

# FY24 Results Presentation

20 August 2024

'Leading  
provider of  
innovative  
technologies,  
products and  
solutions'

ASX: SKS

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# Bespoke integrated systems/services for any market

Offices/sites in all mainland states and territories

## Audiovisual



- › Display and projector systems
- › Interactive whiteboards
- › Video walls
- › Specialist controlled lighting
- › Public access systems
- › Video and audio conferencing
- › Touch panel control

## Communications



- › Voice and data structured cabling
- › Optical fibre and copper
- › Patch panel management
- › Active equipment
- › Cable networking auditing
- › WAP Installation

## Electrical



- › General lighting and power
- › High voltage systems
- › Earthing systems
- › Uninterruptible power systems
- › Power quality analysis
- › Power factor correction

## Energy management



- › Energy audits
- › Energy savings timers and sensors
- › Energy monitoring
- › Power analysis and data logging
- › Lighting efficiency analysis

## Smart buildings



- › Converged Networks
- › Digital Twins
- › Active monitoring of essential services to facilitate timely fault detection

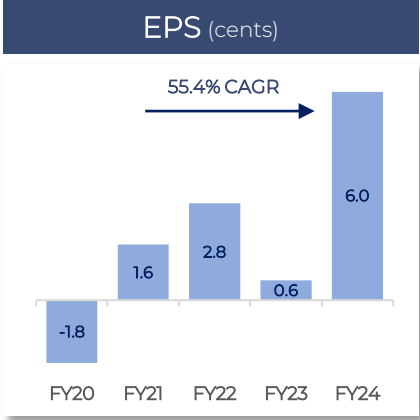
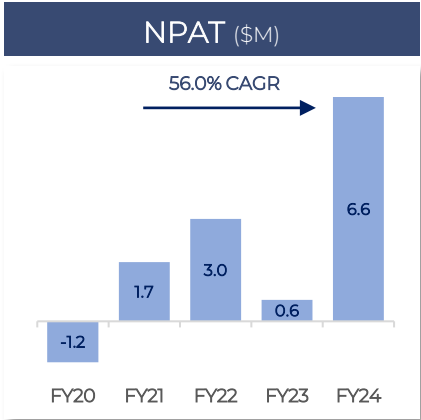
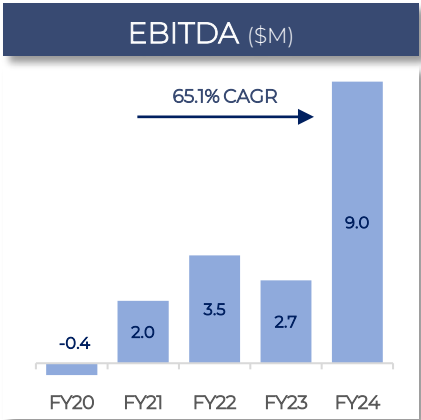
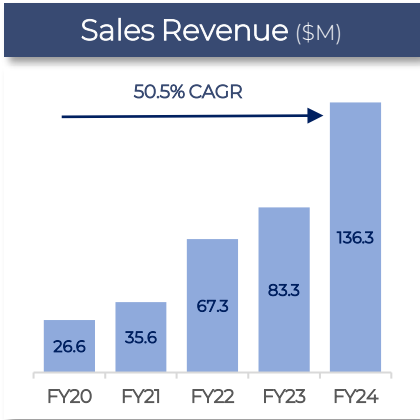
## Maintenance



- › Desktop power and data works
- › Light level audits
- › Exit and emergency light test
- › Lamp replacements
- › Test and tag electrical equipment
- › Switchboard testing

Healthcare & aged care		 The Royal Melbourne Hospital	 AUSTRALIAN RED CROSS	 Western Health	 Lifestyle COMMUNITIES DOWNSIZE TO A BIGGER LIFE				
Mining & resources		 HARRO Y HANCOCK PROSPECTING		NEW HOPE GROUP					
Banking & finance		 Commonwealth Bank	 nab	 Westpac	 myob	 QBE			
Corporate		 OPTUS	 Australia Post	MinterEllison.					
Manufacturing		 Carlton & United Breweries	 Red Bull	 TOYOTA	 Coogee				
Data centres & technology		 AIRTRUNK	 STACK INFRASTRUCTURE	 PARK ASSIST	 zoom	 NEXT DC	 zendesk	 amazon	 Microsoft
Utilities & smart buildings		 JLL	 ventia	 WATER CORPORATION					
Retail		 SCENTRE GROUP	 WARNER MUSIC GROUP	 Alibaba.com	 coles				
Sports, entertainment & hospitality		 Disney+	 MELBOURNE OLYMPIC PARKS	 AFL	 TRIPLE 105.1	 WESTIN HOTELS & RESORTS			
Airports		 MELBOURNE AIRPORT	 Adelaide Airport						
Government		 GOVERNMENT OF WESTERN AUSTRALIA	 mainroads WESTERN AUSTRALIA	 VICTORIA State Government	 Hydro Tasmania The power of natural thinking	 FAIR WORK COMMISSION			
Education		 LCI Education	 SCOTCH COLLEGE PERTH WESTERN AUSTRALIA	 THE UNIVERSITY OF NOTRE DAME AUSTRALIA	 Flinders University				
Defence		 Australian Government Defence							
Rail, transport, logistics & warehousing		 RAIL PROJECTS VICTORIA					 DEMATIC		 SKS

# FY24 highlights show quantum growth

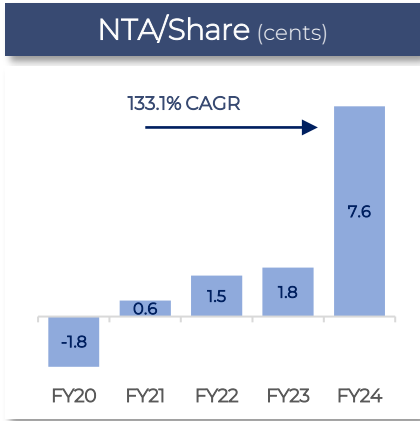
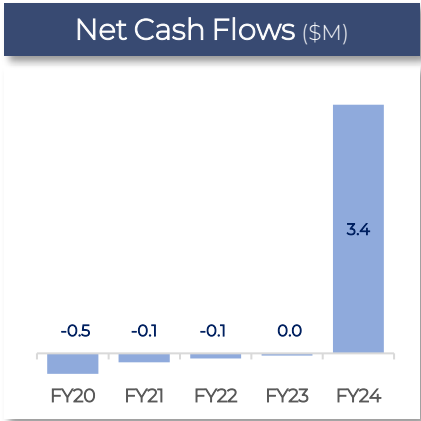


