

24 February 2026

Strong performance on track to deliver FY26 forecasts

SKS Technologies Group Limited (ASX: SKS) has achieved another half of impressive financial metrics, including a 52.5% increase on pcp in net profit after tax to \$8.81 million, a 58.6% increase in work on hand, and an earnings per share increase of 49.6%. Consequently, a 3.5 cents per share fully franked interim dividend will be paid for the half, up from the 1 cent per share inaugural interim dividend paid for 1H25.

FY25 performance summary



CEO commentary

The first half of FY26 has produced another set of very pleasing earnings, equity and cash metrics, a new record level of work on hand, the largest contract win to date for a \$130 million data centre facility, and the acquisition of a NSW-based electrical solutions and data centre infrastructure business, Delta Elcom. With rebranding underway as well as working combining systems, cultures and workforces, we are well-advanced in merging the two entities to produce the forecast opportunities that underpinned the acquisition rationale.

On the operational front, we completed several major projects across several states and territories for blue-chip and government clients, as well as securing some large new contracts that have boosted our work on hand to another record level of \$325 million as of February this year.

In terms of data centres, nothing indicates that the market is anything but growing exponentially and poised to remain in such a state for many years. I'm told repeatedly that the staged development of these facilities is driven by contracted commitments from customers which underpin the procurement of funding for each expansion. It is an extremely demand-driven model, which reduces risk and enables facilities to be precisely designed to meet market specifications.

We're pleased that after only two and half years of operating in the highly specialised data centre space, we are able to secure triple digit contract values to design and construct some of the flagship hyperscale data centre projects in Australia. In a short period of time, we have delivered work in this new sector to a level of excellence that has sustained the high repeat business level of approximately 90% over the past two years that was established by years of excellent project delivery work in our traditional market sectors.

In 1H26, we increased our bank facilities from \$21 million to \$32 million and our cash generation over the past few years has resulted in cash reserves of just under \$52 million. Our record level of working capital, which almost doubled against the last first half to \$18.37 million, combined with our finance facilities secures our ability to keep aggressively building our orderbook.

The pipeline remains very strong and we now have an orderbook profile that extends beyond a rolling 12-month horizon with \$177 million allocated to FY27. Since 1 January this year, it has increased by \$50 million and there are other opportunities in the pipeline that we believe we can secure and begin to execute before year-end. We are, therefore, satisfied that the FY26 revenue target of \$340 million is realistic and achievable. The basis for this assumption is the unremitting expansion of the pipeline across all sectors, particularly in the data centre sector, combined with the business's ability to translate future opportunities into firm contracts. Given the higher forecast margin of 10%, as announced on 5 February this year, before-tax profit is expected to be approximately \$34 million for FY26.

With the successes of the past several years, the sense of momentum in the business is being channelled into doing what we already do well to an even higher standard. We have the ingredients, internally and externally to carry on achieving ambitious goals, including a team of people who are the best in the industry.

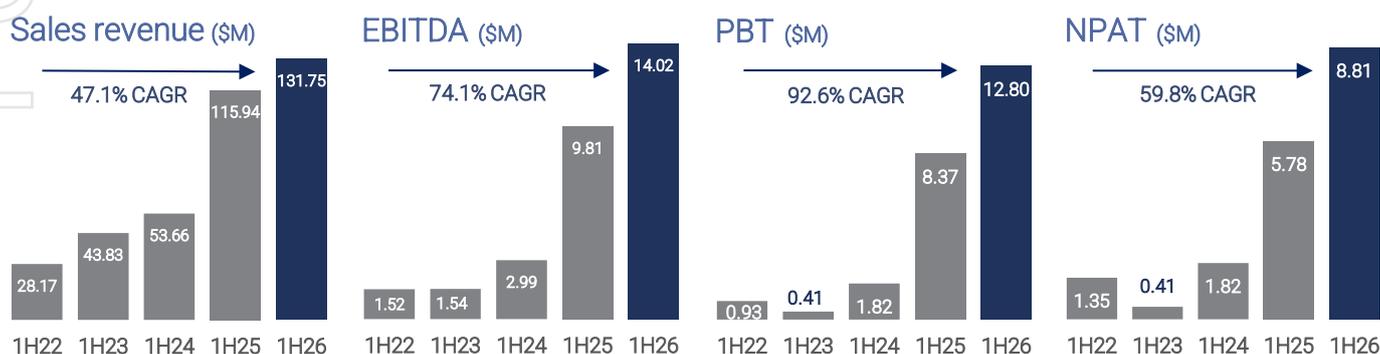
Matthew Jinks

Financial performance

Earnings metrics were all double digit increases with sales revenue of \$131.75 million rising by 13.6% above the \$115.94 million achieved in 1H25, while EBITDA and EBIT increased by 42.9% and 44.6% respectively. Pre-tax profit increased by 52.8% against the previous first half to \$12.80 million on a 9.6% margin, resulting in an after-tax profit increase of 52.5% to \$8.81 million.

