



ASX Release: 19 November 2020

Annual General Meeting Presentation and Chair's Address

The annual general meeting of Quickstep Holdings Limited (ASX:QHL) (Company) will be held today virtually using a webcasting facility, commencing at 2.00pm (AEDT) (Meeting).

Attached is the Chair's Address and the Presentation (with notes) to be given at the Meeting.

Authorised by:

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QUICKSTEP HOLDINGS LIMITED
2020 AGM CHAIRMAN'S ADDRESS

Thursday, 19 November 2020

Before we get to the formal part of the meeting today, I would like to introduce myself and say a few words. Later in the meeting, Mark Burgess, our Managing Director, will report in more detail on the company's progress and outlook.

Firstly, I would like to acknowledge the exceptional way that Mark and his team have handled the COVID pandemic. The business has not skipped a beat notwithstanding the challenges of running a people-intensive manufacturing business with a long global supply chain and complicated machinery that requires specialist servicing. Not an easy task but one that has been very well done to the benefit of all shareholders.

While my CV is in the Notice of Meeting, I would like to briefly introduce myself. I am a chemical engineer by training and have spent my whole career in industrial, chemical and technical businesses. This included 10 years with Shell International in Cape Town and London. After moving to Melbourne in 1992, I spent fifteen years with ICI/Orica in a variety of senior management roles. In 2007, I took the role of Managing Director of Ludowici Ltd, a mid-size ASX listed company. This business had significant operations across five continents designing, manufacturing, supplying and servicing equipment for the global mining industry. Over 5 years the business expanded rapidly through both organic growth and some targeted acquisitions. In 2012, Ludowici was subject to a contested takeover and was eventually sold to the Danish company, FLSmidth. After completing my two-year contract with FLSmidth, I embarked on a new career direction as a non-executive director and have enjoyed making a contribution to a variety of companies over the past 6 years.

When I was originally approached to consider joining the Quickstep board, I started doing my due diligence on the company and was intrigued by the business, its position in the market and the potential growth prospects. I was delighted when I was offered the role and, since joining the board nearly a year ago, I have not been disappointed.

The announcement that we made last week about the acquisition of the assets of Boeing Defence Australia's aerospace maintenance, repair and overhaul capability based in Tullamarine is a case in point. This opportunity has been developed over a considerable period by Quickstep. This ultimately bore fruit when Boeing decided to sell the business and we were prepared to grasp the opportunity. Mark will provide some more detail on this acquisition during his presentation.

We will continue to pursue opportunities with the aim of growing Quickstep and its profitability in an organic sense by building market share in our traditional markets using our technology and manufacturing capabilities. In addition, we will remain vigilant to identify any potential acquisition opportunities.

Tony Quick, my predecessor as Chair, made a huge contribution to Quickstep and I would like to thank him for this. Over many years he nurtured the business from a loss-making start-up to the business it is today where we are profitable, cash flow positive and have exhibited strong growth over the past 3 years.

In addition to this, a couple of years ago Tony initiated a board renewal process. This process has created a board of great diversity in skills, background and experience. Leanne and Lis were appointed in 2019 before last year's AGM so you have already met them around this time last year. I was appointed in December 2019 and in June 2020 we were fortunate that Air Vice Marshall Kym



Osley agreed to join the Quickstep board. Kym will introduce himself a little later in the proceedings.

In August, Jillian McGregor was appointed as Company Secretary. I would like to welcome Jillian and thank Jaime Pinto for the long and tireless service he provided to Quickstep as Company Secretary over many years. With the board renewal process largely completed, Tony decided to retire from the Quickstep board at the end of August and I was privileged to be elected Chair by my fellow directors.

The Quickstep board is fortunate to have a very capable management team led by Mark Burgess. Mark knows both the industry and the business very well and together with his team has provided great continuity to the business during this board renewal process as well as being a key contributor to building the profitable and growing business that Quickstep is today.

I believe that the environment that Quickstep is currently operating in is conducive to building increased sovereign capability in Australia and this, together with our global customer base, is expected to present the company with future opportunities which we will work diligently to capture.

This ends my introductory remarks, and we will now move to the formal AGM proceedings.

