

ASX:RDY

# 1H FY26 Results

26 February 2026





# Next generation, mission-critical vertical software

Crafted through deep domain expertise to meet the needs of human-led sectors and support communities at scale

**1.2 million**

Student enrolments facilitated in Australia annually

**99%**

Australian apprentices supported

**51%**

Australian Local Councils utilise our software

**7.4 million**

Pays generated for employees in Australia & NZ annually

**ISO 42001**

AI compliant (since Jan '26)

## Trusted by leading organisations

### Education & Work Pathways



### Workforce Solutions



### Government & Justice



Workplace Injury Commission



MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT  
HĪKINA WHAKATUTUKI



HM Courts & Tribunals Service

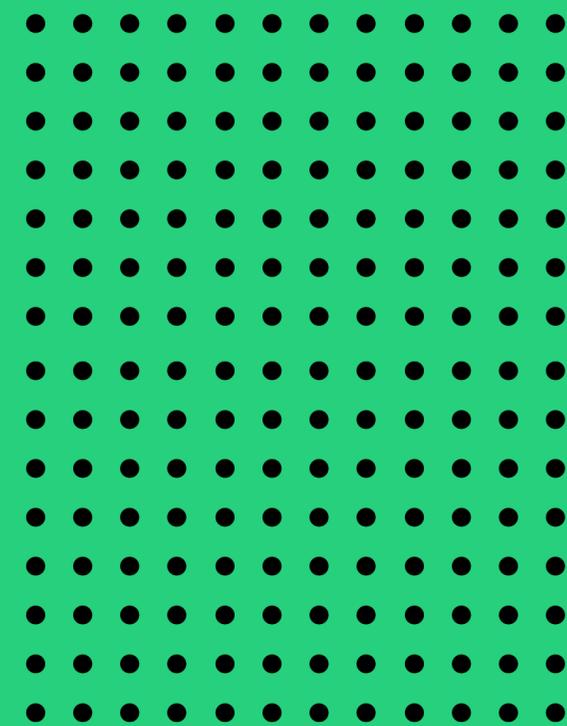


MENTAL HEALTH REVIEW TRIBUNAL



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# Summary performance





# Financial highlights

- Enterprise flagship revenue expansion, with mature portfolio headwinds moderating overall growth
- Cash EBITDA reflects ongoing investment into flagship products and incremental targeted investment across all segments
- **Outlook<sup>^</sup>**
  - Revised FY26 revenue target of \$125-127 million
  - Withdrawing FY27 financial targets

## Total revenue

⬆️ **\$61.6m**

Increase of **5.6%**  
84% recurring

## Underlying EBITDA<sup>\*</sup>

**\$17.5m**

Underlying EBITDA margin of **28.4%**  
(1H FY25 31.2%)

## Underlying cash EBITDA<sup>\*\*</sup>

**\$7.5m**

Underlying Cash EBITDA<sup>\*\*</sup> margin of **12.2%**  
(1H FY25 14.7%)

<sup>^</sup>See slide 27 for further detail on the outlook.

<sup>\*</sup>Underlying EBITDA excludes fair value of contingent consideration of \$0.7m relating to transactions and \$1.5m integration costs for acquisitions (completed and declined opportunities), as well as one-off consulting costs.

<sup>\*\*</sup>Underlying cash EBITDA includes actual lease payments and labour capitalisation.



# 1H highlights and challenges

## Highlights

- Strong new flagship contracting activity
  - 10-year Government contract signed with Skills Tasmania
  - Significant enterprise Justice win with Workplace Injury Commission in Victoria
  - Conviction strengthening in education flagship pipeline
- Ready Workforce best performing flagship product with 24% CAGR
- Launched **Clearer. Faster. Stronger.** strategy with 3 core tenets to deliver a simplified, more robust ReadyTech

## Challenges

- Challenging business conditions leading to elevated churn & downgrades in mature products
  - 1H revenue churn of \$1.0 million in managed payroll business as customers seek to reduce cost
  - SME Education downgrades as private college funding shifts to TAFE
- VETtrak cyber incident diverted management focus and impacted customer base; restoration and remediation prioritised
- Backlog in Ready Community upgrade projects and opportunity to improve velocity
- Elongated enterprise deal cycles



# Education & Work Pathways

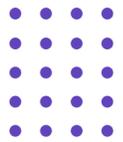
Investment into the Education segment underpinning future growth with strong pipeline, however extended deal cycles are impacting ability to quickly unlock customer value



Education business continues to position around large, long-term opportunity in Australia's TAFE & higher education market.

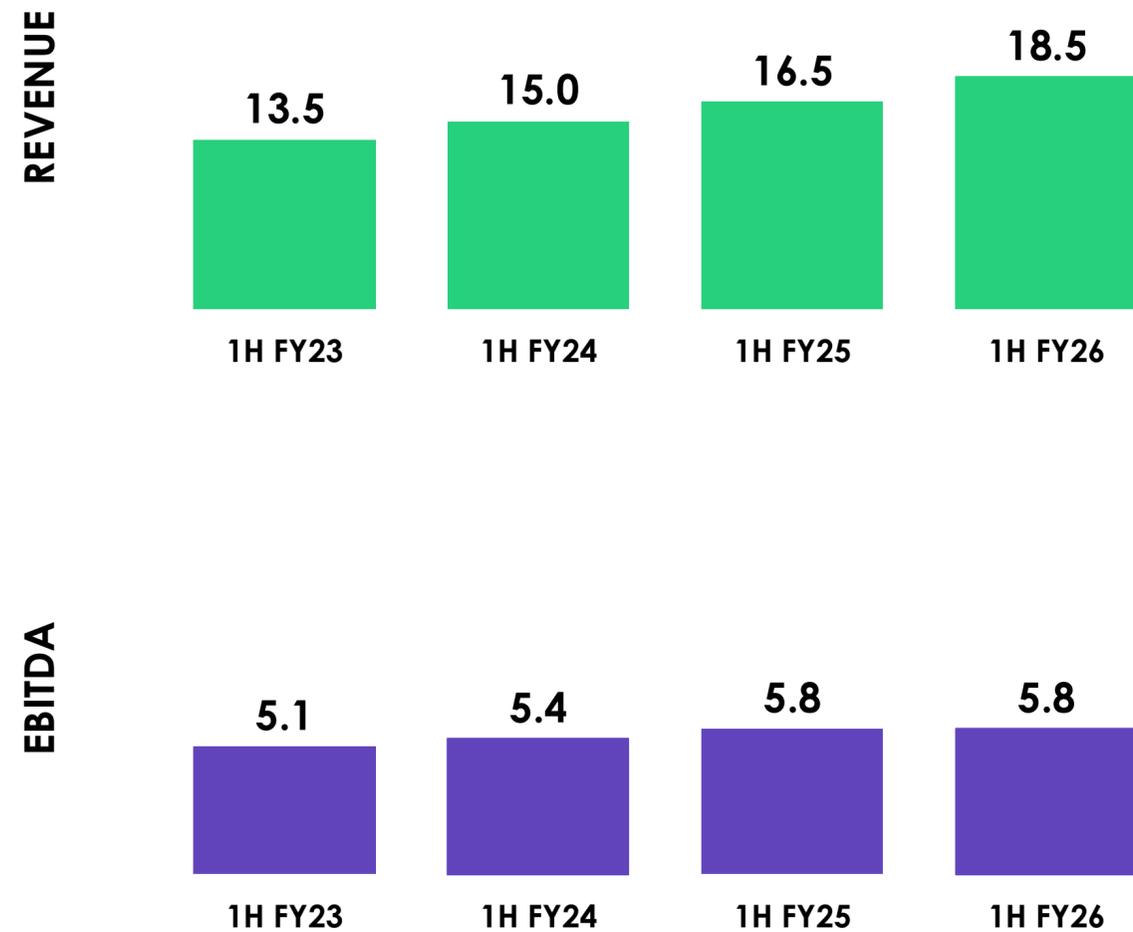
Work Pathways continued to expand in key markets of Employment Services and State Government VET, highlighted by Skills Tasmania win for Ready STA to strengthen the state's apprenticeship and training ecosystem.

