ASX ANNOUNCEMENT & MEDIA RELEASE

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Half Year Results Announcement

- **Underlying EBITDA[1] of $35.4m up 30.8% and Underlying EBIT[1] of $29.1m up 25.5% respectively on then record prior corresponding period**
- **WestConnex arbitration settled resulting in legal dispute costs of $46.1m**
- **NPAT loss of $12.8m**
- **Fully franked 2.5 cps interim dividend declared**
- **Order book of $710m up 6% on prior corresponding period**
- **Unprecedented pipeline of data centre projects being tendered for commencement in CY2026**
- **Underlying FY26 EBITDA guidance raised to at least $72m with expectations of further growth beyond**

Southern Cross Electrical Engineering Limited ("SCEE Group") today released its results for the half year ended 31 December 2025.

Financial Results

Revenue for the half-year was $349.1m, down 12.2% on the prior corresponding period revenue of $397.4m with activity on the Collie Battery Energy Storage System ("CBESS") project in Western Australia and the Western Sydney International Airport Terminal project winding up during the period.

The Force Fire business, acquired in April 2025, was consolidated for the full period and continues to perform strongly.

Revenue contribution by sector was as follows:

- Infrastructure – revenue for the period was $166.7m, down 33.8% from $251.7m in the prior corresponding period due to lower activity on the CBESS and Western Sydney International Airport projects as they wound up. Significant ongoing revenue contributors are the Shoalhaven and Shellharbour Hospital projects and various Data Centres including NEXTDC SYD03 Artarmon.

- Commercial – revenue for the period was $115.2m, up 44.2% from $79.9m in the prior corresponding period. Most of the increase came from Force Fire's industrial warehousing and commercial buildings projects. Other key contributors in the current period were ongoing works for Coles and Woolworths by SJ Electric and Heyday's various projects across NSW and ACT, including the Atlassian building development.

- Resources – revenue for the period was $67.3m, compared to $65.8m in the prior corresponding period. SCEE Electrical has various ongoing works for BHP, Rio Tinto and Sino Iron and SEME Solutions continues to provide mine-site and accommodation villages security upgrades.

Gross profit for the period of $65.9m was a record half-year result and was up 30.3% on the prior corresponding period gross profit of $50.6m. The gross margin percentage for the period was 18.9% compared to the prior corresponding period at 12.7%. The increase in margin was driven by a successful outcome on the CBESS project, a more favourable mix of commercial building projects in the Heyday business, and the contribution from Force Fire.

Overheads of $31.0m were up 29.4% on the corresponding prior period, primarily because of the inclusion of Force Fire in the current period.

Underlying EBITDA[1] for the period of $35.4m was up 30.8% and Underlying EBIT[1] of $29.1m was up 25.5% respectively on the prior corresponding period's record half-year EBITDA[1] and EBIT[1] results.

During the period, Heyday received the outcome regarding its arbitration proceedings against the CPB Dragados Samsung Joint Venture ("CDSJV") claiming for additional costs incurred in performing its works on the WestConnex M5 motorway tunnel project in Sydney that completed in 2020. The arbitrator disagreed with Heyday's claims and found in favour of CDSJV in his Partial Final Award issued on 28 November 2025. Heyday and CDSJV subsequently settled the matter, including for all claims, interest, and costs, with a cash payment to CDSJV of $25.3m. The contract asset of $19.5m held in respect of this project was written off as a result. Legal fees incurred by Heyday during the period in respect of this matter totalled $1.4m. The combined $46.1m of these WestConnex dispute costs has been excluded from the Underlying EBITDA[1] and Underlying EBIT[1] results for the current period.

As a result of the above there was an NPAT loss for the period of $12.8m compared to an NPAT profit of $16.2m in the prior corresponding period.

Underlying EBIT[1] and NPAT both included $2.2m amortisation of acquired intangibles compared to $1.1m the prior corresponding period with the increase attributable to the acquisition of Force Fire in H2 FY25.

The Board has declared a fully franked interim dividend of 2.5 cents per share, consistent with the prior year interim dividend. The interim dividend will be paid on 22 April 2026.

The cash balance at 31 December 2025 was $58.8m, down from the 30 June 2025 balance of $88.6m. Notable outflows in the period included the settlement of the WestConnex arbitration proceedings, a record half-year dividend pay-out of $13.3m, the unwinding of $12.0m of advance payments on the CBESS project, and deferred consideration payments of $4.7m in respect of the Force Fire and MDE acquisitions.

The group remains debt free.

Health and Safety

Delivering our work safely is our highest priority and we are extremely proud of our strong safety culture. We were Lost Time Injury ("LTI") free across the group's operations for the eighth consecutive half year. This represented over 1.6 million manhours LTI-free in the period.

Outlook and Guidance

The Board has increased Underlying FY26 EBITDA guidance to at least $72m, up 31% on FY25 EBITDA, and expects further growth in future years.

The order book at 31 December 2025 was $710m, up 6% on the prior corresponding period. Infrastructure continues to comprise the largest component of the order book at 65%. Over 85% of the order book is now on the East Coast.