**Safety**

**0 LTIs**

for 375,000 hours worked in 6 months (CY24)

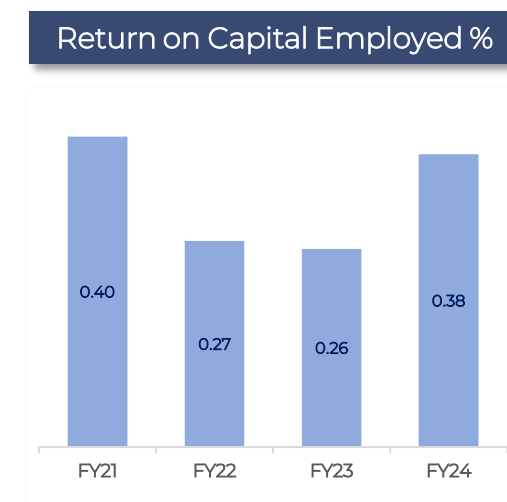
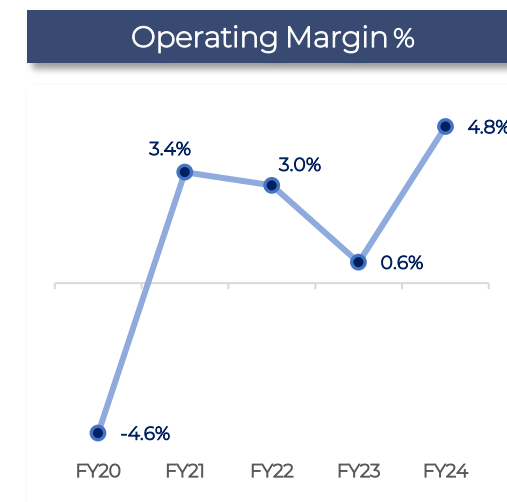
- Major contract wins**
- Nov 23 – \$30M+ data centre contract
  - May 24 - \$11M of defence contracts
  - Jul 24 - \$90M data centre contract



# FY24 earnings profile

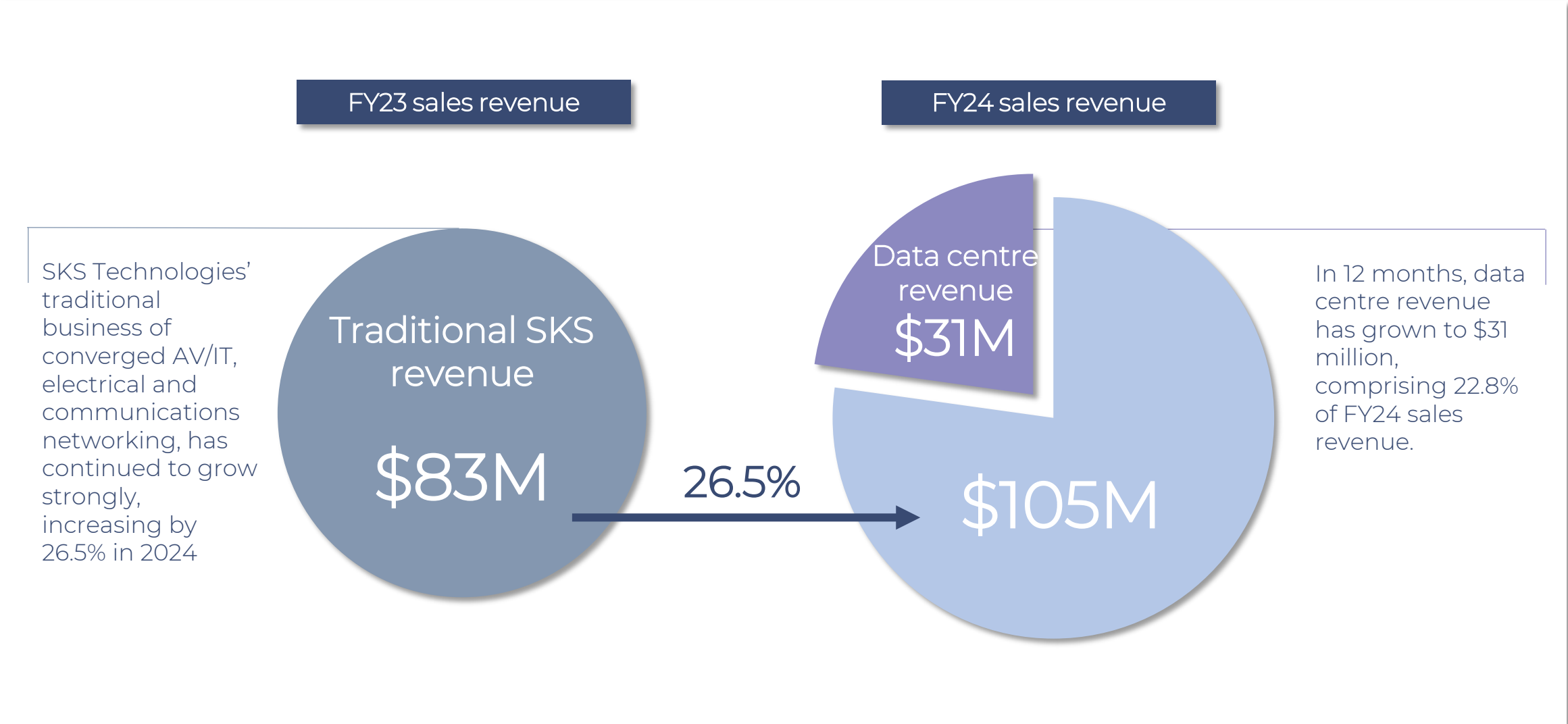
A\$000s		FY24	FY23
Revenue & other income	Sales	136,309.2	83,268.1
	Other income	208.4	902.3
	<b>Total Revenue &amp; other income</b>	<b>136,517.6</b>	<b>84,170.4</b>
Expenses	Raw materials, consumables & logistics	(72,345.0)	(46,854.4)
	Employee benefits	(51,260.5)	(31,814.5)
	Occupancy	(135.9)	(170.5)
	Administration	(3,763.3)	(2,624.4)
	Depreciation & amortisation	(1,925.7)	(1,407.4)
	Finance charges	(588.3)	(722.1)
	<b>Total expenses</b>	<b>(130,018.8)</b>	<b>(83,643.3)</b>
Profit/(loss) before tax		6,498.8	527.1
Profit/(loss) before tax (% to sales)		4.77%	0.63%
(Tax)/tax benefit		125.8	105.0
Profit/(loss) after tax		6,624.6	632.1
Profit/(loss) from discontinued operations		-	-
Profit/(loss) for year		6,624.6	632.1