- > Largest State Government vocational education deal to date with Skills Tasmania
- > Successful transition to Inclusive Employment Australia contract (Work Pathways) increasing market share
- > Increasing confidence in ability to convert enterprise Education customers, strong pipeline to Employment Services (Work Pathways) growth in 2H > \$2.5m



# Workforce

Workforce delivered 12.1% revenue growth, despite difficult business conditions affecting managed payroll services



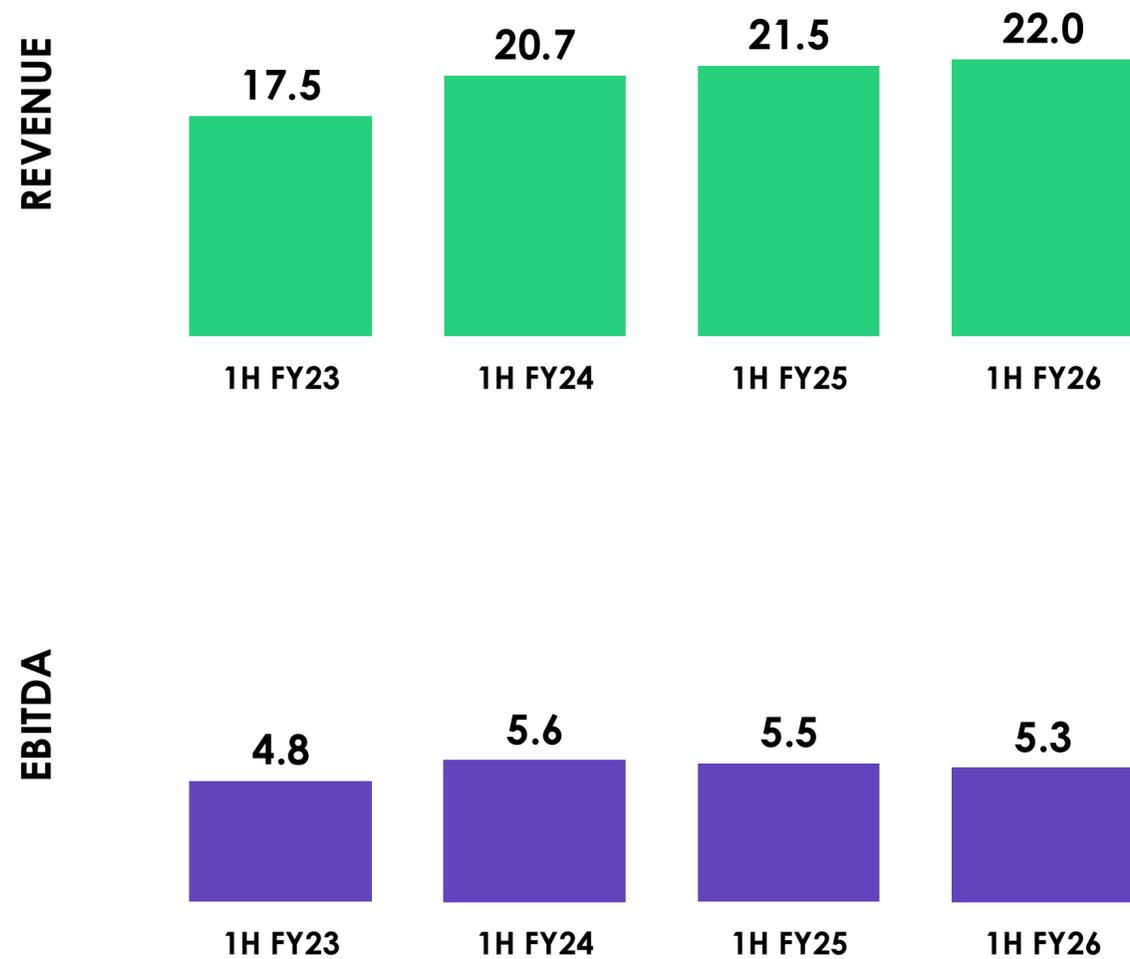
Workforce segment's vertical GTM strategy demonstrating 'we get you' is working. Early indicators show clear impact from increased marketing investment and dedicated sales focus in our core market verticals.

- Components of Ready Workforce integrated to create more seamless customer experience via end-to-end suite
- 24% CAGR growth in Ready Workforce end-to-end flagship product
- Managed payroll services environment presenting some operational challenges



# Government & Justice

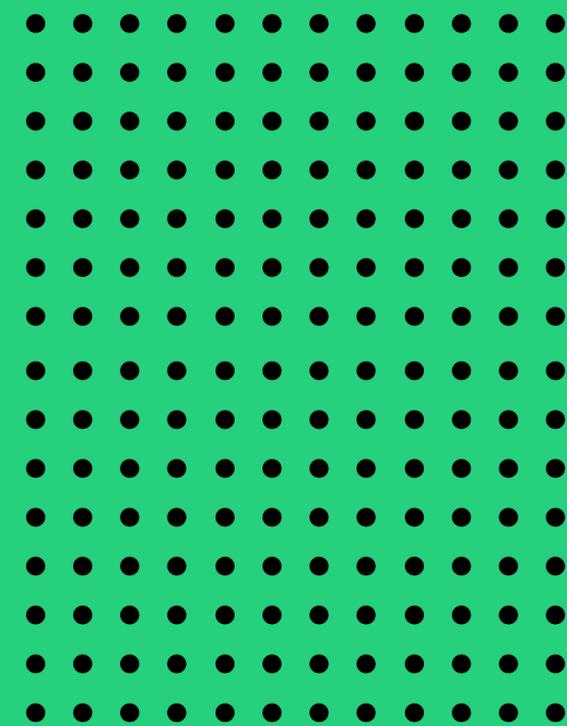
Limited revenue growth in Local Government, however project backlog and sales pipeline healthy with focus on Ready Community product upgrades



Local Government focus has transitioned from delivering customer-ready product in Ready Community to pipeline of customer upgrades

Justice experienced solid progress in 1H advancing implementation projects and underpinned by the successful progression of the Workplace Injury Commission Victoria deal, a cornerstone contract for the business.

- Ready Community upgrades and new wins accelerating since CouncilWise acquisition with 15 wins and \$3.1m signed in CY25
- Project backlog and strong sales pipeline underpinning Local Government outlook
- Segment profitability impacted by investing in building out leadership and enterprise teams ahead of capturing revenue growth
- Significant Justice contract win with Workplace Injury Commission in Victoria



# Our growth strategy



# Strategic evolution

With proven momentum in enterprise, the focus shifts to three core tenets of strategy for a simplified, more robust ReadyTech

2023 - 2025

## Enterprise

Customer focus aligned to capability

- Strategic prioritisation of Enterprise customer segment
- Product enhancements for deeper enterprise workflow
- Build enterprise sales, marketing and onboarding capability
- Win breakthrough, early customers



2026 and beyond



## Clearer

Simplify, unify & focus

- Simplify and sharpen product portfolio
- Standardise & centralise core operations
- Consolidate offshore development



## Faster

Operate with speed & agility

- Accelerate flagship product-market fit
- Group-wide agile execution framework
- Operationalise AI everywhere



