

# Structural Monitoring Systems (ASX: SMN)

Investor Webinar & Teleconference  
29 April 2026



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**We design Products and Services that our customers want and need for their aircraft and their future aircraft.**



**Main takeaway at the end of Q3, FY26:**

- Q3 FY26 Financials are strong as we focus on revenue growth, increasing our margins and improve our business practices.

**Financials:**

- **Revenue:** YTD revenue is 19% higher than YTD FY25.
- **EBITDA:** EBITDA YTD is 82% higher than YTD FY25.
- **Cash Flow:** YTD Cash Flow is positive when compared to YTD FY25.

**3 Revenue Streams: Highlights**

- **Avionics:** Avionics sales YTD are 43% higher than YTD FY25.
- **Contract Manufacturing:** Contract Mfg. YTD Sales in line with FY25 sales but much higher than FY26 Budget.
- **CVM Structural Health Monitoring:** Submission of the B737NG SB to the FAA is delayed - revising the schedule.

# Financial Overview: Q3 FY26

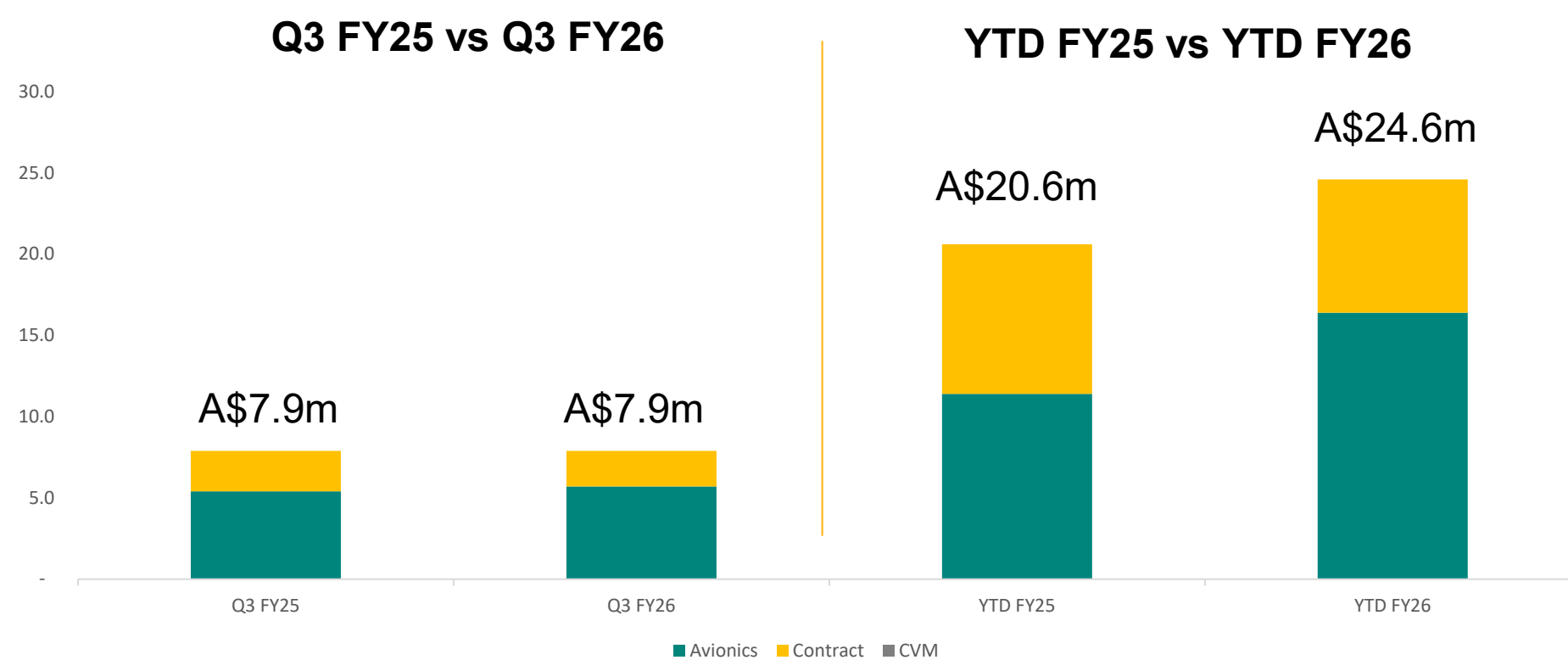
## Commentary:

Q3 FY26 financial KPIs continue positive trend and expected to continue through Q4:

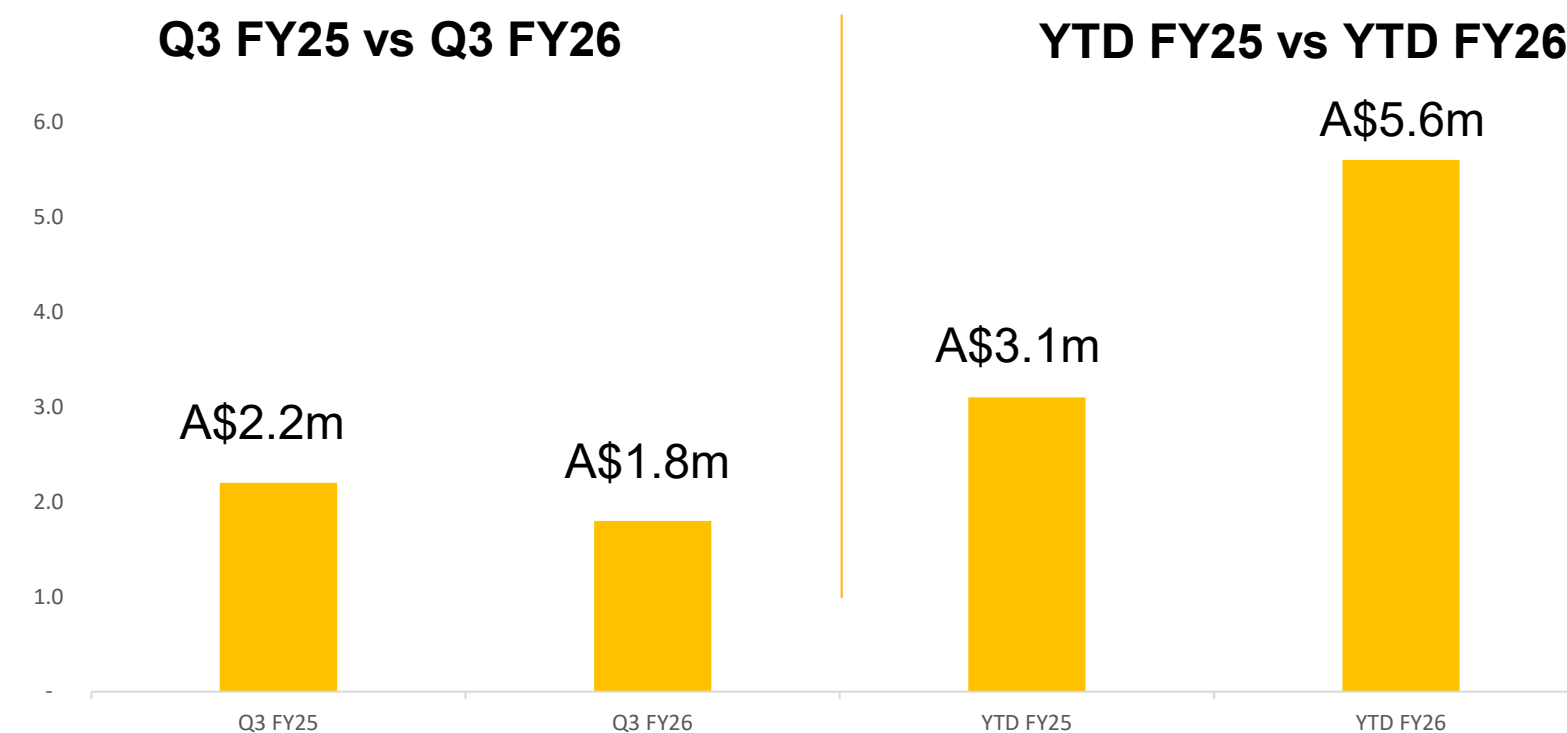
- Q3 FY26 Sales up 19% versus Q3 FY25
- YTD FY26 Cash Flow, EBITDA and Net Profit significantly improved versus FY25

	Q3 FY26	Q3 FY25	YTD FY26	YTD FY25	YTD Change
Revenue	A\$7.9m	A\$7.9m	A\$24.6m	A\$20.6m	19%
Free Cashflow	A\$1.4m	A\$0.9m	A\$4.9m	(A\$0.6m)	917%
Adj EBITDA	A\$1.8m	A\$2.2m	A\$5.6m	A\$3.1m	82%
Net profit/loss after tax	A\$1.2m	A\$1.5m	A\$1.1m	(A\$1.1m)	203%