- **Revenue** driven by momentum in winning work and executing projects across all regions and sectors
- **Fixed cost** base able to support in excess of \$200 million in revenue
- **Employee costs** increased to support higher work levels with employee numbers increasing from 305 FTEs in June 23 to 622 FTEs in June 24
- **Operating margin** approaching 5% due to the scale benefits, which is the targeted, sustainable margin level for the business
- **Return on capital employed** has increased despite a substantial increase in assets which reflects the higher levels of operational activity and ensuing earnings

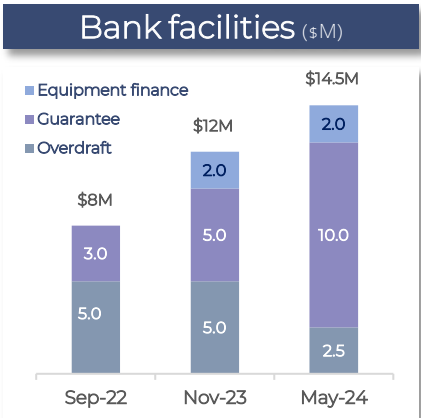
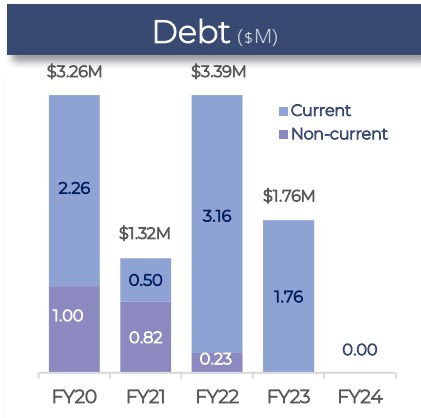
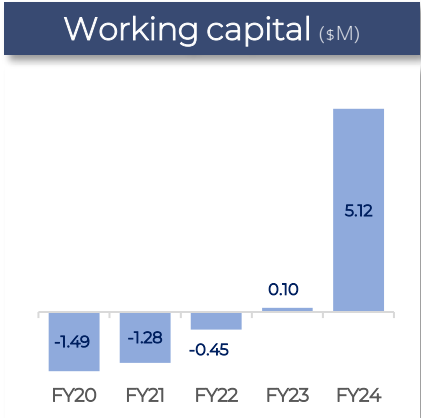
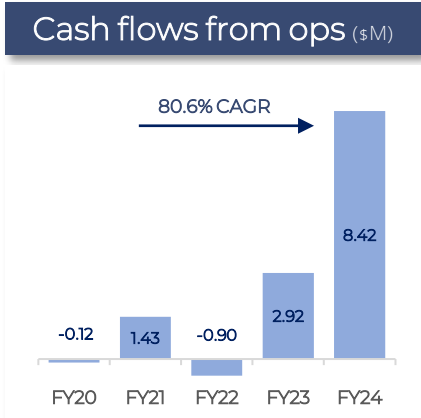




# Diversity & growth in traditional revenue base



# FY24 cash & debt analysis



- **Operating cash flows** have increased by 188% on the previous corresponding period with sustainable growth due to a higher revenue base
- **Working capital** has continually improved and this strengthened financial position has led to the business becoming a bankable proposition with new CBA financing facilities of \$8M approved in September 2022. Since then, the bank guarantee facility has increased from \$3 million to \$5 million and then to \$10 million in less than two years to support the rapidly growing levels of work on hand
- **Debt levels** have fallen with no long-term debt, with only short-term, working capital funding as required by daily operations

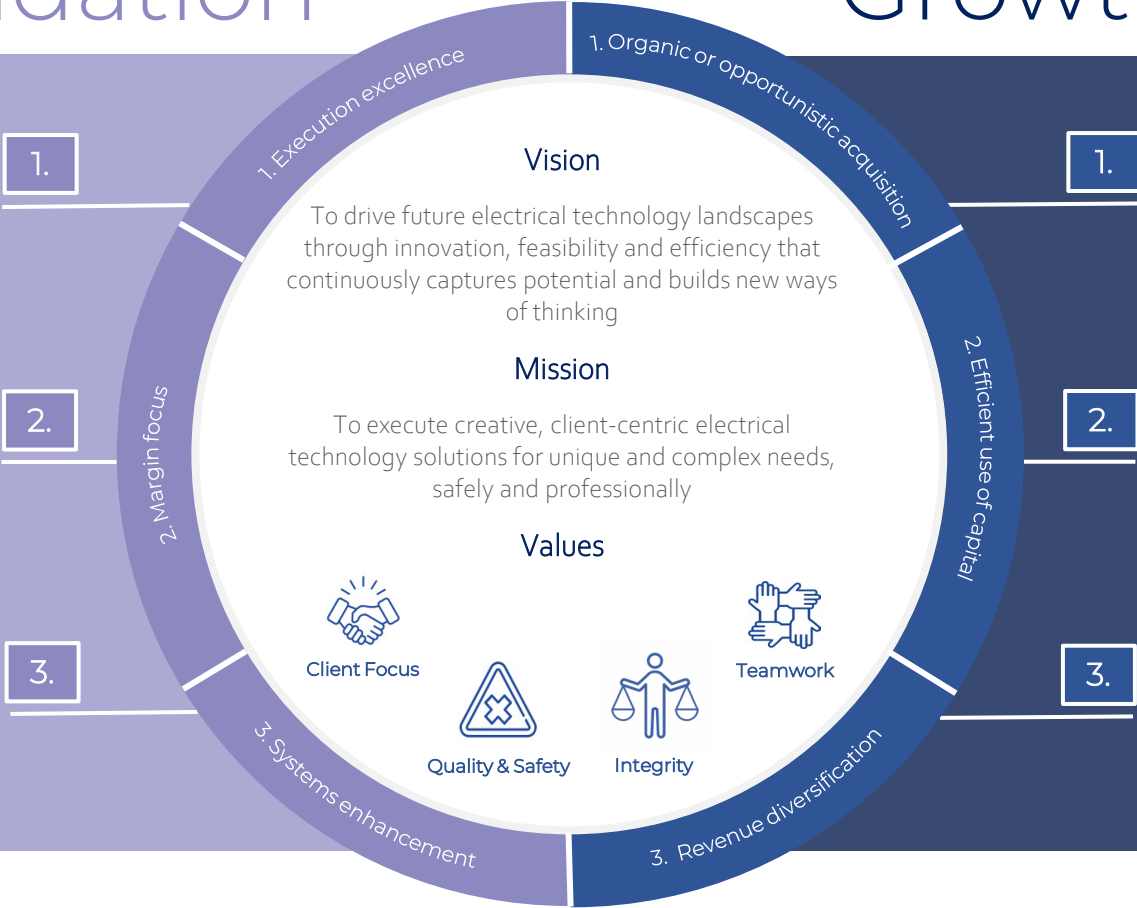
# Dual strategic focus

The priority is to embed an increasingly sophisticated operating base to support continuing rapid levels of planned organic growth.

