

QUICKSTEP FY23 FINANCIAL RESULTS

25 August 2023: Quickstep Holdings Ltd (ASX: QHL) (Quickstep or the Company) today announced its results for the 12 months ended 30 June 2023 (FY23).

Key Financial Metrics

AUD Millions	FY23	FY22
Revenue	94.4	86.7
Underlying EBITDA	3.2	4.8
Statutory EBITDA	0.8	6.0
Underlying PBT	(3.8)	(1.4)
Statutory PBT	(6.2)	(0.2)
Tax Benefit / (Expense)	0.5	1.0
Underlying NPAT	(3.3)	(0.4)
Statutory NPAT	(5.7)	0.8
Operating Cashflow	1.9	3.3

Underlying items exclude \$2.3 million impairment of goodwill associated with the acquisition of the Aftermarket business, \$0.5 million employee restructuring costs and (\$0.4 million) legal accrual writeback.

Group Revenue of \$94.4 million represents a 9% increase on the prior year reflecting a 6% increase in core Aerostructures revenue year on year along with uplifts in both the Aftermarket and Applied Composites businesses.

As identified in previous communications, the challenging business and supply chain conditions that commenced in Q4 FY22 continued to impact the Company up until Q4 FY23 where the Company delivered stronger results.

Performance in the core Aerostructures business led the recovery for the business as production volumes increased. The Company continues to invest in the growth businesses of Aftermarket and Applied Composites which are operating as 'start up' initiatives.

Performance by Operational Segment

AUD Millions	FY23 Revenue	FY23 Gross Profit	Gross Profit %
Aerostructures	87.4	14.2	16%
Aftermarket	5.3	(3.6)	-68%
Applied Composites	1.7	(1.0)	-59%

Commenting on the H1 FY23 preliminary results, Quickstep’s Chief Executive Officer Mark Burgess said:

“The past 12 to 18 months has presented the most challenging operating conditions the Company has experienced and unfortunately this is reflected in the disappointing financial results we are releasing today. However, we are pleased that Q4 FY23 sees our recovery starting to take shape. The Aerostructures business continues to deliver a respectable return despite recent challenges. As the positive outcome from the strategic review in Aftermarket and ongoing development in Applied Composites begin to take effect, underpinned by significant contract wins across the group, we expect an improved financial performance.”

Diversification and Growth

Mr Burgess added; “Our position as a leading Australian supplier in the defence industry remains a critical element of our business and with the increased focus on the sector through the AUKUS partnership and Defence Strategic Review we will continue to build on this strength and leverage this into new markets and products. It is, however, important for us to continue investing in the diversification of our Company into strategic adjacencies to create a larger more resilient organisation, one which delivers a diversified customer portfolio and improved margin mix.”

FY24 Outlook

Commenting on Quickstep’s outlook for FY24, Mr Burgess said:

“I am immensely proud of how the Quickstep team has worked as one to navigate the challenges we have experienced over recent times and it gives us great confidence as we head into FY24. For a large part of our team FY24 will see us continue to simply do what we do best as an important supply chain partner. I’m excited to see our new business segments starting to grow with the acquisition of several new strategic customers. The Company’s planned expansion into the US market will be a landmark for our team and stakeholders and I am certain that applying the same commitment shown over the last 36 months will position us to be successful in a new geography.”

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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 300 people in Australia and internationally. More information about Quickstep is available at www.quickstep.com.au

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For further information please contact:

Mark Burgess – Managing Director

Quickstep Holdings Limited

Telephone: +61 2 9774 0300

E: mburgess@quickstep.com.au

Important Information - Forward looking statements

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