## Stronger

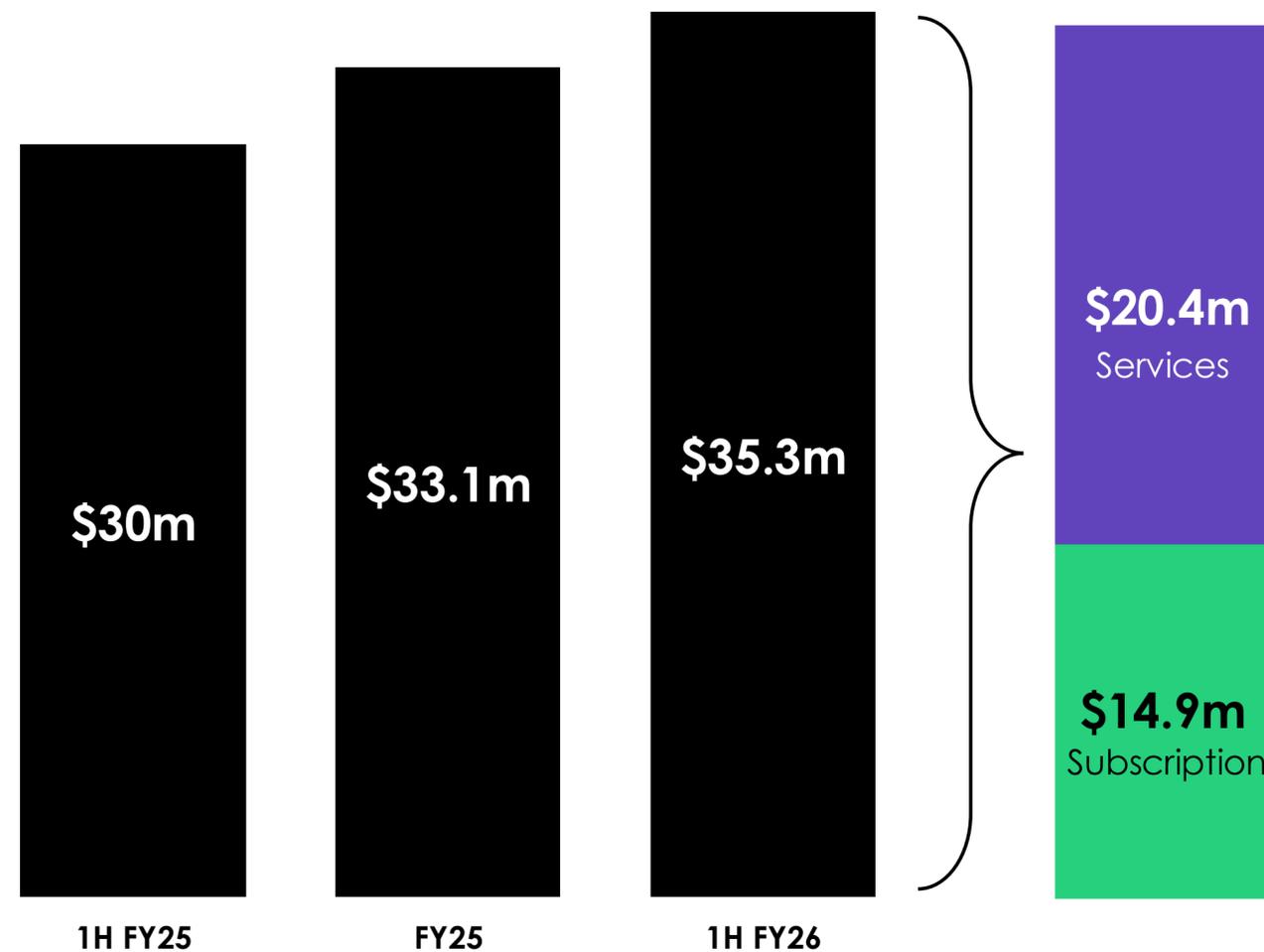
Scale & impact

- Concentrate resources on growth engines and highest return platforms
- Invest in people capability to support scale
- Lift SaaS unit economics

In pursuit of sustainable enterprise growth and operating leverage

# Enterprise pipeline

High conviction gross pipeline continues to build across all sectors



- Enterprise opportunities remain significant across all operating segments
- Current pipeline \$20.4m in services and \$14.9m first year subscription revenue



Education

Pipeline includes multiple high conviction enterprise education opportunities



Government & Justice

Local Government pipeline growing, with new customer opportunity and upgrades



Workforce

Incremental investment over past six months in go-to-market, driving increase in enterprise opportunity across ANZ

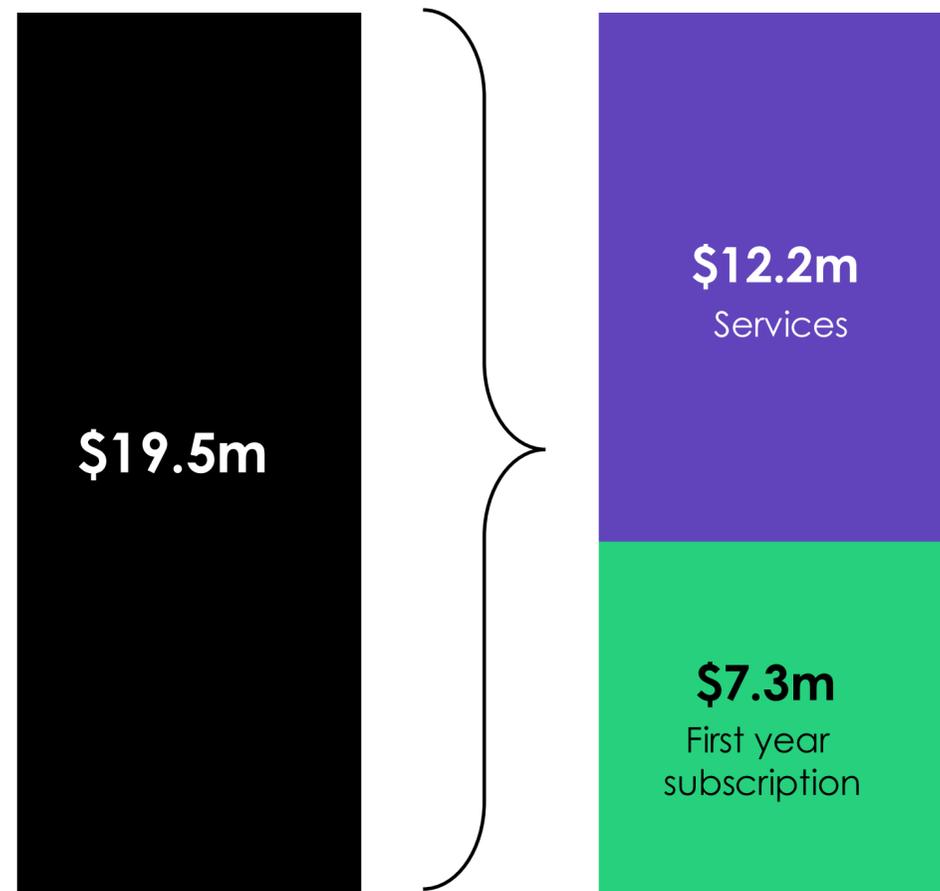


# Enterprise new business and major upgrades

ReadyTech's enterprise growth strategy revolves around both new business wins as well as major transformational customer upgrades

New enterprise contracts and major upgrades signed CY25

Split between implementation and subscription



- Excellent conversion rate in CY25 on opportunities pursued with \$19.5m in contracts won, and only \$3.5m lost (including one TAFE)
- Vast majority of CY25 signed contracts are now underway, with implementation phase having commenced
- Services revenues are a leading indicator to unlocking incremental subscription revenues
- Typical implementation timeframes vary from 90 days to 18 months across our segments

