



Strategy and Operations Investor Briefing

Bell Potter

8 July 2024

ASX: SKS



The material contained in this document is a presentation of general information about SKS Technologies' activities current as at the date of this presentation. It is provided in summary and does not purport to be complete. You should not rely upon it as advice for investment purposes, as it does not take into account your investment objectives, financial position or needs. These factors should be considered, with or without professional advice, when deciding if an investment is appropriate.

To the extent permitted by law, no responsibility for any loss arising in any way (including by way of negligence) from anyone acting or refraining from acting as a result of this material is accepted by SKS Technologies, including any of its related bodies corporate.

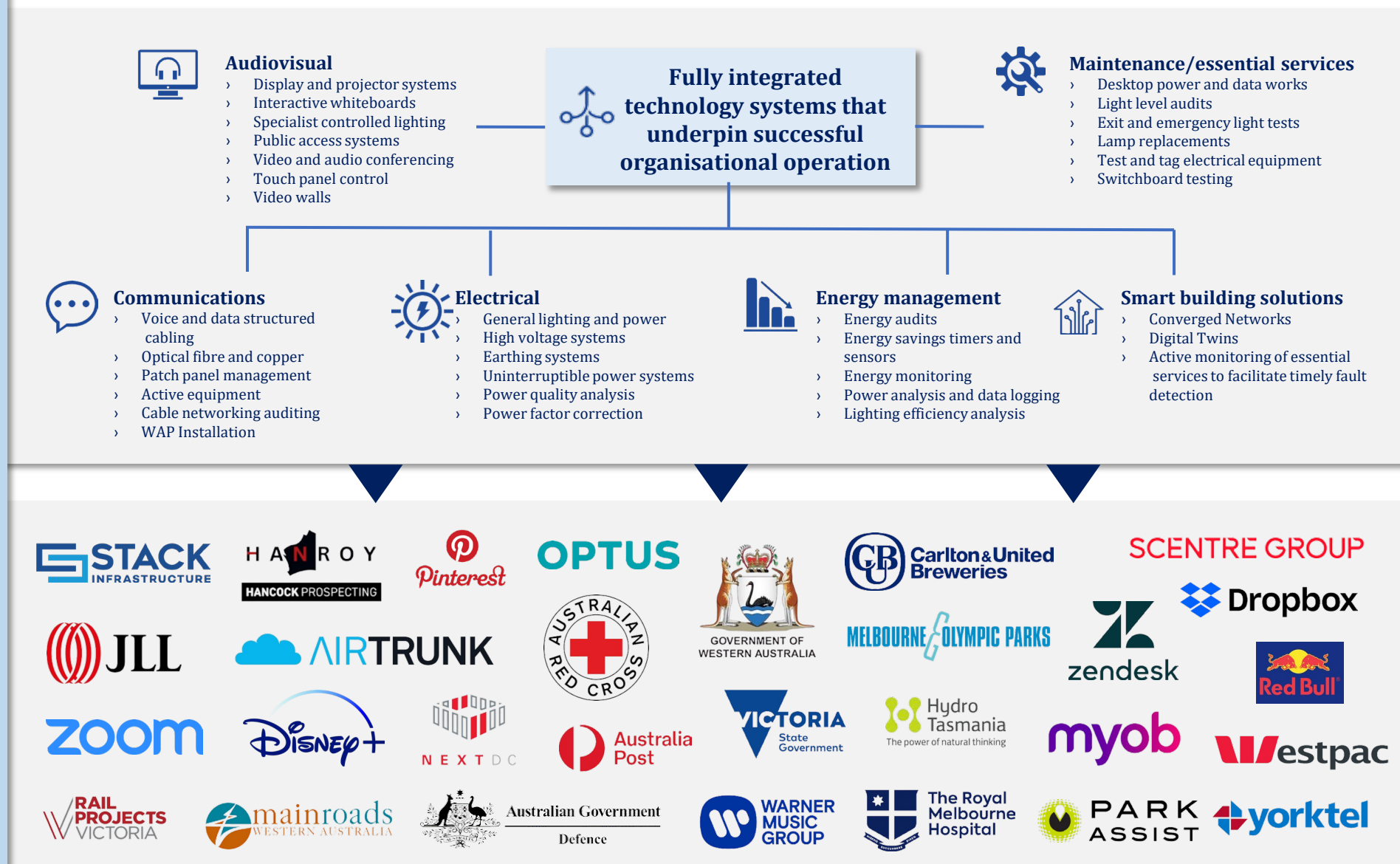
This document may contain forward-looking statements with respect to the financial condition, results of operations, and business strategy of the SKS Technologies Group. These forward-looking statements are based on estimates, projections and assumptions made by the SKS Technologies Group about circumstances and events that have not yet taken place. Although SKS Technologies believes the forward-looking statements to be reasonable, they are not certain. Forward-looking statements involve known and unknown risks, uncertainties and other factors that are in some cases beyond SKS Technologies' control, and which may cause actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements (and from past results). SKS Technologies makes no representation or warranty as to the accuracy of any forward-looking statements in this document and undue reliance should not be placed upon such statements.