Over $200m of the order book is in the adjacent non-electrical disciplines of fire, manufacturing, security, and communications and our ability to provide a multi-disciplinary offering is gaining traction with clients as evidenced by recent awards. On the Ausgrid Steel River East Battery Energy Storage System project in NSW SCEE Electrical are the lead electrical contractor and will be supported by Trivantage Manufacturing for switchboards, MDE for communications, SEME Security for security, and Force Fire for fire systems. At the DigiCo SYD1 Data Centre Heyday will be the lead electrical contractor supported by Trivantage Manufacturing, MDE and Force Fire.

Our growth expectations are underpinned by our strong exposure to the structural tailwinds of the growth in Data Centre construction, infrastructure investment, renewable energy projects, and the electrification of the economy.

SCEE businesses have worked on data centres for over twenty years, and the sector is now in an exponential growth phase. Huge capital has been raised in recent periods and is now being deployed for the actual construction phase across Australia.

Our businesses have multi-layered relationships in the sector with both the data centre developers and the tier one builders with all SCEE businesses already working on or positioning themselves for data centre projects.

The group's Data Centre revenues have grown strongly in recent years to over $120m in FY25 with a similar volume forecast for FY26. We are anticipating significant growth from this sector in FY27 and beyond. Across the group we are currently tendering on new data centre projects with over $1bn of work for SCEE over their construction periods.

The Western Sydney International Airport Stand Alone Facilities Project is now underway. We are expecting a long-term pipeline of works with further airport expansion and development of the surrounding Aerotropolis region, particularly industrial warehousing construction for Force Fire and Heyday.

We were recently awarded the Electrical and Communications Systems package for the St Marys Station Project, a part of the new Western Sydney International Airport line, and have high confidence of further awards on Sydney Metro West station developments in future periods.

In healthcare we are delivering the new Shellharbour Hospital, Heyday's largest ever hospital award, and are positioning around further major hospital developments presenting in NSW and ACT in the medium-term.

Australia's energy transition requires investment in renewables supported by battery storage and grid configuration. SCEE participates in this thematic having delivered multiple solar farms, wind farms and Battery Energy Storage Systems. In H1 FY26 we successfully completed the Synergy CBESS project and were awarded the Steel River East BESS project on the Ausgrid network. Force Fire has virtually completed the installation of fire safety solutions on the Macintyre Wind Farm in Queensland for Nordex and are positioning for further developments there. We are tendering for multiple battery and wind farm developments across Australia and expect to announce further battery projects this year.

SCEE has multiple other exposures to Australia's energy transition which requires electrification of many activities by 2050. SCEE's capabilities align with this energy transition, which will demand the electrification and decarbonisation of existing industries, transport networks and the built environment. SCEE offers services across a huge range of electrification initiatives including decarbonising our client's operations, such as refrigeration power efficiencies for supermarkets, store metering roll-outs, electric vehicle charging systems, lighting upgrades, and solar powered electrical equipment. Building developments will be subject to stricter building codes which will drive increased electrical density and complexity.

Strategy

SCEE sees electrical contracting as its core capability whilst increasingly diversifying into adjacent disciplines and servicing the infrastructure, commercial, and resources sectors.

Our growth strategy continues to be to deepen our presence in those sectors and broaden our geographic diversity through expanding our core competencies and adding adjacent and complementary capabilities and disciplines, either organically or by acquisition.

We are increasing our exposure to services and maintenance style works.

We are actively exploring a range of acquisition targets offering further geographic diversification and new capabilities.

We aim to maximise the synergies and cross-selling opportunities created by the increasing diversification and multi-disciplinary nature of the Group

The electrification of the Australian and global economies presents SCEE with opportunities across all its operations.

Comment

Commenting on the half year results, SCEE Group Managing Director Graeme Dunn said "I am pleased we have been able to raise our guidance for FY26 as we enter the second half of this financial year with a near-record order book. We are facing an unprecedented pipeline of data centre projects that we are tendering for now which anchors our expectations of further growth beyond FY26. Our Force Fire acquisition is performing ahead of targets and contributing to the increasing multi-disciplinary nature of the Group, which we believe offers us a competitive advantage in many of our markets."

Results webcast

Investors and analysts are invited to attend a results presentation webcast with Graeme Dunn (SCEE Group CEO and Managing Director) and Chris Douglass (SCEE Group CFO) today, Wednesday 18 February 2026 at 11am WST / 2pm AEDT.

Investors and analysts can register to attend the webcast at the following link:

https://ccmediaframe.com/?id=wVkMUUfZ

Notes

1. EBITDA and EBIT are non-IFRS measures which in the opinion of the directors provide useful information to assess the performance of the group over the period. EBITDA represents earnings before interest, income tax, depreciation and amortisation. EBIT represents earnings before interest and income tax. Underlying EBITDA and Underlying EBIT in the current period exclude the impact of the WestConnex dispute costs. In the prior corresponding period WestConnex dispute costs were not material and were included in contract expenses. A reconciliation of these non-IFRS measures to profit/(loss) after income tax is presented in the following table:

	31 Dec 2025 $'000	31 Dec 2024 $'000
Underlying EBITDA	**35,433**	**27,082**
Depreciation and amortisation	(6,380)	(3,930)
Underlying EBIT	**29,053**	**23,152**
WestConnex dispute costs	(46,120)	-
Net finance income/(expense)	(969)	179
Income tax benefit/(expense)	5,253	(7,153)
Profit/(loss) after income tax	**(12,783)**	**16,178**

Authorised for release by Graeme Dunn – SCEE Group Managing Director

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