SCIDEV

ASX Announcement

27 August 2026

2H Earnings Recovery, Stronger Balance Sheet, and Refocused Strategy for Growth

FY26 Result (A$m)	FY26	FY25	Change
Revenue	85.5	103.4	-17%
Gross Margin (%)	26%	28%	-2ppt
Underlying EBITDA	3.6	7.1	-49%
Reported EBITDA	-1.1	6.2	NM
Net Cash at 30 Jun 26	6.8	6.3	6%
Recurring Revenue (% of total)	38%	30%	+8ppt

Half-Year Trend (A$m)	2H FY26	1H FY26	Change
Revenue	37.6	47.9	-21%
Underlying Operating Cashflow	6.0	2.9	+$3.1m
Underlying EBITDA	2.5	1.1	132%
Underlying EBITDA Margin	6.7%	2.3%	+4.4ppt

SciDev Ltd (ASX:SDV) ("the Company") reported financial results today reflecting a period of challenges, highly promising opportunities, and a clear strategy for growth.

Chief Executive Officer, Todd Scott said, "FY26 was a year of contrasting performances. Water Solutions delivered record revenue and EBITDA, however this was fully offset by Energy Services' loss of a major contract. Pleasingly, second-half earnings momentum improved materially."

"We responded through four initiatives: exiting our loss-making international water technology operations, broad cost cuts, lower capex, and tighter working capital management. Together these programs reduced our cost base by ~$4 million versus FY25. The benefits have already begun to be realised. 2H underlying EBITDA rose to $2.5 million from $1.1 million in 1H, despite lower revenue, while our net cash balance rebuilt to a comfortably strong $6.8 million."

"The year also marked a strategic evolution. In June, we presented a refocused strategy built around an integrated water solutions platform spanning engineering, chemistry and data, targeting the markets where we have a genuine right to win: Mining, Data Centres and Energy."

"We enter FY27 with a stronger balance sheet, a leaner cost base, and a growing pipeline across these markets. This includes our first Data Centre engagements and the Newmont Boddington contract. While conditions remain dynamic, we're well positioned to drive sustainable growth and continue to expand recurring revenue."

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FY26 Result Key Drivers

Key negative drivers

Underlying EBITDA of $3.6m was $3.5m below FY25. Two factors account for the entire variance:

- **Energy Services:** Loss of xSlik® contract
  ($8.6m lower EBITDA vs FY25) The loss of a key contract for premium xSlik® friction reducer, anticipated as a scheduling disruption in 1H FY26, was confirmed in 2H FY26 as a contract loss. xSlik® had been one of Energy Services highest margin products, as a result, more than half of the EBITDA decline was due to xSlik®. The remaining impact related to a weaker US oilfield services market, where frac spread counts declined for most of the year.
- **International Water Technologies:** Continued losses
  ($0.1m lower EBITDA vs FY25) Losses continued to grow as market activity failed to develop as anticipated. Following the strategic review, the decision was made to exit US and UK direct operations and transition to a channel partner sales model. The closure was completed in 2H FY26. Prior to the closure, an EBITDA loss of $1.5m was generated in 1H FY26. The channel partner model preserves long-term market access without fixed costs.

Key positive drivers

Water Solutions delivered record revenue and earnings, and corporate costs fell 33%.

- **Water Solutions:** Record EBITDA of $4.2m
  ($3.6m higher EBITDA vs FY25) Combined revenue grew 13% to $48.3m. Process Chemistry delivered $2.2m EBITDA (up 65%), driven by infrastructure activity and multi-year mining contracts. Water Technology APAC delivered $2.0m EBITDA (up from a loss of $0.8m), driven by the $19.5m Rum Jungle groundwater treatment contract, of which ~50% of revenues were recognised in FY26.
- **Corporate costs:**
  ($1.6m higher EBITDA vs FY25) Achieved through meaningful reductions to headcount and administration costs.

Half-Year Trend

Despite lower 2H revenues, due largely to the absence of xSlik® volumes, underlying EBITDA doubled from 1H to $2.5 million, with EBITDA margin expanding to 6.7% (from 2.3%). This improvement reflects:

- Ramp up of Rum Jungle of construction activity.
- Cost-out actions taking effect in 2H, including the exit of International Water Technologies and corporate cost reductions implemented at the start of 2H FY26.
- Improved product and customer mix lifting gross margins sequentially.

Results by Operating Segment

Segment A$ million	Revenue FY26	Revenue FY25	EBITDA Underlying FY26	EBITDA Underlying FY25
Water Solutions	48.3	42.6	4.2	0.6
Energy Services	36.6	60.2	4.8	13.3
Corporate	0.1	0.2	-3.2	-4.8
Exited Operations				
Water Technologies – International	0.5	0.4	-2.1	-2.0
Total	**85.5**	**103.4**	**3.6**	**7.1**

Water Solutions

- **Revenue** of $48.3m, up 13% over FY25
  - Process Chemistry: $27.3m, up 5% over FY25, driven by large-scale tunnelling infrastructure projects and multi-year contract renewals on the mining sector.
  - Water Technology (APAC): $21.0m, up 27% over FY25, driven by a baseline of contracts across mining and infrastructure, increased Hydra-IQ™ sales, combined with revenues from the Rum Jungle groundwater treatment plant construction.
- **Underlying EBITDA** $4.2m, up from a small profit in FY25
  - Process Chemistry: $2.2m, up 65% over FY25, due to increased revenues and improved gross margin mix, due to several shorter duration, but higher margin infrastructure projects.
  - Water Technology (APAC): $2.0m, up from a loss in FY25, driven largely by progress to date on Rum Jungle, ongoing O&M contracts, as well as attention to cost control.
- **Strategic Developments**
  - Renewed strategic focus set to build an integrated water solutions platform combining the engineering capabilities of the Water Technology business with the advanced chemistry of the Process Chemistry business, while leveraging the data and optimisation product lines of both businesses (Hydra-IQ and OptiFlox).
  - Aligning commercial teams to cross-sell solutions into large existing client base, leveraging the value of established relationships.
  - Established a position within the Data Centre market, utilising existing water treatment capabilities and extensive prior team experience delivering 40+ water projects for the Data Cente market in the EU.

