Market Release

26 August 2025

Market strategy converts to impressive earnings

FY25 performance summary

Sales Revenue	EBITDA	Profit before tax	Profit after tax
▲92.0% on pcp	▲161.2% on pcp	▲219.8% on pcp	▲111.8% on pcp
$261.66M	$23.47M	$20.79M	$14.03M

CEO commentary

The past 12 months have proved to be another year of quantum earnings growth and cash increases. Our early-entry data centre strategy has propelled enormous work on hand and revenue over the past two years, now representing just over half of FY25 revenue. We've also continued to grow revenue in the traditional business, achieving a 15.2% increase over FY24.

Apart from the obvious highlights of large contract wins, we have gained higher levels for all our bank facilities to support a much greater level of activity, which now sit at $34 million and have risen by more than four times since they were approved three years ago, which is a clear indication of confidence in our ability to deliver from a major bank. We are now well-capitalised to build the business with these increased facilities as well as a working capital base of $16.0 million at the end of the year.

Another achievement for the year was the establishment of a new office in the western suburbs of Melbourne that is close to the data centre construction sites and to the customers who build and/or own them. To date, we are the only business in our space to make such a move, and we believe that it has helped in securing further work from end-user customers after projects have reached completion.

We've also made progress in enhancing and strengthening our operating platform to not just support growth, but to help drive it. We remain ever-conscious of the need for the operations to evolve at the speed of the work on hand and revenue gains; of how critical it is to be able to execute beyond a customer's expectations; and that you're only as good as your last project or service provision for a particular customer. During the year, we've introduced new initiatives and upgraded existing systems and processes so that growing work loads can rely on a solid operating platform.

Our safety performance is another highlight for the year. Despite the significantly larger workforce needed to support the growth, further enlarged due to some labour spikes relating to several large projects concurrently underway, we experienced one LTI. More importantly, the business has never had a significant injury in its more than decade long existence.

In FY24, we delivered the first set of financial results that reflected some of the gains of the strategy that we had been executing for the past several years. However, we always knew that FY25 would provide a more accurate picture of what the business could produce once the effects of the strategic initiatives gained some momentum. I am pleased to report a set of numbers that we are truly proud of as a company.

Matthew Jinks

Financial Performance

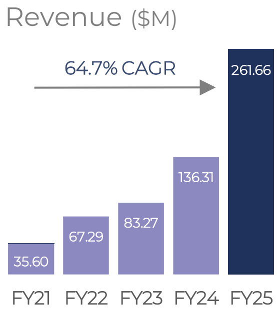
Sales revenue increased by 92.0% over the year, with 53.8% generated by data centre contracts and the remaining 46.2% generated by the traditional business. Total expenses increased by 86.5%, with the bulk relating to increased employee benefits and raw materials, relating to increased project activity.

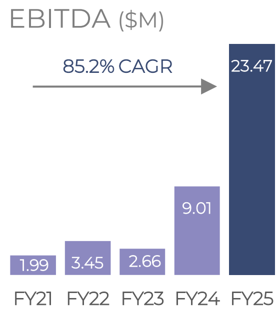
Earnings before interest, tax, depreciation and amortisation grew by 161.2%, while EBIT increased by 192.2% from $7.06 million in FY24 to $20.64 million in FY25.

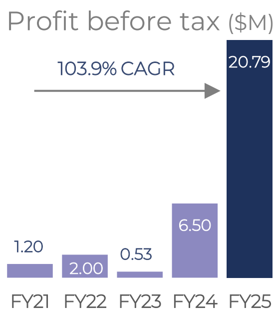
Profit before tax rose by 219.8% from FY24 with the PBT margin growing by 66.6% showing the scale benefits of the current cost structure which is expected to provide adequate support for revenue up to $350 million. Profit after tax increased by 111.8% over the same period.

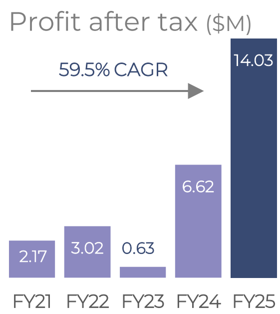
The significant growth in revenue generated vastly higher cash flows from operations, increasing by approximately four times, resulting in net cash flows that were 8.7 times higher and cash on hand that grew by 9.6 times over the period.

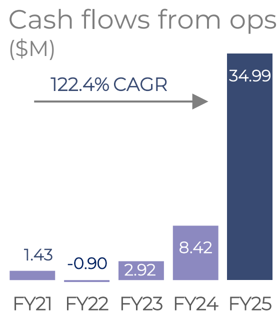
The business is adequately resourced to continue to support its aggressive organic growth strategy with a 212.9% increase in working capital over the period to $16.02 million. The recent 61.9% increase in operating bank facilities positions the business well for growth.

