

## Quickstep to Present at ASX Spotlight conference

**Sydney, 26 February 2016** –Manufacturer of advanced carbon fibre composites Quickstep Holdings (ASX: QHL) is pleased to advise that it will be participating in the ASX Spotlight conference to be held in New York on Thursday 3 March 2016.

The ASX Spotlight Series has been running for a number of years, and is a collaborative effort by the ASX and the international desks of ASX Broker Participants designed to showcase Australian listed entities to international investors. This will provide Quickstep with an exceptional opportunity to showcase our investment potential at a specifically targeted investor conference.

Attached is a copy of the Investor Presentation that will be delivered at the conference by David Marino, CEO and Managing Director of Quickstep.

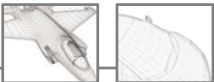
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### **Background on Quickstep Holdings Limited**

Quickstep Holdings (ASX:QHL) is a manufacturer of advanced carbon fibre composites for the aerospace and automotive industries. The company operates from state-of-the-art aerospace manufacturing facilities at Bankstown Airport in Sydney, NSW; a production site for new technology in Waurin Ponds, Victoria; and an office in Munich, Germany.

Quickstep is an approved supplier for the international F-35 Lightning II Joint Strike Fighter (JSF) program - the largest military aerospace program in the world, valued in excess of US\$300 billion worldwide. To date, more than 160 JSF aircraft have been delivered to the US Department of Defense, and this number is expected to grow rapidly. The company has also been selected by Lockheed Martin as the sole supplier of composite wing flaps for the C-130J "Super Hercules" military transport aircraft. Quickstep is currently partnering with some of the world's largest aerospace/defence organisations, including the US Department of Defense, Lockheed Martin, Northrop Grumman and Airbus.

Quickstep is also developing patented manufacturing technologies to produce high-volume composite components for the automotive market. The company has secured a letter of intent to deliver components for Thales Australia's Hawkei protected mobility vehicle and an initial order from Ford.



**For further information:**

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## Quickstep – ASX Spotlight, New York

March 2016

**David Marino, CEO & Managing Director**  
**Quickstep Holdings Limited (ASX:QHL)**

AEROSPACE  
AUTOMOTIVE



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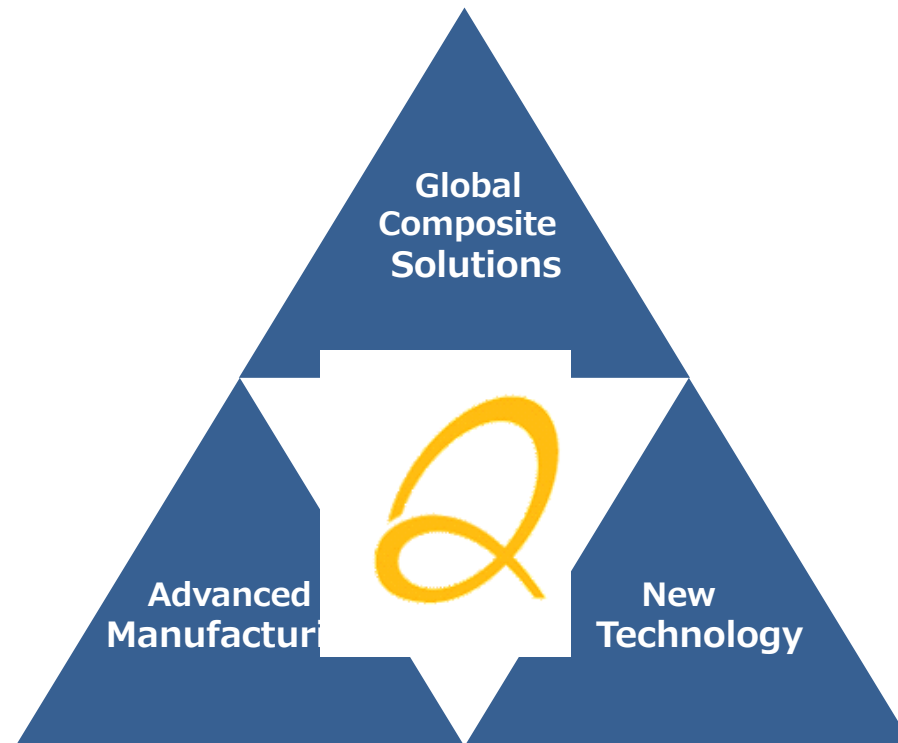
Quickstep is well positioned to become a **global leader in composite manufacturing solutions** through:

» **Aerospace Manufacturing**

- Manufacturer of choice for composite components and complex assemblies using Advanced Manufacturing processes
- Largest independent carbon fibre components manufacturer in Australia

» **New Innovative Technology**

- Global provider of disruptive patented manufacturing technologies, lowering cost of traditional composite parts production processes
- Focussed on either structural or A-surface component assemblies for the Automotive and Aerospace industries



# Quickstep - Shareholder Status



- » 562.5M shares currently on issue
- » Market cap of AUD81.6M as at 23 Feb close
- » Major Shareholder is Washington H. Soul Pattinson and Company Limited (WHSP)
  - Has been a major long term shareholder (10 years)
  - WHSP holds 15.9% of shares in QHL
- » Over 6,000 shareholders on the register
- » Top 30 Shareholders hold approximately 41% of QHL shares
- » Successful completion in late 2015 of a fully underwritten AUD22m capital raising
  - Funding for growth-related capital expenditure
  - AUD5 million of short term debt paid Q2 FY16
  - Enables Quickstep to continue to commercialise the application of the company's existing technologies

## Share Price Performance – One Year



## Share Price Performance – Five Years



## Aerospace Manufacturing



- »Advanced manufacturing of composite components and complex assemblies
- »AS9100 , NADCAP accreditation
- »Competitively award-global contracts for JSF and C-130J
- »All facets of aerospace & defence manufacturing with growth opportunity
- »Strong forward order book

## New Technology



- »Resin Spray Transfer (RST) for cost effective combining of dry fibre and resin to reduce cost
- »Qure – Out Of Autoclave (OOA) Curing solution
- »Reduces processing time and investment cost
- »Delivers high quality 'Class A' surface components, core structural parts/assemblies
- »Parts manufacturing contracts already secured
- »RapidQure – Next generation of development



# Quickstep – Key Customers and Locations

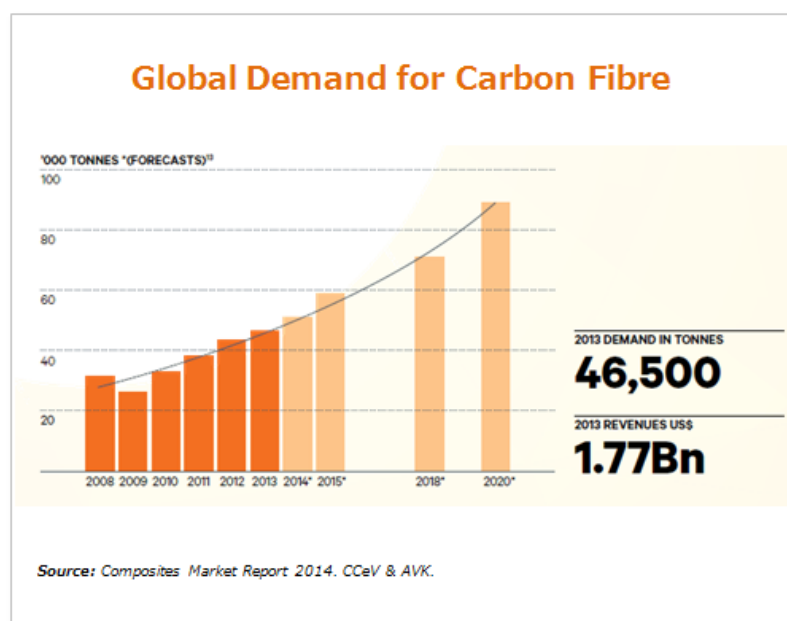




# Global Carbon Fibre Industry Opportunities



Various studies point to significant growth in carbon fibre usage over the next decade in both the aerospace and automotive sectors –



*Quickstep's advanced composites capabilities and patented process technologies position it well to take advantage of expected industry growth*

## *Aerospace Manufacturing division manufactures composite parts and assemblies for the C-130J Hercules and the Joint Strike Fighter programs*

### C-130J Hercules

- » Exclusive supplier of composite wing flaps to Lockheed Martin for the C-130J Hercules aircraft under US\$75m MoA
  - 31 sets delivered in FY15 (343% y.o.y.)
  - 18 sets delivered in H1 FY16 as planned