Quickstep Holdings Limited

Annual General Meeting

19 November 2020



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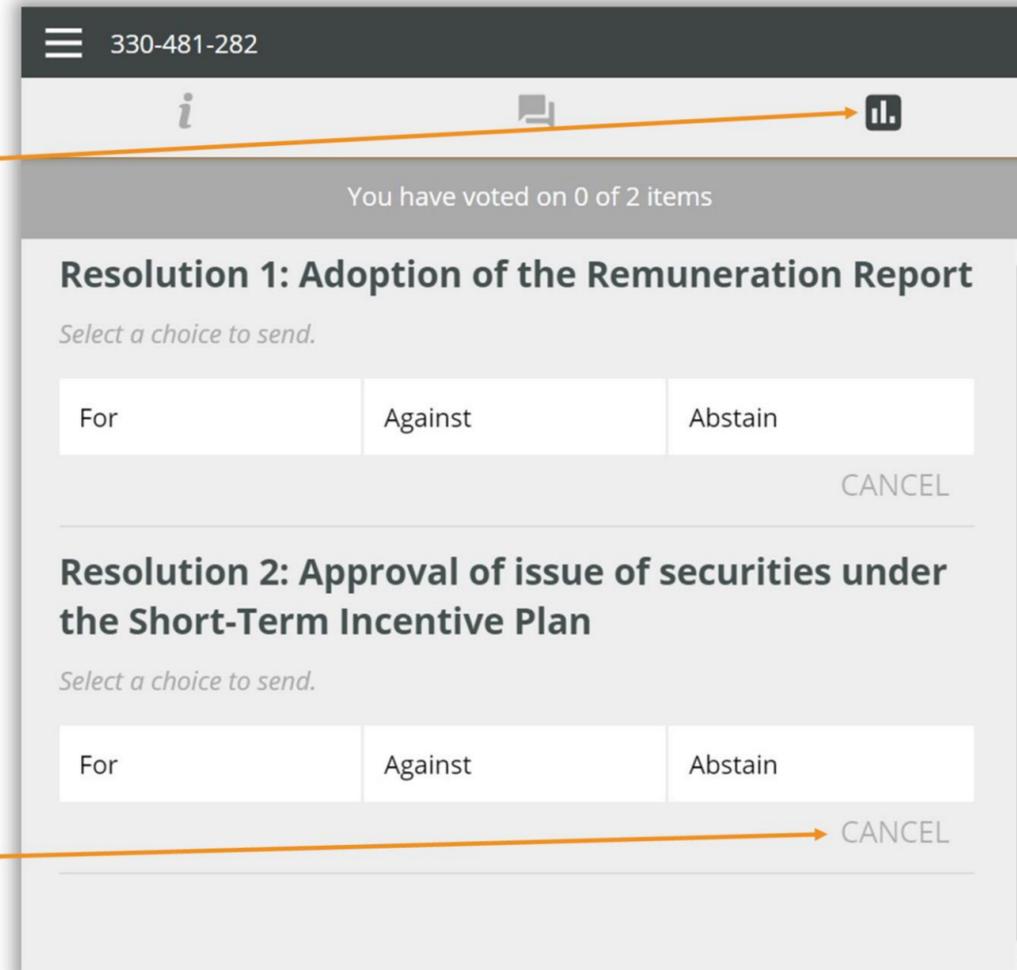
When the poll is open, the vote will be accessible by selecting the voting icon at the top of the screen



To vote simply select the direction in which you would like to cast your vote. The selected option will change colour

For Against Abstain

There is no submit or send button, your selection is automatically recorded. You can change your mind or cancel your vote any time before the poll is closed



PROXY RESULTS

To vote online visit: <http://web.lumiagm.com/324994557>

	RESOLUTION	FOR	AGAINST	ABSTAIN	DISCRETION
1	Adoption of Remuneration report	235,896,243	12,573,151	4,800,448	5,469,641
2	Re-election of Patrick Largier as director	248,041,983	3,952,672	4,187,887	5,626,006
3	Re-election of Kym Osley as director	249,579,482	2,715,173	3,887,887	5,626,006
4	Re-election of Elisabeth Mannes as director	249,443,788	3,338,828	3,294,926	5,731,006
5	Grant of Rights to Managing Director under Incentive Rights Plan	235,393,582	16,388,700	4,549,526	5,476,740
6	Approval of issue of securities under ASX Listing Rule 7.1A	240,598,115	11,179,462	4,291,665	5,739,306

If you have any problems with voting, please call Computershare on AU +61 3 9415 4024

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Visiting <http://web.lumiagm.com/324994557> on a smartphone, tablet or computer (using the latest version of Chrome, Safari, Internet Explorer 11, Edge and Firefox); and using unique meeting ID 324994557.