The forward-looking statements in this document speak only as of the date of this document. SKS Technologies does not intend to update the forward-looking statements in this document in the future.

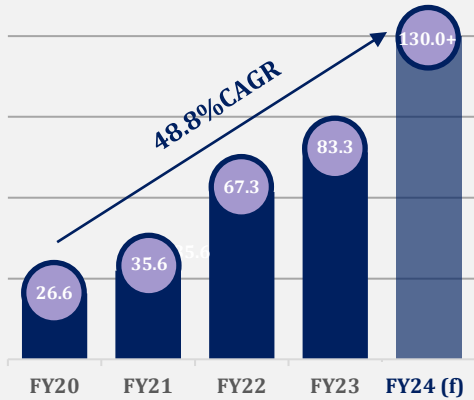


› Systems and services are delivered to customers across the entire economy, including in the areas of:

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



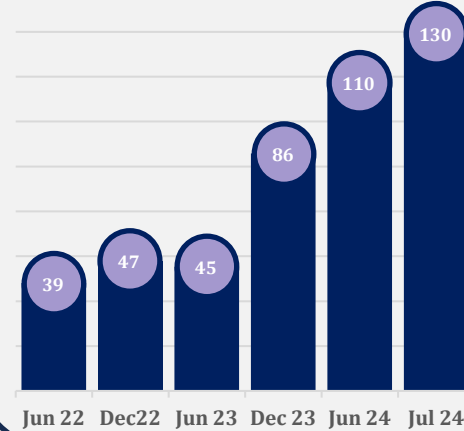
Sales Revenue (\$M)



November 2023

\$30+ million contract win for new data centre works

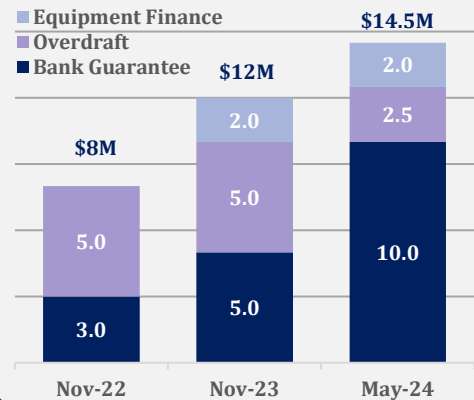
Total Work on Hand (\$M)



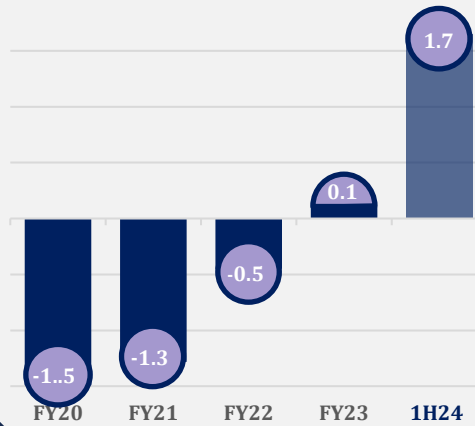
May 2024

\$13.5+ million early works contract win for new data centre

CBA Bank Debt (\$M)