### Joint Strike Fighter program

- » Sole supplier globally to Northrop Grumman for 21 JSF parts
  - 464 parts delivered in FY15 (increase of 152% y.o.y.)
  - 287 parts delivered H1 FY16 (increase of 43% p.c.p)
  - Expecting three-fold increase in production over next three years
- » Supplier of vertical tail composite components to BAE Systems via Marand
  - production ramp up forecast in FY16 (subject to final customer approval)
  - will provide significant revenue momentum from FY17

### Divisional outlook and strategic objectives

- » Circa AUD40m divisional sales in FY16 (20% growth y.o.y)
- » Firm order book currently in excess of AUD120m with expected further growth
- » New growth projects now under advanced discussion







Bankstown, NSW, Manufacturing Site



Precision Milling Machine (PMM)

## » Significant Capital Investment Completed

- Advanced Manufacturing Investment in excess of AUD25 Million in Aerospace Capital for both the JSF and C-130J programs completed
- Further capital investment in key processes due for completion by end of CY16 to enhance capacity



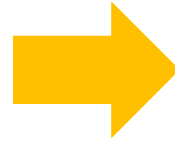
Traditional Autoclave Curing



NDT 10 Axis Centre

## » Opportunity for Growth

- Current footprint approx. 50% utilised
- JSF growth expected
- New advanced manufacturing opportunities with existing and new customers in discussion.



## Resin Spray Transfer (RST) – Lay-up

- » Automated process
- » Faster processing times
- » Resin rich surface for exterior panels
- » 'Class A' surface finish
- » Reduced material costs
- » Reduced tooling costs
- » Paintability

## Qure Process – Molding / Curing

- » Heat Transfer through fluid and bladder system
- » Reduced production time
- » Greater design flexibility
- » Better end-product technical characteristics
- » Reduced capital investment
- » Reduced energy consumption
- » Lower tooling costs
- » Greater control over cure cycle



## *Quickstep continues to enhance its patented composite manufacturing technologies*

### **Qure Process**

- » 'Out of Autoclave' process for Aerospace/Defence as replacement for Autoclave
  - Low-niche volume manufacturing of large flat panel components
  - Also suitable for premium automotive applications

### **RapidQure Process**

- » Next generation Qure process capable of mass production (>50,000 parts p.a.)
- » Will provide an alternative to automotive industry's resin transfer moulding and compression moulding

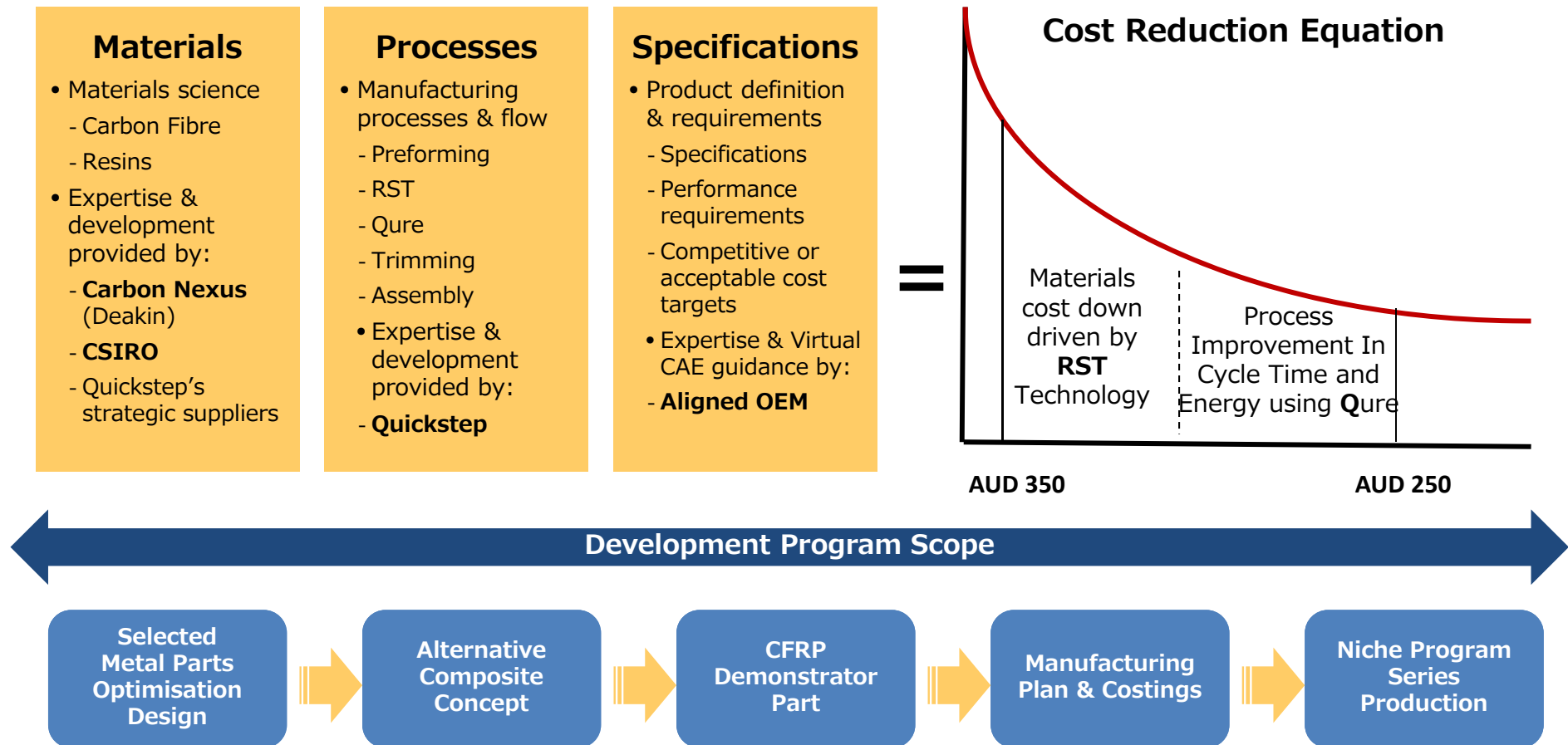
### **Divisional outlook and strategic objectives**

