

MATRIX REPORTS FY2025 FINANCIAL RESULT

27 AUGUST 2025

OVERVIEW

- Revenue of \$74.8m for FY25 (FY24: \$85.0m) included a record year for SURF (Subsea Umbilicals Risers and Flowlines) work, with downside impact of the moderating drill rig market.
- EBITDA of \$7.8m (FY24: \$10.9m). Underlying EBITDA¹ of \$5.0m (FY24: \$11.0m).
- Reported Net Loss After Tax of \$2.2m (FY24: \$3.6m profit).
- Cash on hand \$18.3m (30 Jun 2024: \$23.3m), modest operating cash out flow at \$0.4m.
- Increased offshore project activity levels and contract awards at start of FY26, with Matrix awarded ~\$45m in projects after 30 June 2025.
- Secured FY26 revenue from subsea work alone currently ~\$57m, providing momentum into FY26, with positive outlook driving higher demand for subsea sector services and equipment.
- Emerging Advanced Materials business, including well construction and defence work with recurring revenue from Corrosion Technologies, support continued growth.

Matrix Composites & Engineering Ltd (ASX: MCE, "Matrix" or the "Company") is pleased to announce its results for the financial year ended 30 June 2025 (FY25).

Matrix reported revenue of \$74.8 million for FY25 (FY24: \$85.0 million), ~12% down on FY24 impacted by moderating drill rig activity. Revenue in the second half of the year was \$35.4 million (1H FY25 \$39.4 million). FY25 was a record year for SURF, growing revenue by more than 11% and further increasing market share. Recent new SURF awards of ~\$45m in July drive momentum for FY26, with the Subsea order book now at ~\$57m.

Matrix remains of the view that the outlook is positive for its core Subsea market. Continuing high levels of SURF activity where Matrix has an increased qualification profile is driving market share growth. Orders from the Drilling market however have generally been subdued and below expectations which has impacted expected revenue.

Continuing efficient execution on projects in hand and disciplined cost management resulted in another positive EBITDA result.

Matrix Chief Executive Officer Aaron Begley said the Company's FY25 results reflected variability in the Subsea business. A strong SURF market tempered by a weaker than expected drilling sector, led to lower revenue and earnings in the second half of FY25. The Company remains very well positioned to benefit from solid production activity which has been reflected in the strong start to FY26.

"The FY25 results demonstrated resilience in Matrix's business, with the Company maintaining positive operating earnings, despite the impact of a subdued drilling market which dampened financial performance for FY25. The business delivered revenue of around \$75 million, including a record year for SURF, with Group revenue remaining some 60% higher than the FY23 level. Cash generation improved significantly in the second half from project completions and working capital management."

¹ Underlying EBITDA FY25 excludes FX gain \$0.3m and non-cash fair value (FV) accounting adjustment of \$2.5m. FY24 excludes FX loss \$0.7m, non-cash FV accounting adjustment \$0.6m and impairment reversal of \$15.8m.

"Matrix has started FY26 strongly with Subsea work in hand currently more than \$57 million including recent significant new project wins. In addition we are pursuing a number of nearer term opportunities that will add to the order book for FY26 and FY27 work. We are confident that the levels of project activity remain buoyant, and that Matrix is well positioned to benefit from continued growth in energy, mining and defence spending."

Subsea Buoyancy work comprised 88% of total revenue and was again the main focus of activity during FY25 (FY24:87%). This included a record year of production and supply of SURF products for international offshore projects.

Advanced Materials continues to emerge with revenue of \$4.5 million. While at similar levels to FY25 emerging opportunities in Defence, Resources and Well Construction provide a platform for growth. Corrosion Technologies is providing a steady baseload of recurring maintenance revenue as well as reach into resources and defence markets.

Matrix delivered Earnings Before Interest and Tax (EBITDA) for FY25 of \$7.8 million (FY24 \$10.9 million). Underlying EBITDA, adjusting for non-operating items (foreign exchange gains and convertible notes) was \$5.0 million (FY24: \$11.0 million). The Company generated stronger operating cash flow in the second half with a modest operating cash outflow for the year of \$0.4 million (FY24: \$10.9m inflow).

FY25 Net Loss After Tax was \$2.2 million (1HFY25 \$1.0 million profit, 2HFY25 \$3.2 million loss). This was down on FY24 NPAT of \$3.6 million.

Cash on hand at 30 June 2025 was \$18.3 million, an increase on the first half cash position of \$15.7 million. Cash on hand at 30 June 2024 was \$23.3 million. Net cash including the Convertible Note was \$10.7 million at 30 June 2025. Matrix has no other long term debt.

Outlook

Matrix has a strong balance sheet with over \$10 million in net cash and has started FY26 with positive momentum following ~\$45 million of new contract wins.

The longer term demand outlook for Matrix's core energy markets remains positive. Furthermore, the company is well positioned to benefit from longer term growth in the Australian defence sector through its central position in the rapidly growing defence precinct in Henderson Western Australia, and with its advanced material capabilities.

Matrix continues to pursue an active pipeline of project opportunities with ~\$300 million of competitive quotations yet to be awarded in the SURF market. Furthermore, the Company has identified over \$200 million of upcoming projects to be quoted. The opportunities pipeline in the Drilling sector remains steady however customer urgency to procure is still challenged. The Company currently has ~\$75m of quotes outstanding, and the large installed fleet in the sector supports ongoing demand for replacements and upgrades.

Matrix is well positioned for growth in FY26, with ~\$57 million of Subsea work already secured, and further Subsea contract awards expected over the next six to twelve months. This will be supplemented by additional recurring revenue from Corrosion Technologies and increasing opportunities emerging in Advanced Materials.

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This announcement was authorised for release by the Managing Director and CEO of Matrix.

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ABOUT MATRIX COMPOSITES & ENGINEERING

Matrix Composites & Engineering specialises in the design, engineering, and manufacture of composite and advanced material technology solutions for the oil and gas, civil and infrastructure, resources, defence, and transportation industries. With more than 20 years-experience, Matrix has gained a reputation as an industry leader and has become a major exporter of Australian goods and services with customers located all over the world. From its award-winning head office in Australia and offices in the United States, and a global network, Matrix is uniquely positioned to deliver complete turnkey solutions offerings with localised customer support.

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