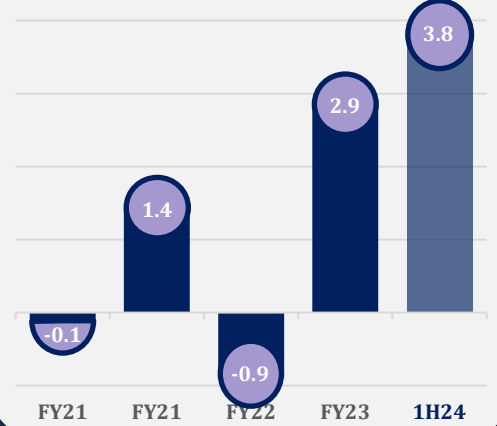
Working Capital (\$M)



May 2024

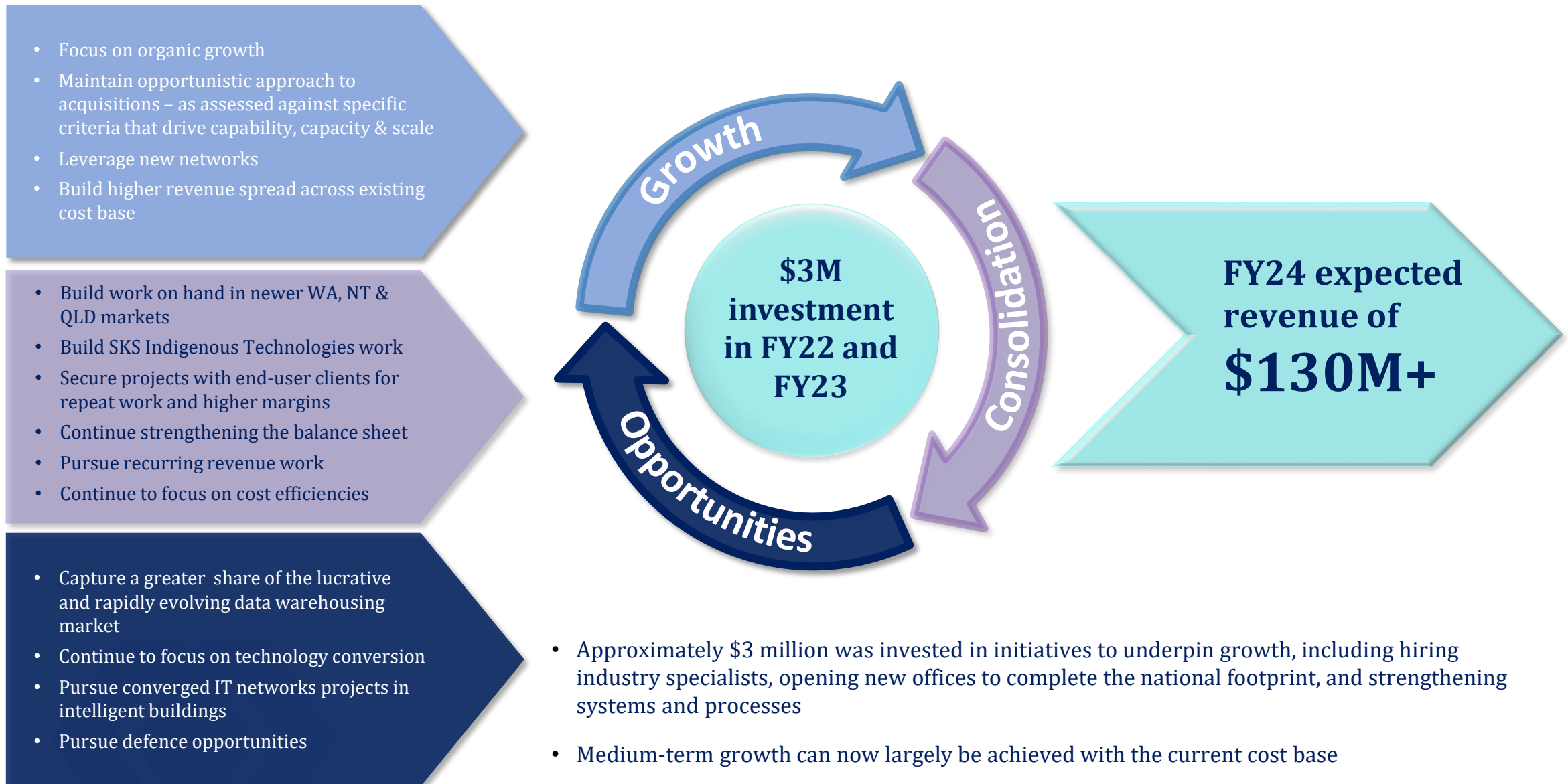
\$11 million of defence contracts secured