## Consolidation

## Growth

- Focus on recruiting the right people
  - Providing training programs for employees that foster attitudinal excellence
  - Seek feedback from customers during and upon completion of projects
- 
- Ensure margins are maintained despite continuing rapid increase in market share
  - Manage cost base to support growing operating platform
- 
- Invest in IT systems to support growth
  - Build the operating framework to sustain a higher level of operating activity
  - Continue to enhance the SKS Technologies safety culture

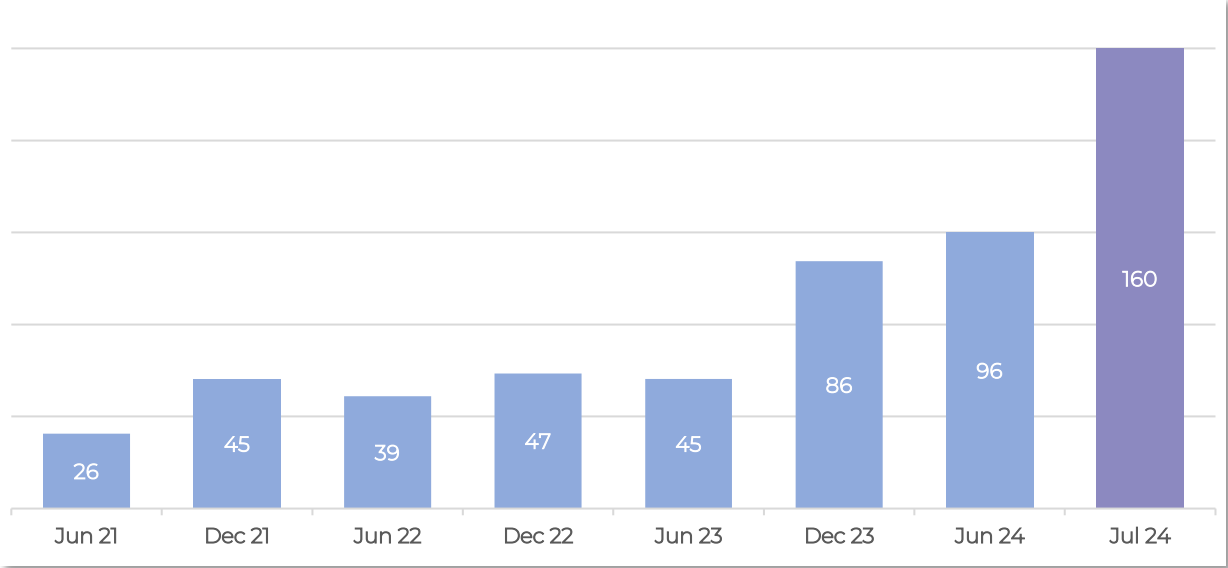


- Pursue core growth organically
  - Assess opportunistic acquisitions for fit
  - Anticipate market demand and direction
- 
- Rigorous analysis of investment options
  - Constant eye on future capital needs
- 
- Build state-based customer accounts into national accounts
  - Focus on growth across all market sectors

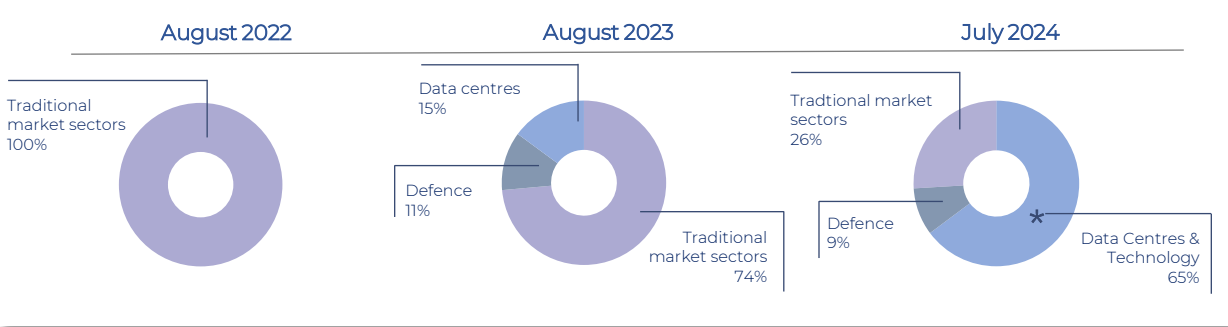


# Strategy evident in work on hand profile

Total work on hand (\$M)

