

# Structural Monitoring Systems (ASX: SMN)

Investor update  
*October 2026*



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# AEM's ongoing growth and cash generation key drivers for SMN



## A\$32.5m

FY26 group revenue

+16% on FY25

## A\$6.3m

FY26 adjusted EBITDA

+35% on FY25

## A\$6.0m

FY26 free cash flow

A\$0.6m outflow in FY25

### Profitable avionics business

Avionics revenue grew 40% to A\$22.2m, supported by specialized radio and digital audio products and expansion of international markets and applications.

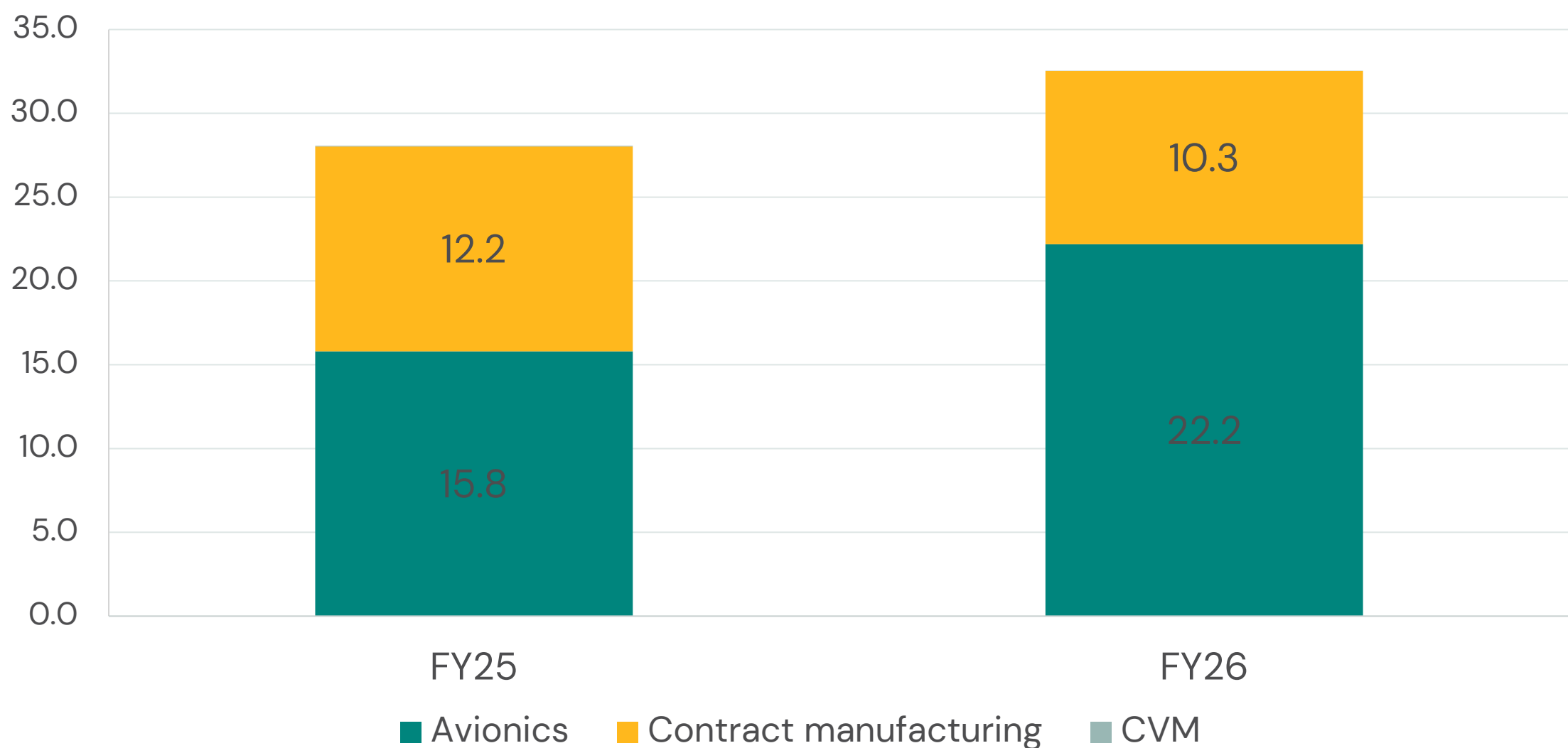
### CVM™ commercialisation pathway

The Boeing 737NG approval pathway is taking longer than anticipated. SMS is currently not providing a revised completion date as the FAA continues to work through considerable backlog.