Cash Flows from Ops (\$M)



The shift to a cleaner earnings profile

A\$000s		1H24	1H23
Revenue & other income	Sales	53,659.8	43,834.3
	Other income	25.9	592.5
	Total Revenue & other income	53,685.7	44,426.8
Expenses	Raw materials, consumables & logistics	(29,711.1)	(26,040.6)
	Employee benefits	(19,117.8)	(15,564.1)
	Occupancy	(66.9)	(74.8)
	Administration	(1,797.1)	(1,212.2)
	Depreciation & amortisation	(862.1)	(657.6)
	Finance charges	(309.1)	(471.3)
	Total expenses	(51,864.1)	(44,020.6)
Profit/(loss) before tax		1,821.6	406.2
Profit/(loss) before tax (% to sales)		3.4%	0.9%
(Tax)/tax benefit		-	
Profit/(loss) after tax		1,821.6	406.2
Profit/(loss) from discontinued operations		-	
Profit/(loss) for year		1,821.6	406.2



➤ An Australian Defence Force strategic review has resulted in increased spending on a range of priorities, including upgrades to base facilities across Australia

➤ Australia's increased spending aligns with the heightened focus on defence in other major jurisdictions, such as the USA, the UK and France and is not expected to diminish

➤ Australia is an attractive location for international data centre investment due to:

- stable political and regulatory environment with emphasis on data privacy and security
- level of technological advancement
- scope and investment in renewable energy sources

Budget commitment on northern bases alone, with further upgrades planned for bases around the nation

\$3.8B

Australian Army	Royal Australian Air Force	Royal Australian Navy	Australian Defence Force*
45 Bases	20 Bases	8 Bases	12 Bases

* Joint bases

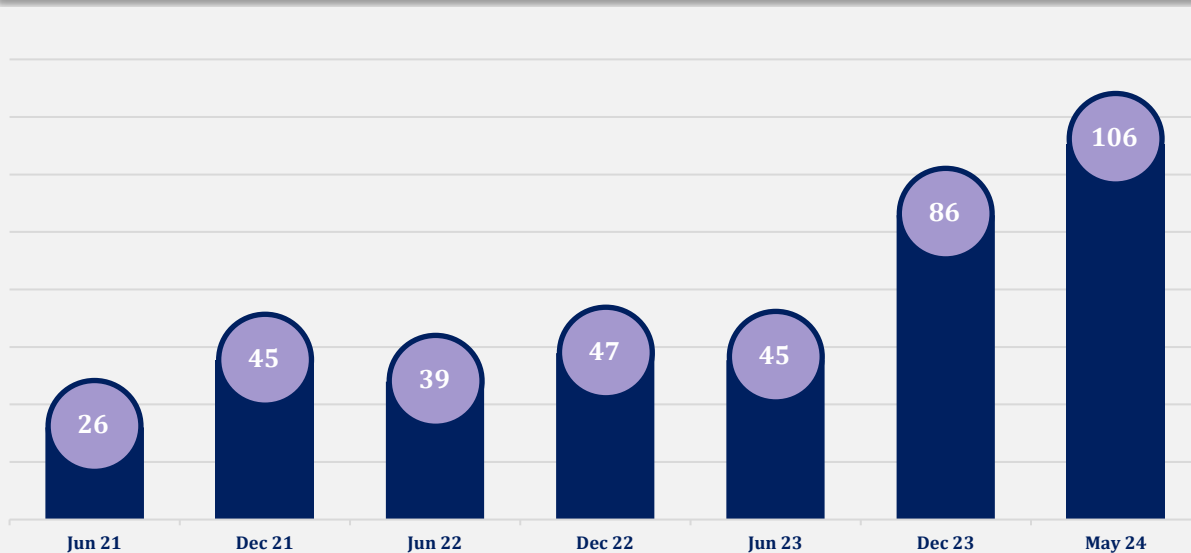
After \$18 billion of data centre investment announcements in 2023, the development pipeline exceeds

