

StepChange Delivers Strong Organic Growth in 1H FY26 and Announces On-Market Share Buy-Back

StepChange Holdings Limited (ASX: STH) (“StepChange” or the “Company”), is pleased to report its audited financial performance for the half year ended 31 December 2025 (1H FY26), representing the Company’s first earnings period since listing on the ASX in July 2025.

The Company delivered strong organic growth compared with the pro-forma prior corresponding period (PCP), reflecting sustained demand from Tier 1 enterprise and government clients and disciplined operational execution.

1H FY26 Financial Highlights (Audited)

- **Revenue:** \$24.36 million, representing 19% growth vs Pro-forma HY25*
- **Gross Profit:** \$3.13 million, up 17% vs Pro-forma HY25*
- **Underlying EBITDA¹:** \$1.95 million, up 50% vs Pro-forma HY25*
- **Cash balance at period end:** \$5.6 million

Growth was achieved organically, driven by new client wins and expanded service delivery to existing clients across the energy and government sectors.

Statutory EBITDA was impacted by non-recurring items associated with the Company’s IPO, share-based payments and transaction costs. These items have been excluded from normalised EBITDA to provide a clearer view of underlying operating performance.

Operational Performance

Organic revenue growth during the period was driven by an expansion with Tier 1 enterprise clients and new contract wins across energy and government sectors.

Gross margins remained broadly stable, reflecting disciplined cost management and utilisation across the consultant base. Consultant headcount remained around 160 billable consultants during the period, supporting increased delivery capacity while maintaining utilisation and margin discipline.

Operating cash flow remained strong during the period, supporting a closing cash balance of \$5.6 million.

Demand across SAP, cloud migration and ICT advisory services has remained robust entering the second half of FY26.

¹Underlying EBITDA is a financial measure which is not prescribed by the Australian Accounting Standards (AASBs) and represents profit under AASBs adjusted for amortisation and interest, and specific items including transaction and listing costs, share based payments and merger and acquisition expenses. Please refer to the Company’s Half Year Financial Report lodged with ASX today for a reconciliation between statutory profit and Underlying EBITDA.



Strategic Progress

Since successfully listing on the ASX in July 2025, StepChange has implemented the following strategic initiatives:

- Established US operations in Houston, Texas
- Secured a \$10 million Westpac acquisition facility
- Appointed Stephen Pacecca as Chief Financial Officer
- Appointed Jamie Morgan as General Manager
- Completed the acquisition of BroadReach Group Pty Ltd

These initiatives strengthen the Company's international presence, leadership capability, service offering and balance sheet flexibility.

BroadReach Acquisition

Towards the end of the half year, StepChange announced the acquisition of BroadReach Group Pty Ltd, one of Western Australia's established ICT advisory firms with strong government relationships. The acquisition was completed on 12 January 2026.

In FY25, BroadReach generated revenue of approximately \$8.96 million and EBITDA of \$0.86 million.

The acquisition expands the Company's government footprint, enhances enterprise architecture and ICT advisory capability, adds approximately 40 senior consultants and provides immediate cross-sell opportunities across SAP, cloud migration and digital transformation services.

The transaction was structured with a capital-efficient upfront component and performance-based earn-out.

Capital Management – On-Market Share Buy-Back

In conjunction with the release of its 1H FY26 results, StepChange will be commencing an on-market buy-back of up to 4,666,031 fully paid ordinary shares, representing approximately 10% of the smallest number of shares on issue in the last 12 months in accordance with the '10/12 limit' under section 257B(4) of the Corporations Act 2001.

The buy-back reflects the Board's disciplined capital management approach and confidence in the Company's financial position and long-term outlook.

Please refer to the Appendix 3C to be lodged today for further details.

Outlook

StepChange enters the second half of FY26 with increased scale and capability, including a consultant base exceeding 200 following the integration of BroadReach.

Demand across SAP migration, cloud transformation and ICT advisory services remains robust, supported by structural ERP transition tailwinds.

The Company remains confident in delivering its FY26 forecast revenue of \$47.3 million and normalised EBITDA of \$4.6 million as outlined in its IPO Prospectus.



StepChange Managing Director Shane Bransby commented:

“We are pleased to deliver strong organic growth in our first half as a listed company, with revenue up 19% and normalised EBITDA up 50% on a pro-forma basis. The result reflects sustained client demand, disciplined execution and the scalability of our consulting platform.*

With US operations established, the BroadReach acquisition completed and a strengthened leadership team in place, we enter the second half with increased scale and capability. The Board’s decision to implement an on-market buy-back further reflects our confidence in the underlying strength of the business and our disciplined capital management approach.”

This announcement has been authorised by the Board.

Investor enquiries

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***Pro-forma HY25 Financial Information**

For comparative purposes, references to the growth in financial metrics relative to the pro-forma prior corresponding period being 31 December 2024 (**Pro-forma HY25**) have been included. The Pro-forma HY25 Financial Information reflects how the StepChange business would have appeared had StepChange Consultants been acquired and the Company listed on ASX at 1 July 2024. The Pro-forma HY25 information does not represent the Group’s actual historical financial results.

The Pro-forma HY25 Financial Information has been extracted from the Pro-forma Historical Financial information included in the Company’s IPO Prospectus lodged with ASX on 8 July 2025. Please refer to the IPO Prospectus for full details of the assumptions used to prepare this financial information, an explanation of how the financial information was calculated and a reconciliation of material adjustment used to derive the financial information.

About StepChange

StepChange can trace its origins back to 2003 and was incorporated by its former directors in 2014. It is a leading provider of consulting services which aim to streamline core business processes of client businesses (known as Enterprise Resource Planning or ERP), with a specific focus on ERP transformation services and solutions (such as modernising or upgrading client ERP systems to better align with their business objectives and improve efficiencies) and implementation services and solutions. StepChange delivers these services primarily through the use of ERP software modules developed and provided by SAP, a global leading provider of ERP software.