Source: SMS FY26 Annual Report, released 29 September 2026. A\$ unless stated. Adjusted EBITDA and free cash flow are non-IFRS measures.

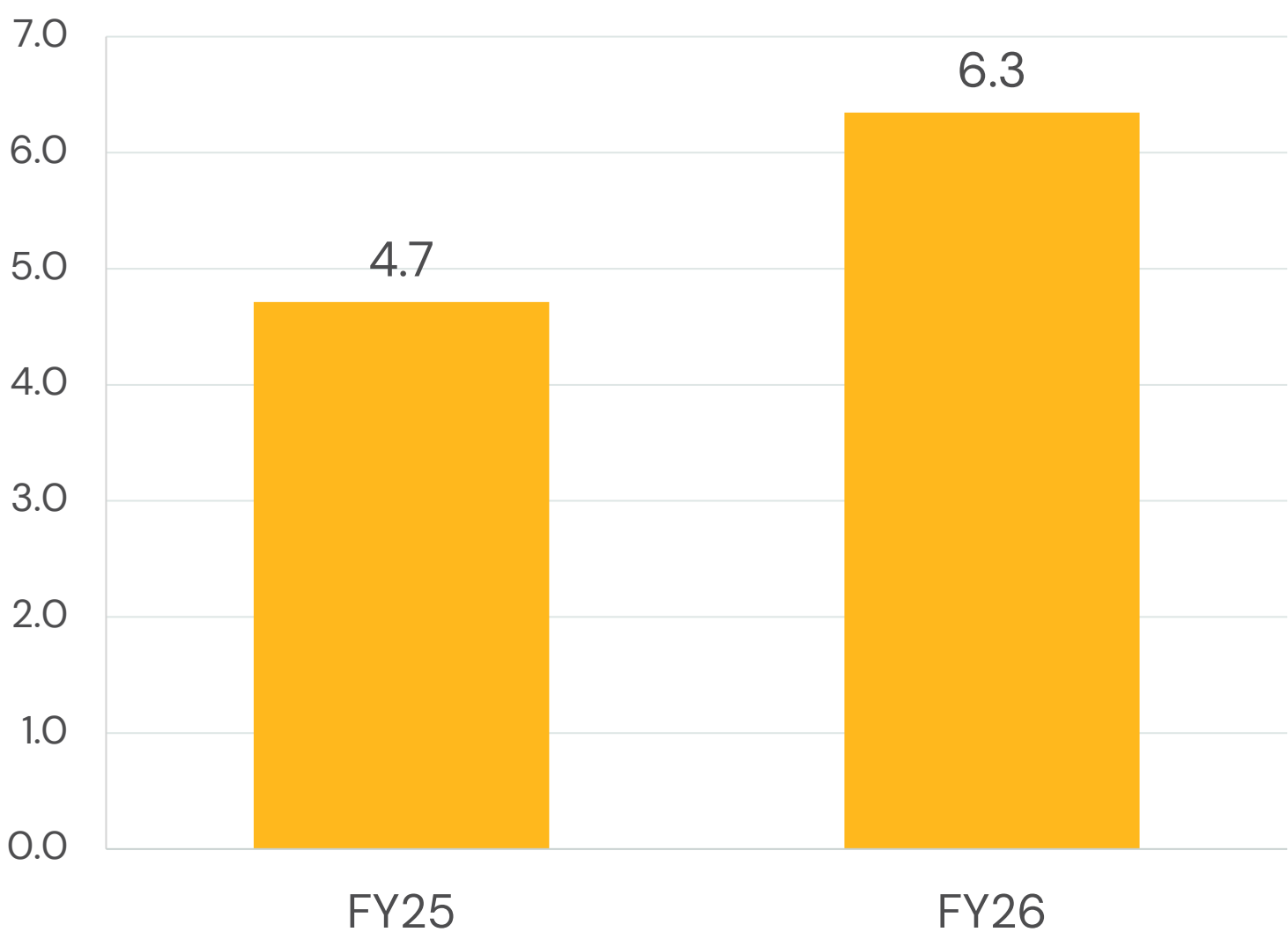
# FY26 revenue and earnings improved

Group revenue by business (A\$m)



Avionics represented 68% of FY26 revenue, up from 56% in FY25.