Expenses increased by 11.1% to \$120.12 million compared with 1H25, largely driven by the necessary increased employee costs to support a constantly escalating orderbook and project load. Materials, the other large contributor to expenses, was stable at \$55.03 million.

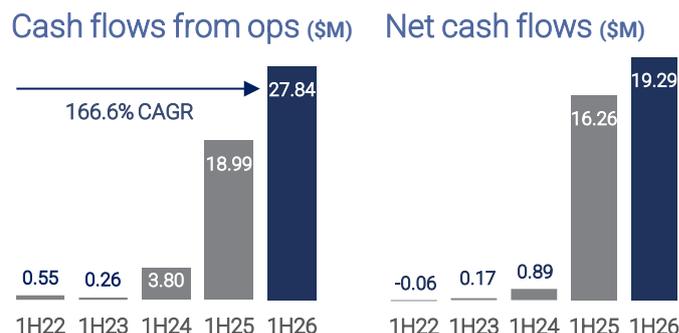
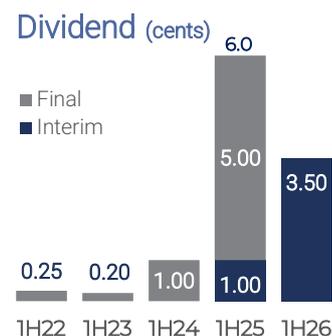
The 9.6% PBT margin has almost tripled since its 3.4% level of 1H24, reflecting the scale benefits of a cost base that was established to pursue higher levels of work and higher-margin projects over a short period of time. The current cost base is expected to support revenue of approximately \$400 million with small incremental increases in fixed costs expected beyond that level. Margins are not forecast to be impacted by these incremental increases to fixed costs.



In light of the business's strong capital position after the last two and a half years of stellar growth in all earnings measures, a 3.5 cents per share fully franked interim dividend will be paid for the half. The dividend represents a 3.5 times increase on the inaugural interim dividend of 1 cent per share in 1H25.

The business's capital position was further strengthened by a significant increase in cash generated by operations, which rose by 46.6% to \$27.84 million, contributing a net cash flow increase of 18.6% to \$19.29 million and boosting cash reserves by 2.6 times since the start of the period to \$51.77 million.

The cash performance, combined with a long-term debt-free position and a 52.4% increase in bank facilities in 1H26 to \$32 million compared to the \$21 million level of 1H25, will enable the business to continue its planned growth trajectory in pursuit of high margin work for stable blue-chip clients. Working capital has effectively doubled from \$9.85 million in 1H25 to \$18.37 million in 1H26. Shareholder equity increased by 60.4% to \$27.98 million over 1H25 and 14.0% over FY25.



Operational performance

Continuing the successes of FY25, there were several operational highlights in 1H26, including:

- the completion of due diligence and negotiations for the strategic acquisition in NSW of Delta Elcom. Combined, the two businesses have the scale, relationships, market knowledge, resources and expertise to build a valuable presence in the data centre and wider market sectors across Australia. Integration planning also commenced during the half to bring the new business under the SKS Technologies brand, using a single operating platform, blending customer bases, cultures and work teams;
- the largest project secured to date, a \$130 million contract to design and construct the full suite of electrical systems and infrastructure for the 90MW hyperscale data centre in Melbourne; and
- the completion of a number of major projects, including:
 - critical electrical infrastructure works to scale up a hyperscale data centre facility by a further 72MW in response to the ongoing strength of demand;
 - Project Phoenix at Mount Bunday, NT which involved the design and implementation of upgraded and expanded high frequency communications capability to support ADF operations in a remote area; and
 - Audio visual works for the 1,000-seat theatre and 3,700 square metres of flexible event space at the Nyaal Banyul Geelong Convention and Event Centre in Geelong, Victoria.

The orderbook continues to reach new record levels which now sits as \$325 million, showing the dynamic nature of the conversion of the pipeline into secured contracts.

Due to the larger projects with higher contract values and longer timelines, the time horizon of the orderbook is extending, with a significant portion flowing beyond 12 months. The orderbook activity to date supports the achievement of the FY26 revenue target of \$340 million.