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MARK BURGESS
CEO & Managing Director

Joined Quickstep in May 2017
Global aerospace and defence experience
Previously with Honeywell & BAE Systems
Extensive experience in Europe, USA, Middle East and
Asia Pacific



Introduction and welcome. Almost exactly 3.5 years into role.



OUR FOCUS

Advanced Composite Solutions



Defence Aerospace



Commercial Aerospace



Aftermarket Services



Other Advanced Sectors

You will note the continued expansion of our product and service offering with the forthcoming addition of aftermarket services.

Last 12 months made significant progress in commercial aerospace (not just LM100J but now developing pathways to AeroQure qualification) and the recent announcement of QAS following our asset purchase agreement with Boeing for their Tullamarine facility.



CUSTOMER & PLATFORM

Portfolio

BAE SYSTEMS

BOEING

Chemring
Group

LOCKHEED MARTIN

LOCKELEC
innovation
design | partnership | manufacture

MICRO-X™

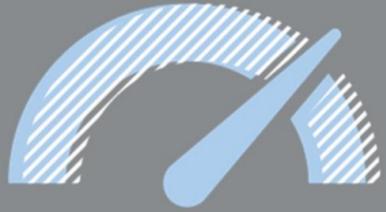
MARAND
PRECISION

NORTHROP
GRUMMAN

SPIRIT
AEROSYSTEMS®

Our customer portfolio, platform and program scope continues to grow and reflects the very strong reputation we are continuing to build in the composites market.





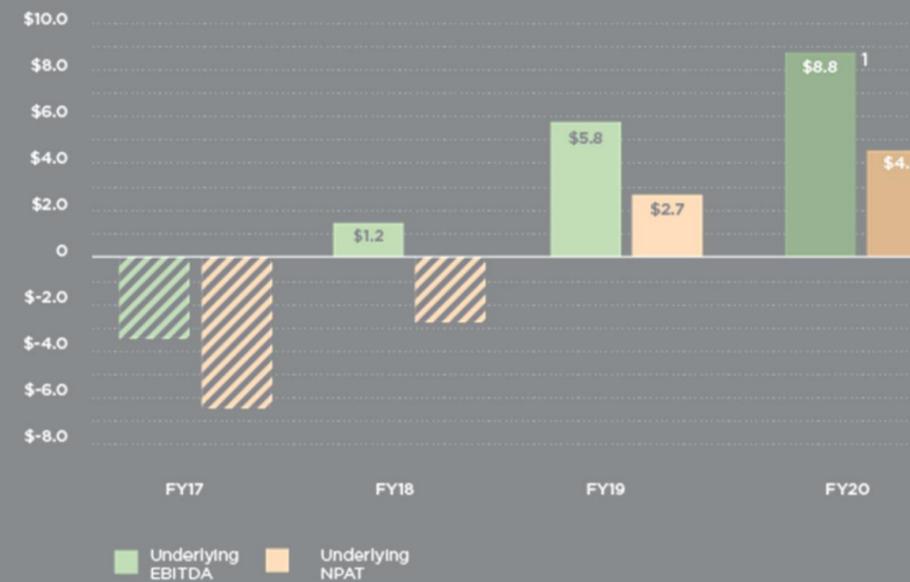
YEAR IN REVIEW

Revenue in AUD millions



Revenue CAGR from FY17 to FY20 is 16.6%

Key Profit Metrics (AUD millions)



Notes:

1. \$2.2M positive impact due to AASB16

Underlying items exclude \$0.5M restructure costs in FY20

FY20 was another year of great progress for your company. With yet another year of record revenue, EBITDA and NPAT performance.

For an industrial business in the aerospace market, our compounded annual growth rate of almost 17% in organic revenue from FY17 to FY20 compares favourably to global A&D growth rates over the same period.

The continued climb from substantial losses to consistent improvement in profitability over the last 3 years speaks for itself.



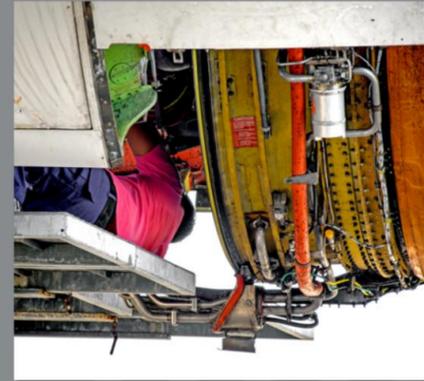
YEAR IN REVIEW

FY2020 Achievements

- / COVID-19 Resilience
- / Sales ↑ 12%
- / EBITDA ↑ 13%¹
- / NPAT ↑ 44%
- / New Contracts
 - NG: 10 x F-35 parts
 - Boeing: F/A-18, F-15, AV-8B
 - Commercial: rail & medical
- / AeroQure co-development projects
- / Boeing Acquisition