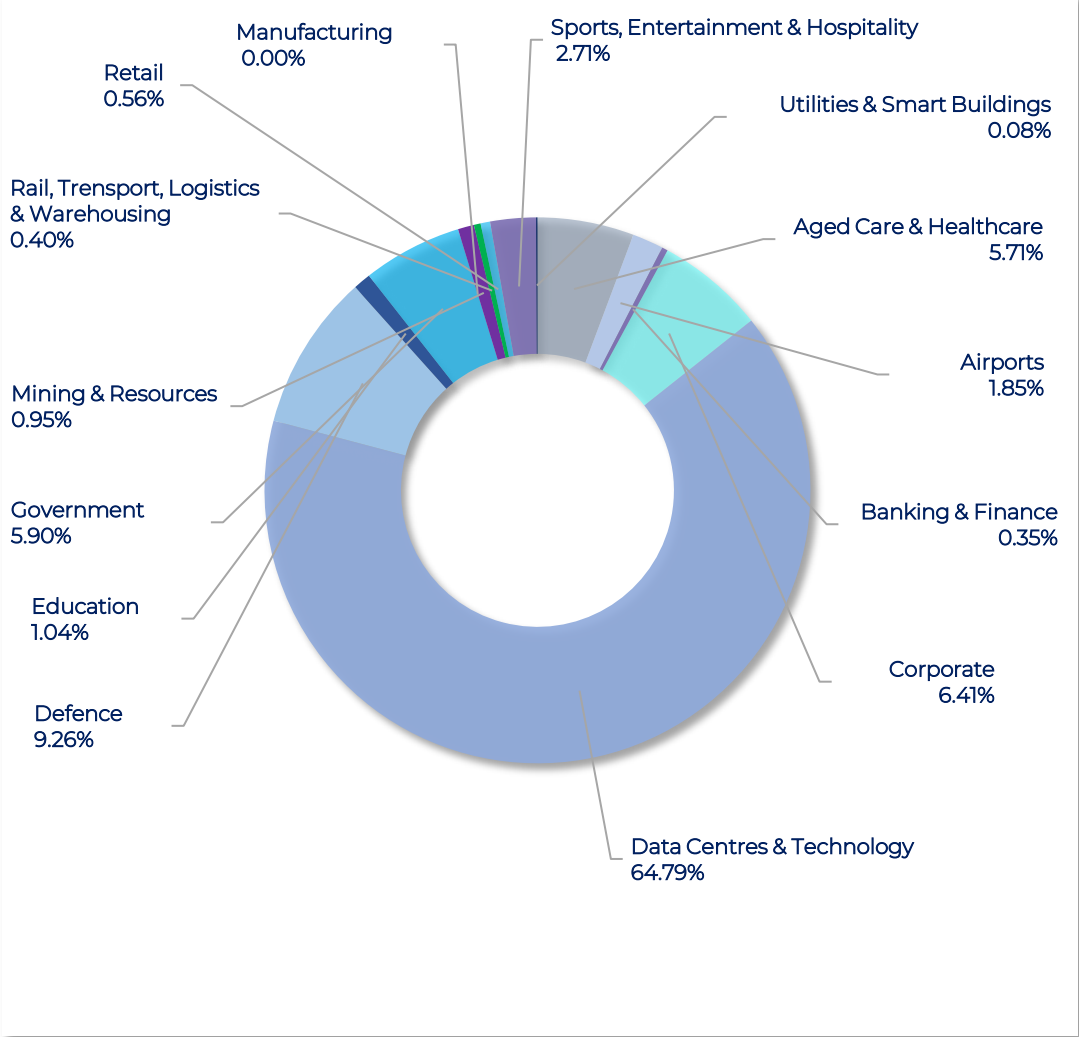


Increase in work on hand in targeted market sectors (%)



\* Skewed by the \$90M contract announced in July 2024

Work on hand by sector



# Valuable target markets – defence & data centres

› 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 other bases

**\$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

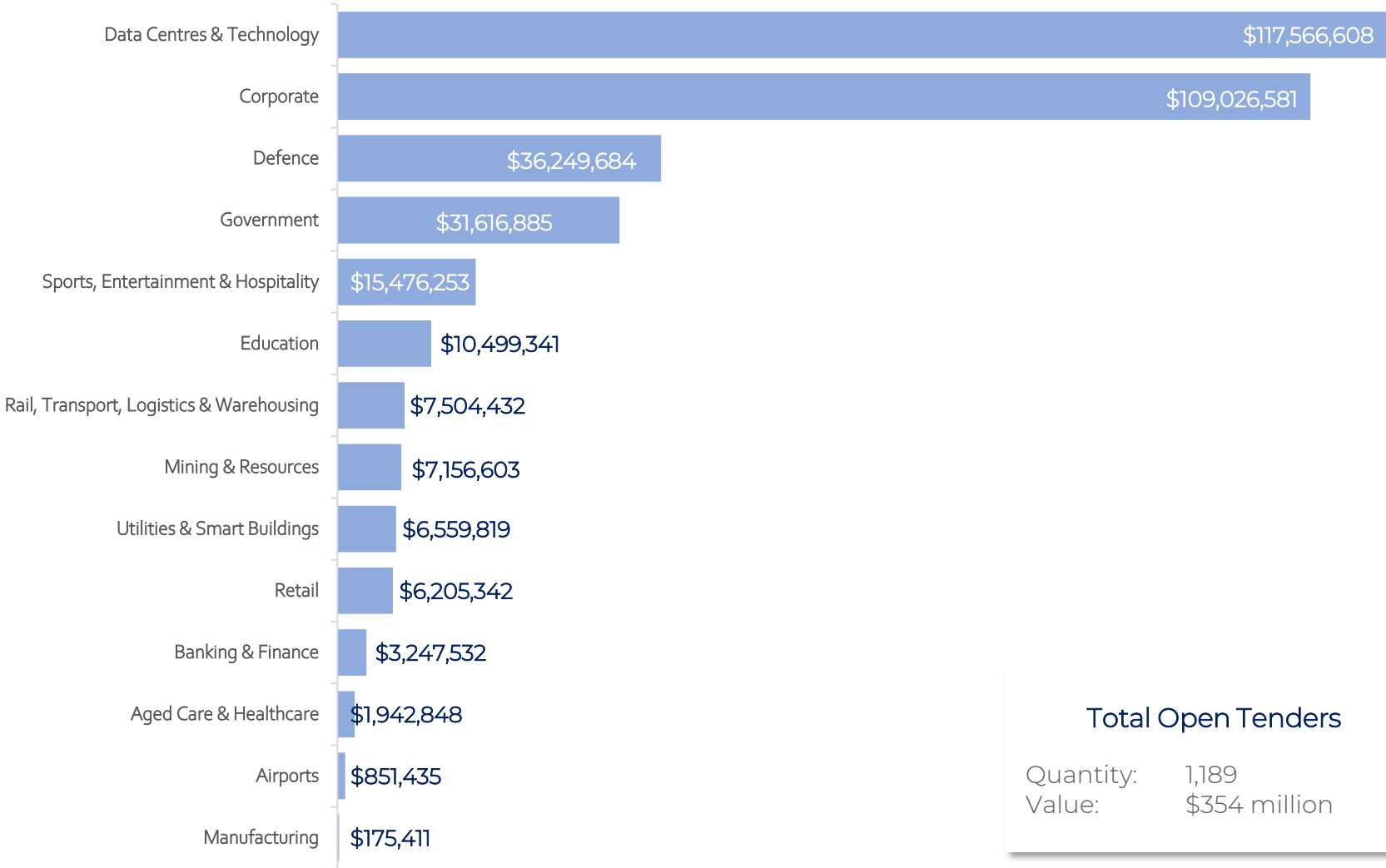
**2.8GW**

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 a strong presence | • assisted by strong government support for development of the market | • currently ~306 data centres in Australia |
|---|--|---|--|

# Unabating pipeline of opportunities

- Continuing strong momentum in pipeline
- Demand in the data centre market is large and growing, as anticipated. Having won several very large contracts recently, SKS Technologies is capitalising on its reputation of innovation and excellence, being in the enviable position of early mover with few competitors who can execute to the same standard
- The focus remains on winning work across all market sectors



# SKS Indigenous Technologies – FY24 highlights

51% owned by  
Indigenous identity,  
Chris Johnson



49% owned by SKS  
Technologies Group

\$1.5M

Spent on Indigenous employment

to support our aim to provide economic independence for Indigenous households through employment and career advancement opportunities. Equates to 3% of employment costs in the business