SKS Indigenous Technologies reached its third full year of operation during the half, achieving revenue of \$12.6 million and work on hand of \$13.1 million. Over those years, as the business has expanded, the level of annual Indigenous employee spend has increased to approximately \$3 million per annum, validating the rationale behind it that seeks to blend commercial objectives with the opportunity to provide employment and training to Indigenous people to help build their communities.

The business's excellent safety record was also maintained despite hours worked expanding almost 4.5 times over the past five years, with only two lost time injuries over the same period. In the 11-year history of the business there have been zero serious injuries.

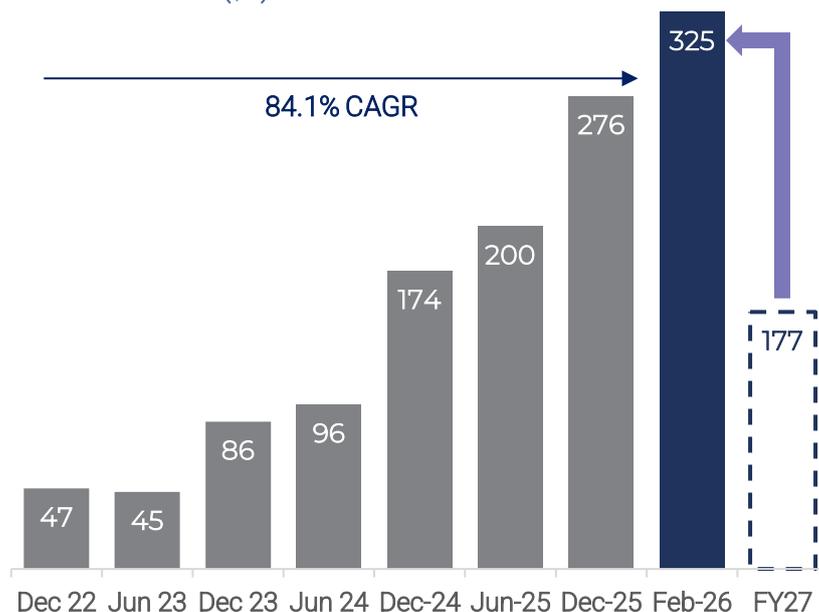
Strategy and outlook

Over the past several years, the profile of work on hand and revenue in the business has changed substantially. Net profit margins have multiplied with diversification and scale benefits, generating increased levels of cash which have bolstered the working capital necessary to build critical mass to optimise level of fixed costs. Entering new market sectors requires substantial preparation, with resources needing to be established well before the first contract is secured and well ahead of the initial cash inflows. When SKS Technologies repositioned the business toward accessing new market segments approximately four years ago, these sectors were still in their early stages, though its growth trajectory and investment outlook were already considerable and accelerating.

SKS Technologies has established itself as a key player in its areas of expertise and is now a respected supplier to Australia's ballooning data centre infrastructure market. Our plans for the future encompass building that market sector aggressively, a core reason for the NSW acquisition, as well as expanding our traditional sectors. Those plans, however, will continue to be driven by a consolidation mindset that ensures cost control and optimal return on investment.

Despite a cautious economic outlook for Australia and further abroad, all sectors are exhibiting strong demand for suppliers of electrical technologies and digital infrastructure services and systems, with the data centre market forecast for extraordinary growth. With all the external and internal components necessary for commercial success, including a strong balance sheet and an exceptional organisational culture, the Board remains firm on its FY26 financial guidance.

Work on hand (\$M)



Data taken at 14 February 2026

~ ENDS ~

Approved for release by the Board of SKS Technologies Group

Further Information:

Matthew Jinks
Chief Executive Officer
(03) 9289 5000

Investors and analysts are invited to attend an online presentation with Matthew Jinks (SKS Technologies CEO) and Gary Beaton (SKS Technologies CFO) on Tuesday 24th February 11:00 AM – 12:00 PM AEST (UTC+10:00) Brisbane.

The presentation will be accessible by registering via the following link:

<https://events.teams.microsoft.com/event/f9e2b67e-0994-41de-b9cc-1fb2d050d914@8adfa819-6ff0-4423-a794-8c510c7ef924>

About SKS Technologies Group Limited (ASX: SKS)

SKS Technologies Group specialises in the design and installation of electrical technologies and digital infrastructure with a diversified service offering covering audio visual, communications and electrical solutions across Australia. SKS Technologies serves the full spectrum of industry sectors, including data centres, defence, mining, health, retail and commercial buildings.