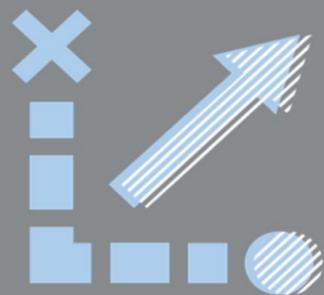
Note 1: like for like underlying EBITDA excluding impact of AASB16

Slide 9



Our specific performance for FY20 can be seen here, as I have said record performance on many of our key metrics.

But what is even more important on this slide is the achievement of new contract wins and the positioning for future growth, especially in commercial aerospace and aftermarket services. This is part of a comprehensive and very deliberate strategy that has been evolving over the last 2 years.



STRATEGIC PLANNING



Vision

Through increased **technology investment** and a **great culture**, Quickstep will build a **high-growth** advanced composites business creating long-term success for all stakeholders



Growth

- ✓ Improved margin mix
- ✓ New Markets



Good positions
in great markets

Values

Innovation	Teamwork
Agility	Excellence
Integrity	Responsibility

With the impact of COVID-19 we deferred our annual strategy process from May/June to Oct/Nov. This has allowed us to take into account the potential impact from the pandemic.

I will let you read the vision and values statements here, but draw your attention to the critical features of our strategy going forward. A focus on growth, yes, but a greater focus on new markets and improved margin mix from those new markets.

We believe we have a good position in a great market, that market being aerospace composites, and our growth plan will be on accessing more attractive market segments and progressively developing good positions in those markets.