2.8GW

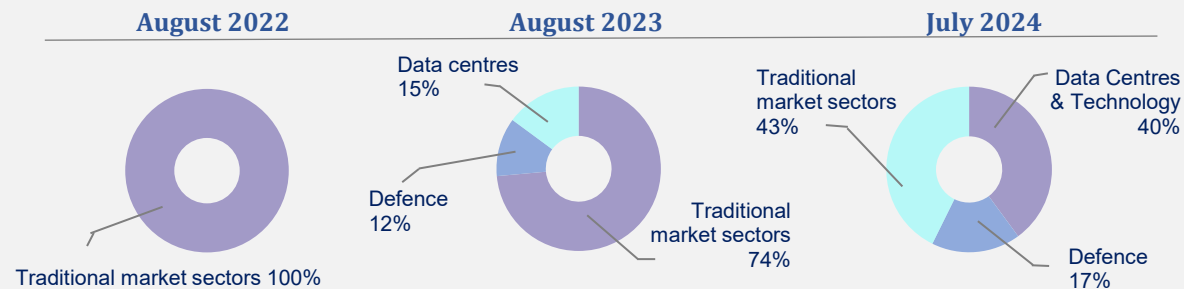
Australian data centre market is forecast to reach USD 9.6 billion of infrastructure investment by 2027:

- | | | | |
|---|--|---|--|
| • due to conducive business environment | • with Microsoft and Google establishing strong a presence | • assisted by strong government support for the development of the data centre market | • currently ~306 data centres in Australia |
|---|--|---|--|

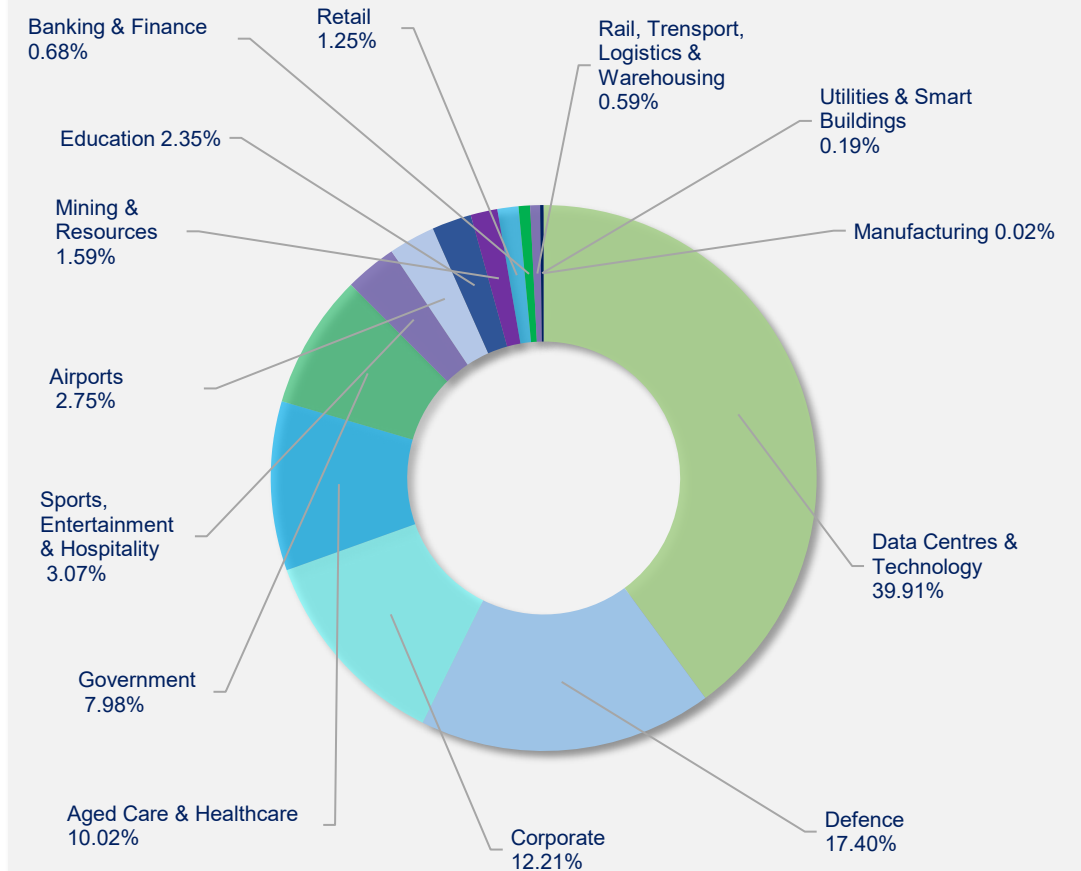
Total work on hand (\$M)