4%

Indigenous employment

The business achieved its targeted 3% in the first year of operation. The Indigenous employment level at SKS Indigenous Technologies is assisted by the networks of its MD, Chris Johnson, which has had great success in building a skilled workforce of Indigenous employees

\$11.5M

Work on hand

all of which will be delivered in the next 12 months. Work won is for government organisations, the defence force and corporate entities, spanning Victoria, South Australia, the Northern Territory and Western Australia

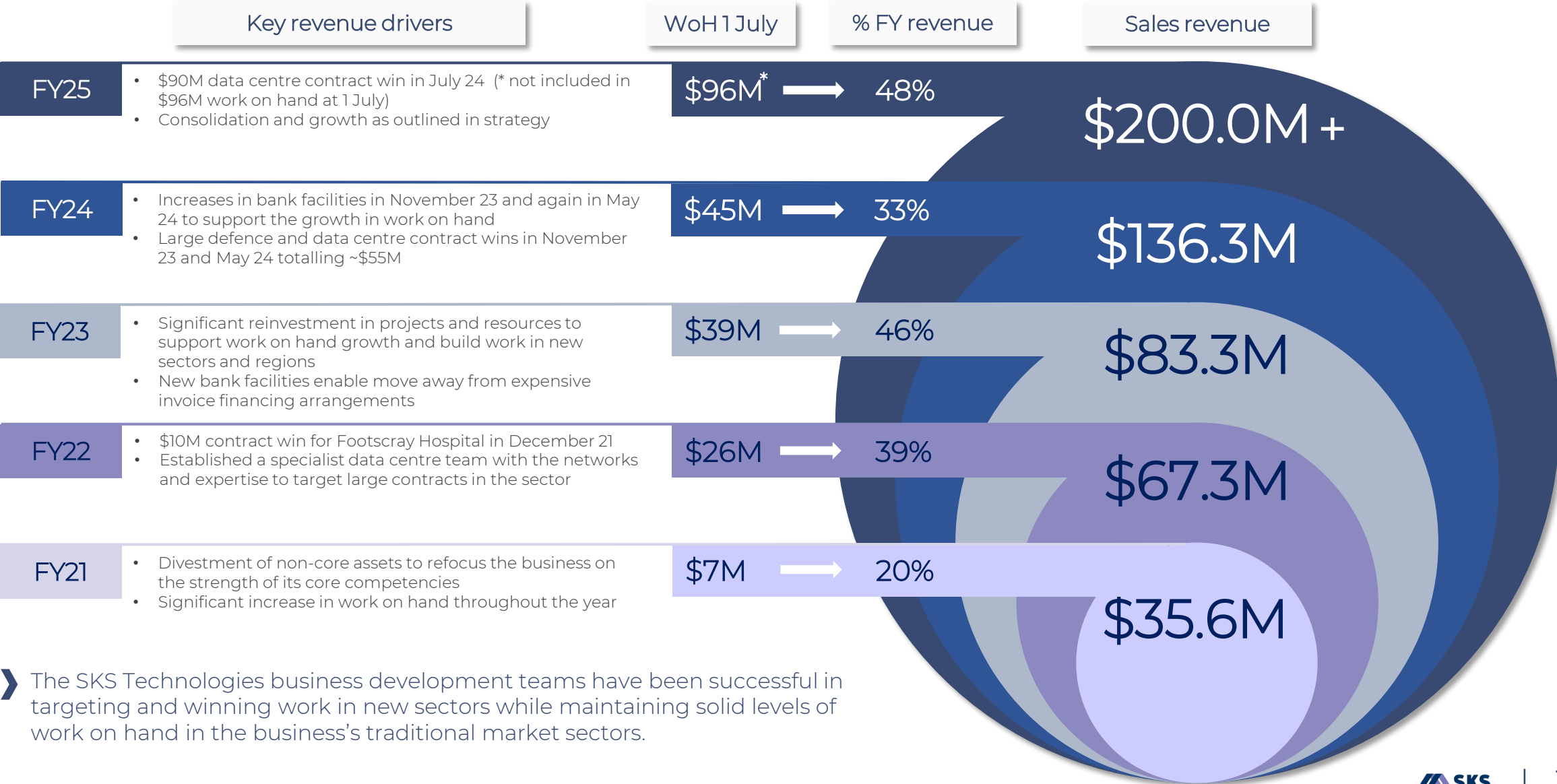
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Indigenous apprentices

