



Briefing for Investor Meetings

November 2023

ASX: SKS



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National network delivers technology solutions for high value clients

Services include Audio Visual, communications and electrical networks. Building and energy management solutions, as well as service and maintenance.

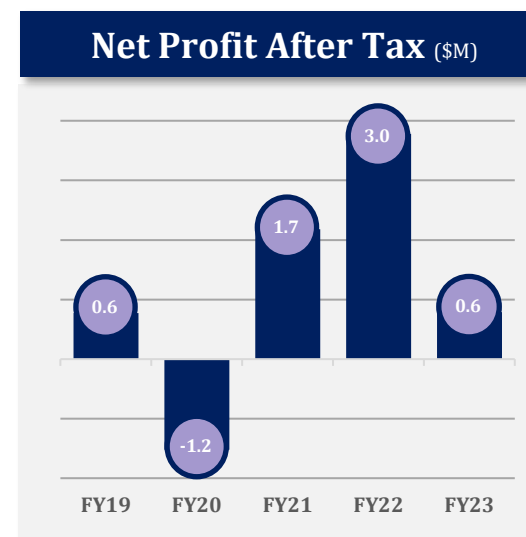
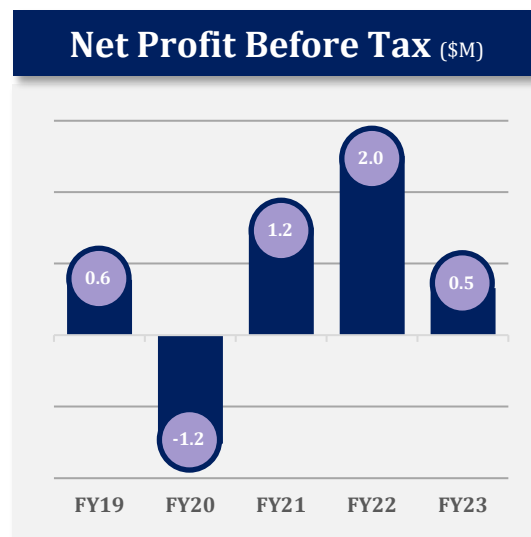
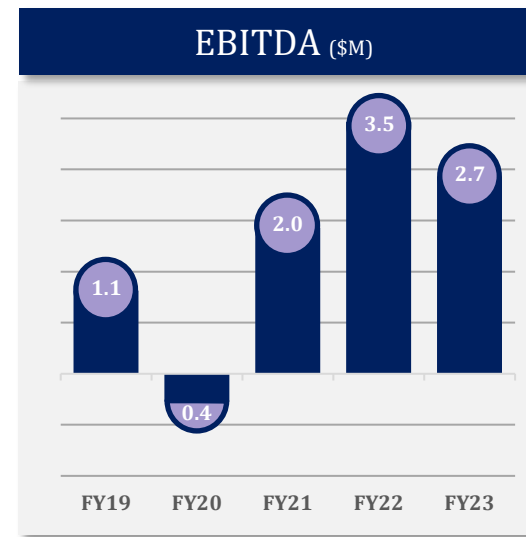
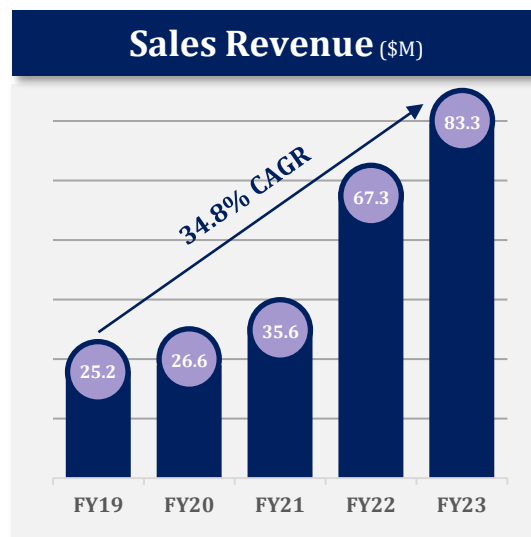
Client base includes household brand names across all market sectors in Australia.

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.



- Revenue grown by 34.8% CAGR over four years
- FY23 earnings results reflect the deliberate decision to invest heavily for rapid expansion
- Medium-term growth can now largely be achieved with the current cost base
- Turnaround in cash flows from operations between FY22 and FY23 enabled full retirement of R&D liability and 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.



