

Earnings Upgrade Driven by Targeted Growth Strategy

SKS Technologies Group Limited (ASX: SKS) is pleased to announce **higher forecast earnings** than previously expected for 1H FY22 due to strong organic growth in the underlying operations as well as the additional earnings derived from the APEC Technologies acquisition.

Highlights

- **112% forecasted increase in sales revenue over pcip due to resilient underlying performance in 1H FY22 despite Covid disruptions.**
- **1H FY22 EBITDA forecast to increase by approximately 25% to \$1.3 million.**
- **Growth has been driven by execution of our ongoing strategy to expand our service offering and establish competitive advantages.**
- **Strong Work in Hand position currently in excess of \$30 million.**

Revenue Growth

The APEC Technologies acquisition is anticipated to deliver approximately \$6.5 million in sales revenue growth for the current half of FY22, while growth in SKS Technologies' core business has maintained its momentum and is expected to achieve additional sales revenue of a further \$8.5 million. Taking into consideration 2H FY20 and 1H FY21 revenue numbers being impacted by COVID and hence the government subsidies to offset this. With these increases, sales revenue is now forecast to be approximately \$28 million for 1H FY22, representing a **112% increase** over the previous corresponding period.

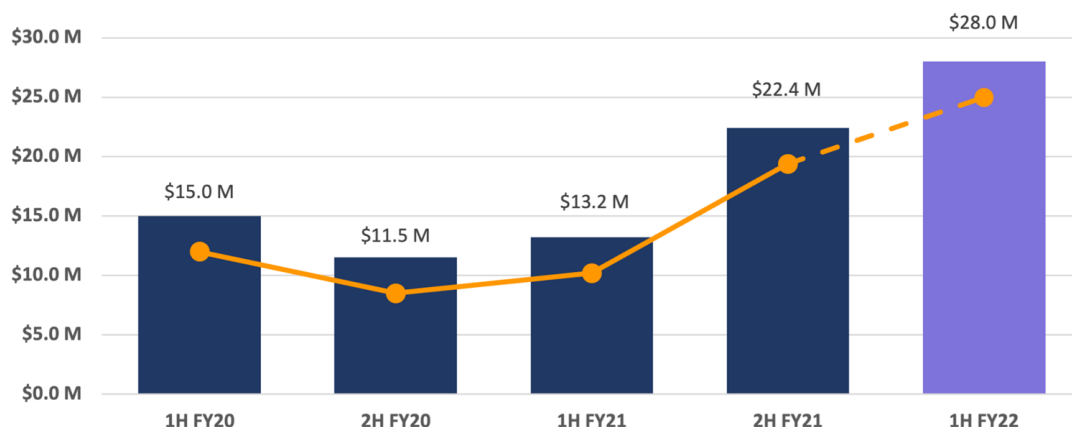


Figure 1: 2020 and 2021 Half Yearly Sales Revenue

Earnings Growth

Consequently, EBITDA is forecast to increase by approximately 25% to \$1.3 million, with profit before tax expected to be 36% higher at \$0.9 million for the first half of FY22. It should be noted that the 1H FY21 EBITDA and profit included JobKeeper and other Covid-related government incentives of \$1.2 million, whereas the current upgraded forecast has been achieved without such receipts.

Chief Executive Officer, Matthew Jinks, said, “The anticipated higher earnings performance for the current half year is a clear result of the wholesale operational review conducted by the Board several years ago and the hard decisions that came with implementing its recommendations.

Our performance is also in spite of the disruptions to internal operations caused by Covid and also for our customers who have faced large financial decisions in a commercial world of uncertainty. However, with high vaccination rates and economic activity in Australia opening up again, we are enthusiastic about the business’s prospects as we continue to invest in strategic personnel to expand our customer base.”

~ ENDS ~

Approved for release by the Board of SKS Technologies Group

Further Information

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SKS Technologies delivers advanced technology through digital transformation via creative design and installation of converged AV/IT, electrical and communication networking solutions nationally.