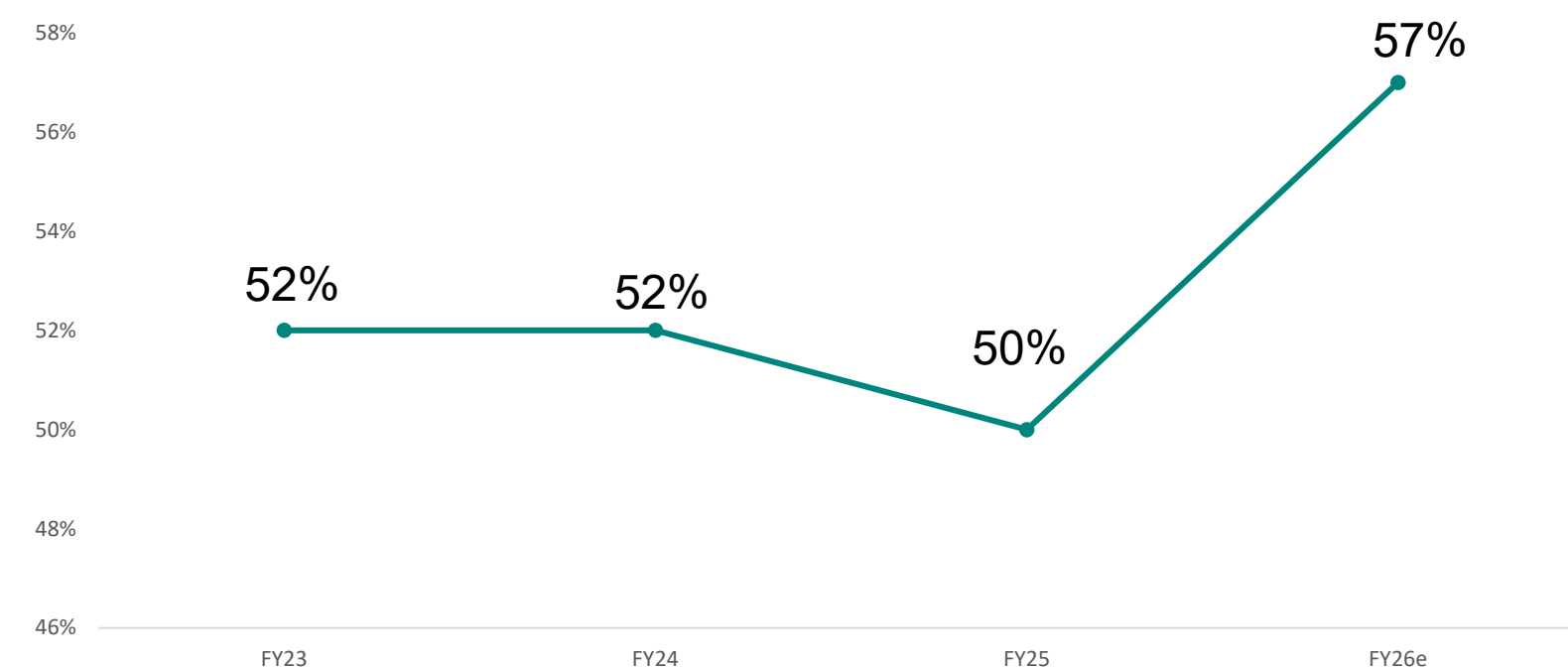
## Group Revenue



## Group Adjusted EBITDA



## Gross Margins



**Strategy:** We design Products & Services that our customers want and need for their aircraft and their future aircraft and we execute our sale plan worldwide.

## Avionics: New Product Introduction key to long-term sales growth

**MTP136D Radio:** Introduced 2024  
**Market Potential:** +3000 units

**DAS Compact Router:** Introduced in 2025  
**Market Potential:** ~1000 units

**MTP138 Radio:** Introduced 2026  
**Market Potential:** ~500 units Intl. Sales

**New Product X:** Launch 2028  
**Market Potential:** ~10,000 units

**New Product Y:** Launch 2028  
**Market Potential:** +5,000 units

## Avionics: Q3 Highlights

### Avionics Sales:

- Sales are positive through Q3 FY26 and we are focused on closing FY26 with positive Radio and Digital Audio Systems.

### MTP138 Radio:

- The MTP138 radio was launched in Q3, this radio is targeting the offshore, Oil, Gas and Wind Farm market segment.

