Appen

ASX Announcement

25 February 2026

FY25 results and FY26 outlook

Appen Limited (Appen) (ASX: APX), a global market leader in data for the Artificial Intelligence (AI) lifecycle, today reported its full year results for period ended 31 December 2025 (FY25) and outlook for FY26.

FY25 Highlights[1]:

- **Group operating revenue of $230.8 million, +4.5%[2] vs FY24, reflecting ongoing turnaround within Appen Global, supported by Appen China strength**
  - **Appen Global revenue of $127.9 million, -21%[2] vs FY24, with strong finish to year driven by success in winning generative AI related projects**
  - **Appen China revenue of $102.9 million, +75% vs FY24, driven by new and expanding LLM related projects**
- **Gross margin[3] improved 100 basis points to 40.3% due to greater mix of generative AI projects**
- **Underlying EBITDA[4] (before FX) $12.2 million, +251% or $8.7 million vs FY24, reflecting 5.3% EBITDA margin, driven by increased gross margin and operational efficiencies via technology innovation and automation**
- **Successfully executed against ~$10 million annualised cost efficiency target**
- **Cash balance of $59.8 million at 31 December 2025 (A$89.5 million[5])**
- **FY26 group guidance:**
  - **Revenue of $270 - $300 million; and**
  - **Underlying EBITDA (before FX) margin of ~5-10%**
- **Investor webinar, to be held 25 February 2026 (click here to join)**

Commenting on the performance for the year, Appen's CEO & Managing Director Ryan Kolln said, *"FY25 was pleasing as we saw durable improvements to the business, with new wins in generative AI, operational efficiencies, and the revenue trajectory throughout the year."*

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[1] All amounts stated in US$ and all comparisons are to the year ended 31 December 2024, unless stated otherwise. Numbers presented throughout the announcement may not add due to rounding. All comparisons are to the prior corresponding period unless stated.
[2] Excludes the impact of Google contract termination in FY24.
[3] Gross margin refers to revenue less crowd expenses.
[4] Underlying EBITDA excludes restructure costs, transaction costs, and acquisition-related and one-time share-based payment expense.
[5] Converted at 31 December 2025 exchange rate of 0.6681

"Q4 in particular saw a strong finish to the year for both our China and Global businesses. Appen China achieved a meaningful milestone exceeding $100 million in revenue for the full year – a pleasing result and providing strong momentum heading into FY26. In addition to the significant revenue growth versus FY24, our China business also delivered over $10 million of underlying EBITDA (before FX), reflecting gross margin expansion and operating leverage as the business continues to scale."

"The Appen Global division continues to improve as the business executes against its turnaround strategy in a highly dynamic market. This was also supported by a strong finish to the financial year, with substantial revenue and EBITDA growth achieved in Q4".

"With the progress we continue to make, we are confident that Appen is well positioned to capture growth at a global scale as AI adoption deepens across consumer, enterprise and emerging applications. We have a strong balance sheet and maintain our focus on revenue growth and ongoing underlying EBITDA profitability."

Financial and Operating Performance

Summary	FY25	FY24	*Change*
Revenue adjusted[1]	**230.8**	**220.9**	***4.5%***
Appen China revenue	**102.9**	**58.9**	*74.8%*
Appen Global revenue	**127.9**	**160.2**	*(21.1%)*
Group operating revenue	**230.8**	**234.3**	*(1.5%)*
Gross margin[2]**%**	**40.3%**	**39.3%**	***100 bps***
Underlying EBITDA[3] **before FX**	**12.2**	**3.5**	***250.8%***

Financial performance

At a group level, FY25 revenue totaled $230.8 million, up 4.5%[1] on FY24 with Q4 growth on the prior quarter for both Appen Global and Appen China. Gross margin was 40.3%, up 100 basis points on FY24, driven by growth in high priority generative AI projects across both Appen Global and Appen China. Underlying EBITDA before FX was $12.2 million, up 251% on FY24, reflecting 5.3% EBITDA margin for the year. Pleasingly, Q4 delivered a strong result, with a group EBITDA margin of 18.2% - being the highest EBITDA quarter since 2021 – driven by generative AI project wins and ongoing efficiencies in the business.

[1] Excludes the impact of Google contract termination in FY24.
[2] Gross margin refers to revenue less crowd expenses.
[3] Underlying EBITDA excludes restructure costs, transaction costs, and acquisition-related and one-time share-based payment expense.

Operating segment performance

Appen Global

Within Appen Global, FY25 revenue was $127.9 million, down 21%[1] versus FY24 due to lower volumes throughout the first three quarters. Pleasingly, the successful execution of Appen's turnaround strategy through the year assisted in Q4 delivering revenue growth of 56% quarter-on-quarter. This growth was predominantly driven by new projects wins, including the previously announced $10 million+ generative AI opportunity that has grown faster than expected. This project has continued into FY26.