## 1H FY26 new contract wins

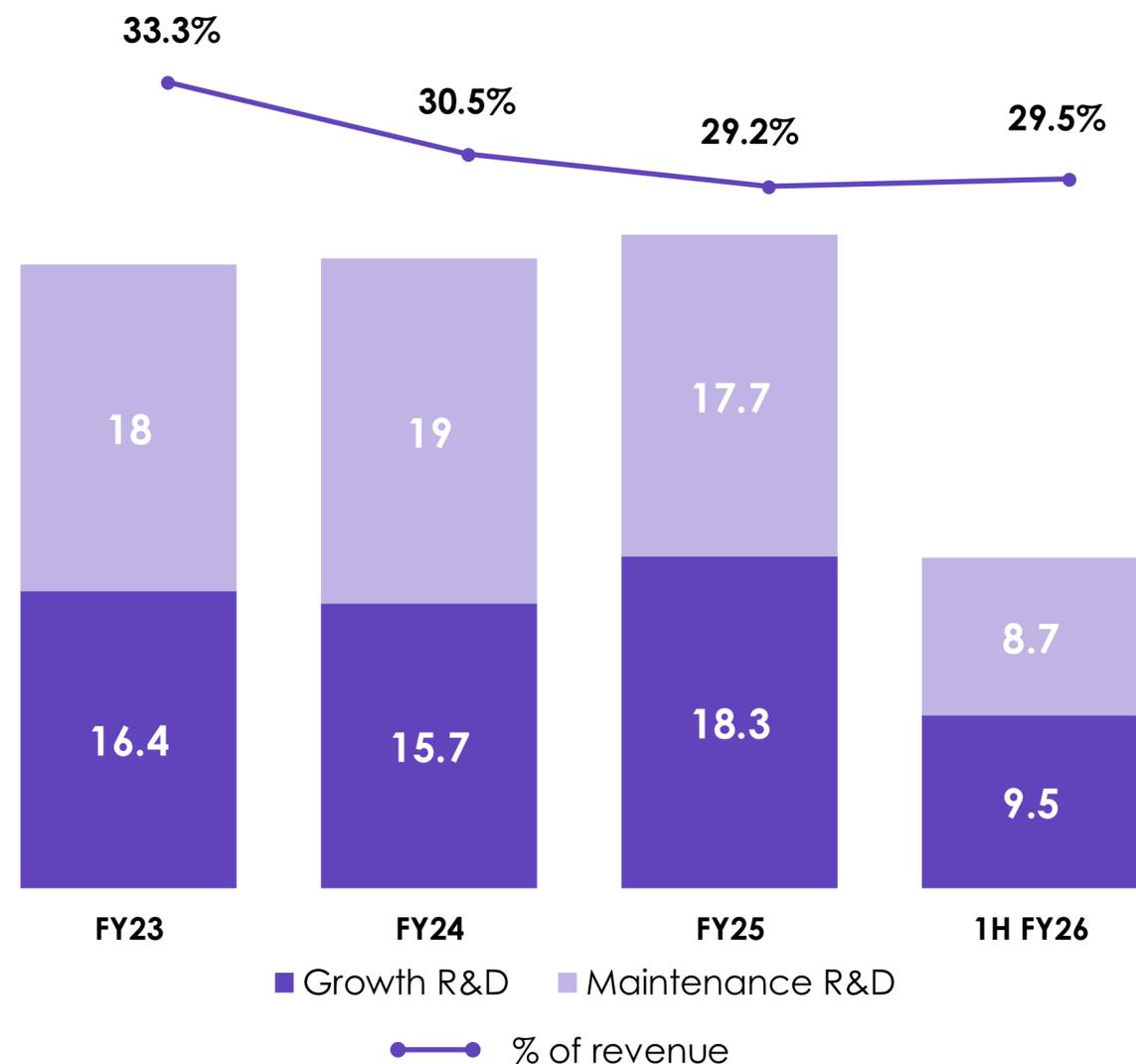


FUJIFILM



# Sustained investment in R&D

ReadyTech has sustained investment into R&D over the past 3.5 years to advance our enterprise strategy

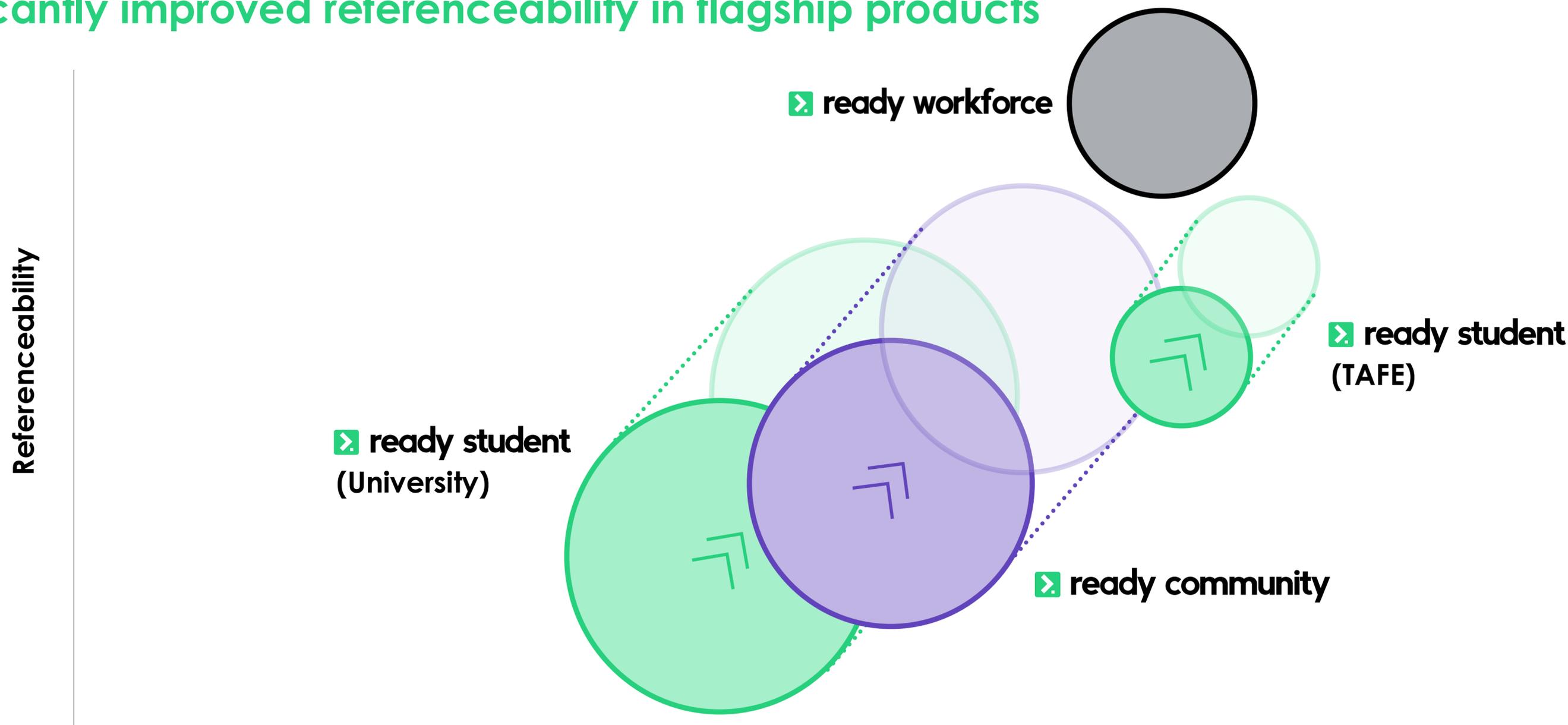


- To capture our enterprise opportunity, ReadyTech made a strategic decision to invest behind its flagship products
  - \$59.9m of growth investment over 3.5 years
  - 97% spent on flagship products
- Major areas of investment
  - Education investment driving TAFE and higher education market readiness
  - Completing the end-to-end Ready Workforce experience of payroll, HR and workforce management
  - Integrating components of Ready Community and preparing the product for high volume upgrade activity
  - AI workflows and intelligence layer unlocking new customer value
- Medium-term plan to reduce R&D as a % of revenue through operating leverage and AI productivity



# R&D has driven improved flagship product maturity

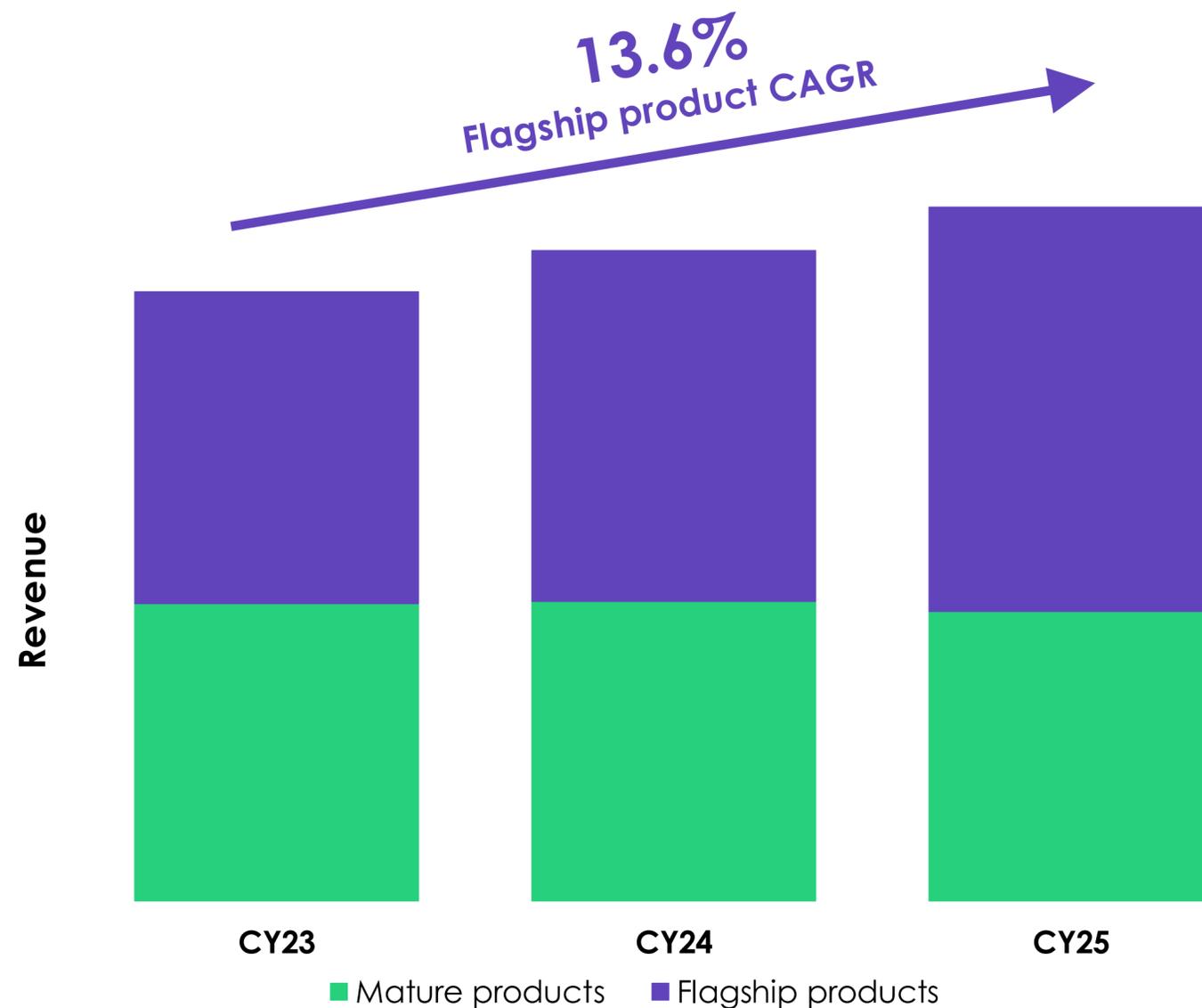
Our sustained investment in product has uplifted product-market fit, leading to significantly improved referenceability in flagship products