Adjusted EBITDA (A\$m)

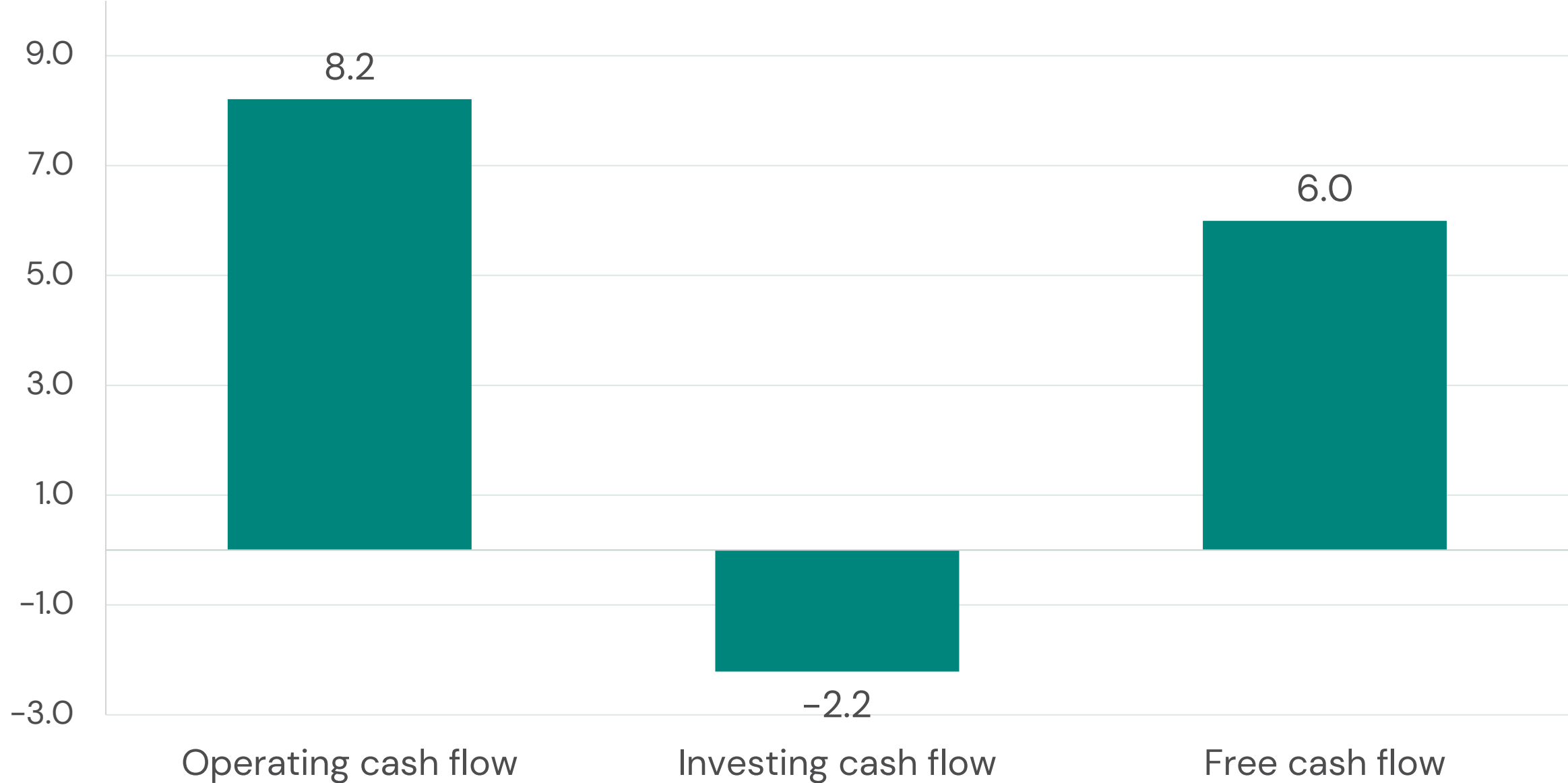


Net profit after tax increased to A\$1.3m.