The new generative AI project wins also positively expanded gross margins throughout the year, supported by $10 million of annualised cost efficiencies successfully delivered across Appen Global throughout the year. As a result, Appen Global delivered $10.2 million underlying EBITDA (before FX) in Q4 alone, reflecting 24.6% EBITDA margin. On a full year basis, Appen Global's underlying EBITDA (before FX) for FY25 was $5.8 million, down 36.5% versus FY24.

Appen China

Within Appen China, FY25 revenue totaled $102.9 million, up 75% versus FY24, with growth predominantly driven by new and expanding LLM related projects, including supporting international expansion for Chinese tech customers. As reported, growth continued throughout Q4, with December annualised revenue exceeding $135 million. This is a pleasing result for the Company, reflecting a strong local market position in China.

From a profitability perspective, Appen China's underlying EBITDA (before FX) for FY25 was $10.6 million, up 640% versus FY24, reflecting 10.3% EBITDA margin for the full year. This was supported by a record profit performance in Q4, delivering $4.3 million underlying EBITDA (before FX) for the quarter, reflecting a 13.5% quarterly EBITDA margin. Improved gross margins from a greater mix of higher-margin generative AI projects as well as increased revenue from high-margin prebuilt datasets also aided Appen China performance throughout the year. This segment continues to capture scale efficiencies due to tight opex controls as revenue expands.

FY26 Outlook & Guidance

The Company remains confident on the AI data market, and the potential for Appen to meaningfully contribute to the development of leading foundation models.

The Company continues to see positive signals on LLM related growth including from Appen Global and Appen China customers.

Tight cost controls remain in place, in keeping with the Company's focus on managing costs in line with the revenue opportunity.

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[1] Excludes the impact of Google contract termination in FY24.

As in previous years, Appen Global revenue continues to be mostly derived from project-based work and seasonality skews revenue to H2.

Considering this, Appen provides the following FY26 group guidance:

- Revenue of $270 - $300 million; and
- Underlying EBITDA (before FX) margin of ~5-10%

Investor briefing

The Company will host an investor webinar to discuss the results with Ryan Kolln, CEO & Managing Director and Justin Miles, CFO. The webinar will be hosted at 11.00am AEDT on Wednesday, 25 February 2026. Register for the investor webinar via the link below:

https://us02web.zoom.us/webinar/register/WN_6_pGQmnnQcapzzPWFTsnxg

Profit and Loss Summary	FY25	FY24	*Change*
Revenue adjusted[1]	**230.8**	**220.9**	**4.5%**
Revenue	230.8	234.3	(1.5%)
Gross Margin[2]%	**40.3%**	**39.3%**	**100 bps**
Employee expenses[3]	50.2	55.1	(8.8%)
Share-based payments expense[4]	1.3	3.2	(59.3%)
Other expenses[5]	29.3	30.3	(3.2%)
Underlying EBITDA[6] before FX	**12.2**	**3.5**	**250.8%**
Underlying EBITDA[6]	12.6	7.8	60.8%
Underlying NPAT[7]	**(10.3)**	**(10.5)**	**nm%**
Statutory NPAT	(21.8)	(20.0)	nm%

[1] Excludes the FY24 impact of Google contract termination
[2] Gross margin refers to revenue less crowd expenses.
[3] Employee expenses per management reporting. Excludes direct project workers included in gross margin calculation (i.e. crowd expenses).
[4] Non-cash expense. Excludes acquisition-related and one-time share-based payment expense.
[5] All other expenses included in underlying EBITDA before FX.
[6] Underlying EBITDA excludes restructure costs, transaction costs, and acquisition-related and one-time share-based payment expense.
[7] Underlying NPAT excludes after tax impact of restructure costs, transaction costs, acquisition-related and one-time share-based payment expense, and amortisation of acquisition related intangibles.

Authorised by the Board of Appen Limited.

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About Appen

Appen is a global market leader in data for the AI Lifecycle. With 30 years of experience in data sourcing, data annotation, and model evaluation by humans, we enable organisations to launch the world's most innovative artificial intelligence systems.

Our expertise includes a global crowd of more than 1 million skilled contractors who speak over 500 languages[1], in over 200 countries[2], as well as our advanced AI data platform. Our products and services give leaders in technology, automotive, financial services, retail, healthcare, and governments the confidence to launch world-class AI products.

Founded in 1996, Appen has customers and offices globally.

1 Self-reported.

2 Self-reported, includes territories.