Iress Limited ACN 060 313 359

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Iress reports 2026 Half Year results

Iress delivers stronger first half earnings with margins expanding

Highlights:

- Delivered a solid first half result with materially improved earnings quality driven by disciplined execution.
- Continuing business[1] Cash EBITDA increased 47.1% (constant currency) to $61.1m, with the Cash EBITDA margin expanding more than 740 basis points to 24.5%.
- Continuing business revenue increased 2.5% (constant currency), with recurring revenue growing 3.4%, representing 95% of Group revenue.
- Business efficiency program remains ahead of plan having delivered $31.5m of annualised cost savings, with a further $6-9m expected in 2H26.
- Execution shifted to the next phase of strategy, with product evolution underway, Thoughtworks partnership mobilised and AI embedded across product and engineering.
- Fully franked interim dividend of 14.0 cents per share declared, 27.3% higher than the prior corresponding period.
- Updated FY26 constant currency guidance[2] reflects softer revenue growth (+1-2%) on lower non-recurring revenue and higher Cash EBITDA (+21-26%) due to stronger underlying profitability.
- Confident in strategy and outlook as a simpler business with a strong balance sheet, increasing dividends and foundations established for the next phase of growth.

Iress Limited (ASX:IRE) ("Iress", the "Company" or the "Group") today announces its financial results for the half year ended 30 June 2026 (1H26).

1H26 financial results overview
Iress reported Statutory NPAT of $32.0m in 1H26, up 85.0% on 1H25. The Group's preferred profitability measure, Underlying profit after tax (UPAT) increased 18.4% to $38.8m, reflecting improved earnings quality and margin expansion.

For the Continuing business, revenue increased 2.5% on a constant currency basis to $250.0m, while the Group's resilient recurring revenue increased 3.4% to $237.8m.

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[1] Continuing business - APAC Wealth, GTMD and UK Wealth & Sourcing.
Performance vs prior corresponding period. Growth rates are presented on a Continuing business and constant currency basis (FY25 average FX rates). Please refer to the Appendix.

[2] FY26 guidance is on a Continuing business and constant currency basis using FY25 average FX rates. Please refer to the Appendix.

Continuing business Cash EBITDA for the half increased materially, 47.1% higher on a constant currency basis to $61.1m, with the Cash EBITDA margin expanding more than 740 bps to 24.5%, reflecting higher revenue, the benefits of the business efficiency program and lower 1H26 capital expenditure.

Iress' balance sheet continues to strengthen, with leverage of 0.5x at 30 June 2026. This provides greater financial flexibility to self-fund disciplined investment in product evolution while retaining optionality for future capital management initiatives.

Reflecting the Group's strong financial position and confidence in its outlook, the Board has declared a fully franked interim dividend of 14.0 cents per share, 27.3% higher than the prior corresponding period.

CEO commentary
Commenting on the half year performance, Iress Group CEO & Managing Director, Andrew Russell, said:

"Execution has shifted from simplifying the business to investing in product evolution and sustainable growth. We are evolving our products, accelerating engineering capability and increasing delivery velocity through our partnership with Thoughtworks and the disciplined adoption of AI.

"While revenue growth is expected to remain measured in the near term, we are confident in our strategy and in delivering our FY26 Cash EBITDA margin exit run-rate target of 25%. Our focus is on building a higher quality software business with better products, stronger customer relationships and disciplined capital allocation to create sustainable long-term value."

Strategic progress
With the simplification of the Group complete, management is now focused on strengthening the business, evolving products and positioning Iress for sustainable growth.

- **Strengthen**
  The business efficiency program remains ahead of plan, delivering $31.5 million of annualised cost savings. These structural improvements have strengthened profitability, expanded margins and created greater financial flexibility.

- **Evolve**
  The Thoughtworks partnership has been mobilised and AI is being embedded across engineering and product development. The next evolution of Xplan capabilities is being delivered including AI-enabled adviser workflow and productivity tools, as well as a refreshed client portal. This partnership also supports accelerated delivery of new data and insights features in Iress' trading business.

- **Grow**
  Customer engagement continues to strengthen through clearer roadmaps, deeper enterprise relationships and disciplined commercial execution, supporting higher quality recurring revenue over time.

