



FY25 FULL YEAR RESULTS

Highlights of the financial results for the year ended 30 June 2025:

- Revenue was \$68.6m with 2HFY25 revenue of \$35.1m up 4% on 1HFY25 but FY25 was down 15% on FY24
- EBITDA was \$9.2m with 2HFY25 EBITDA of \$5.3m up 36% on 1HFY25 but FY25 was down 38% on FY24
- NPAT was \$3.0m with 2HFY25 NPAT of \$2.0m up 100% on 1HFY25 but FY25 was down 57% on FY24
- Six-year \$65m contract extension signed with ASC for the Collins Class Submarine sustainment program
- Achieved approved supplier status with HII for the Virginia Class Nuclear Powered Submarine program

VEEM Limited (ASX: VEE) ('VEEM' or 'the Company'), a designer and manufacturer of disruptive, high-technology marine propulsion and stabilisation systems for the global luxury motor yacht, fast ferry, commercial workboat and defence industries, is pleased to report its financial results for the year to 30 June 2025.

VEEM's revenue for the year was \$68.6m (down 15% on FY24) but 2HFY25 revenue of \$35.1m was up 4% on 1HFY25.

EBITDA and NPAT were \$9.2m and \$3.0m, down 38% and 57% respectively on FY24. Pleasingly EBITDA and NPAT in relation to 2HFY25 of \$5.3m and \$2.0m were up 34% and up 100% compared to 1HFY25. This reflected cost reduction measures implemented at the end of 2024, economies of scale and the continued drive for efficiencies through automation and other techniques which is consistent with the Company's continuous improvement ethos.

EPS of 2.22 cents per share was down 57% on the prior period but 2HFY25 EPS of 1.47 cents per share was up 100% on 2HFY25 from cost reductions and efficiency gains as described above.

Cashflows from operations of \$4.3m were down 49% on FY24 but 2HFY25 cash flows from operations of \$2.5m were up 39% on 1HFY25 as profitability increased. Cash was stable in 2HFY25 with cash generated used for debt repayments and reinvestment into the business.

The 2025 financial year has been significantly impacted by reduced revenue from the Submarine Program in line with the cyclical nature of the contract. ASC Pty Ltd ('ASC') revenue for the year was \$6.5m compared to \$16.1m in FY24 (-60%). This was even lower than anticipated but the Company subsequent to year end has announced a 6-year \$65m contract extension with ASC. Refer announcement of 12 August 2025. Revenue from ASC is expected to increase in particular in 2HFY26 in line with the cyclical nature of the contract. Defence revenue was \$15.6m down \$5.3m on FY24 with other areas of defence making up some of the \$9.6m decrease in ASC revenue.

As announced on 20 August 2025 the Company has achieved Huntington Ingalls Incorporated Newport News Shipbuilding (HII-NNS) approved supplier status. This was achieved through The Australian Submarine Supplier Qualification ('AUSSQ') program for qualification into the US Submarine Industrial Base ('SIB') for the Virginia Class nuclear powered submarines. This milestone enables VEEM to receive a RFQ from HII-NNS which is expected in 1HFY26.

Demand for VEEM's world-leading fixed pitch propellers continued to be strong during the year. VEEM's propulsion revenue overall (including Shaftlines and defence) for the year was \$35.0m a decrease of less than 1% over FY24 which was a record year with a backlog to clear. VEEM has won business from new customers as well as increasing its scope with some existing customers.

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Gyrostabilizer ('Gyro') revenue of \$9.6m was down \$2.7m compared to FY24 (2HFY25 was \$6.6 million up 90% on 1HFY25) primarily due to the acceleration of the Strategic Marine order announced in FY23 that made FY24 especially strong. 11 gyros were delivered to them under this contract in FY24 compared to 2 in FY25 demonstrating the broadening of the customer base which has occurred both for commercial and recreational customers.

Revenue from engineering products and services including hollow bar was \$19.1 million, up 4% from FY24 with demand expected to remain solid in FY25.

