

QUICKSTEP PROVIDES INVESTOR UPDATE & FY23 FORECAST

15 November 2022: Quickstep Holdings Ltd (ASX: QHL) (Quickstep or the Company) is pleased to provide an investor presentation covering business updates, FY23 outlook, growth plans and US expansion strategy.

FY23 forecast highlights include:

- Revenue \$100 million (94% contracted), up >15% yoy
- >80% of revenue growth coming from new lines of business
- Record order backlog of ~\$200 million
- Underlying EBITDA of \$6.5 million, up >35% yoy
- Underlying PBT improvement over FY22
- Continued investment in growth across the group

Whilst operational challenges are expected to continue well into CY23, notably supply chain issues and elevated absenteeism/attrition, the business is recovering well from the significant challenges of CY22. Growth rates in Aftermarket and Applied Composites have exceeded expectations, Aerostructures has secured long-term orders across all F-35 contracts and expects to announce new business wins in the near-term.

The enclosed investor update will be presented at the forthcoming AGM on Wednesday November 16th.

-END-

This announcement was approved for release by Mark Burgess (Managing Director) of Quickstep.

About Quickstep Holdings

Quickstep Holdings Limited (ASX: QHL) is the largest independent aerospace composite business in Australia, with facilities in Sydney, Geelong, Melbourne and Dallas. The group employs more than 280 people in Australia and internationally. More information about Quickstep is available at www.quickstep.com.au

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GROUP INVESTOR PRESENTATION

Mark Burgess, Nov 2022



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Other than for the pictures of the Quickstep facilities and machinery, the assets featured in the pictures in this presentation are not assets of the Company.

By accepting this presentation, you acknowledge and agree to be bound by each of the foregoing statements.

Financial Data

Investors should be aware that certain financial measures included in this presentation are ‘non-IFRS financial information’ under ASIC Regulatory Guide 230: ‘Disclosing non-IFRS financial information’ published by ASIC and also ‘non-GAAP financial measures’ within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934, as amended, and are not recognised under Australian Accounting Standards (AAS) and International Financial Reporting Standards (IFRS). The non-IFRS financial information / non-GAAP financial measures include EBITDA and EBIT. The Company believes the non-IFRS financial information / non-GAAP measures provide useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information / non-GAAP financial measures do not have a standardised meaning prescribed by AAS or IFRS. Therefore, the non-IFRS financial information is not a measure of financial performance, liquidity or value under the IFRS and may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with AAS or IFRS. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS financial information / non-GAAP financial measures included in this presentation.

AGENDA

1. NEW LEADERSHIP
2. WHAT WE DO
3. TARGETED GROWTH
4. FINANCIAL PERFORMANCE
5. USA GO-TO-MARKET
6. VISION

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CLEVER COMPOSITE SOLUTIONS

AUSTRALIAN
ENGINEERING
MANUFACTURING
AFTERMARKET



LOCATIONS

- Bankstown Airport
- Melbourne Airport
- Geelong
- Dallas, USA

22,000 sqm of accredited facilities, fully secured and ITAR compliant

PEOPLE

~300 highly qualified personnel delivering quality and on-time composite solutions across multiple segments



FINANCIALS (FY22)

Revenue:
\$86.7M

EBITDA:
\$4.8M*

Operating Cashflow:
\$3.3M

* Normalised

ACCREDITATIONS



Part 145

FAR145

Part 21J



Part 145

NEW LEADERSHIP TEAM WITH GLOBAL EXPERIENCE

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MARK BURGESS
CEO

BAE, Honeywell
USA, Europe, MENA, APAC



DEMI STEFANOVA
COO

Caterpillar, Firmenich
USA, Europe, APAC



STEPHEN GAFFNEY
CFO

Sikorsky, Ludowici
APAC, India



SARAH HART
HEAD OF PEOPLE AND CULTURE

NSW Government
Australia



JOSH SCANLON
EGM AEROSTRUCTURES

Boeing
USA, APAC



TIM GENT
EGM AEROSPACE SERVICES

Qantas, Transdev
APAC



STEVE OSBORNE
EGM APPLIED COMPOSITES

RAAF, BAE
USA, Europe, MENA, APAC



LUKE PRESTON
HEAD OF TECHNOLOGY & PARTNERSHIPS

Ford, Holden, Tesla
USA, APAC

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WE ARE REDEFINING TECHNOLOGIES FOR AEROSPACE



COMBINING **BOUNDLESS IMAGINATION** WITH FOCUS ON **DESIGN AND DEVELOPMENT** TO CREATE SOME OF THE **MOST AMAZING PRODUCTS AND SERVICES** AVAILABLE TODAY IN