- » Full industrialisation of proprietary Qure and RST processes
- » Development of next generation RapidQure technology
- » Further expand strategic relationship with Deakin University



# New Technology – Development Program Approach

## Integrated & Collaborative Development Projects for sustained competitive advantage



*Collaborative development projects with objective to deliver optimised commercial outcomes*

## » Qure Process

### – Significant economic advantages over Autoclave & Oven curing

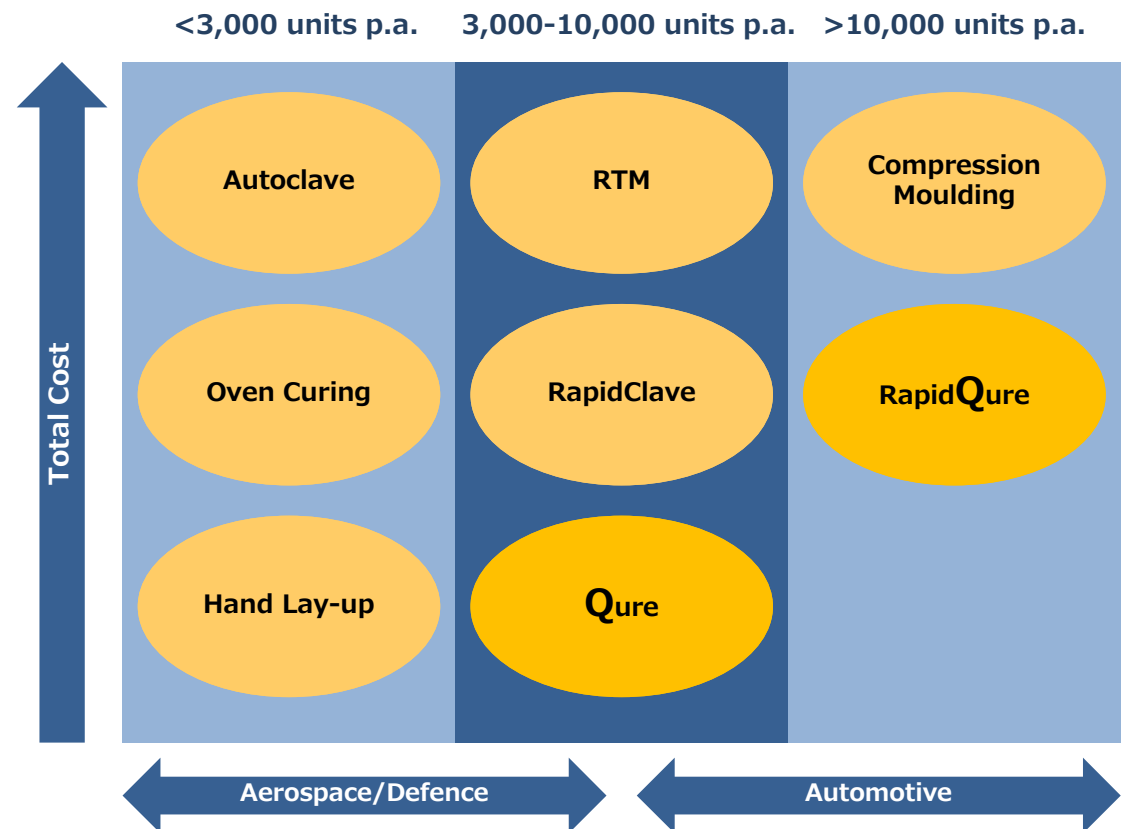
- Lower capital costs
- Lower tooling costs
- Lower running costs
- Reduced processing times
- Reduced cycle times
- Reduced de-bulking
- Improved resin flow