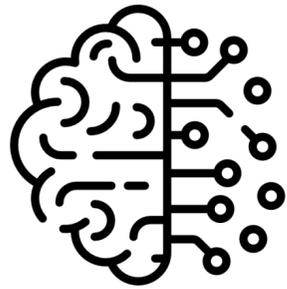
# ReadyTech's software portfolio mix

ReadyTech's enterprise strategy has focused on driving growth into the flagship products – progress is steady and directionally strong



- Software portfolio is a mix of flagship and mature products
- Flagship product revenue CAGR of 13.6%, led by Ready Student and Ready Workforce
  - Opportunity for this growth rate to accelerate through new customer acquisitions
- Mature products accounted for ~70% of CY25 dollar churn
  - Initiatives implemented to address elevated churn

# Domain expertise × AI = sustainable advantage



## Decades of embedded domain intelligence

High levels of specialised knowledge encoded layers of workflows, compliance logic and thousands of edge cases very difficult to replicate.



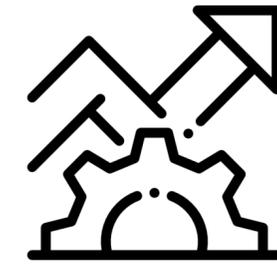
## Core system of record in compliance-heavy verticals

Embedded as authoritative system of record in regulated environments requiring deterministic regulatory logic where accuracy and risk management is non-negotiable.



## AI monetisation leverage from trusted vendor

AI capabilities embedded directly into existing mission-critical workflows (not as bolt-on tools) to enhance productivity and decision quality.



## AI-enabled development efficiency

Leveraging AI across engineering and QA to build, test and deploy software faster and more efficiently – improving speed to market and structural margins.

**AI amplifies this advantage by unlocking value from massive volumes of rich domain data.**

# Doubling down on our domain advantage with AI differentiation

**Across our flagship products** we are running disciplined monetisation experiments and progressively embedding value into customer workflows with over 10 AI releases in 2025.

We are activating renewal cycles to capture that uplift, scaling pricing only once impact is proven, repeatable and structurally durable.

## Proof point – Recruitment Assistant

### AI-Driven Hiring in Ready Workforce

**60%**

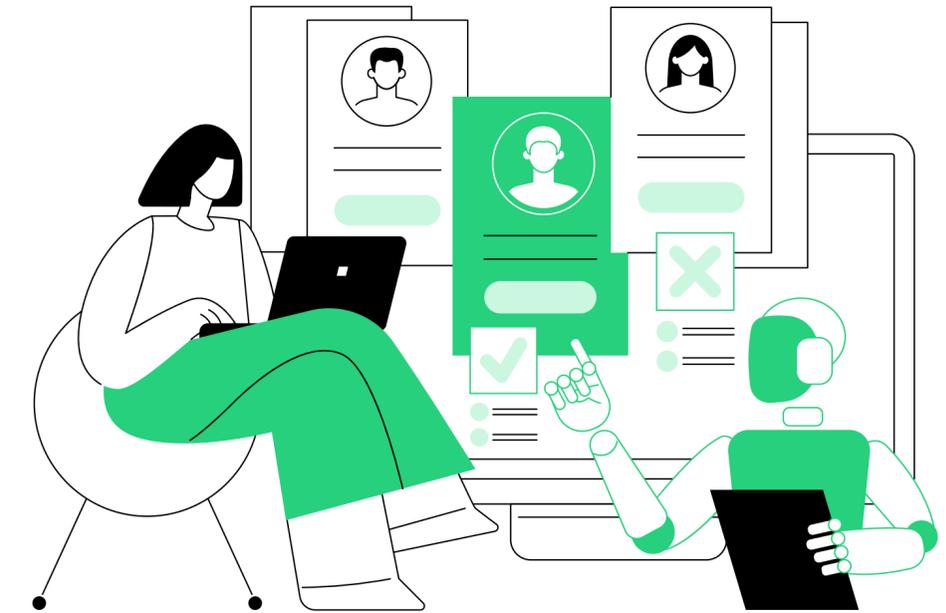
Customers **regularly** use the Recruitment Assistants to enhance and streamlining hiring

**33%**

Reduction in time to qualify applicants

**18%**

Reduction in time to hire new employees



**252k**

Applications screened through the Screening Assistant (released to customers fully Sep 2025)

**22%**

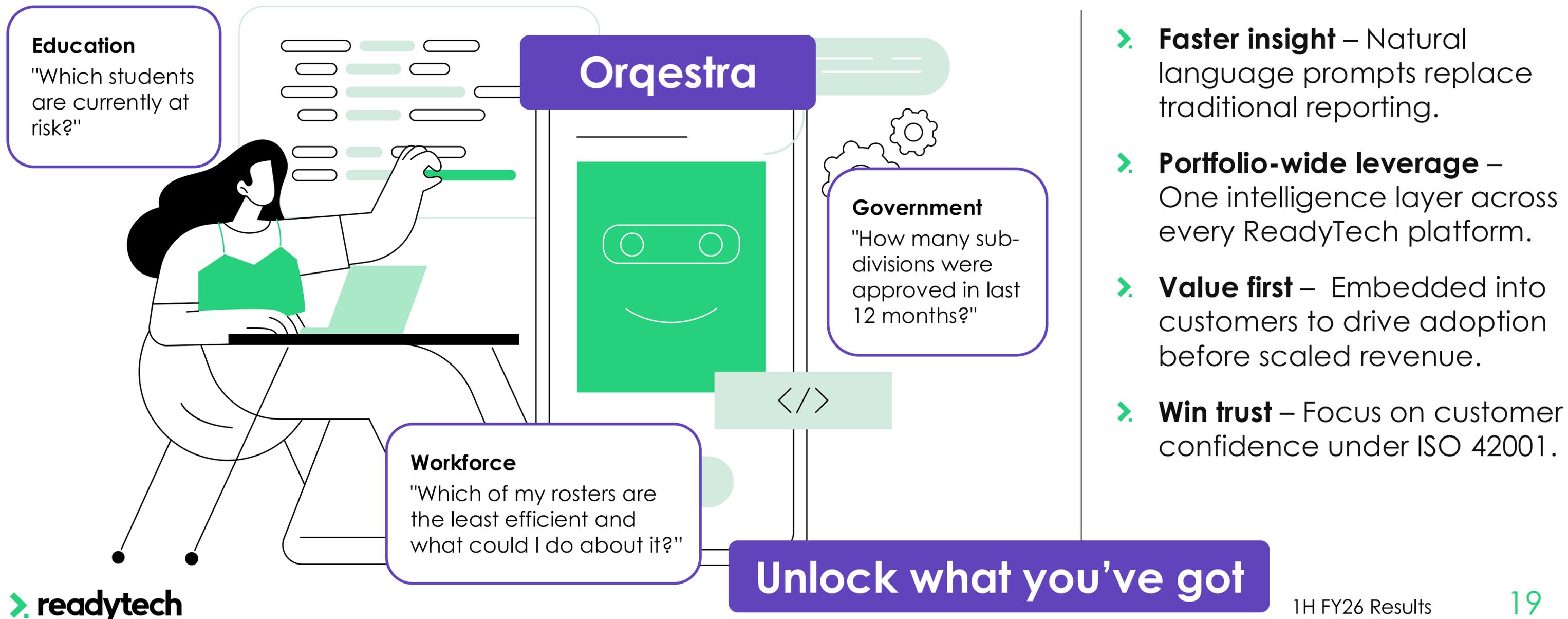
Reduction in time to interview applicants