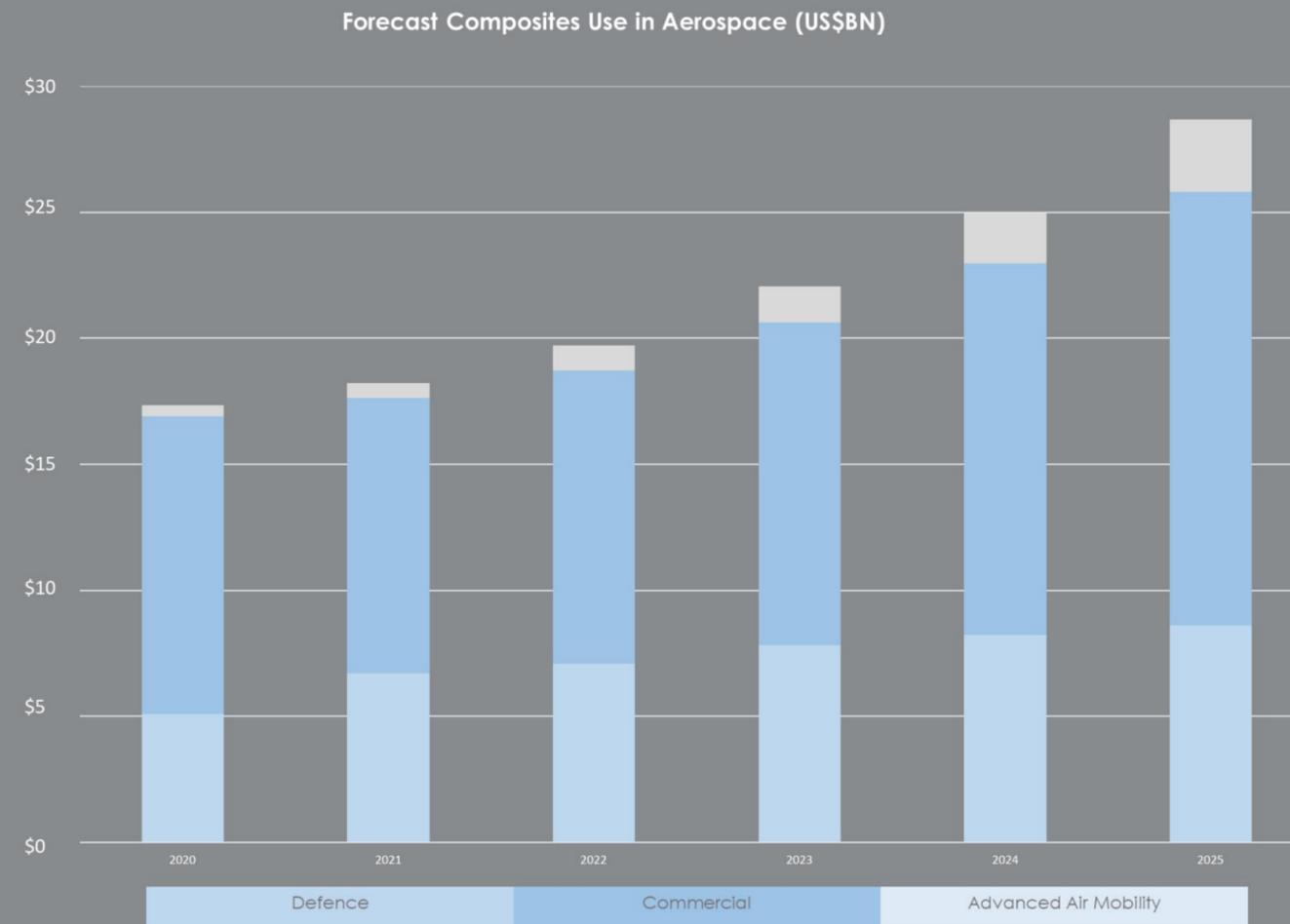


COMPOSITES GROWTH

Aerospace Global Market

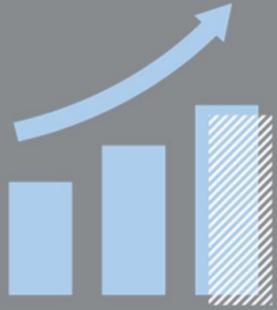
FORECAST

- / ~7.5% CAGR (post C-19)
- / ~US\$30Bn market by 2025
- / Growth in all markets
 - Defence
 - Commercial
 - AAM



You can see from the market data presented here, and this is after the impact of COVID-19 is factored in, the medium term growth in the aerospace composites market is expected to remain strong.

The expected 7.5% CAGR suggests the enduring resilience of a market so heavily impacted by the pandemic. Note, this data does not include electrification or space applications.