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



Work on hand by sector



- › Pipeline shows no sign of abatement
- › Large amount of work under tender in data centres reflects the opportunity to take advantage of a sector where SKS Technologies has quickly built a reputation for excellence and has few competitors who can execute to the same standard
- › The focus will remain on winning work across the spectrum of market sectors



51% owned by
Indigenous identity,
Chris Johnson



49% owned by SKS
Technologies Group



Achieved the initial target of **5% Indigenous employment** in the business (national target is 5%). Initial 3% target was achieved in the first year of operation. Intention is to continue growing indigenous employment.



Work on Hand sits at **~\$11.5 million**, all of which will be delivered in the next 12 months. Work won is for Government, defence and corporates and spans VIC, SA, NT and WA.



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 nationally, as well as work in the data centre 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 \$382 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 – \$11.5 million of work on hand as at 5 July 2024

Target revenue performance

Based on the continually increasing level of work won and performed in 1H24, including the major data centre contract, as well as the investment in the people, processes and systems to support our growth, the **expected revenue** for FY24 is:

\$130+ million

Appendices

SKS SHARE PRICE *



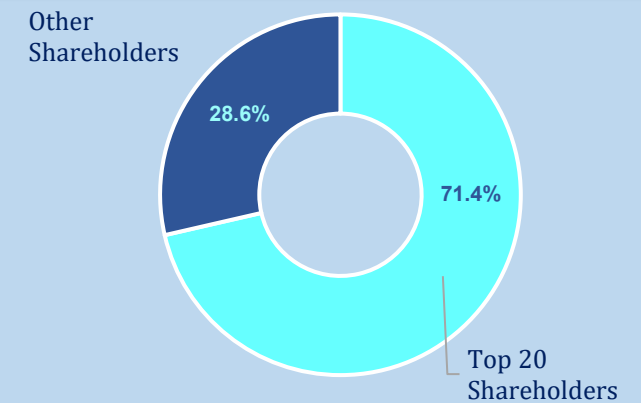
DIRECTORS AND EXECUTIVES

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

MARKET INFORMATION *

Shares on Issue	111,799,355
Options on Issue	0
Market Cap	\$112.91M
52-Wk Range	\$0.135 - \$1.050
AV Volume/Day	116,040

SHARE REGISTER COMPOSITION (27/11/22)



* Information current as at close of business on 5/07/24

Four year historical profit and loss (continuing ops)

A\$000s		1H24	FY23	FY22	FY21	FY20*
Revenue & other income	Sales	53,659.8	83,268.1	67,288.4	35,599.2	26,551.1
	Other income	25.9	902.3	1,838.0	1,469.3	838.7
	Total Revenue & other income	53,685.7	84,179.4	69,126.4	37,068.5	27,389.9
Expenses	Raw materials, consumables & logistics	(29,711.1)	(46,854.4)	(38,174.0)	(22,245.1)	(16,770.6)
	Employee benefits	(19,117.8)	(31,814.5)	(25,669.6)	(11,355.2)	(9,830.8)
	Occupancy	(66.9)	(170.5)	(185.5)	(122.5)	(45.5)
	Administration	(1,797.1)	(2,624.4)	(1,645.4)	(1,350.7)	(1,126.7)
	Depreciation & amortisation	(862.1)	(1,407.4)	(917.6)	(549.2)	(483.7)
	Finance charges	(309.1)	(772.1)	(530.8)	(242.7)	(347.1)
	Total expenses	(51,864.1)	(83,643.3)	(67,122.9)	(35,865.4)	(28,604.5)
Profit/(loss) before tax		1,821.6	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		1,821.6	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		1,821.6	632.1	3,022.6	2,166.5	(4,989.3)

* Wholesale company restructure completed

Four year historical balance sheet (continuing ops)

