ASX Release

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SGH DELIVERS FY26 GROWTH AND MARGIN EXPANSION IN LINE WITH GUIDANCE

SGH Ltd (ASX:SGH)

- **SGH EBIT of $1,554m, up 1% and in line with guidance**
- **EBIT Margin of 14.7%, up 40bp**
- **Boral EBIT of $535m, up 14% (EBIT Margin up 113bp)**
- **WesTrac EBIT of $647m, up 1% (EBIT Margin up 76bp)**
- **Industrial Services EBIT of $1,453m, up 4%**
- **NPAT of $920m, broadly flat; Statutory NPAT of $655m, up 35%**
- **Operating cash flow of $2.1bn up 6%, at 99% EBITDA cash conversion**
- **Adjusted Net Debt/EBITDA ratio of 1.8x, improved 12%**
- **Full-year fully franked dividends of 64cps, up 3%**
- **On-market buy-back of up to $500m announced[1], commencing following FY26 result**

All references to financial metrics are on an underlying basis, and comparisons are FY26 vs FY25 unless stated otherwise.

SGH Ltd today announces its results for the full year ended 30 June 2026, delivering earnings growth in line with guidance, continued margin expansion and further balance sheet strength. The result was driven by SGH's relentless operating discipline, highlighted by margin expansion at Boral and WesTrac.

Revenue of $10.6 billion was broadly in line with the prior year, with underlying growth at Boral, offset by the previously announced normalisation of capital sales at WesTrac. EBIT margin expanded by 40 basis points to 14.7%, delivering underlying EBIT of $1,554 million, up 1%. Underlying NPAT of $920 million and underlying EPS of $2.26 were broadly flat. Statutory NPAT of $655 million was up 35%.

Strong operating performance and working capital discipline delivered operating cash flow of $2.1 billion at 99% EBITDA cash conversion. This supported a 12% reduction in the Adjusted Net Debt to EBITDA ratio to 1.8x, below SGH's target range, and provides balance sheet capacity for the next leg of growth.

SGH declared a fully franked final dividend of 32cps, bringing full-year dividends to 64cps, up 3%. This is consistent with SGH's ambition to deliver stable and growing dividends over time.

SGH MD & CEO Ryan Stokes, said:
"FY26 was a year of disciplined delivery in variable market conditions. We grew earnings in line with guidance, expanded margin again, and converted 99% of EBITDA to cash. That result is a credit to our people across every business, and their commitment to serving our customers and running our operations well every day."

"The strong cash flow of our operating businesses supported reducing leverage to 1.8 times adjusted net debt to EBITDA. This reinforces the strength of our balance sheet and capacity to support growth with the right value accretive opportunity."

"In FY26 we increased the full-year dividend to 64 cents per share, marking over 30 consecutive periods of stable or growing dividends. Growing the dividend while deleveraging reflects the quality of cash flow across our businesses."

"The additional balance sheet capacity built through FY26 supports the on-market buy-back of up to $500 million of SGH shares. It does not constrain our capacity to invest in the next leg of growth. We enter FY27 with a strong balance sheet and long-duration demand across our markets."

[1] *Announced 22 June 2026*

Summary of Results

Results ($m)	FY26	FY25	Change (%)
Revenue	$10,564	$10,744	(2)%
EBITDA	$2,084	$2,046	2%
EBIT	$1,554	$1,537	1%
NPAT	$920	$924	0%
Significant Items Impact	($265)	($438)	(39)%
Statutory NPAT	$655	$486	35%
Underlying EPS	$2.26	$2.27	0%
Fully franked dividend per share	64c	62c	3%
Divisional EBIT	**FY26**	**FY25**	**Change (%)**
WesTrac EBIT	$647	$639	1%
Boral EBIT	$535	$468	14%
Coates EBIT	$270	$290	(7)%
Industrial Services Segment EBIT	$1,453	$1,396	4%
Energy EBIT	$104	$132	(21)%
Media EBIT	$30	$42	(30)%

People

SGH employed approximately 15,000 staff and contractors in FY26. Approximately 85% of the workforce is in frontline roles, which SGH supported through the delivery of ~275,000 hours of technical and operational training during the year.

Leadership renewal continued during the year. Matt McKenzie was appointed Boral Chief Executive through internal promotion, reflecting the depth of talent and succession pipeline developed across the businesses. Board renewal also saw John Gillam appointed Chairman following the retirement of Terry Davis, Mark Johnson appointed Chair of the Audit and Risk Committee, and Vik Bansal join as a Non-Executive Director, bringing deep industrial experience to the SGH Board.

