



## VEEM REPORTS 1HFY26 RESULTS

Highlights of the financial results for the six months to 31 December 2025:

- Revenue for the half-year was \$23.4m (guidance \$24m to \$26m)
- EBITDA for the half-year was -\$0.2m (guidance -\$1m to \$1m)
- Cashflow from operations for the half-year strong at \$4.0m (up 128% on pcp)
- Net Debt at 31 December 2025 of \$1.8m reduced by \$11.9m after net capital raise proceeds of \$13.1m
- Net debt transitioned to net cash position at 31 January 2026 of \$0.2m
- Non-cash impairment of \$24.8m in relation to gyrostabilisers

VEEM Limited (ASX: VEE) ('VEEM' or 'the Company'), an Australian Defence manufacturer, designer and manufacturer of disruptive, high-technology marine propulsion and large gyrostabilizer ('gyro') systems for the global yacht, fast ferry and commercial workboat market, reports its financial results for the half-year to 31 December 2025.

VEEM's revenue for the half-year was \$23.4m (down 30% on 1HFY25) with total activity for the half-year (Sales + change in WIP) \$23.3m (down 32% of 1HFY25) due to low gyro sales and a delay in receipt of ASC orders to late in the half year. The ASC orders are now being fulfilled and will contribute to significantly increased defence revenue in 2HFY26.

EBITDA was -\$0.2m but cashflows from operations were \$4.0m, up 128% on 1HFY25. Net debt of \$13.7m at 30 June 2025 reduced to \$1.8m at 31 December 2025 after net capital raising receipts of \$13.1m. At 31 January 2026 the net debt position had improved further to a net cash position of \$0.2m.

The Mioceovich family contributed \$1m as part of the capital raising with funds received strengthening the balance sheet and providing flexibility which will allow the Group to take advantage of growth opportunities in particular in US defence.

The Company is transitioning through a period of development where costs have been expended in bringing products to market (VEEM Extreme & Gyro Mark III) as well as entering new markets (US Defence) but revenues from these endeavours have yet to ramp up. As this comes through, profitability will be enhanced in future periods. Each of the various initiatives are discussed below.

Propulsion sales (excluding defence) of \$13.0m were down 9% on the prior period with the market showing early signs of improvement into 2HFY26. The VEEM Extreme range was launched during the half-year with strong enquiries received. The first contract has been signed with Manly Fast Ferries with deliveries beginning in 2HFY26 as part of an initial roll out to a limited group of customers. Efficiency gains of 18.1% from the propeller and rudder against a standard set up are expected over time to attract an increasingly diverse customer base in particular in the slow boat market and those prioritising carbon footprint reductions.

Defence revenue of \$3.7m in the half year was down 49% on the corresponding period largely as a result of the delay in receipt of ASC orders until late in the half. Orders are currently being fulfilled and will underpin defence revenue in 2HFY26 and into the start of FY27.

During the half-year progress was made entering the US defence supply chain including achieving approved supplier status with HII and signing a 9-year MLA with Northrop Grumman for initial value of up to US\$33m that can be increased by amendment.



The longest US government shut down in modern history from 1 October 2025 to 12 November 2025 hampered progress but momentum is building in 2026 with VEEM advancing qualification with several US defence contractors.

VEEM is finalising acceptance of the blades and hubs for the Hunter Class Frigate Program (HCFP) demonstrator for BAE Systems Australia which is taking longer than initially envisioned. Successful completion will confirm VEEM as a qualified supplier, making it one of only two suppliers globally to be able to produce this level of precision. This is expected to lead to other defence opportunities.

The Mark III gyro was launched during the half featuring a patented oiling system which removes the need for scheduled maintenance and custom low friction bearings which reduce power consumption by ~20% for small and mid-frame models. The significant benefits led to purchase hesitancy in 1HFY26 which is expected to result in higher sales going forward.

Gyro sales below budget constituted an impairment indicator and an impairment test was conducted, resulting in a non-cash impairment expense of \$24.8m in relation to gyro related capitalised development costs (\$24.2m) and some obsolete inventory (\$0.6m). Refer ASX announcement of 23 February for further details.

The factory extension advanced well during the half-year and is due for completion in Q4FY26 in time for the three CNC machines which are due to arrive over the course of calendar year 2026 and accommodate a potential increase in conventional propeller demand and the start of VEEM Extreme as the marine market gradually improves.

In response to the current reduced level of turnover there has been a reduction in overhead costs of approximately \$3.5m over 1HFY26 on an annualised basis.

**VEEM Managing Director Mark Miocevich said:** “While we have had a slower start to FY26 than we had hoped, it will be a transition year with 2HFY26 continuing to lay the foundations for a stronger FY27 with costs spent on US defence qualification; gyro Mark III and VEEM Extreme to yield meaningful revenue over time as they ramp up”.

*This ASX announcement was authorised for release by the Board of VEEM Limited.*

**Further information:**

VEEM Managing Director  
**Mark Miocevich**  
+61 8 9455 9355

Chief Financial Officer  
**Tino Kapfumo**  
+61 8 9455 9355

IR Consultant, Lancaster Grove Capital  
**Jonas Fitzgerald**  
+61 (0) 427 104 488  
[Jonas.fitzgerald@lgcapital.com.au](mailto:Jonas.fitzgerald@lgcapital.com.au)



**ABOUT VEEM LIMITED (ASX: VEE)**

VEEM is an Australian Defence manufacturer and a designer and manufacturer of disruptive, high-technology marine propulsion and large Gyro stabilization systems for the global defence, yacht, fast ferry and commercial workboat market.

VEEM's market leading Gyrostabilizers significantly reduce the rolling motion of vessels in waves, increasing on-sea time and improving personnel safety and efficiency in a wide range of ocean conditions.

VEEM is also a successful producer of high-performance propellers, fin systems, valves and specialised components for defence and has continually reinvested in research and development for new products and processes.

Proudly headquartered in Perth, Western Australia, VEEM operates from a 14,700 sqm purpose-built fabrication and manufacturing facility, including Australia's largest non-ferrous foundry. VEEM employs approximately 195 staff in Australia, including graduates and apprentices, and maintains a highly skilled research and development team in-house. Celebrating its 50th anniversary in business in 2018, VEEM listed on the Australian Securities Exchange in 2016. [www.veem.com.au](http://www.veem.com.au)

**FOLLOW US ON SOCIALS**



[linkedin.com/company/veem-ltd/](https://linkedin.com/company/veem-ltd/)  
[twitter.com/VEEM\\_Ltd](https://twitter.com/VEEM_Ltd)

For personal use only