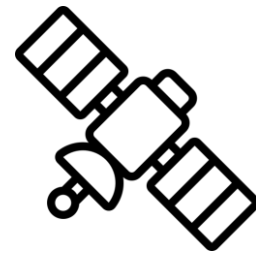
DEFENCE



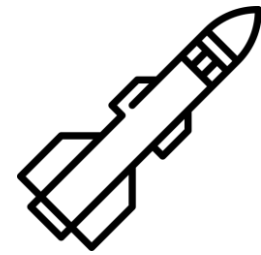
MRO



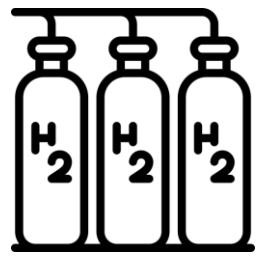
UAV



SPACE



GWEO



CLEANTECH

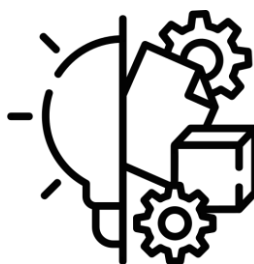
delivering advanced composite solutions to make aerospace products **lighter, safer, stronger, cost-efficient and sustainable**

OUR COMPETITIVE ADVANTAGE:

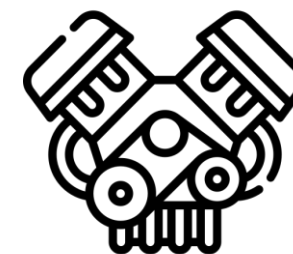
VALUE CREATION FOR OUR CUSTOMERS FROM IDEA TO FULL SCALE MANUFACTURING



CO-DESIGN



**FAST PROTOTYPE TO
MANUFACTURE**



**INDUSTRIAL SCALE-UP
AND REDUCED TIME TO
MARKET**

COMPANY SNAPSHOT

**The forward looking statement are not guarantees or predictions of future performance and involve known and unknown risks and uncertainties and factors beyond the control of Quickstep, its directors and management and may involve significant elements of subjective judgement and assumptions.*

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AEROSTRUCTURES

250

Employees

1%*

Revenue CAGR
FY21-FY23(F)

- Stable, long-term defence aerospace contracts
- World-class composite structures

Customers



AFTERMARKET

25

Employees

268%*

Revenue CAGR
FY21-FY23(F)

- Major supplier to commercial airlines and charters
- Global regulatory approvals across commercial and military aircraft

Customers



APPLIED COMPOSITES

20

Employees

142%*

Revenue CAGR
FY21-FY23(F)

- Engineering & series production of commercial drones
- Global customer base

Customers



SEGMENTS GROWTH

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AEROSTRUCTURES

- Record AU defence expenditure: ~\$500Bn 10 year value, strong CAGR⁺
- High growth segments: space, guided weapons, UAV, CleanTech

\$10Bn*

Addressable Market



AFTERMARKET

- Large, underserved Oceania aviation market
- Generational shift to onshore capability
- Low competitive intensity

\$400M*

Addressable Market



APPLIED COMPOSITES

- High growth commercial drone market US\$7.2Bn, 9.1% CAGR⁺⁺
- Early mover advantage in design for manufacture