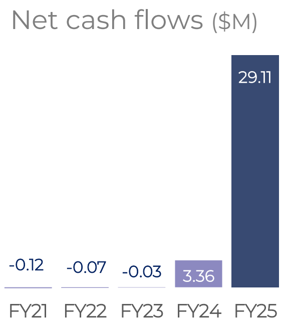






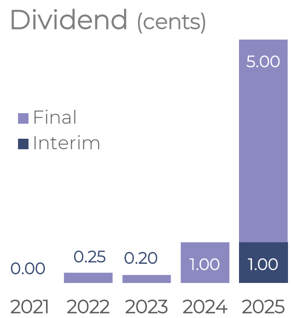






Dividend

On the back of another successful year for all earnings and cash metrics, the Board has determined to pay a final, fully franked dividend of 5.0 cents per share. This brings the full year dividend to a total of 6.0 cents per share. The first half of FY25 was the first time an interim dividend had been paid and was another marker of the company's significant and increasing operational momentum.



Further increase in bank facilities

Further supporting the business's continuing growth trajectory, its CBA facilities have been increased for the fourth time in three years, as follows:

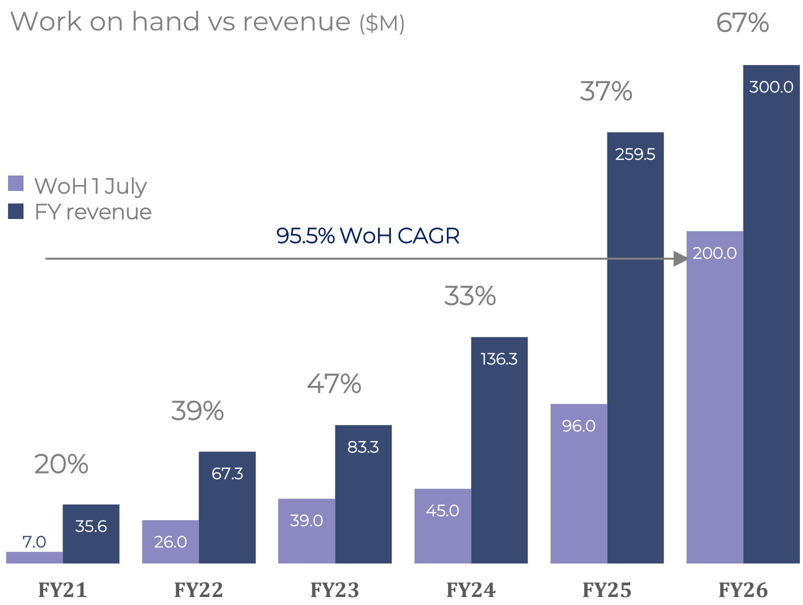
- bank guarantee facility from $17 million to $28 million – up 64.7%
- equipment finance from $2 million to $4 million – up 100%
- overdraft of $2 million remaining in place.

The total operating bank facilities of $21 million have increased by 61.9% to $34 million.

Operational Performance

Work on hand increased by 108.33% between FY24 and FY25, with the spread of work showing a significant increase in data centres, of which approximately $40 million will flow into FY27, as well as in the traditional sectors of defence, corporate, government and education.

The rate of repeat business for the year was 94%, rising from 73% and 75% in FY23 and FY24 respectively, showing the return to former rates with repeat work resulting post construction due to project execution excellence during construction.



SKS Indigenous Technologies

SKS Indigenous Technologies achieved a 48.7% increase in revenue to $27 million for FY25 and a 298.3% increase in profit after tax to $0.5 million after only three years of operation. The business now operates across all mainland states in Australia, engaging 25 Indigenous electrical apprentices, two of whom are female, five fully qualified electricians, and a total of 33 people.

Strategy

Given the substantial earnings increases over the past two years, and the ongoing strength of the marketplace, the Board believes the organic growth strategy continues to be the optimal means for building on these earnings increases. The focus is, therefore, to maintain the program of improvements to track and ensure the alignment of the operating platform to the quantum of growth in work on hand and revenue.

Over FY25, much work was completed on building optimal teams, introduced a new induction process, leadership development program, and enhanced safety equipment and processes. With respect to winning work, the team maintained rigour in assessing pipeline opportunities, avoiding low margin work and introducing more advanced cost tracking and project management systems.

In terms of capital management, working capital was substantially increased over the year, which, combined with the newly increased operating bank facilities, position the business well for any sort of growth. Another driver of the growth, as shown in the higher rate of repeat business, has been an increase in work from end-user customers, as construction contracts are completed and further work arises.

Outlook and forecast

As Australia continues to perform above expectations, with modest growth, easing inflation, low unemployment and stable household demand, some further easing of interest rates is expected to boost spending and investment before more substantial economic improvement. Notwithstanding that wider position, SKS Technologies has experienced growing demand for its systems and services from all market sectors throughout that period and expects a continuation of that level of activity.

Therefore, the Board believes that FY26 will yield another favourable performance from SKS Technologies' operations, and, as such, it can confidently initially forecast revenue of $300 million for the year. The Board and management remain committed to managing risk, building a higher base of work across sectors and states, and delivering another year of increases in FY26.

~ ENDS ~

Approved for release by the Board of SKS Technologies Group

Further Information: Matthew Jinks
Chief Executive Officer
(03) 9289 5000

Webinar details

Investors and analysts are invited to attend an online presentation with Matthew Jinks (SKS Technologies CEO) and Gary Beaton (SKS Technologies CFO) on Tuesday, 26th August 10:30 AM – 11.15 AM AEST (UTC+10:00) Brisbane.

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

https://events.teams.microsoft.com/event/2ad4e884-61fc-459a-9e35-4a18429549f9@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.