A\$000s		1H24	FY23	FY22	FY21	FY20*
Current assets	Cash & equivalents	897.7	8.6	39.5	109.2	229.0
	Trade & other receivables	21,814.6	18,080.5	20,173.1	11,477.1	6,235.2
	Inventories	620.2	49.3	102.9	46.5	170.5
	Assets held for sale	-	-	-	-	990.7
	Other current assets	1,195.8	369.2	287.7	123.7	115.1
	Total current assets	24,528.3	18,507.6	20,603.3	11,756.4	7,740.5
Non-current assets	Trade and other receivables	-	-	414.9	-	-
	Plant & equipment	21,180.4	1,826.7	1,746.7	1,381.4	649.8
	Right of use assets	4,971.7	4,872.3	4,216.3	928.6	433.7
	Intangible assets	1,891.8	1,901.0	1,919.4	1,898.1	33.4
	Other non-current assets	0.1	0.1	115.7	140.0	131.7
	Deferred tax asset	1,665.0	1,665.0	1,560.0	540.0	-
	Total non-current assets	10,709.0	10,265.1	9,972.9	4,888.2	1,248.5
Total assets		35,237.3	28,772.7	30,576.2	16,644.6	8,988.9

A\$000s		1H24	FY23	FY22	FY21	FY20*
Current liabilities	Trade & other payables	19,883.2	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	2,148.9	1,642.0	1,350.0	859.0	588.3
	Lease liabilities	847.8	826.0	816.5	448.5	438.8
	Liabilities held for sale	-	-	-	-	51.4
	Total current liabilities	22,879.9	18,403.7	21,051.9	13,039.3	9,231.4
Non-current liabilities	R&D liability payable	-	-	229.0	821.5	1,001.6
	Provisions	103.3	86.8	40.2	24.7	47.7
	Lease Liabilities	5,091.8	4,795.8	4,185.3	939.6	482.5
	Total non-current liabilities	5,195.2	4,882.6	4,454.5	1,785.8	1,531.8
Total liabilities		28,075.0	23,286.3	25,506.4	14,825.1	10,763.3
Net assets / (deficiency)		7,162.3	5,486.4	5,069.8	1,819.5	(1,774.3)
Equity	Contributed equity	22,432.1	22,359.1	22,072.8	22,085.7	20,658.3
	Share option reserve	3.2	2.5	230.9	-	-
	Accumulated losses	(15,174.5)	(16,754.5)	(17,233.9)	(20,266.2)	(22,432.6)
	Equity attributable to group equity holders	7,260.8	5,607.0	5,069.8	1,819.5	(1,774.3)
	Non-controlling interest	(98.5)	(120.6)	-	-	-
	Total equity	7,162.3	5,486.4	5,069.8	1,819.5	(1,774.3)