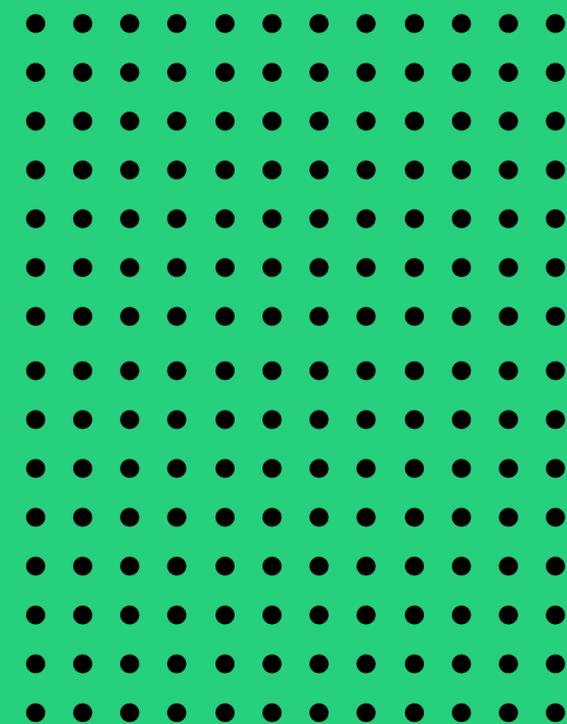
**10-15%**

Revenue uplift through the renewal cycle

# Launching Orqestra | Unified AI intelligence layer

Orqestra will connect ReadyTech flagship products to AI intelligence enabling rapid access to insights through a conversational interface



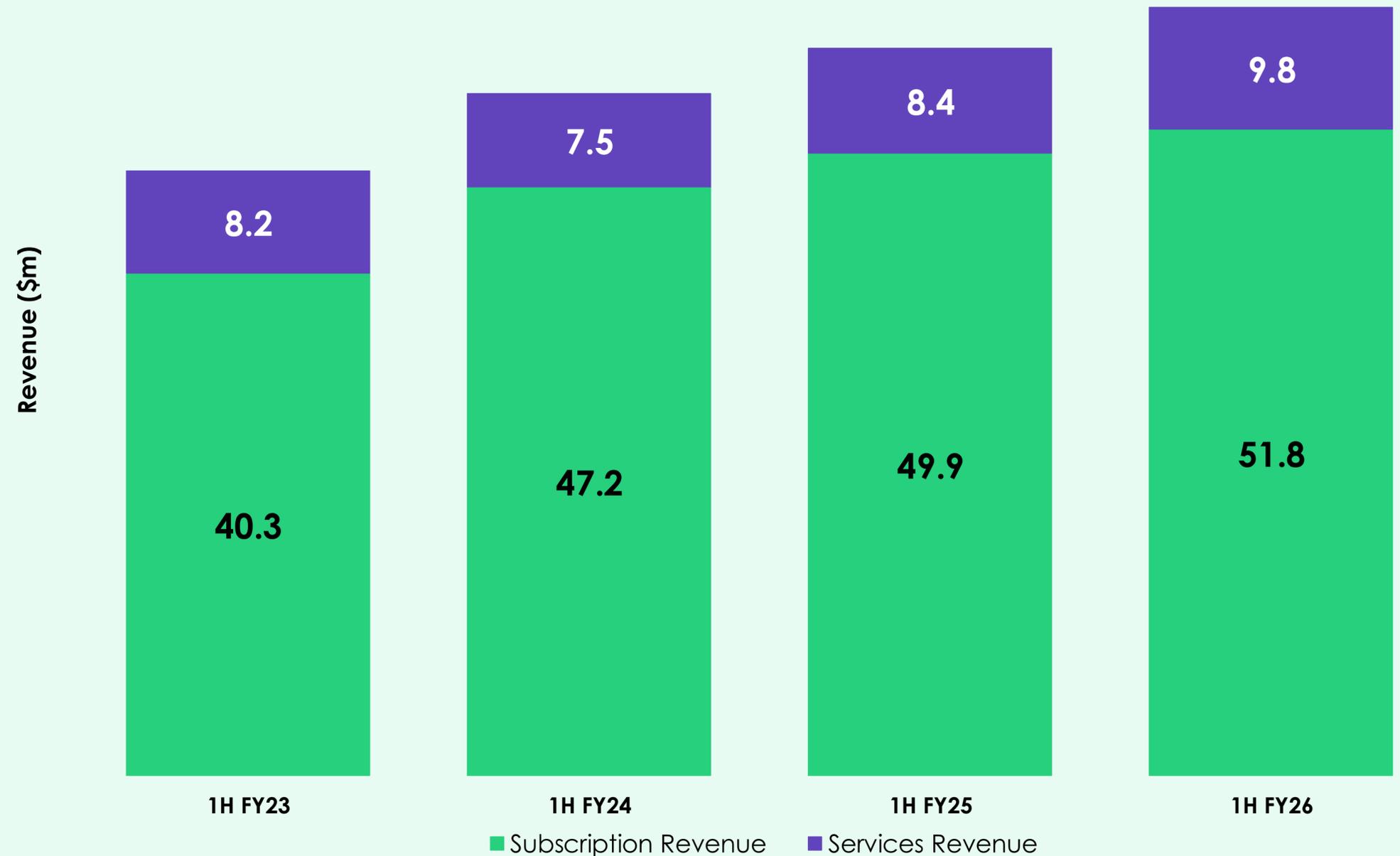


# 1H FY26 financial results



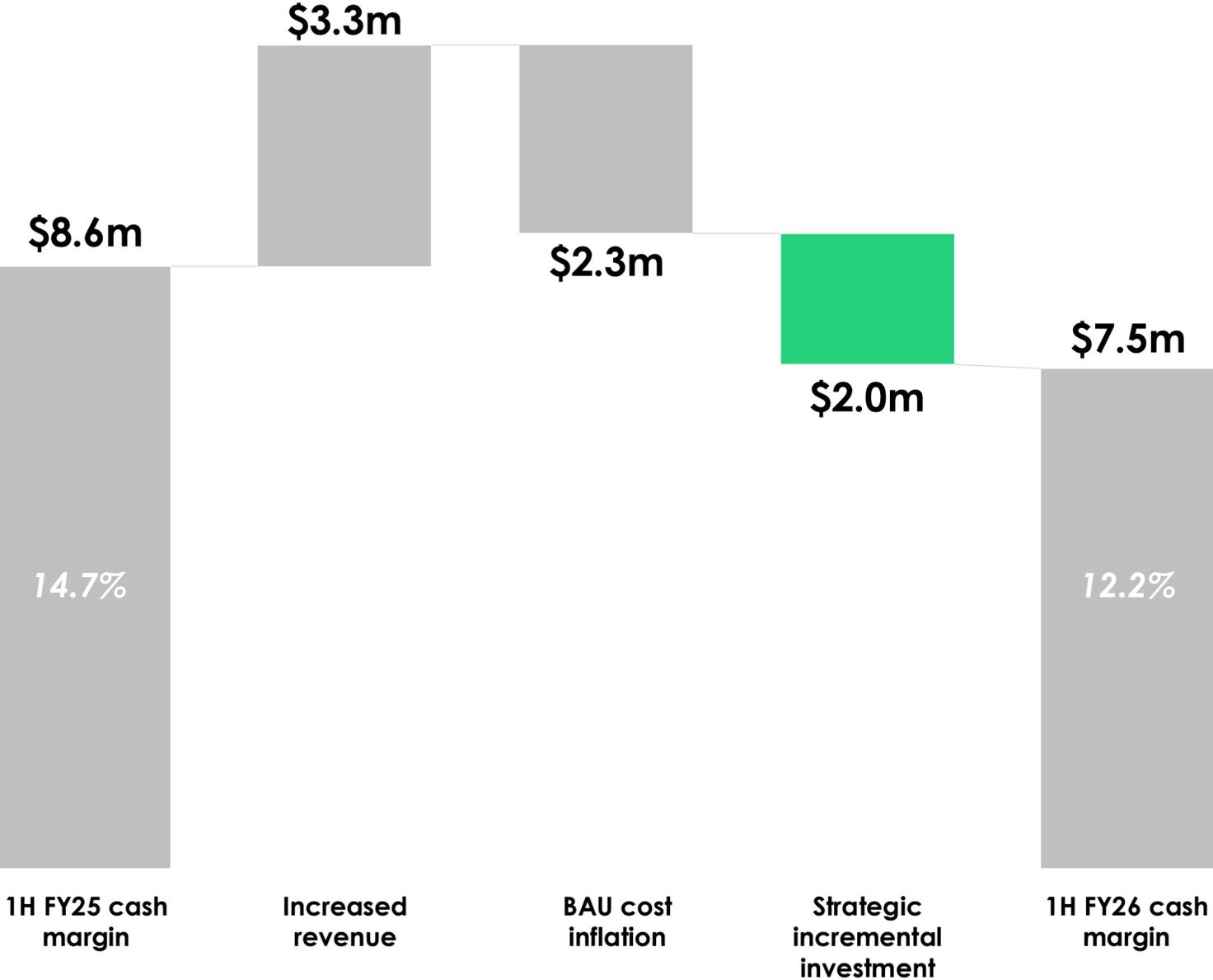
# Consistent 1H growth with services revenue a leading indicator of subscription growth

