

## QUICKSTEP H1 FY24 PRELIMINARY RESULTS

**22 February 2024: Quickstep Holdings Ltd (ASX: QHL) (Quickstep or the Company)** today announced its results for the 6 months ended 31 December 2023 (H1 FY24)

- Delivered significantly improved results compared to H1 FY23.
- Strong revenue growth across all areas of the business with improved margins.
- Focus on productivity and profitability.

### Headline Financial Metrics

AUD Millions	H1 FY24 Actual	H2 FY23 Actual	H1 FY23 Actual
Revenue	52.1	49.0	45.4
EBIT	(1.1)	(0.5)	(3.6)
Underlying EBITDA	1.4	2.0	1.2

#### EBITDA Adjustments:

H1 FY24 exclude employee restructuring costs of \$0.25 million.

H1 FY23 underlying items excludes a (\$0.4 million) legal accrual writeback, \$2.3 million goodwill impairment and \$0.5 million employee restructuring costs.

Quickstep Group performance for H1 FY24 demonstrates improvements across all parts of the business with several significant highlights. These include a notable uplift in Aftermarket revenue to \$6.2m an increase of 117% on the same period last year and continued strong revenue growth of 7% in the core Aerostructures business reflecting consistent production volume throughout H1 FY24.

Strong revenue combined with the Company's continued focus on productivity and efficiency delivered an uplift in Gross Profit of 29% on the same period last year. This includes a 58% improvement in the Aftermarket business driven by volume and efficiency and a 5% improvement in the more mature Aerostructures business.

The Applied Composites business which is focused on servicing the developing commercial drone market delivered a sales uplift of 85% to \$1m which enabled continued investment in engineering development activities without having a material impact on the Company's margins.

Cash from operating activities of \$1.8 million for H1 FY24 reflects the improved operating performance of the Company with strong customer receipts and ongoing cost and cashflow initiatives. This was an improvement of \$4.6 million on H1 FY23.

## Performance by Operational Segment

Business Unit (AUD Millions)	H1 FY24 Revenue \$	H1 FY23 to H1 FY24 % Movement	H1 FY24 Gross Profit \$	H1 FY23 to H1 FY24 % Movement
Aerostructures	44.9	7%	7.4	5%
Aftermarket	6.2	117%	(1.0)	58%
Applied Composites	1.0	85%	(0.9)	(84%)

The strong performance in Aerostructures demonstrates the underlying quality of our long-term customer contracts for both F-35 Lightning II and C130 Hercules components. FY24 sees the Company completing production under current contracts with both Northrop Grumman and Lockheed Martin and ramping up to the next contract periods which are 3 and 5 years respectively.

As Australia's domestic airline industry has largely returned to pre-pandemic levels, Quickstep's Aftermarket business has experienced rapid volume and revenue growth with H1 FY24 revenue already 17% higher than the FY23 Full Year. Interest from the domestic industry to service components onshore, supported by key supply chain partnerships previously announced, is providing a growth platform. Encouragingly, interest and work from the Australian defence sector is also ramping up.

Production of UAV structures drove the improved revenue in Applied Composites, in particular Carbonix and Swoop. We continue to work closely with TB2 Aerospace LLC in the US on their exciting UAV cargo pod solutions which are attracting interest from both defence and commercial markets.

Preliminary work continues on Quickstep's US expansion plans with encouraging customer engagement in both the defence and commercial sectors. Strong support is being displayed by existing and potential customers along with the Kansas State Government and Wichita Local Government. Increasing industrial capacity in efficient composites production is a critical driver for all parties involved.

Inflationary pressures continue to present challenges across the QHL Group and are a top priority for the business to mitigate through supplier engagement and customer negotiations.

Simplification of our operating structure, enabled by productivity improvements, and further supported by process and systems enhancement, continues as a key focus for management throughout the remainder of FY24 and beyond.

Quickstep's guidance for FY24 remains unchanged with expectations for revenue in the range of \$103m to \$106m and a positive EBIT for the full year.

*Note:*

*In January 2024 Quickstep provided a business update which announced the simplification of the operating structure into to three operating units Quickstep Structures which combines the Aerostructures and Applied Composites lines of business, Quickstep Services which is the renamed Aftermarket line of business and Quickstep USA. Moving forward, Quickstep's results and announcements will be aligned with the new structure.*

**-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](http://www.quickstep.com.au)

## **For further information please contact:**

Mark Burgess – Managing Director

**Quickstep Holdings Limited**

Telephone: +61 2 9774 0300

E: [mburgess@quickstep.com.au](mailto:mburgess@quickstep.com.au)

## **Important Information - Forward looking statements**

This release contains forward-looking statements and information that are necessarily subject to risks, uncertainties and assumptions. Many factors could cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in this release including, amongst others, changes in general economic and business conditions, regulatory environment, exchange rates, results of advertising and sales activities, competition, and the availability of resources. Should one or more of these risks or uncertainties materialise, or should underlying assumptions prove incorrect, actual results may vary materially from those described in this release. Except as required by law, the Company assumes no obligation to update or correct the information in this release. To the maximum extent permitted by law, the Company and its subsidiaries and officers do not make any representation or warranty as to the likelihood of fulfilment of any forward-looking statements and disclaim responsibility and liability for any forward-looking statements or other information in this release.