## » RapidQure Process

### – Being developed to compete with Compression moulding for volume

- Lower capital & tooling costs
- Lower running costs
- Low pressure core structures
- Improved surface quality with RST

## Main Moulding Process Technologies





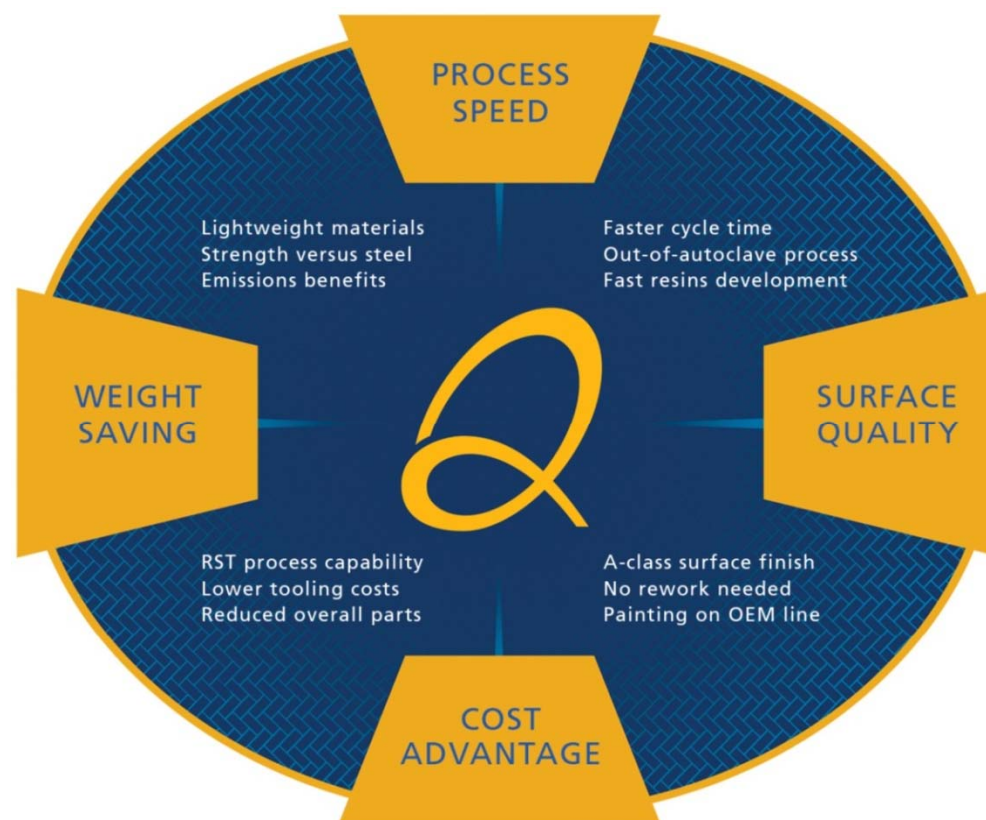
## Unique value proposition for customers:

- » Innovative processes
- » Solutions focus
- » Lower costs
- » Lightweighting

## Specific growth strategies in place for each Quickstep division

- » **Aerospace Manufacturing**
  - Growth with existing customers
  - Manufacturing excellence
- » **New Technology**
  - Use of disruptive processes
  - Light aircraft focus and structural Automotive
  - Niche volume parts program target <10,000 units
  - Development RapidQure

## Strong value proposition for aerospace, defence and automotive sectors





## **Small Cars & Electric Vehicles** (Closures & Structural Parts)



- Vehicles requiring lightweighting for improved driving range & performance
- Focus on providing cost effective solutions for lower cost vehicles
- Strong focus on large structural parts to reduce vehicle weight

## **Performance & Luxury Vehicles** (Class A & Structural Parts)



- Number of luxury & performance vehicles utilising CFRP components
- Focus niche volume programs for performance vehicles
- Qualification of materials & Quickstep processes with vehicle manufacturers

## **Trucks & Transit Vehicles** (Structural Parts & Large Panels)



- Lightweighting of structural parts to reduce vehicle weight & improve vehicle driving & towing performance
- Replacement of heavy steel parts with CFRP composite components
- Focus on beams, panels & assemblies

## Lightweight Sandwich/Core Structures (Class-A Surfaces)



- Qure low-medium pressure cure process protects core/sandwich structure
  - Bonnets, decklids, door skins
- RST ensures 'Class A' surface finish
- Suits low-medium volume production

## Lightweight Structural Parts (Structural Interiors)



- Structural interior parts
- Focus on lower volume niche programs
- Significant weight savings & greater strength compared to steel

## Lightweight Structural Body Parts (Sound Absorptive)



- Parts with relatively flat, large surface areas & NVH requirements
- Processes provide cost benefits for automotive companies
- Targeting non-global platform models

## Thales Hawkei



*Manufacturing of composite bonnet assemblies, side skirts and mud guards for Thales Australia's new 'Hawkei' protected mobility vehicle*

**THALES**

## Ford Intake Duct



*Manufacturing of carbon fibre engine compartment components, developed for global automotive OEM – Ford Australia*



## Roof Demonstrator



*Demonstrator carbon fibre roof system for Audi A1, manufactured using Quickstep's Quickstep's process technologies – PRESCHE project*





## *Quickstep has secured its first Automotive OEM contract with Ford and will supply parts for the recently announced Hawkei project*

### Hawkei

- » Exclusive supplier of the bonnet, side skirts and mud guards for Hawkei vehicles under LOI with Thales
  - Australian government awarded Thales a AUD1.3bn contract to build 1,100 military vehicles and 1,000 trailers in October 2015
  - Project utilises Quickstep's innovative process technology

### Ford Australia

- » Production of up to 1,000 lightweight carbon fibre air intake ducts for new Ford vehicle
  - Production commenced in February 2016
  - Opportunity to sell additional parts through OEM dealerships

### PRESCHE project

- » German-government funded project undertaken with Audi and other partners
- » High quality outcome for Quickstep in June 2015
  - Confirmed Qure and RST processes ability to produce paintable Class A surface parts at lower cost for niche volumes production

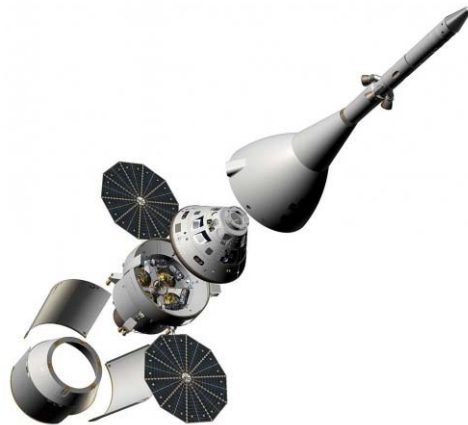
### Divisional outlook and strategic objectives

- » Automotive facility fit-out to be completed in Q2 FY16 & manufacturing commenced
- » Targeting niche volume projects (including composite seat structures and A-class panel projects)
- » Increasing production volume capability to secure larger projects - RapidQure





## Space & Exploration Aircraft (Unmanned)



- Use of **Qure** process to manufacture spacecraft & UAV parts – i.e. ORPE
- Focus on supply to low-medium volume production customers
- Customers potentially in developing markets – i.e. Russia, China, India