Subscription revenue continuing to grow, however growth rate is impacted by delayed timing to enterprise contracts and elevated churn in mature products



# Underlying cash EBITDA

1H FY26 cash margin reflects a deliberate investment program to strengthen long-term capability and growth



- ReadyTech made strategic incremental investments into the cost base in 1H FY26 to drive growth
  - Enterprise flagship product market fit and differentiation
  - Some limited GTM and marketing investments to drive pipeline
  - Delivery resources to drive implementation projects and revenue forward
  - Strategic AI investment
- Capital allocation remains disciplined, and we will prioritise investments in areas demonstrating measurable return

# Segment financials

- **Education & Work Pathways** growth constrained by lower services and implementation revenue recognised in 1H FY26
- **Workforce** revenue growth largely coming from Ready Workforce flagship product, offsetting churn from mature products
- **Government & Justice** showing stable revenues but weaker than expected growth – recent investments in people and product expected to aid future growth

	EDUCATION & WORK PATHWAYS	WORKFORCE	GOVT & JUSTICE	GROUP
<b>REVENUE (in millions)</b>				
1H FY26	\$21.1	\$18.5	\$22.0	\$61.6
1H FY25	\$20.3	\$16.5	\$21.5	\$58.3
<b>% change</b>	<b>3.9%</b>	<b>12.1%</b>	<b>2.3%</b>	<b>5.6%</b>
<b>EBITDA* (in millions)</b>				
1H FY26	\$9.5	\$5.8	\$5.3	\$20.6
1H FY25	\$8.6	\$5.8	\$5.5	\$19.9
<b>% change</b>	<b>10.4%</b>	<b>-</b>	<b>-7.5%</b>	<b>3.5%</b>
<b>EBITDA MARGIN (%)</b>				
1H FY26	45.0%	31.3%	24.1%	33.4%
1H FY25	42.3%	35.1%	25.6%	34.1%
<b>% change</b>	<b>2.7%</b>	<b>-3.8%</b>	<b>-1.5%</b>	<b>-0.7%</b>

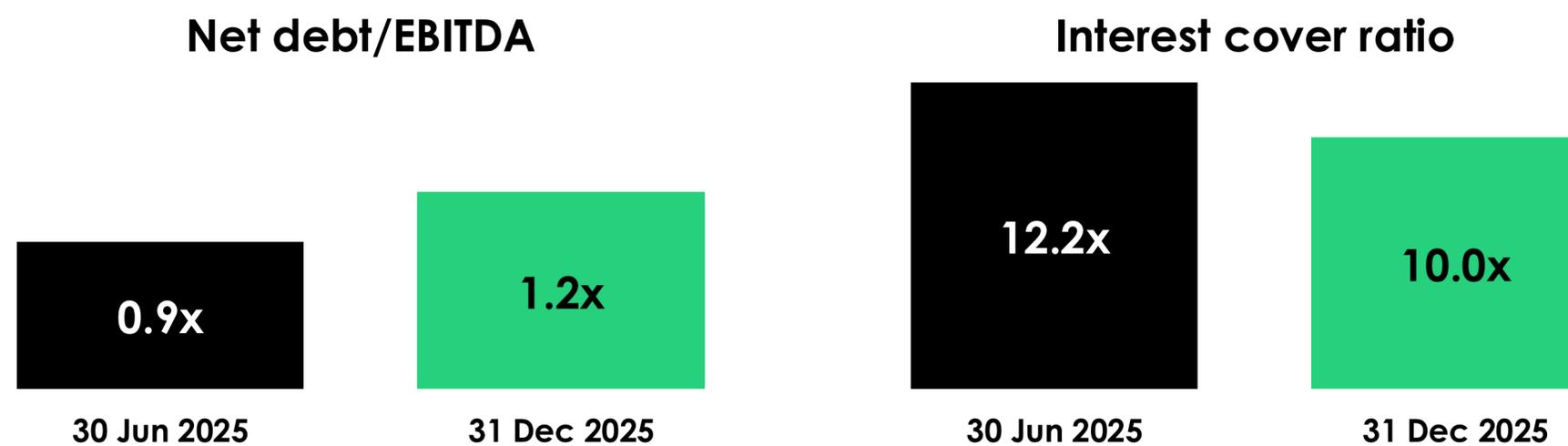
\*Segment EBITDA excludes actual lease payments and group corporate cost.

# Strong balance sheet providing ReadyTech the financial capacity to grow

- ReadyTech's balance sheet is conservatively geared
- Ample flexibility to support ongoing operations and future growth

NET DEBT AS AT 31 DEC 2025		
\$ MILLIONS	30 JUNE 2025	31 DEC 2025
Bank debt	60.0	60.0
Bank guarantee	2.0	2.0
Cash and cash equivalents*	(24.0)	(18.0)
Adjusted net debt	36.0	42.0

\* Cash and cash equivalent balance includes unused loan facility of \$6m (Dec'25) and \$4m (June'25)



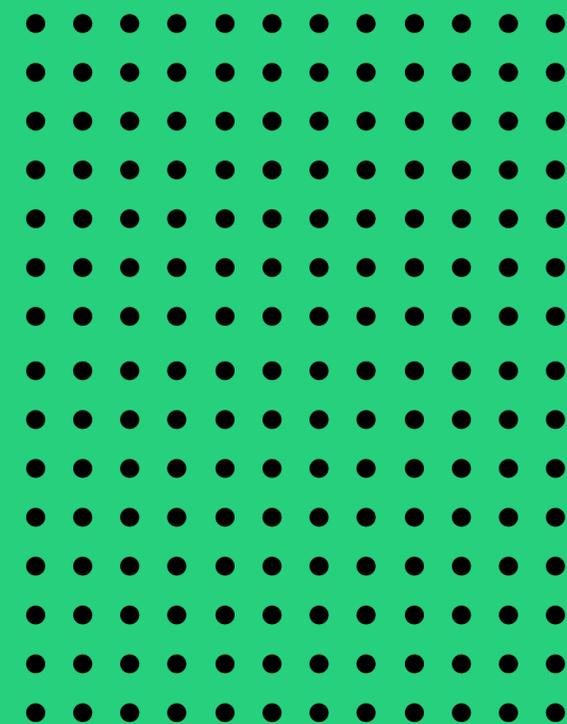


# Approach to capital allocation investment

ReadyTech is committed to a disciplined approach to capital allocation, guided by the following core principles

- ReadyTech develops, acquires and operates core system-of-record software
- We are a product and engineering led vertical software company, leveraging deep domain expertise across our segments
- Continue to invest in product to drive customer uptake and retention
- Invest in attractive organic and inorganic growth opportunities, subject to close alignment to ReadyTech's strategy of *Clearer. Faster. Stronger.*
- Our decisions around capital allocation will be guided by a disciplined ROI framework
- Capital returns may be considered in periods where ReadyTech holds capital excess to its needs, with a prudent lens on balance sheet strength