Energy Services

- **Revenue** $36.6m, down 39% over FY25
  - Revenues were significantly impacted by a key contract loss for premium xSlik® friction reducer, which accounted for significant majority of the revenue decline.
  - Sales of the flagship CatChek® product were more resilient despite broader industry pressure, increasing to 51% of total revenues in FY26, up from 41% in FY25.
- **Underlying EBITDA** $4.8m, down 64% over FY25
  - The loss of revenues for higher margin premium xSlik® friction reducer chemistry drove most of the earnings decline, accounting for ~$5m in total vs FY25.
  - The result was further impacted by intensified competition for commodity grade friction reducer chemistry sales, as the oilfields services industry faced weak market conditions with frac spread counts declining for much of the fiscal year.

- **Strategic Developments**
  - Continued expansion into the critical Permian Basin market, with Beetaloo Basin (Australia) opportunities emerging.
  - Master Services Agreement and first revenues with a tier-one service provider.
  - New product development across Enhanced Oil Recovery (EnFlow), Completion (CatChek variants), Advanced Delivery Systems (High-suspension slurries).

Water Technologies — International

- **Revenue** $0.5m, from $0.4m in FY25
- **Underlying EBITDA** loss of $2.1m, up 8% over FY25
  - Losses continued to grow, as the market failed to develop as quickly as forecast.
- **Strategic Developments**
  - Following a strategic review, the decision was made to exit the US and UK operations and transition to a channel partner sales model.
  - The closure of operations was completed in 2H FY26, removing a cost base which produced in an EBITDA loss of $1.5 million in 1H FY26.

Corporate

- **Underlying EBITDA** loss of $3.2m, down 33% over FY25
  - Meaningful cost reduction achieved through reductions in headcount and administration costs.

Cash and Liquidity

Net cash at 30 June 2026 was $6.8 million, up from $6.3 million at 30 June 2025, reflecting the 2H operating cash flow improvement and active working capital management during 2H. In total, $6.0m of underlying operating cashflow was generated during FY26.

- **$6.0m of underlying operational cash flow:** 2H operating cash flow recovery, as committed at the 1H FY26 result. Driven by higher 2H EBITDA, Rum Jungle milestone receipts, and the reversal of the working capital build from 1H FY26.
- **Capital discipline:** Lower capital expenditure and focused working capital management were key contributors to the cash balance improvement in 2H, consistent with the cost and capital discipline framework presented at the June Investor Day.
- **$13.8m of available liquidity:** The Company had total available liquidity of $13.8 million as at 30 June 2026, comprising a net cash position of $6.8 million and $7.0 million of unutilised debt facilities. This provides ample liquidity for ongoing business operations and near-term organic growth opportunities.

FY27 Outlook & Key Initiatives

Market Opportunity Context: The scale of SciDev's total addressable home markets is estimated at ~$4 billion, growing to over $6 billion by 2040, driven by water scarcity, mining sector growth, and rapid data centre expansion. The global addressable market estimated at up to $45 billion. SciDev's differentiated position combines engineering capability, proprietary chemistry, and data optimisation tools applied to solve our clients' most complex water challenges.

Looking ahead to FY27, the Company is focused on three priorities:

1. Expand engineering, chemistry, and data services across the establish mining client base;
2. Establish a meaningful position for water solutions in the Data Centre sector;
3. Rebuild Energy Services growth through partnerships with tier-one service providers and expansion in the basins where the highest demand potential for CatChek® exists.

Water Solutions:

- **Mining:**
  - **Engineering** – Continued construction of Rum Jungle and revenue recognition of the remaining ~50% of the contract, with several additional high value prospective projects tendered for.
  - **Chemistry** – Recently announced $2m per annum Newmont, Boddington contract set to commence in 1H FY27. Several other meaningful sized contracts currently in the late trail or negotiation stages, as well as through the Nuoer SciDev JV.
- **Data Centres:**
  - Recently announced initial contracts with two of Australia's largest hyperscale data centre operators and developers.
  - Contracts provide early reference work in a high growth market, with our right-to-win anchored on water recycling, reuse and advanced treatment solutions.

Energy Services:

- While market activity remains sluggish, increasing frac spread counts is lifting optimism.
- The Permian & Eagleford basins in the US remain the priority targets, however the opportunities in the Beetaloo basin in Australia are becoming increasingly real.

Chief Executive Officer, Todd Scott concluded with, "FY26 was a year of contrasting outcomes, but it was also a year in which we took decisive action to address underperformance and reposition the business for sustainable growth."

"SciDev enters FY27 with a stronger balance sheet, lower cost base, improving earnings momentum, and a clear focus on markets where we have a genuine right to win. The commitments we made at our June Investor Day are being delivered, as we build a stronger, more dynamic and more durable SciDev."

The Board of SciDev Limited authorises this announcement.

For Further Information

Investor Relations	About SciDev Ltd
info@scidevltd.com +61 2 9622 5185	SciDev is a leading water treatment technology company providing innovative solutions to the mining, data centre, and energy industries.