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

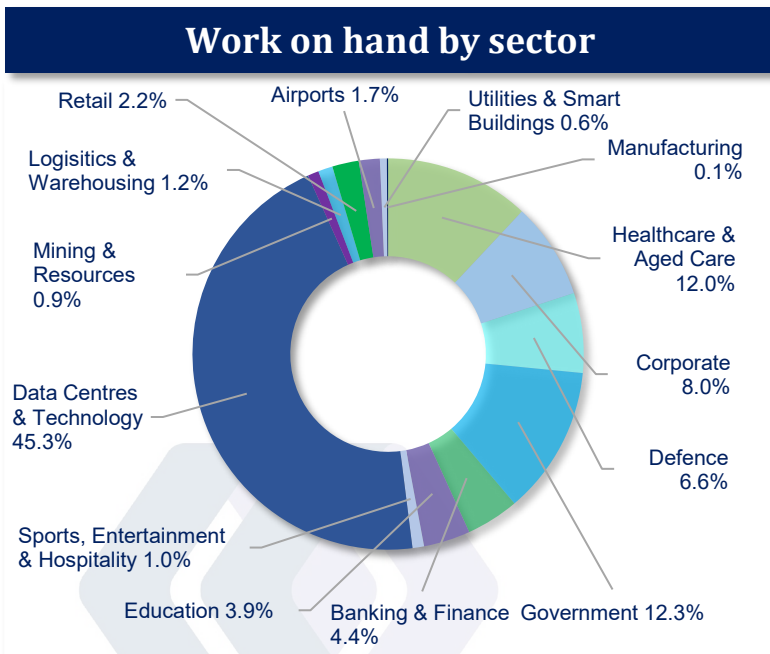
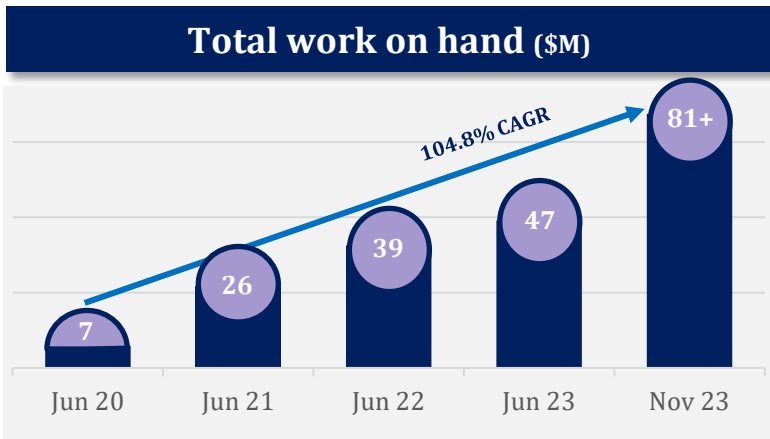
- Build work on hand in newer WA, NT & QLD markets
- Build SKS Indigenous Technologies work
- Secure projects with end-user clients for repeat work and higher margins
- Keep strengthening balance sheet
- Pursue recurring revenue work
- Continue to focus on cost efficiencies

- 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



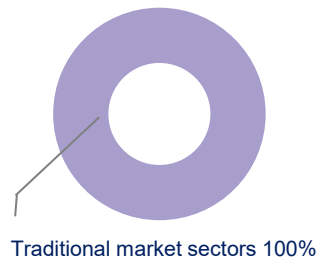
YTD FY24 financial performance	
Revenue	\$34.5M
EBITDA	\$1.8M
NPBT	\$1.04M
(Jul - Oct)	

- 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

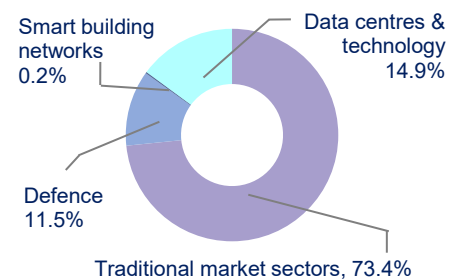


Increase in work on hand in targeted market sectors (%)

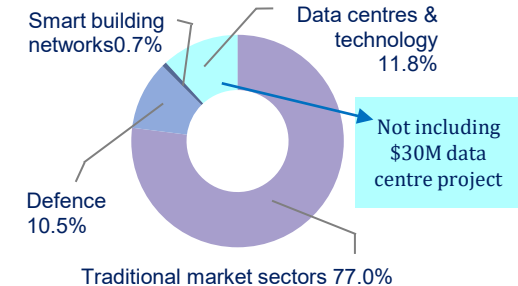
August 2022 (%)



August 2023 (%)

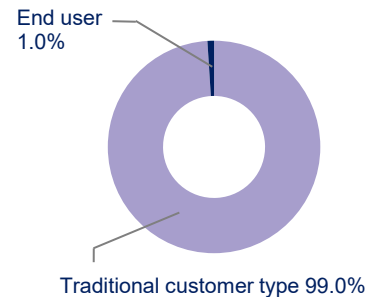


November 2023 (%)