Source: SMS FY26 Annual Report, released 29 September 2026. A\$ unless stated. Adjusted EBITDA is a non-IFRS measure. Totals may differ due to rounding.

# FY26 operating cash flow funded reinvestment

Cash generation (A\$m)



30 June 2026 balance sheet

A\$4.8m

Cash and cash equivalents  
FY25: A\$2.1m

A\$0

Bank debt  
FY25: A\$1.0m

Source: FY26 Annual Report. Free cash flow = operating + investing cash flows, before financing cash flows.

# Q1 FY27 – profits continue

Quarter ended 30 September 2026 · Unaudited

## A\$7.0m

Group revenue

Q1 FY26: A\$8.1m  
14% lower year on year\*

## A\$1.8m

Group adjusted EBITDA

A\$0.7m net profit  
after tax

## A\$5.2m

Cash at 30 September

30 June 2026: A\$4.8m

\*CALFIRE order of \$1.4m completed in June 2025 but recorded in July 2025 due to customs delay

\*CAD:AUD average rate declined by 8.8% year-on-year

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Source: September 2026 group finance report. Unaudited management figures, subject to final quarterly release approval.

# Avionics continues to be the Company's main source of growth

## A\$22.2m

FY26 avionics revenue up 40%

A\$7.5m segment adjusted EBITDA

### Radio sales increased 29%

More than 320 radios were sold in FY26, including another 50 MTP136D radios delivered to CAL FIRE.

### Audio-system sales increased 94%

More than 100 digital audio systems sold in FY26.

Audio-system sales were 67% of radio sales.

FY26 customers included US CBP, US police, Austrian police and EMS.



Source: SMS FY26 Annual Report and AEM management update, October 2026. A\$ unless stated. Product images: April 2026 webinar.

# FY26 audio-system international customers

FY26 audio-system sales included customers in North America and Europe

 Bundesministerium  
Inneres

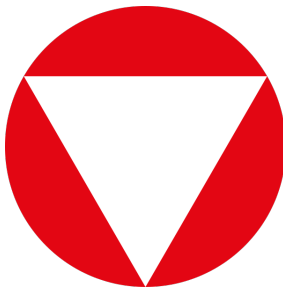
**Austrian Ministry of Interior**  
Police



**California Highway Patrol**  
United States



**U.S. Customs and Border Protection**  
United States



**Austrian Air Force**  
via CLS



**NYPD**

**New York City Police Department**  
United States



**U.S. Department of the Interior**  
United States



**Danish Home Guard**  
via Airborne Technologies



**Texas Department of Public Safety**  
United States



**Howell Instruments**  
CH-47 STC

Customer list supplied by AEM. Logos identify organisations and do not imply endorsement.

## Self-funded avionics product development

# A\$0.8m

Q1 FY27 product development investment

Q1 FY26: A\$0.3m

## Both programs on schedule

AEM continues to invest in two new avionics products which will open new critical mission markets to AEM.

The programs target opportunities for both rotorcraft and fixed-wing aircraft markets.