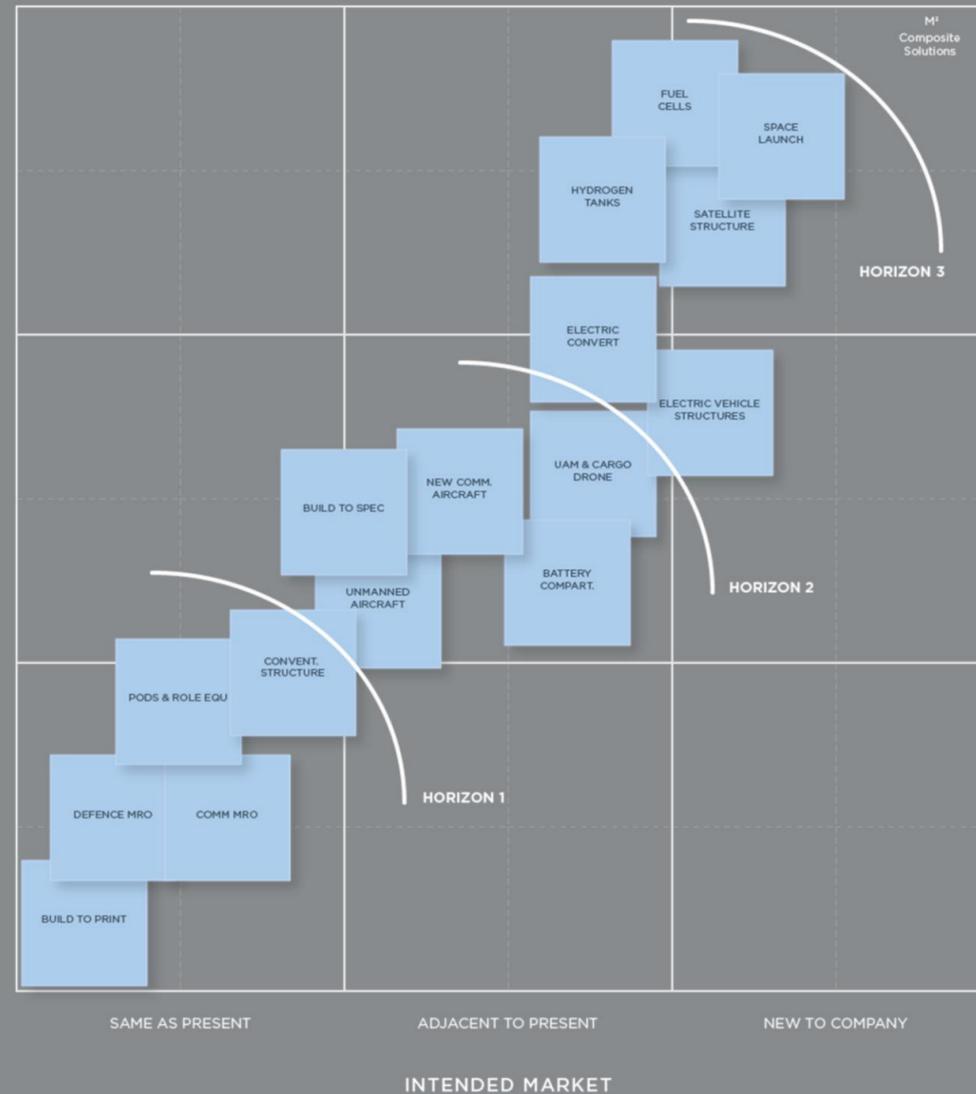


GOOD POSITIONS IN GREAT MARKETS

Growth Horizons

- / Horizon 1
 - / Continued defence aerospace growth
 - / Aerospace Services (QAS)
- / Horizon 2
 - / Commercial aerospace (AeroQure)
 - / Advanced Air Mobility
- / Horizon 3
 - / Electrification of transport
 - / Space

CAPABILITIES/TECHNOLOGY



In simple summary, we look at our future growth plans across a conventional 3 horizon model. In the first we plan to utilise the tailwind of Australian defence expenditure to continue the kind of growth rates in defence aerospace we have seen in recent years, but now with the new and exciting dimension of maintenance, repair, overhaul and upgrade added through our Quickstep Aerospace Services business.

In the second we plan to launch AeroQure into the commercial aerospace and advanced air mobility sector, including continued exploitation of our new services offering for commercial jetliners, unmanned aircraft and future urban air mobility.

In the third horizon, we plan to adopt early positioning in the rapidly developing segments of electrification of transportation and space.



BOEING AUSTRALIA MRO CAPABILITY ACQUISITION

Quickstep Aerospace Services Pty Ltd

- / Strategic rationale
 - / complementary capability
 - / High growth potential
 - / OEM independence provides greater market access
- / Transition and integration well advanced
- / Market Outlook
 - / Defence – strong opportunity pipeline
 - / Commercial – single aisle, early stage recovery
 - / Commercial – twin aisle, 2-3 year recovery



- / Growth plan
 - / Defence sustainment
 - / Single aisle commercial
 - / Expansion – International defence/commercial and twin aisle

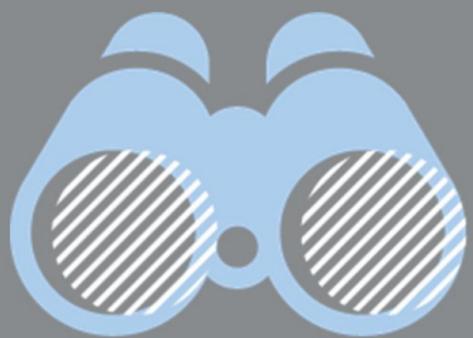
Given the importance of our recently announced acquisition I will explain in slightly more detail the addition of Quickstep Aerospace Services to the group.

This acquisition process has been underway for some time, our transition and integration plans are well resourced and well advanced. Business development activities are moving on apace and we plan to hit the ground running in the New Year, following completion.

With the extent of current, new and planned acquisitions that have significant composite content, we anticipate a healthy domestic defence market, with substantial export potential.

We are preparing for a recovery in domestic flights with borders continuing to reopen, it is important to note that the QAS business will have a particular emphasis on aircraft flying short-haul and/or domestic routes, the market which will see recovery first and in the greatest volume.

This is an extremely exciting development for Quickstep and opens up the possibility of substantial additional growth.



FY2021 OUTLOOK

- / **Successful establishment of Quickstep Aerospace Services**
- / **Revenue growth 5-10%**
- / **Defence pipeline conversion**
- / **Uncertain near-term outlook for MRO market**

You will have noted from previous releases that we have withdrawn EBITDA guidance due to the uncertain near-term outlook for the MRO market.

We expect the business will continue with the previously indicated top-line revenue growth.

Continued focus will be placed on conversion of our existing defence aerospace pipeline

And of course, we look forward to the successful integration of the former BACR business and launch of QAS.

THANK YOU

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