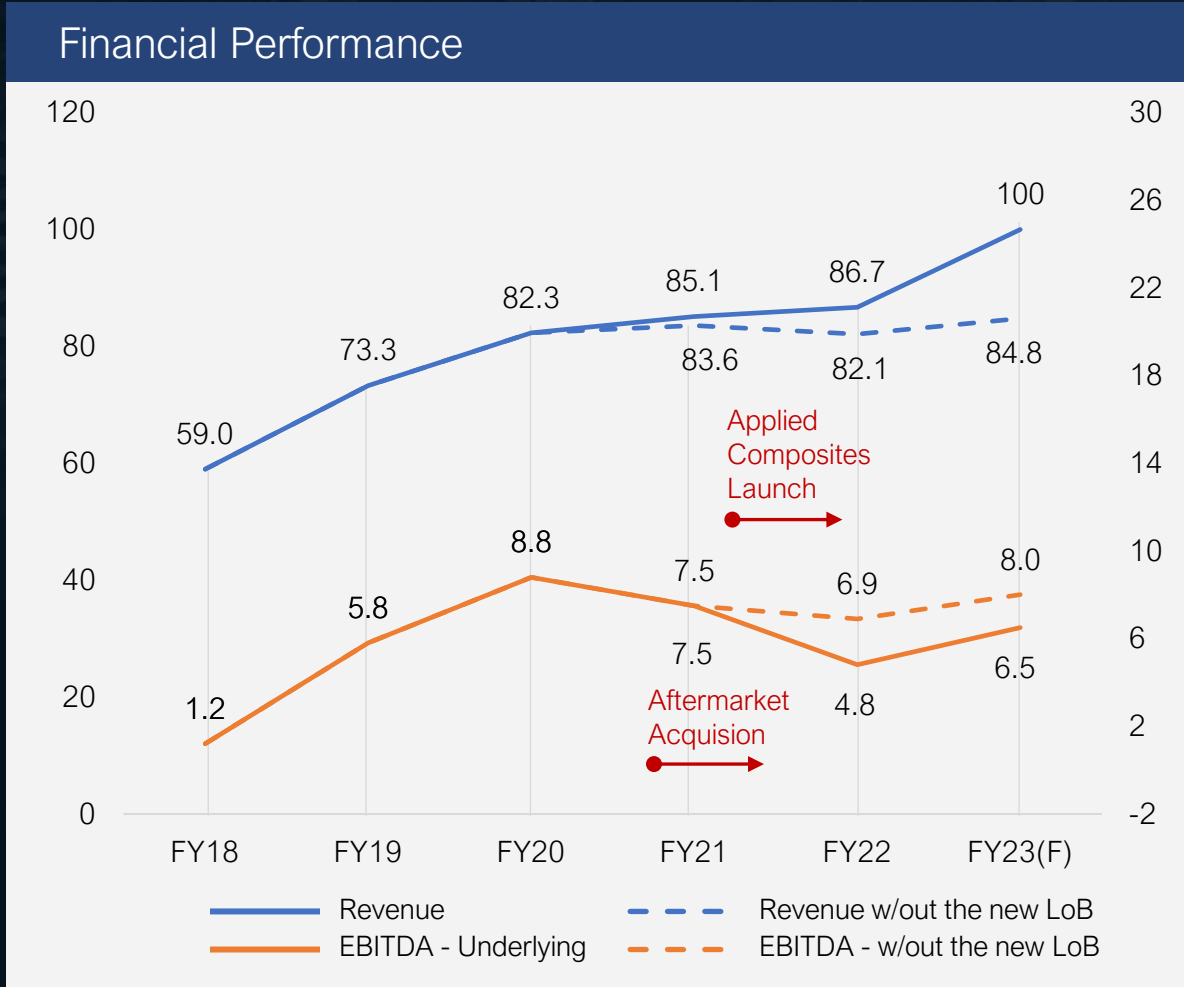
\$1.8Bn*

Addressable Market

>\$1.6Bn* PIPELINE

GROUP FINANCIAL PERFORMANCE

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1%*
Aerostructures
Revenue CAGR
FY21-FY23(F)

268%*
Aftermarket
Revenue
CAGR FY21-FY23(F)

142%*
Applied Composites
Revenue CAGR
FY21-FY23(F)

11%
Average Group Revenue
CAGR FY18-FY22

\$100M*
FY23 Revenue Forecast
(94% Contracted)

\$12M**
Invested In Growth
Sectors (FY21-FY23F)

>\$200M
Record order backlog

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**Aftermarket business acquisition goodwill, Applied Composites equity investments in Swoop / Carbonix and Aftermarket trading losses FY21-FY23(F).

USA GO TO MARKET STRATEGY

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KEY PARTNERS <ul style="list-style-type: none"> Lockheed Martin Northrop Grumman Boeing Spright Dronamics Swoop Aero US DoD 	KEY ACTIVITIES <ul style="list-style-type: none"> Advanced Engineering Manufacturing Final Assembly MRO 	VALUE PROPOSITION <ul style="list-style-type: none"> Commercial Drones <25kg Military UAV / UAS Commercial Drones >25kg GWEO (Hypersonics) Aviation Electrification (H2) Fuel Cells Space Structures 	CUSTOMER RELATIONSHIPS <p>Meeting current and future customer base demand in the USA</p>	CUSTOMER SEGMENTS <ul style="list-style-type: none"> Aerostructures Commercial Defence Space MRO
	KEY RESOURCES <ul style="list-style-type: none"> Sales Engineering Manufacturing Supply Chain 		CHANNELS <p>Existing contract extensions for the USA Market</p> <p>New contracts in drones and MRO</p>	
COST STRUCTURE <ul style="list-style-type: none"> Set up cost (3 Phases) Shorter supply chain and time to market Best-in-class supplier 		REVENUE STREAMS <ul style="list-style-type: none"> Engineering Services Manufacturing of components Final Assembly MRO 		