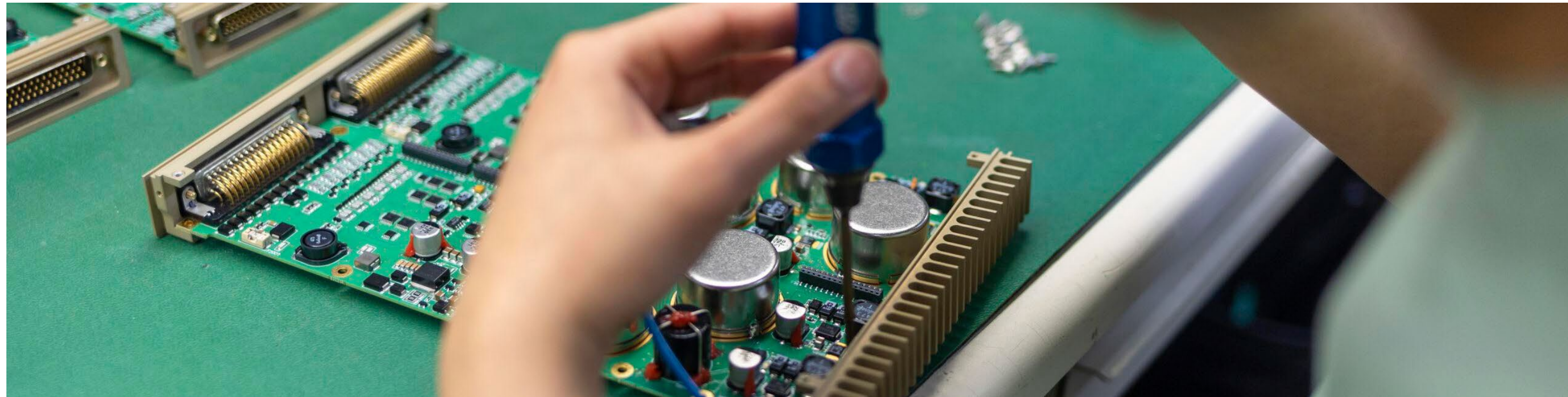
## Potential A320 Frame 16 application



SMS expects Airbus would consider funding internal R&D on the A320 Frame 16 CVM application.

Potential application only. Timing, scope and commercialisation remain subject to further work. CVM approvals are application-specific.  
Source: September 2026 Quarterly Activities Report and FY26 Annual Report. A\$ unless stated.

# Contract manufacturing important to AEM growth strategy



## A\$10.3m

FY26 revenue  
FY25: A\$12.2m

### Selective, margin-focused work

AEM will focus on contract manufacturing where we add value to both AEM and our customers.

FY26 adjusted EBITDA of A\$0.6m was lower than A\$2.2m in FY25 due to a A\$1.3m (non-cash) adjustment to unabsorbed overhead. Margin discipline remains a priority.

Source: SMS FY26 Annual Report, released 29 September 2026. A\$ unless stated. Strategy and image: April 2026 webinar presentation.

# CVM™ approval timing remains uncertain

## Boeing 737NG aft pressure bulkhead application

The Federal Aviation Administration (FAA) approval pathway is taking longer than previously anticipated.

The Company has been advised by Boeing that the timing of the FAA service-bulletin review is affected by competing certification priorities and as indicated previously remains outside the Company's control.

## Accordingly, SMS will not be providing a revised completion date.

The current focus will remain on certification engagement, operator discussions and assessment of additional OEM-supported applications.

Approval is application-specific. Commercial timing remains dependent on regulatory and customer processes.



## AEM avionics

Grow the installed base of radio and digital audio products.

Maintain customer-led product development.

## Cash and margins

Protect operating cash generation.

Manage costs and working capital while investing in products and manufacturing capability.

## CVM™

Continue the application-specific approval pathway.

Develop the commercial opportunity with disciplined spending and no revised completion date.

Priorities reflect the existing strategy and current operating focus. No new financial guidance is provided.

# FY26 financial reference

Year ended 30 June • A\$ million

| Metric                           | FY26  | FY25  |
|----------------------------------|-------|-------|
| Revenue                          | 32.5  | 28.1  |
| Adjusted EBITDA <sup>1</sup>     | 6.3   | 4.7   |
| Net profit after tax             | 1.3   | 0.2   |
| Operating cash flow              | 8.2   | 1.1   |
| Investing cash flow <sup>2</sup> | (2.2) | (1.6) |
| Free cash flow <sup>3</sup>      | 6.0   | (0.6) |
| Cash and cash equivalents        | 4.8   | 2.1   |
| Bank debt                        | —     | 1.0   |
|                                  |       |       |

Source: FY26 Annual Report. <sup>1</sup> Non-IFRS measure. <sup>2</sup> Investing cash flow comprises acquisition of plant and equipment and deferred research and development costs

<sup>3</sup> Operating plus investing cash flows, before financing cash flows.

Q&A  
Thank you!

**Rick Freeman**  
**CEO, AEM**

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