1

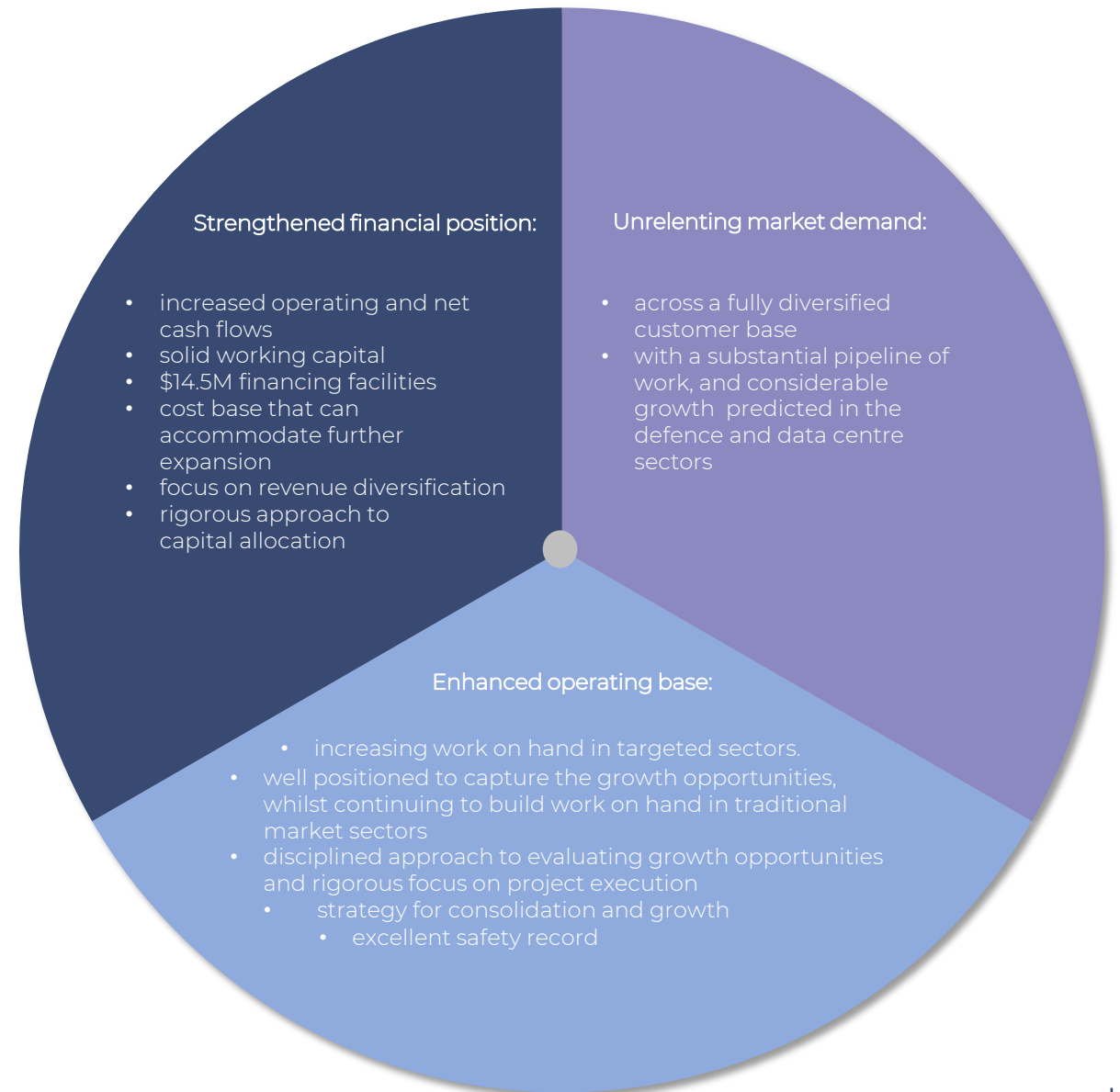
Female Indigenous apprentice

# Pathway to \$200 million revenue



# Outlook & investment proposition

SKS Technologies  
positioned for  
further organic  
growth in an  
attractive market  
environment



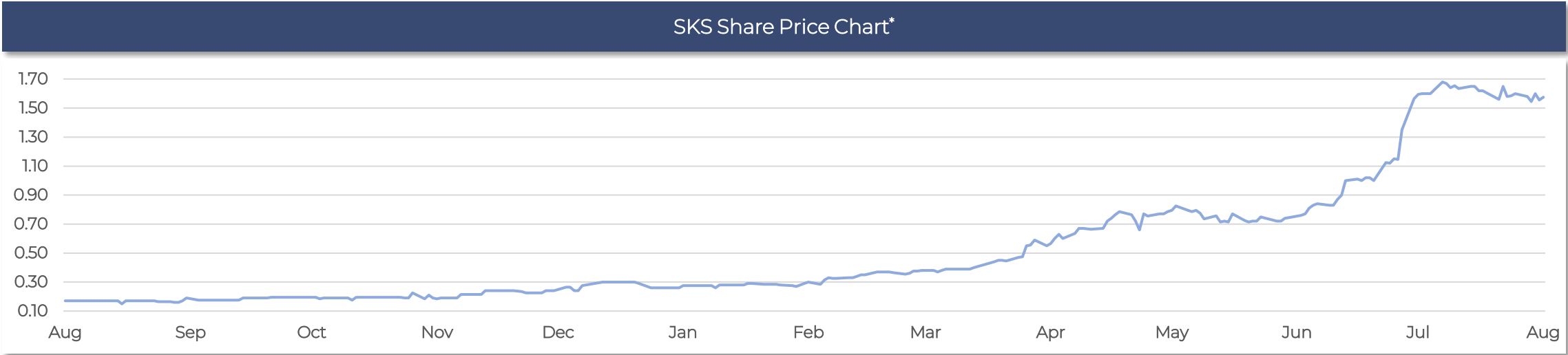




# Appendices

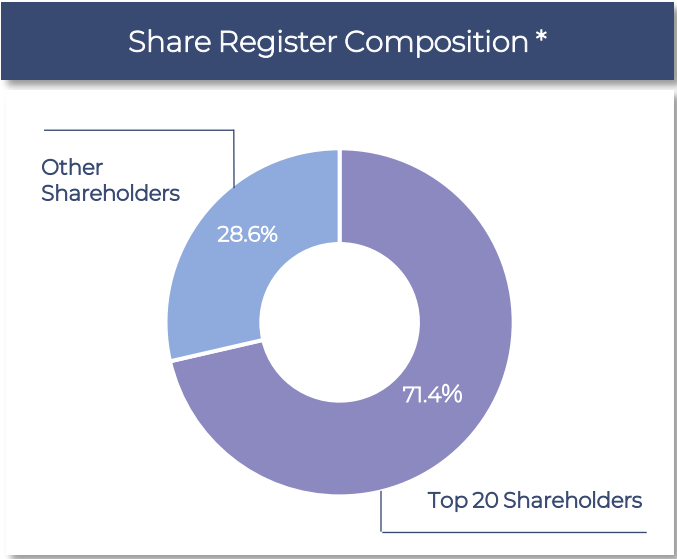
1. Company snapshot
2. Historical profit & loss
3. Historical balance sheet
4. Historical cash flows

# Company snapshot



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	\$173.84M
52-Wk Range	\$0.150 - \$1.72
AV Volume/Day	176,365



\* Information current as at closing on 16/08/24



# Historical profit & loss (continuing operations)

A\$000s		FY24	FY23	FY22	FY21	FY20*
Revenue & other income	Sales	136,309.2	83,268.1	67,288.4	35,599.2	26,551.1
	Other income	208.4	902.3	1,838.0	1,469.3	838.7
	<b>Total Revenue &amp; other income</b>	<b>136,517.6</b>	<b>84,179.4</b>	<b>69,126.4</b>	<b>37,068.5</b>	<b>27,389.9</b>
Expenses	Raw materials, consumables & logistics	(72,345.0)	(46,854.4)	(38,174.0)	(22,245.1)	(16,770.6)
	Employee benefits	(51,260.5)	(31,814.5)	(25,669.6)	(11,355.2)	(9,830.8)
	Occupancy	(135.9)	(170.5)	(185.5)	(122.5)	(45.5)
	Administration	(3,763.3)	(2,624.4)	(1,645.4)	(1,350.7)	(1,126.7)
	Depreciation & amortisation	(1,925.7)	(1,407.4)	(917.6)	(549.2)	(483.7)
	Finance charges	(588.3)	(772.1)	(530.8)	(242.7)	(347.1)
	<b>Total expenses</b>	<b>(130,018.8)</b>	<b>(83,643.3)</b>	<b>(67,122.9)</b>	<b>(35,865.4)</b>	<b>(28,604.5)</b>
Profit/(loss) before tax		6,498.8)	527.1	2,003.5	1,203.2	(1,214.6)
	(Tax)/tax benefit	125.8	105.0	1,020.0	540.0	-
Profit/(loss) after tax		<b>6,624.6</b>	<b>632.1</b>	<b>3,023.5</b>	<b>1,743.2</b>	<b>(1,214.6)</b>
	Profit/(loss) from discontinued operations	-	-	(0.9)	423.3	(3,774.7)
Profit/(loss) for year		6,624.6	632.1	3,022.6	2,166.5	(4,989.3)
Profit attributable to members after minority interest		6,559.7	752.8	-	-	-

