Appen

ASX Announcement

27 August 2026

H1 FY26 results

Appen Limited (Appen) (ASX: APX), a global market leader in data for the Artificial Intelligence (AI) Lifecycle, is pleased to provide its half-year results for the six months ended 30 June 2026 (H1 FY26) as well as FY26 outlook and guidance.

H1 FY26 Highlights:

- **Revenue of $119.9 million, +17% vs prior corresponding period (pcp)**
- **Underlying EBITDA[1] (before FX) of $5.3 million, a $7.5 million improvement vs pcp**
- **Ongoing strong half-yearly performance achieved by Appen China, reflected by:**
  - Revenue of $76.2 million, +80% vs pcp;
  - Underlying EBITDA[1] (before FX) of $12.1 million, +316% vs pcp; and
  - Annualised revenue run-rate exceeding $175 million in June
- **Appen Global turnaround continues with solid progress made resulting in improved revenue mix throughout the period**
  - Revenue of $43.7 million, -27% vs pcp;
  - Underlying EBITDA[1] loss (before FX) of $4.5 million, -25% vs pcp; and
  - Performance improved during the half with Q2 +20% vs Q1, and outside of the largest client, Q2 revenue grew 65% vs Q1
- **Expanded use of AI in operations continues, ~$12 million annualised cost out identified within Appen Global**
  - ~70% to be executed by the end of FY26, remainder by the end of Q1 FY27
- **Strong cash balance at 30 June 2026: $44.7 million (A$64.8 million[2])**
- **FY26 group guidance reaffirmed:**
  - **Revenue of $270 - $300 million; and**
  - **Underlying EBITDA (before FX) margin of ~5-10%**
- **Investor webinar to be held today, 27 August 2026, at 11.00am AEST ([click here to register])**

[1] Underlying EBITDA excludes restructure costs, transaction costs, and acquisition-related and one-time share-based payment expense.
[2] Converted at 30 June 2026 exchange rate of 0.6894

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Commenting on the performance for the half, Appen's CEO & Managing Director Ryan Kolln said:

"The AI market continues to grow rapidly, the competition is intensifying across Western and Chinese AI model builders. Appen is one of the few AI data partners working across both frontiers of AI, enabling us to grow as the global AI market evolves. We are proud to be supporting many of the most innovative model releases in the first half and are deeply engaged in the next wave of AI advancement."

"At the Group level, we delivered 17% revenue growth vs pcp, supported by expanding projects from existing accounts and exciting new customer wins."

"Appen China continues to be a major growth driver, with H1 revenue up 80% versus first half 2025. Appen China exited the first half with an annualised revenue run-rate growing to over $175 million (June), up from $135 million at the end of 2025. The sustained growth demonstrates the strength of our relationship with Chinese model builders."

"Appen Global continues to also show solid progress with momentum throughout the half from expanding projects with leading AI labs. We are progressing well in our ambition to expand across frontier AI labs in the USA. At the same time, we continue to realise efficiencies as we adopt AI across our operations."

"With a strong balance sheet and a dedication to delivering quality data at speed we remain focused on revenue growth from the global growth in AI, and ongoing underlying EBITDA profitability."

Financial and Operating Performance

Group performance

Group revenue increased 17% to $119.9 million in H1 FY26, reflecting accelerated growth for Appen China, and the continued turnaround of Appen Global.

During the half, the small decrease in gross margin to 36.7% from 37.0% reflects a change in customer and project mix. Appen China margins are traditionally lower compared to Appen Global.

Group Underlying EBITDA (before FX) improved meaningfullly during the half, delivering a turnaround of approximately $7.5 million versus H1 FY25. The improvement reflects revenue and gross margin growth, prudent cost management, and operational leverage within Appen China.

Appen China

Appen China continued to perform well during the first half, delivering strong revenue growth (+80% vs pcp). The China business exited the first half with an annualised run-rate for June exceeding $175 million. Additionally, it achieved underlying EBITDA of $12.1 million in H1 (+$9.2 million or +316% vs pcp), reflecting 15.9% EBITDA margin.

Revenue growth for Appen China continues to be driven by generative AI related projects, including supporting international expansion for Chinese technology companies. EBITDA margin improvement has also been driven by a greater mix of higher-margin generative AI projects and increased revenue from high-margin prebuilt datasets. In addition, a focus on opex as revenue expands is positively contributing to segment performance.

Appen Global

Appen Global first half revenue was $43.7 million (-27% vs pcp) with an underlying EBITDA loss of $4.5 million. The decrease in revenue reflects the continued turnaround with lower volumes from traditional work, not yet fully offset by growth in new areas.

Appen Global made strong progress during the period to capture growth in the generative AI market and to diversify revenue. Outside of the largest client, Q2 revenue grew 65% on Q1, reflecting growth from projects that were directly related to some of the most innovative AI releases. The new projects the Company is winning cover areas that Appen has long-standing strengths (including speech and relevance). Appen is also winning new work in domains including coding, STEM, finance, and robotics.

Cost reduction program

Capturing cost efficiencies via AI enabled operations remains a focus for Appen Global. This focus has identified an incremental ~$12 million in operational efficiencies. ~70% of cost out will be executed before the end of the year and the remainder in Q1 FY27. The cost-out does not impact the ability to deliver high-quality data at speed for our customers.

FY26 Outlook & Guidance

The Company remains confident on the AI data market, and the potential for Appen to meaningfully contribute to the development of leading foundation models.

The Company continues to see positive signals on LLM related growth including from Appen Global and Appen China customers.

We remain highly focused on driving technology led efficiencies across our operations.

As in previous years, Appen Global revenue continues to be mostly derived from project-based work and seasonality skews revenue to H2.

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Considering this, Appen reaffirms the following FY26 group guidance:

- Revenue of $270 - $300 million; and
- Underlying EBITDA (before FX) margin of ~5-10%

Investor webinar

The Company will host an investor webinar to discuss the results with Ryan Kolln, CEO & Managing Director and Justin Miles, CFO. The webinar will be hosted at 11.00am AEST today, Thursday, 27 August 2026. Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_emwiBN10TtGhyBiP8ZqJ6g

Following the presentation, participants will have an opportunity to ask questions.

Authorised by the Board of Appen Limited.

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About Appen

Appen is a global market leader in data for the AI Lifecycle. With 30 years of experience in data sourcing, data annotation, and model evaluation by humans, we enable organisations to launch the world's most innovative artificial intelligence systems.

Our expertise includes a global crowd of more than 1 million skilled contractors who speak over 500 languages[3], in over 200 countries[4], as well as our advanced AI data platform. Our products and services give leaders in technology, automotive, financial services, retail, healthcare, and governments the confidence to launch world-class AI products.

Founded in 1996, Appen has customers and offices globally.

[3] Self-reported.
[4] Self-reported, includes territories.