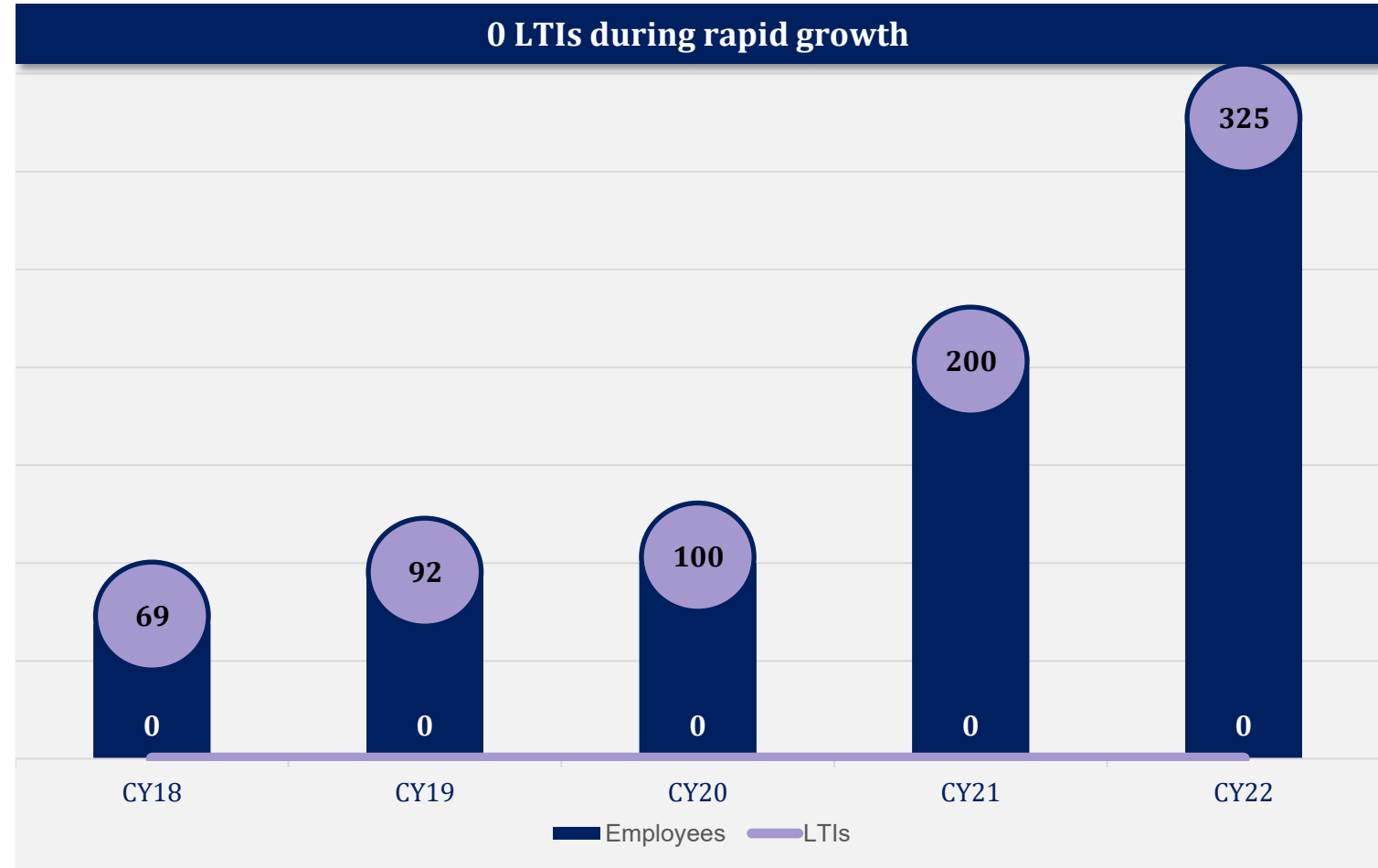
Onboarded with many **government panels as approved service providers** – approximately 10 government and corporate panels around Australia



Achieved **Supply Nation certification**, which enables inclusion in the indigenous Business Direct database and confirms that a business is Indigenous owned and audited annually



- Zero LTIs in five years despite significant growth in workforce and hours worked
- Strong safety culture developed and promoted throughout the organisation over many years



› Mission:

To preserve and improve the physical, social, environmental cultural and economic health and wellbeing of its neighbourhoods, while ensuring quality of life for current and future generations

E



Environmental

- Waste is recycled
- Energy/water efficiency
- Sustainable procurement
- Materials and supplies reused including refillable options
- No single use plastics/virgin materials

S



Social

- Safe and healthy management
- Tolerant, fair and empathetic workforce
- Diversity in age and ethnicity apparent, while seeking greater gender balance
- Source materials responsibly
- Support local communities in which the business operates

G



Governance

- Ethical approach to transacting business
- Management of key business risks
- Responsible reporting and disclosure
- Stakeholder engagement

Initiatives to support growth

Recruited specialist market sector teams to develop new capability and pursue work in the data centre, smart buildings and defence sectors

Built and recruited relationships with end user clients to gain higher margins and repeat work

Undertook significant and continuous financial analysis to understand funding commitments and risks, and secured finance

Established SKS Indigenous Technologies

Completed the national footprint of branches to target state-specific market sectors

Upgraded systems, processes, accreditations and certifications to pursue work in new sectors and support overall growth

Benefits of those initiatives

Changing profile of work on hand evident. Large new contracts in the data centre and smart buildings sectors, and a solid orderbook proportion in defence work

Commensurate growth in pipeline with \$336.5 million currently out for tender

Continued improvement in working capital, augmented by increased CBA financing facilities

Work secured on the basis of specific government/corporate accreditations, certifications and other processes undertaken by the new specialist teams

Additional work generated by SKS Indigenous Technologies – \$10 million of work on hand as at 31 August 2023

Target revenue performance

Based on the high level of work won and performed in FY23, as well as the investment in the people, processes and systems to our growth, the **revenue target** for FY24 is in the range of:

\$100+ million



SKS
Technologies

Investor Inquiries:

Matthew Jinks, CEO

Gary Beaton, CFO

(03) 9289 5000

Inquiries@sk.com.au