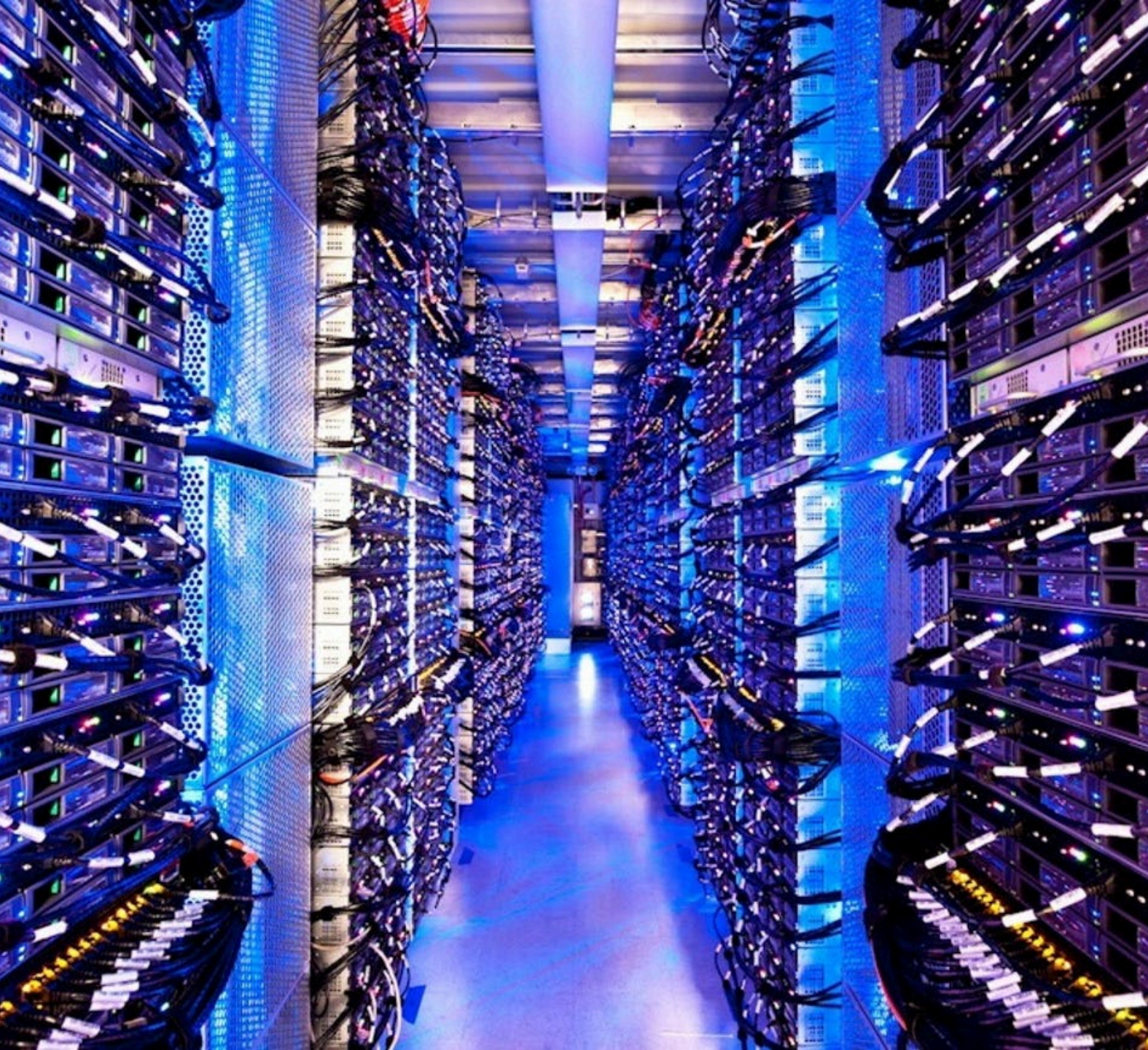
* Wholesale company restructure completed

Four year historical cash flows (continuing ops)

A\$000s		1H24	FY023	FY22	FY21	FY20*
Cash flows from operations	Receipts from customers	59,341.5	94,433.5	64,903.1	34,694.9	44,338.8
	Receipts from government incentives	13.8	759.4	1,717.9	1,528.4	697.6
	Payments to suppliers & employees	(55,230.4)	(91,471.0)	(66,989.7)	(34,540.4)	(44,686.4)
	Interest received	0.3	2.1	0.4	0.7	4.5
	Interest paid (incl lease liab)	(327.4)	(801.5)	(527.4)	(253.5)	(477.5)
	Net cash from (used in) operations	3,797.8	2,922.5	(895.6)	1,430.0	(123.0)
Cash flows from investing	Payment for plant & equipment	(483.2)	(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	(3.0)	(6.9)	(47.4)	(24.8)	-
	(Payments to) / Proceeds from bank guarantees	17.2	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	(469.0)	(356.5)	(784.9)	759.6	2,124.1

A\$000s		1H24	FY23	FY22	FY21	FY20*
Cash flows from financing	(Payments to) / proceeds from issue of options/shares	(1.0)	(1.4)	(12.9)	(8.9)	500.3
	Payment to buy back shares	-	-	-	(13.1)	-
	Payment of lease liabilities	(458.0)	(870.1)	(552.1)	(425.6)	(500.9)
	Net (repayment of)/ proceeds from borrowings	(1,761.3)	(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	(219.5)	(273.5)	-	-	-
	Net cash used in financing activities	(2,439.7)	(2,596.9)	1,610.8	(2,309.5)	(2,452.0)
	Net increase/(decrease) in cash	889.1	(31.0)	(69.7)	(119.8)	(450.9)
	Cash & equivalents at start of year	8.6	39.5	109.2	229.0	679.9
	Cash & equivalents at end of year	897.7	8.6	39.5	109.2	229.0

* Wholesale company restructure completed



Investor Inquiries:

Matthew Jinks, CEO

Gary Beaton, CFO

(03) 9289 5000

Enquiries@sks.com.au