Safety remains the highest priority across all SGH operations as it continues to pursue its Zero Harm ambition. In FY26, SGH delivered a 38% reduction in Lost Time Injury Frequency Rate (LTIFR) to 0.5 and a 29% reduction in Total Recordable Injury Frequency Rate (TRIFR) to 2.2, compounding the gains delivered in the prior year.

The improved outcomes reflect focused leadership, the embedding of refreshed Life Saving Rules across each business, deepening verification of critical risk controls, and a culture in which accountability for safety sits with every leader, supported by robust consequence management frameworks.

Operations

WesTrac continued to deliver earnings growth in FY26, with 1% higher EBIT of $647 million on 6% lower revenue of $5.8 billion. The revenue result reflects the previously announced normalisation of mining equipment sales. This was partly offset by continued growth in product support, with services revenue up 6% to $4.1 billion on the growing and ageing installed machine base, parts volume growth, increasing demand for rebuilds, and strong underlying mining production. The installed base of Caterpillar equipment continues to grow and age, underpinning long-term parts, service and rebuild demand.

The business effectively managed this shift in revenue mix, which contributed to a 76 basis point expansion of EBIT margin to 11.2%, also supported by disciplined cost management and improved labour and workshop productivity.

Parts availability continued to improve, with advanced planning platforms lifting component availability, releasing more than $20 million of inventory, and supporting customer uptime and market share. Return on capital employed of 24.6% was up 186 basis points, well ahead of SGH's 15% ambition.

Boral continued to deliver earnings growth and margin expansion. Revenue of $3.8 billion was up 5%, EBIT of $535 million was up 14%, and EBIT margin expanded 113 basis points to 14.1%, on the path toward sustainable mid-teen margins.

Boral’s growth was broad-based, with earnings up across all regions. Concrete and quarry volumes traded above the prior year at improved selling prices, supported by an improved go-to-market approach and value-led pricing, while recycling volumes grew strongly. Costs were controlled and variabilised across labour, transport and subcontractors, supporting margin expansion.

The customer value proposition was also strengthened, supporting pricing traction. Deliveries on time of 88%, and grade of service of 90%, were up 300 basis points and 500 basis points respectively, reflecting Boral’s focus on differentiated customer outcomes.

Coates delivered a resilient result in variable market conditions, through proactive cost control, improving asset utilisation and operational efficiency initiatives. Revenue of $1.0 billion contracted 3%, while EBIT of $270 million was delivered at a margin of 26.7%.

Time utilisation rose 160 basis points to 61%, ahead of the business’s high-performance target. The improvement was driven by hub-and-spoke branch model benefits, fleet management and R&M efficiencies.

The win rate was lifted through value-based selling and refreshed sales capability. With the infrastructure pipeline expected to mobilise into FY27, including works ahead of the Brisbane 2032 Olympic Games, and a strong balance sheet providing capacity to accelerate fleet investment, Coates is well positioned for the expected recovery in customer demand.

SGH’s energy investments delivered defining milestones during the year. Beach Energy (SGH 30%) commenced production from the Waitsia Gas Plant, which achieved nameplate capacity of 250 TJ per day in April 2026. The facility is one of Australia’s largest onshore gas projects and is a critical piece of infrastructure for the Western Australian energy market.

Beach optimised its portfolio during the year, divesting Artisan, which enables the redirection of significant near-term capital.

Assets
SGH’s businesses are built on privileged assets, actively managed to maximise utilisation and return on capital.

Boral invested to strengthen its integrated network in FY26. Cement storage and batch plants were added closer to market to reduce stock-outs and cartage costs, the Marulan quarry upgrade was approved, and heavy mobile equipment was renewed under a replacement program of more than $100 million. Bolt-on acquisitions reduced reserve gaps at short-life quarries and secured long-life resources close to growth corridors.

At WesTrac, capacity was scaled within the existing footprint. Warehouse automation was expanded, machine shop and hose shop capacity increased, regional branch acquisitions were completed, and the Karratha expansion progressed.

Coates’ hire fleet expanded 2% to $1.89 billion on an original cost basis, with fleet age held constant at historic lows following sustained investment. Fleet capital is directed to the categories with the strongest demand, customer pipeline and utilisation, with investment decisions based on whole-of-life fleet planning. Lower-utilisation equipment is disposed so the fleet continually evolves to maximise returns.