## Light & Sports Aircraft (Small to medium size)



- Use of **Qure** process to manufacture light & sports aircraft components
- Flexible manufacturing solution for low volume multiple tooling opportunities
- Exploring opportunities in both developing & mature markets

## Defence & Commercial Aircraft (Large global platforms)



- Qualification of **Qure** with Defence & Commercial producers
- Use of **Qure** process to manufacture parts for large PRIMES & Tier 1 suppliers
- Identify opportunities for Rapid**Qure** in the aerospace & defence sectors
- Manufacturing of parts in-house; outside Australia in asset light model

## Large Composite components

(Satellite & Commercial Aircraft)



- Parts relatively flat, large surface area
- Utilisation of tooling flexibility low investment and optimised material and curing approach, on components such as satellite shields and radomes

## Skin and Structural Composite components

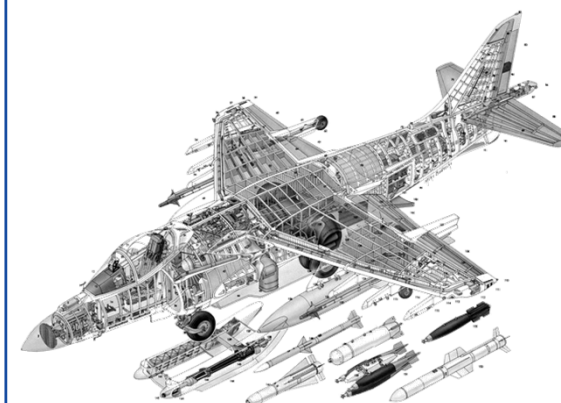
(Light Aircraft and Defense)



- **Q**ure process for composite component curing and sandwich assembly structures
- Low investment and optimised material and curing approach, on components such as fairings, spars & skins

## Skin and Structural Complex Assemblies

(Defense/Commercial Aircraft)



- Transfer of components from Autoclave across to OoA **Q**ure process
- Parts relatively flat, large surface areas such as doors wing skins , fuselage

## Quickstep is completing the commissioning of its first Qure machine and developing demonstrator parts for a light aircraft project

### ORPE Technologiya

- » First commercial sale of **Qure** technology achieved in FY15
  - Integrated, assembled, tested and approved by customer
  - Delivery and installation completed in FY16
- » Significant cost savings for customer
  - Estimated at 10% of the capital cost of traditional Autoclave process and 33% of operating costs
- » Strong endorsement of Quickstep's **Qure** process
- » Parallel Integration of two Qure 250kW machines delivering and overall composite part (satellite shield) on 20ft X 13ft tool.
- » Technology shown to be scalable for large single cure products

### Divisional outlook and strategic objectives

- » Qualification of **Qure** and RST processes
- » Target unmanned aircraft, light aircraft and sports aircraft markets in FY16
- » Light sports aircraft applications currently under discussion





## *Demonstrator projects currently underway with a Light Aircraft manufacturers for the potential supply of CFRP External Skins*

### LA Manufacturer – CFRP External Skins

- » External skin produced using RST & Qure processes
  - Manufacturing layout completed for potential parts production
  - Materials qualification program completed and a number of key significant tests successfully passed using dry fibre and fast cure resins
  - Quotation process completed showing a 30-40% cost saving over current manufacturing processes would be delivered to the customer. Further opportunities exist with fibre placement solutions which increase savings by a further 10%
- » Opportunity for potential supply of flying parts produced off Quickstep's patented technologies
  - Has application for a number of supply opportunities with other LA manufacturers globally given identified competitiveness