PHASE I (FY23)

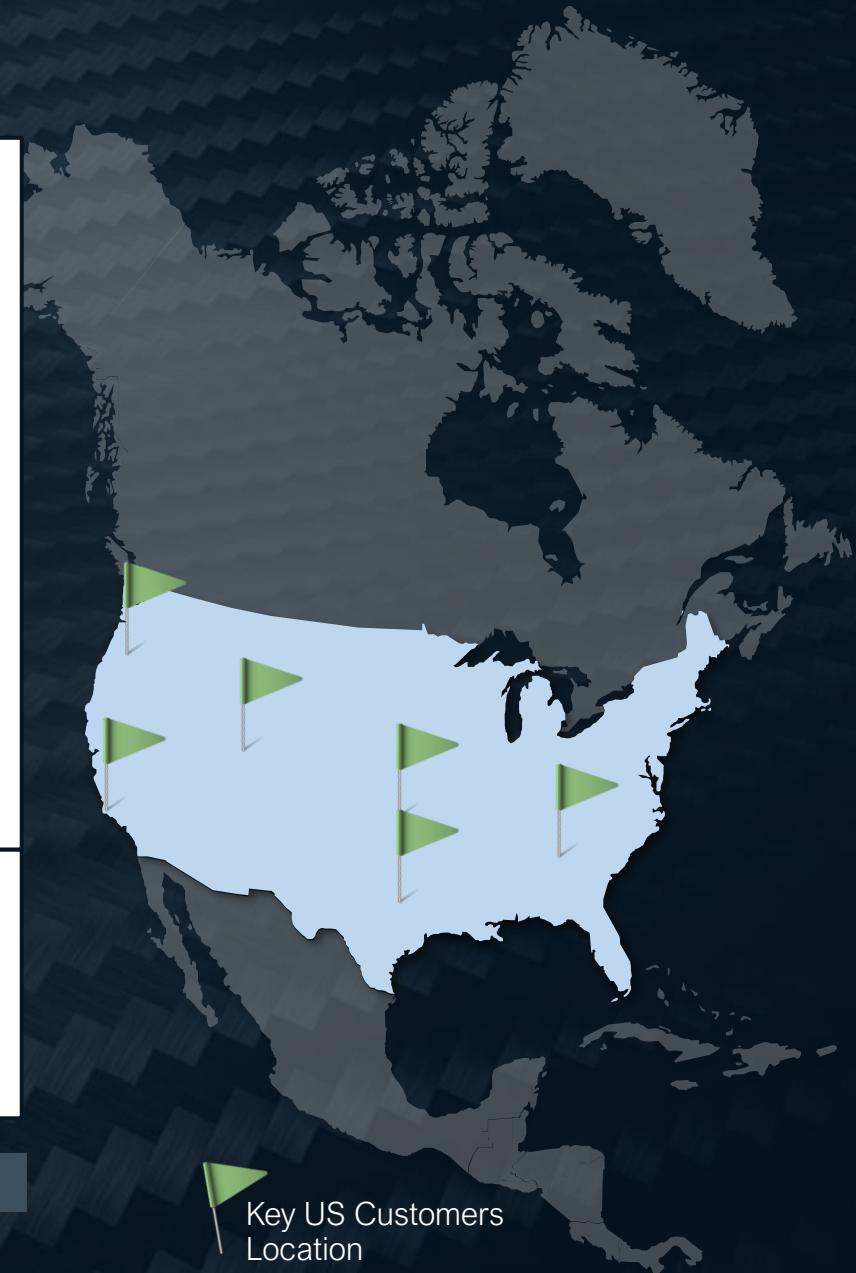
Prime Site set up
Engineering Services

PHASE 2 (FY24)

Manufacturing Capability

PHASE 3 (FY25)

