

20 October 2026

# Quarterly Highlights

## Solid growth lifts underlying EBITDA 44% and revenue 34% on pc, with continued progress in AI capabilities and US operations

StepChange Holdings Limited (**ASX: STH**) ("StepChange" or the "Company") provides its quarterly update for the quarter ended 30 September 2026.

Unaudited revenue for the quarter was \$16.8 million, up 34% on the prior corresponding period (pc). Underlying EBITDA increased 44% to \$1.40 million from the pc. Both increases were driven by organic growth across the existing business as well as the contribution of the Broadreach Group acquired in January 2026.

Operationally, the Company continued to develop its AI and cyber security capabilities, including expanding its AI Method Library to 130 industry methods and rolling out the Library internally to all staff. StepChange also continued to progress its US operations, with ongoing business development activities and growing engagement in the US market.

|                  |               |                   |                         |
|------------------|---------------|-------------------|-------------------------|
| <b>\$16.8M</b>   | <b>+34%</b>   | <b>\$1.40M</b>    | <b>+44%</b>             |
| REVENUE (1QFY27) | REVENUE VS PC | UNDERLYING EBITDA | UNDERLYING EBITDA VS PC |

All figures unaudited. Underlying EBITDA is a non-IFRS measure (see notes below).

## THE QUARTER AT A GLANCE | HIGHLIGHTS

- Revenue of \$16.8 million, up 34% on the pc, and underlying EBITDA of \$1.40 million, up 44% on the pc, reflecting organic growth across the existing business and Broadreach contribution.
- Continued development of StepChange's AI and cyber security offering, with positive client engagement and an expanded AI Method Library comprising 130 methods.
- Progress in the US operations, with increasing business development activity and opportunities to expand the Company's service offering in the US market.
- 50 Consultants currently registered for AI program, with 14 already certified within the required industry standard
- Short to medium term focus on bidding for multi-year managed services RFP's within the Quality Engineering capability

ASX: STH

## SCALE WITHOUT THE SLIPPAGE | AI METHOD LIBRARY

StepChange continues to develop its AI and cyber security offering as part of its broader strategy to provide clients with structured, repeatable and scalable technology solutions.

During the quarter StepChange launched the AI Method Library internally to all staff, as part of an ongoing certification and community program.

The program is designed to lift AI literacy across the StepChange team, giving consultants a common, repeatable method set to apply on client engagements. Each method is structured to recognised project, programme, portfolio, architecture and change management industry standards,

The Company sees the combination of certified practitioners and a standards-based method library as a point of difference in the market for the services StepChange provides.

The Library has grown from the 100+ methods across 40 business functions reported at the FY26 result to 130 methods today.

StepChange continued to progress its US operations during the quarter, with ongoing business development activities and engagement with prospective clients. The Company is focused on establishing its presence in the US market and leveraging its existing consulting expertise and service capabilities to pursue new business opportunities.

## UNDER THE HOOD | FINANCIAL PERFORMANCE

Gross margin for the quarter increased to 15.2% (FY26: 14.3%), driven by utilisation, contractor mix and the move toward outcome-based delivery.

Cash at bank was \$3.79m at 30 September 2026 (30 June 2026: \$5.2m). The \$10m Westpac acquisition facility was utilised to partly fund the \$6.6m final StepChange and initial BroadReach deferred consideration, with net debt of \$1.21m at 30 September 2026.

## THE ROAD AHEAD | OUTLOOK

FY27 priorities are unchanged from the full-year result: a full-year contribution from BroadReach, organic growth across StepChange Consultants and margin improvement. The StepChange business continues to position itself for continued growth into Q2 leading into H2, where traditionally the FY revenue and EBITDA split has improved in H2.

StepChange now has more than 200 consultants and specialists, a US business that's starting to win its own work and a method library that has grown from 100+ methods at the FY26 result to 130 today.

The Company is moving toward outcome-based delivery and that shift is already showing in gross margin, which rose above 15% this quarter (FY26: 14.3%). The next



step is to make the Library and its certified practitioners central to how StepChange wins and delivers work, first in Australia and increasingly in the US.

The Annual General Meeting will be held on 17th November 2026 at 11am (AWST) at Level 5, 191 St Georges Terrace, Perth WA.

## FROM THE MANAGING DIRECTOR | COMMENT

*"We've carried strong organic momentum into the first quarter of FY27 and our investments in new capability are starting to gain traction.*

*Revenue up 34% and underlying EBITDA up 44% on the same quarter last year is a strong result and it came from growing the business we already have. This wasn't a quarter of big announcements. It was a quarter of steady delivery and the numbers show it.*

*"We are particularly encouraged by the continued development of our AI capabilities and the positive engagement we are seeing in this area. The expansion of our AI Method Library to 130 methods, together with its rollout across our consulting team, is an important step in building a consistent and scalable approach to delivering AI-related services to our clients.*

*"Our US operations are also progressing, with increasing business development activity and opportunities to leverage our existing expertise in a new market.*

*"Our focus remains on delivering sustainable organic growth, improving margins and building on the capabilities and expertise of our team to support the Company's longer-term growth strategy."*

**Shane Bransby**, Managing Director

## ABOUT STEPCHANGE | GLOBAL EXPERIENCE, LOCAL EXPERTS

StepChange makes sure its clients' technology investment delivers, without stopping the business to do it. It advises before clients spend, delivers alongside their teams and keeps them moving as technology changes, across SAP, AI and data, enterprise architecture, quality engineering, change and cyber security. Clients include Tier 1 enterprise and government organisations in Australia, with operations in the United States. StepChange traces its origins to 2003 and has more than 200 consultants and specialists averaging 15 to 20 years' experience.



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

#### INVESTOR ENQUIRIES

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#### NOTES

**Forward-looking statements:** This announcement contains forward-looking statements, including statements about the Company's growth strategy, client demand, the extended critical infrastructure engagement and the rollout of the AI Method Library. They are based on current expectations and assumptions and are subject to risks and uncertainties that may cause actual results to differ materially. StepChange does not undertake to update them, except as required by law.

**Non-IFRS information:** Underlying EBITDA is not prescribed by Australian Accounting Standards (AASBs). It represents net profit under AASBs adjusted for tax, depreciation, amortisation and interest, and in the pcg has been adjusted for specific items including transaction and listing costs, share-based payments and merger and acquisition expenses. It is unaudited and should not be considered in isolation from, or as a substitute for, measures reported under AASBs.