*Demonstrator external skins developed and manufactured for a LA producer*



# FY16 Half Year Financial Highlights

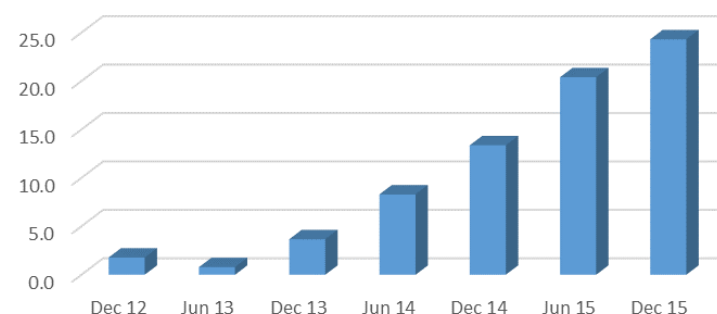


## Strong first half sales growth of 82% vs. pcg driven by Aerospace Manufacturing

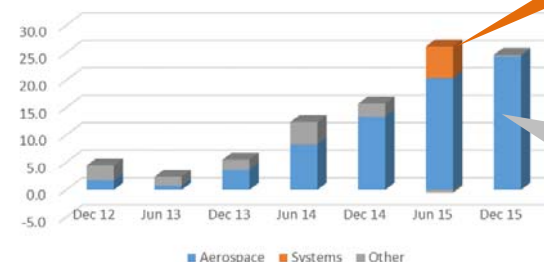
### EBIT of AUD 0.8 million (pcg AUD loss of 3.0 million)

- » Record half sales of AUD24.3M, an increase of 82%
  - H1 Total Revenue: AUD24.6 million (AUD15.7M pcg)
  - Revenue driven by sales of aerospace parts
  - Lower grants in total revenue (AUD0.3M vs. AUD2.3M pcg)
- » Strong FY16 H1 EBIT performance of AUD0.8M
  - Aerospace manufacturing volumes driving profit
  - Continuing investment in new technology and new programs
- » Expenditure on new programs and working capital build impacted H1 cashflow
  - H1 Cashflow AUD(0.8)M
  - Inventory build pre capex-related equipment shuts ~AUD0.6M
  - Investment for vertical tail program AUD0.5M

Aerospace Sales Revenue Dec 12 - Dec 15 by Half Year



Quickstep Holdings  
Total Revenue Dec 12 - Dec 15 by Half Year



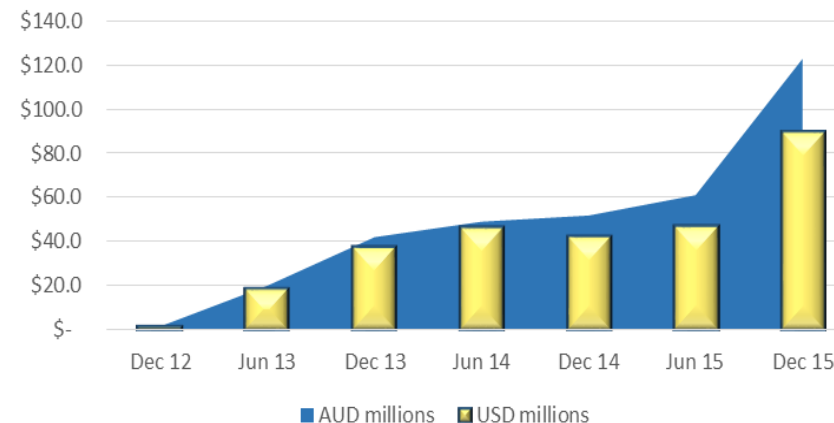
Orpe System sale  
H2 FY15

Grant revenue  
decreased &  
sales of  
aerospace parts  
increasing

## Closing order book 31 December 2015 in excess of AUD120 Million

- » JSF volumes anticipated to grow threefold over the next three years
  - Vertical tail qualification due for completion Q4 FY16
  - Capital equipment being installed H2 FY16 to support growth
- » C-130J volumes underpinned by Lockheed Martin and US Government Multiyear II Contract
  - Quickstep is sole global supplier of wing flaps
- » Initial automotive volumes secured
  - Hawkei production to commence in the second half
  - Ford air intake duct production has commenced
- » Discussions continue with a number of global aerospace and automotive companies
  - For both advanced manufacturing and new technology opportunities
- » Continue to develop technology
  - Develop a faster, more efficient version of Qure which will be known as 'RapidQure' to support medium- to high-volume projects

Quickstep Closing Order Book  
AUD and USD \$Millions



## Advanced Manufacturing, Smart Technology in one Quickstep

- » Carbon composites market is growing
- » Long term Aerospace manufacturing contracts (JSF and C-130J) secured
- » 3 fold JSF growth expected over the next 3 years
- » Capacity for growth on Aerospace manufacturing on invested capital
- » Disruptive Manufacturing Technologies (Qure and RST) in commercialisation
- » New Technology accepted for parts manufacture - Hawkei program
- » New Technology accepted for machine supply – ORPE program
- » First Carbon fibre parts supply to Global Automotive OEM (Ford) commenced
- » New potential contracts in advanced discussions