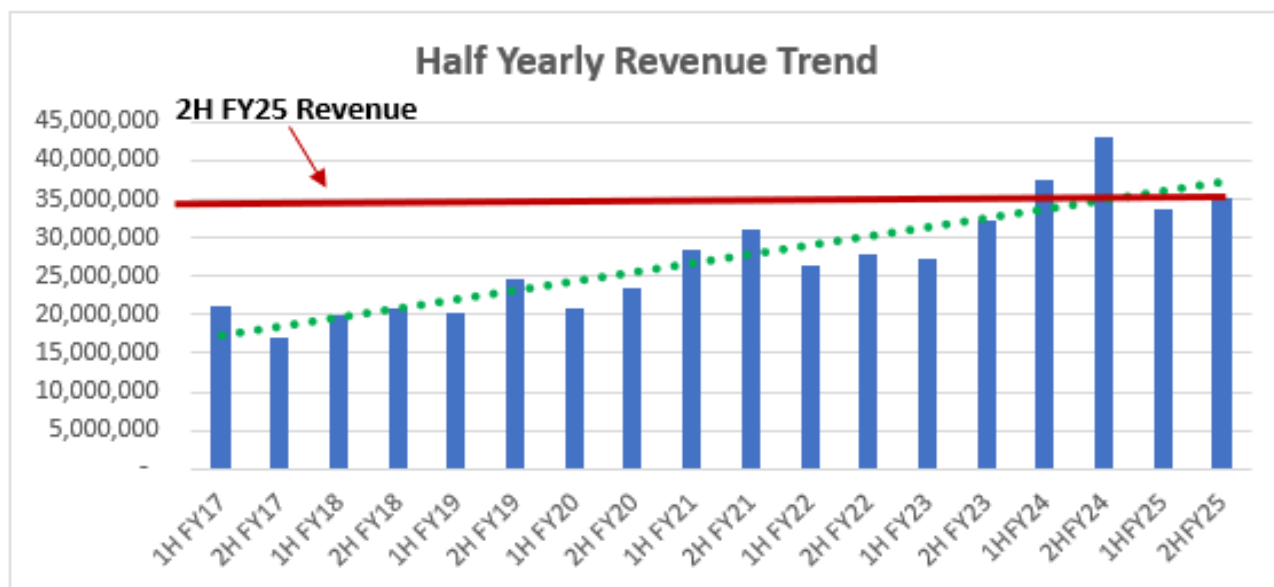
In anticipation of forecast growth and in order to provide additional flexibility in 2HFY25 the Company increased its trade loan facility with the ANZ bank by \$1.1m from \$2m to \$3.1m under existing terms. This compliments the increase in the overdraft facility during 1HFY25 of \$0.6m from \$3.4m to \$4m. VEEM had \$3.0m in combined undrawn overdraft and trade facilities at 30 June 2025.

VEEM has invested over \$3.9m in capital and development expenditure during FY25 towards additional robotics among other capital equipment and gyro engineering product improvements.

VEEM spent \$4.1 million on formal research and development projects during FY25 and is committed to continuing research and development projects as it sees necessary to remain at the forefront of the markets in which its products are sold and potentially enter new markets.

VEEM was awarded \$3m in defence grants during FY25 to increase sovereign capacity with \$1.2m received to 30 June 2025.

VEEM Managing Director Mark Mioceovich said: "After a slower than anticipated 1HFY25 we are pleased to be able to report a FY25 result which reflects a stronger 2HFY25. In particular our efforts to reduce costs resulted in significantly increased profitability. This continues VEEM's longer term growth trajectory since IPO noting FY24 was a record year".



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

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ABOUT VEEM LIMITED (ASX: VEE)

VEEM Ltd is a designer and manufacturer of disruptive, high-technology marine propulsion and stabilisation systems for the global luxury motor yacht, fast ferry, commercial workboat and defence industries. VEEM's market leading Gyrostabilisers 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 and specialised components delivering consistent profits, cash flow and dividends while also reinvesting 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 198 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

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