Establish 2nd site Operations



QS VISION ROADMAP

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PROJECT PURRAI 2030

Established global presence and segment dominance

PROJECT WINTON 2025

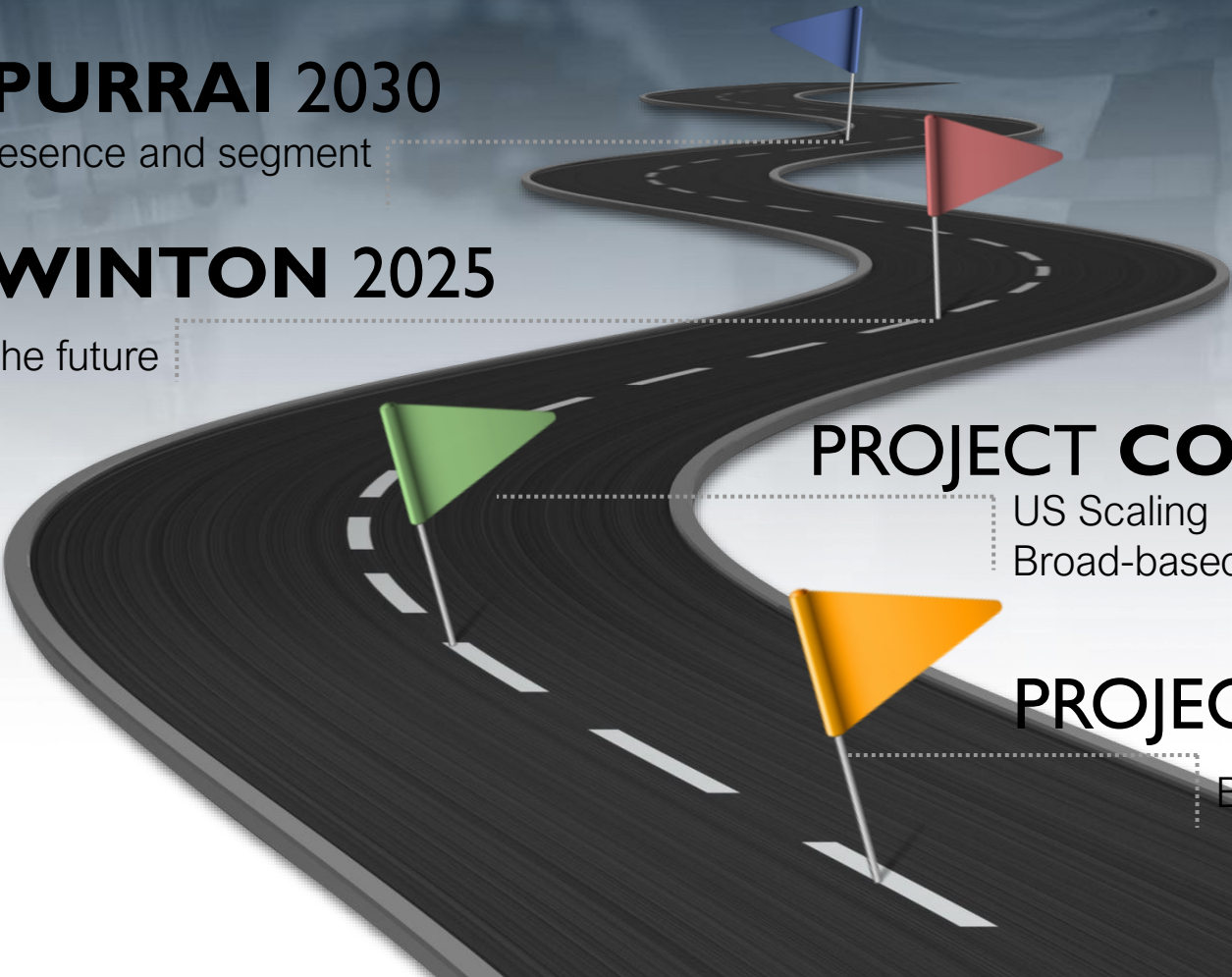
Complete factory of the future

PROJECT CORAL SEA 2024

US Scaling
Broad-based revenue & margin growth

PROJECT DARAMULUM 2022

Building global engineering capability





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**AUSTRALIA'S LARGEST INDEPENDENT AEROSPACE
AND COMPOSITE BUSINESS. TRUSTED BY THE
WORLD'S MOST TRUSTED. ENGINEERING,
MANUFACTURING, AFTERMARKET SERVICES**

THANK YOU

<https://www.quickstep.com.au/>