Outlook & FY26 guidance
Management's strategic priorities for the second half remain unchanged: operational excellence, product evolution, AI-enabled productivity and customer-led execution. Product investment will increase during 2H26 as delivery accelerates.

Iress has updated its FY26 constant currency guidance[3], with revenue growth now expected to be +1-2% on lower non-recurring revenue. Cash EBITDA growth is expected to be +21-26% and UPAT growth

[3] FY26 guidance is on a Continuing business and constant currency basis using FY25 average FX rates. Please refer to the Appendix.

+15-21%, reflecting the benefits of structural business efficiencies, disciplined cost management and stronger earnings quality. Iress reaffirms its FY26 Cash EBITDA margin exit run-rate target of 25%.

Reflecting the 6-8% appreciation of the Australian dollar against relevant currencies during 2026, reported FY26 revenue is now expected to be in the range of $499-$505 million, Cash EBITDA $119-$124 million and UPAT $82-$86 million. Please refer to the Appendix for further information.

Investor call

Iress' Group CEO & Managing Director Andrew Russell and Group CFO Cameron Williamson will host a conference call and Q&A session for investors at 9.30am (AEST) today. Investors can participate in the teleconference by registering at: https://s1.c-conf.com/diamondpass/10055175-k5vdpr.html or listen to the audio webcast by registering at: https://loghic.eventsair.com/838921/746361/Site/Register. Please note, you will not be able to ask questions via the webcast. A recording of the call will be available in the Investor section of the Iress website following the briefing.

This announcement was authorised by the Iress Board.

Appendix - 1H26 detailed financial results, FY26 guidance and average FX rates

1H26 Financial Results - Group Headline/Reported

	1H25	1H26	vs pcp
Revenue[1]	$299.5m	$250.0m	(16.5%)
Operating costs	$235.1m	$181.4m	(22.8%)
Cash EBITDA	$45.6m	$61.1m	34.2%
Cash EBITDA Margin	15.2%	24.5%	924 bps
UPAT	$32.9m	$38.8m	18.4%
Underlying EPS	17.6c	20.8c	18.4%
Statutory NPAT	$17.3m	$32.0m	85.0%
Interim dividend	11.0cps	14.0 cps	27.3%

1H26 Financial Results - Continuing business

	1H25	1H26	vs pcp[2]
Revenue[1]	$249.4m	$250.0m	2.5%
Operating costs	$189.2m	$181.4m	(1.9%)
Cash EBITDA	$42.5m	$61.1m	47.1%
Cash EBITDA Margin	17.0%	24.5%	742 bps
UPAT	$31.2m	$38.8m	24.5%
Underlying EPS	16.7c	20.8c	24.5%

[1] Revenue and other income presented in the above tables comprise statutory revenue and other income of $251.8 million (1H25: $299.5 million or $249.4 million on a continuing business basis) less certain transitional services income offset against operating expenses of $1.8 million (1H25: $Nil).

[2] Movement on a constant currency basis.

FY26 guidance[1]

	Constant currency[2]			
	FY26 Current guidance	FY26 Updated guidance	FX impact[3]	Headline / Reported[3]
FY26 Revenue	$520-$528m (+3-5%)	$509-$515m (+1-2%)	($10m)	$499-$505m
FY26 Cash EBITDA	$116-$123m (+15-23%)	$121-$126m (+21-26%)	($2m)	$119-$124m
FY26 UPAT	$84-$90m (+15-24%)	$84-$88m (+15-21%)	($2m)	$82-$86m
FY26 Cash EBITDA margin exit run-rate	25%	25%	-	25%

[1] Growth rates in the table reflect continuing business.

[2] Based on FY25 average FX rates (refer below).

[3] Reflects 1H26 average FX rates across the full year. 2H26 average FX rates to 14 August 2026 approximate 1H26 average rates.

Average FX rates

	FY25	1H25	1H26
AUD / GBP	0.49	0.49	0.52
AUD / CAD	0.90	0.89	0.97
AUD / ZAR	11.55	11.70	11.51

Ends

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About Iress

Iress (ASX:IRE) is a technology company providing software to the financial services industry.

We provide software and services for trading & market data, financial advice and product comparisons in Asia-Pacific, the United Kingdom, South Africa and Canada.

www.iress.com