Construction advanced materially at the Crux LNG backfill project (SGH 15.5%), with the platform topsides installed and hook-up and commissioning underway. The project remains on track for first gas in the second half of calendar year 2027. SGH's cumulative share of project investment reached $993 million, and marketing of SGH's LNG offtake has commenced, with interest supported by the project's proximity to Asian markets and flexible delivery terms.

At Longtom (SGH 100%), SGH and Amplitude Energy jointly engaged a third party to undertake technical work with the intention of returning the field to production through existing regional infrastructure, and are working toward a commercial model.

SGH has progressed value creation of the Boral surplus property portfolio, entering a joint venture with a Dexus-led capital consortium to deliver the Ravenhall logistics precinct on 630 hectares in Melbourne's west. The structure enables SGH to participate in co-ownership of this large industrial site in a capital-light model with a partner that brings capital and execution capability. Rezoning is underway, with development to proceed through staged superlots. Developed in full, Ravenhall would provide approximately 2.5 million square metres of net lettable area.

Ravenhall is the first stage of a broader program. SGH holds approximately 3,700 hectares of surplus property, managed with a predisposition to develop for highest and best use. Other key sites include 46ha at Bombo, NSW (rezoning), 1,030ha at Waurn Ponds, VIC (planning) and ~1,800ha at Penrith Lakes, NSW (state-led rezoning).

Beyond the existing asset base, adjacent and inorganic activity is a key pillar of SGH's growth ambition. In FY26, SGH pursued BlueScope, demonstrating its capacity to act at scale. SGH maintained its discipline on price and value, and will continue to actively pursue other M&A opportunities in FY27.

Financials

SGH delivered a robust financial result in FY26, with revenue of $10.6 billion in line with the prior year, reflecting the previously announced normalisation of elevated capital sales at WesTrac, offset by top-line growth at Boral and in WesTrac product support.

A relentless focus on operational discipline drove further margin expansion, with EBIT margin increasing by 40 basis points to 14.7%. EBITDA of $2.1 billion was up 2%, and EBIT of $1,554 million was up 1%. Underlying NPAT of $920 million was broadly flat, while Statutory NPAT of $655 million was up 35% on substantially lower significant items. Operating cash flow of $2.1 billion reflected the earnings growth, and EBITDA cash conversion of 99%.

SGH further strengthened its balance sheet, reducing adjusted Net Debt by 10% to $3.7 billion. The Adjusted Net Debt to EBITDA ratio (leverage) improved by 12% to 1.8x, below SGH's target range, reflecting strong operating cash flows.

Facilities were refinanced during the year at improved margins and extended tenor, with no material corporate bank facility maturities until FY30. Available liquidity at year end was approximately $2.0 billion. The effective borrowing cost was 5.6% at year end, with a weighted average debt maturity of 4.1 years.

Capital expenditure totalled $788 million, comprising $368 million of growth capital and $420 million of sustaining capital. The growth component primarily funded the Crux development, heavy mobile equipment replacement and quarry investment at Boral.

A fully franked final dividend of 32 cents per share was declared, bringing full-year dividends to 64 cents per share, up 3%. As previously announced, SGH will undertake an on-market buy-back of up to $500 million, commencing following these results, funded comfortably within SGH's capital structure and without constraining future capacity to invest in growth.

SGH

Outlook and focus
SGH's medium-term outlook is supported by long-duration demand across its core end markets, including a $1.7 trillion five-year infrastructure and construction pipeline and continued growth in mining production. Data centre construction is among the fastest growing areas of the infrastructure pipeline, and SGH is exposed across its delivery, through standby and prime power generation at WesTrac, concrete at Boral, equipment at Coates and gas across its energy interests.

SGH’s FY27 focus is the relentless application of the SGH Way operating model, with priorities across operational efficiency, sales execution, operating leverage and AI at scale.

SGH expects to deliver flat to low single-digit EBIT growth in FY27, underpinned by the SGH Way and disciplined capital allocation.

More detailed information regarding SGH’s FY26 results can be found in our FY26 Results Presentation and the FY26 Appendix 4E, lodged to the ASX.

SGH’s Annual General Meeting will be held on 13 November 2026. The closing date for the receipt of nominations from persons wishing to be considered for election as a director is 24 September 2026.

This release has been authorised by the Board of SGH.

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