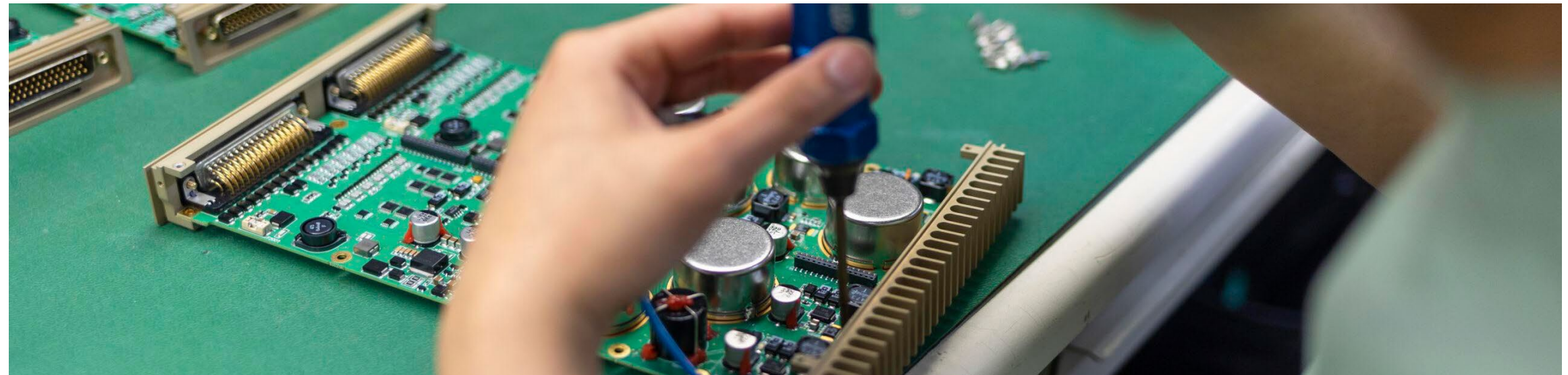
### Product Development:

- In September, we launched two new development projects.
- After 6-months, both projects are on schedule and budget.



**Strategy:** We grow our Contract Mfg. Business where we add value to our customers, group and shareholders.

## Contract Manufacturing: Strategy



- We provide value added products and services our customers want and need with competitive pricing and best in class quality.
- Contract Mfg. adds value to the group and our shareholders.
- Contract Mfg. help us increase our Operating leverage, reduce costs and improve efficiencies.

OBJECTIVE	GOAL
Contract Manufacturing contributes to AEM's long-term success	<ul style="list-style-type: none"> <li>• Sales from Contract Mfg. grow at 10%/year.</li> <li>• New Gross Margin objectives are met.</li> </ul>
Re-establish business and grow business with historical customers.	<ul style="list-style-type: none"> <li>• Capture more of their outsourced Mfg. business.</li> </ul>
Develop new products our customers want and need.	<ul style="list-style-type: none"> <li>• For FY27 generate ~\$1M annual sales from new customers with expected GM.</li> </ul>

**CVM™ Strategy:** *Recognized leader in Structural Health Monitoring for safety of flight and reduced operating costs for our customers.*

**CURRENT SITUATION:** Boeing 737NG Service Bulletin approval has been delayed

**Technical Document:** All Technical documents have been completed and validated.

**Submission of the B737NG SB:**

- SB Information Packet was reviewed by Boeing Regularity Administration Group prior to submission to the FAA. Some documents had references to EASA which had to be removed from the original certification plan.
- As a result, the Cert Plan had to be revised and approved again by the FAA.
- Cert Plan was revised and resubmitted to the FAA the first of April.
- We estimate the FAA will review and approve the Cert Plan in June.
- Boeing is ready to submit the SB after the Cert Plan is approved by the FAA.

**Delta Air Lines:** Once the SB is approved, we can invoice Delta \$3.34M immediately and launch sales campaign.



# CVM Structural Health Monitoring: Initial B737NG Target Customers

6 Airlines represent 98% of the B737NG Fleet in the Americas

Airline	Applicable Aircraft	Current Status
Delta Airlines	71	CVM installed. We will invoice them \$3.3M when SB is approved.
Southwest Airlines	257	Won't consider until SB released.
United Airlines	146	2 a/c fitted with CVM, interested in implementing CVM technology.
American Airlines	75	Won't consider until SB released.
Alaska Airlines	29	Won't consider until SB released.
Sun Country Airlines	27	Won't consider until SB released.
<b>TOTAL</b>	<b>605</b>	



Outside North America there are ~230 B737NG that will consider CVM Technology, Qantas the largest with 27 a/c.

Q&A

Thank you!

This ASX release  
has been approved  
for release by CEO  
Rick Freeman on  
behalf of the SMS  
Board of Directors.