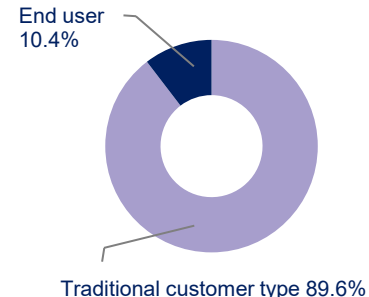


Increase in work on hand by customer type (%)

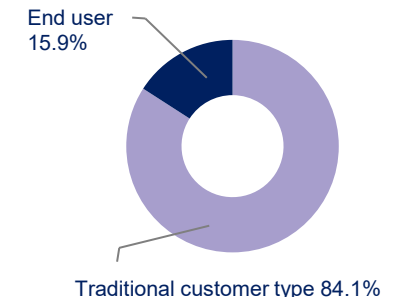
August 2022 (%)



August 2023 (%)



November 2023 (%)



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



A successful first year for SKS Indigenous Technologies

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



Capitalised on 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



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 sector, and a solid orderbook proportion in defence work

Commensurate growth in pipeline with \$236.5 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

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



Appendices

SKS SHARE PRICE (year ending 28/11/23)



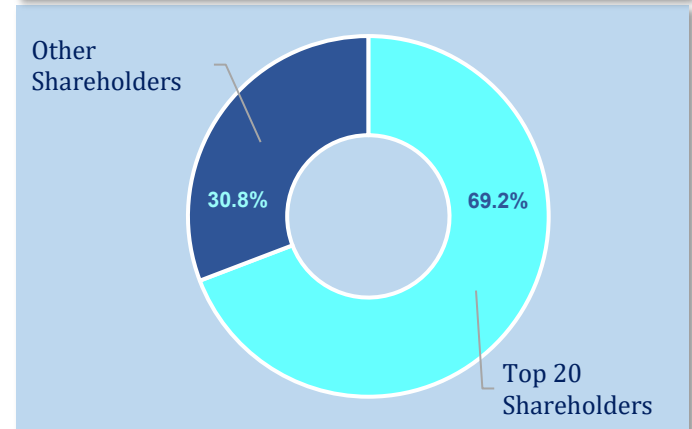
DIRECTORS AND EXECUTIVES

Peter Jinks	Executive Chairman
Greg Jinks	Executive Director
Terrence Grigg	Non-Executive Director
Matthew Jinks	Chief Executive Officer
Gary Beaton	Chief Financial Officer

MARKET INFORMATION *

Shares on Issue	109,799,355
Options on Issue	2,000,000
Market Cap	\$26.9M
52-Wk Range	\$0.135 - \$0.245
AV Volume/Day	51,046

SHARE REGISTER COMPOSITION (27/11/22)



* Information current as at close of business on 28/11/23

Four year historical profit and loss (continuing ops)

A\$000s		2023	2022	2021	2020*
Revenue & other income	Sales	83,268.1	67,288.4	35,599.2	26,551.1
	Other income	902.3	1,838.0	1,469.3	838.7
	Total Revenue & other income	84,179.4	69,126.4	37,068.5	27,389.9
Expenses	Raw materials, consumables & logistics	(46,854.4)	(38,174.0)	(22,245.1)	(16,770.6)
	Employee benefits	(31,814.5)	(25,669.6)	(11,355.2)	(9,830.8)
	Occupancy	(170.5)	(185.5)	(122.5)	(45.5)
	Administration	(2,624.4)	(1,645.4)	(1,350.7)	(1,126.7)
	Depreciation & amortisation	(1,407.4)	(917.6)	(549.2)	(483.7)
	Finance charges	(772.1)	(530.8)	(242.7)	(347.1)
	Total expenses	(83,643.3)	(67,122.9)	(35,865.4)	(28,604.5)
Profit/(loss) before tax		527.1	2,003.5	1,203.2	(1,214.6)
	(Tax)/tax benefit	105.0	1,020.0	540.0	-
Profit/(loss) after tax		632.1	3,023.5	1,743.2	(1,214.6)
	Profit/(loss) from discontinued operations	-	(0.9)	423.3	(3,774.7)
Profit/(loss) for year		632.1	3,022.6	2,166.5	(4,989.3)

* Wholesale company restructure completed

Four year historical balance sheet (continuing ops)