\* Wholesale company restructure completed

# Historical balance sheet (continuing operations)

A\$000s		FY24	FY23	FY22	FY21	FY20*
<b>Current assets</b>	Cash & equivalents	3,366.7	8.6	39.5	109.2	229.0
	Trade & other receivables	42,308.0	18,080.5	20,173.1	11,477.1	6,235.2
	Inventories	142.1	49.3	102.9	46.5	170.5
	Assets held for sale	-	-	-	-	990.7
	Other current assets	302.5	369.2	287.7	123.7	115.1
	<b>Total current assets</b>	<b>46,119.3</b>	<b>18,507.6</b>	<b>20,603.3</b>	<b>11,756.4</b>	<b>7,740.5</b>
<b>Non-current assets</b>	Trade and other receivables	-	-	414.9	-	-
	Plant & equipment	4,028.1	1,826.7	1,746.7	1,381.4	649.8
	Right of use assets	5,916.3	4,872.3	4,216.3	928.6	433.7
	Intangible assets	1,883.7	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	1,797.3	1,665.0	1,560.0	540.0	-
	<b>Total non--current assets</b>	<b>13,625.5</b>	<b>10,265.1</b>	<b>9,972.9</b>	<b>4,888.2</b>	<b>1,248.5</b>
<b>Total assets</b>		<b>59,744.7</b>	<b>28,772.7</b>	<b>30,576.2</b>	<b>16,644.6</b>	<b>8,988.9</b>

A\$000s		FY24	FY23	FY22	FY21	FY20*
<b>Current liabilities</b>	Trade & other payables	36,838.7	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	3,115.3	1,642.0	1,350.0	859.0	588.3
	Lease liabilities	1,039.3	826.0	816.5	448.5	438.8
	Liabilities held for sale	-	-	-	-	51.4
	Income tax payable	6.5	-	-	-	-
	<b>Total current liabilities</b>	<b>40,999.9</b>	<b>18,403.7</b>	<b>21,051.9</b>	<b>13,039.3</b>	<b>9,231.4</b>
<b>Non-current liabilities</b>	R&D liability payable	-	-	229.0	821.5	1,001.6
	Provisions	43.8	86.8	40.2	24.7	47.7
	Lease Liabilities	6,555.4	4,795.8	4,185.3	939.6	482.5
	<b>Total non-current liabilities</b>	<b>6,599.2</b>	<b>4,882.6</b>	<b>4,454.5</b>	<b>1,785.8</b>	<b>1,531.8</b>
<b>Total liabilities</b>		<b>47,599.1</b>	<b>23,286.3</b>	<b>25,506.4</b>	<b>14,825.1</b>	<b>10,763.3</b>
<b>Net assets / (deficiency)</b>		<b>12,145.6</b>	<b>5,486.4</b>	<b>5,069.8</b>	<b>1,819.5</b>	<b>(1,774.3)</b>
<b>Equity</b>	Contributed equity	22,615.7	22,359.1	22,072.8	22,085.7	20,658.3
	Share option reserve	-	2.5	230.9	-	-
	Accumulated losses	(10,414.3)	(16,754.5)	(17,233.9)	(20,266.2)	(22,432.6)
	Equity attributable to group equity holders	12,201.3	5,607.0	5,069.8	1,819.5	(1,774.3)
	Non-controlling interest	(55.7)	(120.6)	-	-	-
	<b>Total equity</b>	<b>12,145.6</b>	<b>5,486.4</b>	<b>5,069.8</b>	<b>1,819.5</b>	<b>(1,774.3)</b>

\* Wholesale company restructure completed

# Historical cash flows (continuing operations)

A\$000s		FY24	FY023	FY22	FY21	FY20*
<b>Cash flows from operations</b>	Receipts from customers	132,856.5	94,433.5	64,903.1	34,694.9	44,338.8
	Receipts from government incentives	41.1	759.4	1,717.9	1,528.4	697.6
	Payments to suppliers & employees	(123,888.8)	(91,471.0)	(66,989.7)	(34,540.4)	(44,686.4)
	Interest received	16.7	2.1	0.4	0.7	4.5
	Interest paid (incl lease liab)	(606.4)	(801.5)	(527.4)	(253.5)	(477.5)
	<b>Net cash from (used in) operations</b>	<b>8,419.1</b>	<b>2,922.5</b>	<b>(895.6)</b>	<b>1,430.0</b>	<b>(123.0)</b>
<b>Cash flows from investing</b>	Payment for plant & equipment	(2,179.7)	(656.0)	(766.9)	(314.6)	(14.9)
	Proceeds from disposal of plant & equipment	(19.6)	54.9	2.0	24.5	19.7
	Payment for intangibles	(4.5)	(6.9)	(47.4)	(24.8)	-
	(Payments to) / Proceeds from bank guarantees	7.2	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
	<b>Net cash from investing activities</b>	<b>(2,157.4)</b>	<b>(356.5)</b>	<b>(784.9)</b>	<b>759.6</b>	<b>2,124.1</b>

A\$000s		FY24	FY23	FY22	FY21	FY20*
<b>Cash flows from financing</b>	(Payments to) / proceeds from issue of options/shares	(3.7)	(1.4)	(12.9)	(8.9)	500.3
	Payment to buy back shares	-	-	-	(13.1)	-
	Payment of lease liabilities	(919.2)	(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)	-	-	-
	<b>Net cash used in financing activities</b>	<b>(2,903.6)</b>	<b>(2,596.9)</b>	<b>1,610.8</b>	<b>(2,309.5)</b>	<b>(2,452.0)</b>
	<b>Net increase/(decrease) in cash</b>	<b>3,358.1</b>	<b>(31.0)</b>	<b>(69.7)</b>	<b>(119.8)</b>	<b>(450.9)</b>
	Cash & equivalents at start of year	8.6	39.5	109.2	229.0	679.9
	<b>Cash &amp; equivalents at end of year</b>	<b>3,366.7</b>	<b>8.6</b>	<b>39.5</b>	<b>109.2</b>	<b>229.0</b>

\* Wholesale company restructure completed



# Further information:

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