**We believe a disciplined approach to capital allocation is aligned to maximizing shareholder returns over time.**



# Outlook



# Outlook

## Revised guidance

- Revised FY26 revenue guidance of \$125-127 million
- FY27 financial targets withdrawn – ReadyTech’s enterprise strategy is working, however protracted sales cycles, combined with lengthy implementation timelines, have resulted in delayed impact to the P&L
- FY26 underlying cash EBITDA margin expected to be low-mid teens



# Investment proposition

Next generation, mission-critical vertical software crafted to closely meet customer needs across human-led sectors and support communities at scale



ReadyTech is executing a **growth strategy focused on flagship products**



**Opportunity to acquire high value, enterprise customers** with substantial tech budgets & accelerating customer references and reputation



**Building strong moats** with best-in-class, market leading products in complex, regulation-heavy sectors



**Large addressable and defensive markets** with continuing movement to cloud, digital transformation and AI



Vertical SaaS model serving core industries with **scalable, configurable platforms** leading to operating cost leverage over time



**Services are deeply embedded** into customers' workflows

**For more information:**

Natalie Miller

Investor Relations

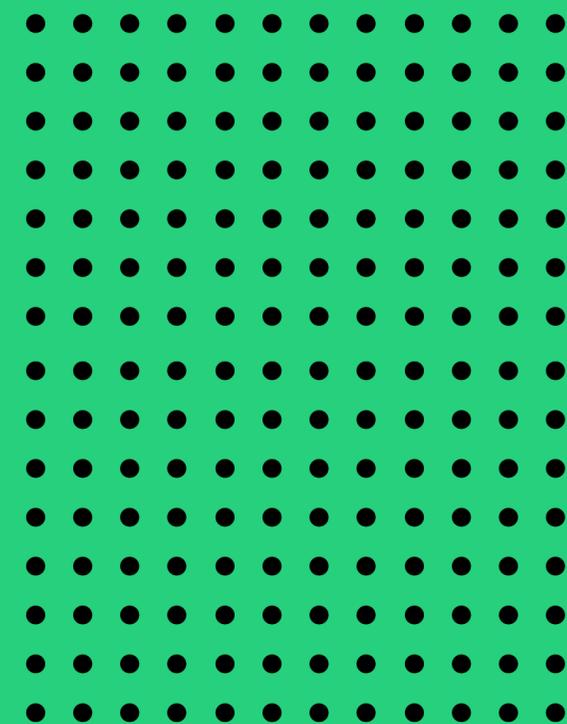
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**About ReadyTech**

ReadyTech is a leading provider of mission-critical SaaS for the education, employment services, workforce management, government and justice sectors. Bringing together the best in people management systems from students and apprentices to payroll, employment services, and community engagement, ReadyTech creates awesome technology that helps their customers navigate complexity, while also delivering meaningful outcomes. To learn more about ReadyTech's people-centric approach to technology, please visit [readytech.io](https://readytech.io).





# Appendix



# P&L overview

\$ MILLIONS			
	1HFY26	1HFY25	YoY % change
Subscription revenue	51.8	49.9	3.8%
Implementation, training, consulting revenue	9.8	8.4	16.7%
<b>TOTAL REVENUE</b>	<b>61.6</b>	<b>58.3</b>	<b>5.6%</b>
<b>Total expenses</b>	<b>(44.1)</b>	<b>(40.1)</b>	<b>(10.0)%</b>
<b>*Underlying EBITDA</b>	<b>17.5</b>	<b>18.2</b>	
<b>*Underlying EBITDA margin</b>	<b>28.4%</b>	<b>31.2%</b>	
LTIP	-	(0.5)	100.0%
Depreciation and amortisation	(9.8)	(6.2)	(58.1)%
Amortisation of acquired intangibles	(5.7)	(5.0)	(14.0)%
Net finance expenses	(1.8)	(1.5)	(20.0)%
Underlying income tax expense (effective tax rate = 27%)	(0.1)	(1.3)	95.9%
<b>*Underlying NPAT</b>	<b>0.1</b>	<b>3.7</b>	<b>(95.9)%</b>
Amortisation of acquired intangibles (post-tax)	4.0	3.5	(14.0)%
<b>*Underlying NPATA</b>	<b>4.1</b>	<b>7.2</b>	<b>(41.6)%</b>
<b>**Underlying cash EBITDA</b>	<b>7.5</b>	<b>8.6</b>	
<b>**Underlying cash EBITDA margin</b>	<b>12.2%</b>	<b>14.7%</b>	

\*Underlying EBITDA excludes fair value of contingent consideration of \$0.7m relating to transactions and \$1.5m integration costs for acquisitions (completed and declined opportunities), as well as one-off consulting costs.

\*\*Underlying cash EBITDA includes actual lease payments and labour capitalisation.

# Balance sheet

	31 DEC 25	30 JUN 25	VARIANCE FAV/(UNFAV)	
	\$ MILLIONS	\$ MILLIONS	\$ MILLIONS	%
<b>Assets</b>				
Cash and cash equivalents	12.4	19.7	(7.3)	-37%
Trade and other receivables	14.5	11.1	3.4	31%
Property, plant and equipment	1.6	2.0	(0.3)	-15%
Lease right-of-use assets	4.3	3.9	0.4	10%
Contract assets	6.6	3.7	3.0	81%
Prepayments	3.2	3.2	(0.0)	0%
Intangible assets	195.9	201.3	(5.4)	-3%
Deferred tax assets	7.0	4.3	2.7	63%
Contract costs	0.9	1.3	(0.4)	31%
<b>Total assets</b>	<b>246.3</b>	<b>250.4</b>	<b>(4.1)</b>	<b>-2%</b>
<b>Liabilities</b>				
Trade and other payables	8.5	10.1	(1.6)	-16%
Derivative financial liability		0.2	(0.2)	-100%
Lease liabilities	4.8	4.5	0.3	7%
Borrowings	53.9	55.9	(2.0)	-4%
Income Tax Payable	0.9	0.9	(0.0)	0%
Contract liabilities	26.3	24.2	2.1	9%
Provisions	0.7	0.7	0.0	0%
Employee benefits	7.8	8.3	(0.5)	-6%
Contingent consideration	4.6	4.0	0.6	15%
<b>Total liabilities</b>	<b>107.5</b>	<b>108.9</b>	<b>(1.3)</b>	<b>-1%</b>
<b>Equity</b>				
Issued Capital	221.9	221.9	-	0%
Reserves	(83.5)	(82.1)	(1.4)	2%
Retained profits	0.4	1.8	(1.4)	-39%
<b>Total equity</b>	<b>138.8</b>	<b>141.5</b>	<b>(2.7)</b>	<b>-2%</b>

# Cash flow

	31 DEC 25	30 JUN 25	VARIANCE FAV/(UNFAV)	
	\$ MILLIONS	\$ MILLIONS	\$ MILLIONS	%
<b>Cash from operation</b>				
Receipts from customers	63.1	65.9	(2.8)	-4%
Payments to suppliers & employees	(53.7)	(52.8)	(0.9)	2%
Interest received	0.0	0.0	(0.0)	0%
Interest and other finance costs paid	(1.7)	(1.4)	(0.3)	21%
Income taxes paid	(2.3)	(1.2)	(1.0)	83%
<b>Total cash from operations</b>	<b>5.4</b>	<b>10.5</b>	<b>(5.1)</b>	<b>-49%</b>
<b>Investing</b>				
Payment for purchase of subsidiaries, net of cash acquired		(1.8)	1.8	-100%
Payments for contract costs		(0.2)	0.2	-100%
Payments for property, plant and equipment	(0.1)	(1.1)	1.0	-91%
Payments for intangibles	(9.5)	(8.8)	(0.7)	8%
Payment for contingent consideration	(0.2)	(8.4)	8.2	-98%
<b>Total investing</b>	<b>(9.8)</b>	<b>(20.2)</b>	<b>10.4</b>	<b>-51%</b>
<b>Financing</b>				
Repayment of lease liabilities	(0.9)	(0.8)	-	0%
Repayment of loans	(2.0)		(2.0)	
<b>Total financing</b>	<b>(2.9)</b>	<b>(0.8)</b>	<b>(2.1)</b>	<b>263%</b>
<b>Cash movement</b>	<b>(7.3)</b>	<b>(10.6)</b>	<b>3.2</b>	<b>-30%</b>
<b>Cash and cash equivalents at the beginning of the financial half-year</b>	<b>19.7</b>	<b>21.9</b>	<b>(2.2)</b>	<b>-10%</b>
<b>Cash and cash equivalents at the end of the financial half-year</b>	<b>12.4</b>	<b>11.3</b>	<b>1.0</b>	<b>9%</b>



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