A\$000s		2023	2022	2021	2020*
Current assets	Cash & equivalents	8.6	39.5	109.2	229.0
	Trade & other receivables	18,080.5	20,173.1	11,477.1	6,235.2
	Inventories	49.3	102.9	46.5	170.5
	Assets held for sale	-	-	-	990.7
	Other current assets	369.2	287.7	123.7	115.1
	Total current assets		18,507.6	20,603.3	11,756.4
Non-current assets	Trade and other receivables	-	414.9	-	-
	Plant & equipment	1,826.7	1,746.7	1,381.4	649.8
	Right of use assets	4,872.3	4,216.3	928.6	433.7
	Intangible assets	1,901.0	1,919.4	1,898.1	33.4
	Other non-current assets	0.1	115.7	140.0	131.7
	Deferred tax asset	1,665.0	1,560.0	540.0	-
	Total non-current assets		10,265.1	9,972.9	4,888.2
Total assets		28,772.7	30,576.2	16,644.6	8,988.9

A\$000s		2023	2022	2021	2020*
Current liabilities	Trade & other payables	14,174.5	15,720.7	11,230.9	5,890.9
	Borrowings	1,761.3	2,664.0	-	1,401.6
	R&D liability payable	-	500.8	500.8	860.5
	Provisions	1,642.0	1,350.0	859.0	588.3
	Lease liabilities	826.0	816.5	448.5	438.8
	Liabilities held for sale	-	-	-	51.4
	Total current liabilities		18,403.7	21,051.9	13,039.3
Non-current liabilities	R&D liability payable	-	229.0	821.5	1,001.6
	Provisions	86.8	40.2	24.7	47.7
	Lease Liabilities	4,795.8	4,185.3	939.6	482.5
	Total non-current liabilities		4,882.6	4,454.5	1,785.8
Total liabilities		23,286.3	25,506.4	14,825.1	10,763.3
Net assets / (deficiency)		5,486.4	5,069.8	1,819.5	(1,774.3)
Equity	Contributed equity	22,359.1	22,072.8	22,085.7	20,658.3
	Share option reserve	2.5	230.9	-	-
	Accumulated losses	(16,754.5)	(17,233.9)	(20,266.2)	(22,432.6)
	Equity attributable to group equity holders	5,607.0	5,069.8	1,819.5	(1,774.3)
	Non-controlling interest	(120.6)	-	-	-
Total equity		5,486.4	5,069.8	1,819.5	(1,774.3)

* Wholesale company restructure completed

Four year historical cash flows (continuing ops)

A\$000s		2023	2022	2021	2020*
Cash flows from operations	Receipts from customers	94,433.5	64,903.1	34,694.9	44,338.8
	Receipts from government incentives	759.4	1,717.9	1,528.4	697.6
	Payments to suppliers & employees	(91,471.0)	(66,989.7)	(34,540.4)	(44,686.4)
	Interest received	2.1	0.4	0.7	4.5
	Interest paid	(801.5)	(527.4)	(253.5)	(477.5)
	Net cash from (used in) operations	2,922.5	(895.6)	1,430.0	(123.0)
Cash flows from investing	Payment for plant & equipment	(656.0)	(766.9)	(314.6)	(14.9)
	Proceeds from disposal of plant & equipment	54.9	2.0	24.5	19.7
	Payment for intangibles	(6.9)	(47.4)	(24.8)	-
	(Payments to) / Proceeds from bank guarantees	251.5	(114.6)	(46.9)	28.3
	Payment for acquiring business – APEC	-	-	(66.3)	-
	Proceeds from sale of discontinued operations	-	142.0	1,187.6	2,090.9
	Net cash from investing activities	(356.5)	(784.9)	759.6	2,124.1

A\$000s		2023	2022	2021	2020*
Cash flows from financing	(Payments to) / proceeds from issue of options/shares	(1.4)	(12.9)	(8.9)	500.3
	Payment to buy back shares	-	-	(13.1)	-
	Payment of lease liabilities	(870.1)	(552.1)	(425.6)	(500.9)
	Net (repayment of)/ proceeds from borrowings	(902.7)	-	-	-
	Proceeds from borrowings	-	66,114.6	31,856.8	40,984.6
	Repayments of borrowings	-	(63,450.6)	(33,258.4)	(43,185.4)
	Repayment of R&D liability	(249.3)	(488.2)	(460.4)	(250.5)
	Dividends paid	(273.5)	-	-	-
	Net cash used in financing activities	(2,596.9)	1,610.8	(2,309.5)	(2,452.0)
Net increase/(decrease) in cash		(31.0)	(69.7)	(119.8)	(450.9)
	Cash & equivalents at start of year	39.5	109.2	229.0	679.9
Cash & equivalents at end of year		8.6	39.5	109.2	229.0

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SKS
Technologies

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