MARKET RELEASE (ASX:RDY)

ReadyTech delivers on revised FY26 guidance as flagship growth and cost discipline set up a stronger FY27

27 August 2026 – ReadyTech Holdings Limited (ASX:RDY) (**ReadyTech** or **Company**), a SaaS provider of next generation cloud and AI software to the education, workforce, government and justice sectors, today announced its results for the twelve months ended 30 June 2026 (**FY26**).

ReadyTech's FY26 result was within revised guidance, with continued momentum in its flagship products offset by elevated churn in its mature product base, and cash margin reaching a low point as the Company's enterprise investment cycle peaked.

FY26[1] highlights

- Total revenue of $125.0 million, within revised guidance of $125-127 million
- Subscription revenue of $103.8 million, with recurring revenue representing 83% of total revenue
- Underlying EBITDA[2] of $35.0 million, at a margin of 28.1% (FY25: 32.5%)
- Underlying cash EBITDA[3] of $15.8 million, at a margin of 12.6% (FY25: 16.0%), consistent with revised guidance in the low-teens

Commenting on the FY26 result, ReadyTech Co-Founder and CEO Marc Washbourne said:

"FY26 was a year in which we strengthened the foundations for growth, transformed for an AI world and took decisive action on cost and capital allocation. Our result finished within revised guidance, with cash margin reaching what we believe is a low point. Our flagship products continue to compound. That was offset by elevated churn in parts of the mature portfolio, and enterprise customers where contracts are signed but subscription revenue is yet to commence as implementations progress."

"We have real conviction in our long-term strategy. Our major Victorian TAFE win validates multiple years of investment in Ready Student and strengthens our Education pipeline into FY27. Ready Workforce delivered 25.4% CAGR and added 46 new logos in FY26, and in Government we completed our first five customer migrations onto Ready Community, unblocking a backlog of upgrade projects. We also completed remediation of the VETtrak cyber incident, with enhanced security controls embedded across the Group."

[1] All figures are in AUD and comparisons are made against FY25 unless specified.
[2] Underlying EBITDA margin excludes changes in the fair value of contingent liabilities ($1.1m), integration, restructuring and cyber incident costs ($3.7m), technology advancement costs ($1.8m) and LTIP cost ($0.2m).
[3] Underlying cash EBITDA includes actual lease payments and excludes labour capitalisation.

Flagship momentum offset by mature product churn

Subscription revenue of $103.8 million represented 83% of total revenue as recurring revenue. Flagship products grew at a three-year CAGR of 10.6%, with subscription revenues growing at a CAGR of 13.2%, led by Ready Workforce (25.4%) and Ready Student (21.8%). Mature products accounted for approximately 67% of FY26 dollar churn.

Education & Work Pathways revenue was $43.1 million (FY25: $43.5 million), with growth constrained by lower services and implementation revenue as large enterprise implementations continue through FY27. The Victorian TAFE common platform win, covering 11 TAFE institutes, validates the Company's long-term investment in Ready Student and strengthens the pipeline into FY27.

Workforce revenue grew 10.4% to $38.1 million (FY25: $34.5 million) on new logo growth and rising AI adoption in Ready Workforce. Government & Justice revenue was broadly stable at $43.8 million, though segment margin fell to 22.9% (FY25: 27.5%) on debt write-offs and leadership investment, offset by progress unblocking the Local Government upgrade backlog.

Major AI platform release and AI-driven efficiency gains

In 2H FY26, ReadyTech launched Orqestra, its enterprise AI platform embedded directly into customers' systems, connecting AI, organisational knowledge and customer data while keeping the system of record at the centre.

A founding partner cohort – including UNSW College, Laurus Education and ChemCERT – is now piloting Orqestra. The platform is live with these customers, with more than 5,000 tasks executed under the Company's ISO 42001 AI governance framework. Internally, AI-enabled engineering squads lifted development velocity roughly 3-4x, and AI now drafts more than 85% of customer support responses, with further gains expected to compound through FY27.

Cost discipline and capital allocation

In 2H FY26, ReadyTech embarked on a cost optimisation program to ensure improving future margins. Our cost program has delivered $6.5 million of annualised savings since January 2026, with a further $3.3 million of annualised savings identified for FY27.

ReadyTech also made progress on a defined internal framework for capital allocation – governed by the Rule of 40. Each product is assessed on Rule of 40 and future product investment decisions will be governed by an ROI-based approach to allocating capital into our strongest products. R&D investment reduced to 28.1% of revenue (FY25: 29.6%), with these actions substantially taken in FY26 and benefits building through FY27.

Balance sheet remains conservative

Cash conversion improved to 108% in FY26 (FY25: 85%) on focused debtor management, with cash and cash equivalents of $27.5 million at 30 June 2026 (30 June 2025: $19.7 million) and adjusted net debt reduced to $32.5 million (FY25: $36.3 million). Net debt/EBITDA was 1.01x (FY25: 1.00x), broadly stable year-on-year, while interest cover reduced to 8.83x (FY25: 11.04x) on the lower FY26 EBITDA base. The balance sheet remains conservative, providing significant financial flexibility.

Outlook

Commenting on ReadyTech's outlook, Mr Washbourne said:

"We enter FY27 with a leaner cost base, a validated enterprise strategy and real conviction that AI is a structural tailwind for our business. Our FY27 revenue guidance of $128-132 million reflects operating model adjustments driving a cash EBITDA margin of 15-17%, with further improvement expected into FY28 as the benefits of our cost optimisation program annualise."

Analyst conference call details:

An investor call will be hosted by Marc Washbourne (Co-Founder and CEO) and Bryce Thompson (CFO) at 10:30am (AEST) today.

Attendees can register for the call via the following link, and will receive their dial-in details upon registration: https://s1.c-conf.com/diamondpass/10056166-xdfg6r.html

– ENDS –

This announcement has been authorised for release by the Board of Directors of ReadyTech Holdings Limited.

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About ReadyTech

ReadyTech is a leading SaaS provider of next generation cloud and AI software for the education, employment services, workforce management, government and justice sectors. Bringing together the best in people management systems – from students and apprentices to payroll, employment services and community engagement – ReadyTech creates technology that helps its customers navigate complexity, while also delivering meaningful outcomes. To learn more about ReadyTech's people-centric approach to technology, please visit www.readytech.io.