ServiceStream

25 February 2026

Company Announcements
Australian Securities Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000
AUSTRALIA

Dear Sir/Madam

RE: Service Stream releases FY26 Half Year results

In accordance with the Listing Rules, I attach a market release/announcement, for release to the market.

Yours faithfully,

CJ Chapman

Chris Chapman
Company Secretary
Service Stream Limited

ServiceStream

ASX Announcement

25 February 2026

Service Stream H1FY26 Results Announcement

Improved quality of earnings, exceptional cash flows and successful expansion into the Defence sector

Leading essential network service provider Service Stream Limited (ASX: SSM) today released its financial results for the half-year ending 31 December 2025.

Group Highlights

- **EBITDA from Operations of $75.3 million, up 2.3% on 1H25**
- **Group EBITDA-A Margin 6.3%, up 50-basis points on 1H25**
- **Total Revenue of $1,194 million, down 5.8% on 1H25**
- **NPAT-A of $36.6 million, up 4.6% on 1H25, normalised for one-off FY25 tax benefit**
- **EBITDA to OCFBIT cash conversion of 148.4%**
- **Balance sheet further strengthened with net cash increasing to $87.6m**
- **Successful expansion into Defence sector as a Tier 1 partner for Property & Asset Services across NT and SA**
- **Secured in excess of $2.2bn of contracted works, bolstering Work-In-Hand to $9.2bn, up 55% on 1H25**
- **Interim dividend of 3.0 cps (fully franked), an increase of 20% on 1H25**
- **Group Outlook: Improved quality of earnings, contribution from recently secured contracts and continued operational improvements provide confidence in the delivery of earnings growth across the full-year**

Commenting on the Group’s results, Managing Director, Leigh Mackender said:

“The half-year was another successful period for Service Stream as the business continued to diligently execute its value creation strategy. Through the realisation of improved financial performance, driving operational improvements across existing operations, and bolstering our high-quality work-in-hand pipeline, we are pleased to support increasing and sustainable returns for our Shareholders.

The results are headlined by the delivery of a further improvement in EBITDA-A margins, particularly across our Utility operations, another period of exceptional cashflow generation, strengthening of the net cash balance sheet and securing a record future order book which now includes a multi-year Defence agreement.

These positive results position the business to confidently deliver earnings growth across the full year, supported by the mobilisation of recently secured agreements, ongoing optimisation and expansion of existing operations, and leveraging the Group’s scalable platform against the backdrop of sustained demand for critical infrastructure upgrade and maintenance works.”

Operational Performance

1H FY26 was another period of strong operational and financial performance, aligned with the Group’s priorities to deliver improved quality of earnings and to leverage economies of scale through operational improvements, ahead of a step change in growth driven by recently secured contracts, scaling operations and sustained demand for infrastructure investment.

Group Revenue of $1,194 million was down on the prior year due to the prioritisation of contracts and programs which support sustainable margin improvements, the successful conclusion of telecommunications projects in the prior comparative period and transition back to a traditional second-half bias driven by scaling projects and new contract mobilisations.

The Group’s EBITDA from Operations of $75.3 million was favourable to the prior period by $1.7m, with the business reporting an improved EBITDA-A margin of 6.3%, a 50-basis point uplift on the prior year. The improvement reflects the Group’s ongoing focus on driving quality of earnings, highlighted by a meaningful step change in Utility performance which delivered an EBITDA margin of 5.5%, reflecting a 130-basis point improvement on the prior period.

Group Adjusted Net Profit After Tax was $36.6m which reflects a 4.6% underlying improvement on the prior year, normalised for the $2.7m tax benefit from historical transactions included in the FY25 financial statements.

Market Conditions

The business experienced sustained demand for its services across an expanded addressable market, as asset owners and operators continue to prioritise the upgrade, maintenance and expansion of their essential network infrastructure. We continue to see positive changes to the nature of contracts being tendered and secured by the business. The average contract term has risen to five years, compared to the previous three-year term. Additionally, an increasing proportion of contracts are being established under either a lower-risk schedule of rates or alliance-style commercial model.

The business successfully secured a record $2.2bn of contracted works during 1H26, bolstering the already high quality, lower risk and well diversified order book by 55% on the prior period to $9.2bn, excluding contract extension options.

Market conditions remain positive with a steady labour market and a consistent pipeline of opportunities driven by ageing infrastructure, population growth, digitalisation, strategic national priorities, and the energy transition.

Cashflow and Capital Management

Service Stream generated $109 million of OCFBIT during H1 FY26, representing an $18.4 million or 20% increase on the prior year, as the Group maintained its focus on cash generation and optimisation of business operations. The strong operating cashflows resulted in an EBITDA-A to OCFBIT conversion rate of 148.4% and improved net cash position of $87.6 million at 31 December 2025, notwithstanding increased tax and dividend payments, support for new contract mobilisations and optimisation initiatives. Tax payments for the period of $35.5m includes the final FY25 income tax instalment of $26m as noted in the FY25 full-year financial statements.

Maintaining Industry Leading Safety Performance

Aligned to Service Stream's primary value and focus on continual improvement, the business delivered increased training, expanded its use of technology and adopted new safety frameworks and processes which contributed to improved performance outcomes.

The Group is proud to have achieved further improvements across major lag indicators, including a 3.9% reduction in lost time injuries, and a 25% reduction in high potential incident rates.

Dividends

Service Stream has declared an interim dividend for the half-year of 3.0 cents per share (fully franked), reflecting a 20% increase on the interim dividend for the prior half-year.

Key dates for the final dividend are:	Ex-dividend date	**25 March 2026**
	Record date	**26 March 2026**
	Payment date	**10 April 2026**

Service Stream's Chairman, Brett Gallagher, said:

"The Board is proud of the improved financial performance and success in expanding the Group's addressable markets, most notably through the recent award of a major multi-year agreement with the Department of Defence.

Following yet another period of strong cash performance and aligned to the business's commitment to maintain sustainable dividends for our Shareholders, the Board is pleased to declare an increased interim dividend of 3.0 cents per share."

Full-Year Outlook

In respect of the Group's full-year outlook, Leigh Mackender said:

"Service Stream is confident of delivering earnings growth in FY26, supported by the successful performance across the first half, sustained improvement in Utility margins, contributions from new contract mobilisations and ongoing optimisation across existing operations."

Results Webcast

Service Stream Managing Director, Leigh Mackender and Chief Financial Officer, Linda Kow, will host an on-line Results Briefing at 10am (AEDT) on 25 February 2026.

The briefing will be webcast live, as well as archived on the Service Stream website, for the convenience of shareholders. To access the webcast, visit: SSM FY26 Half-Year Results Call.

For further information on this announcement, please contact:

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Service Stream Limited

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About Service Stream Limited:

Service Stream is a public company listed on the Australian Securities Exchange (Code: SSM). The Service Stream Group is a provider of essential network services, operating across all states and territories. For more information visit www.servicestream.com.au