Structural Monitoring Systems (ASX: SMN)

Australian Investor Briefings

November 2026

10 November 2026



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AEM growth and cash generation underpin SMS

A$32.5m

FY26 group revenue

+16% on FY25

A$6.3m

FY26 adjusted EBITDA

+36% on FY25

A$6.0m

FY26 free cash flow

A$0.6m outflow in FY25

Profitable avionics business

Avionics revenue grew 40% to A$22.2m, supported by specialist radio and digital audio products and expansion into international markets.

CVM™ commercialisation pathway

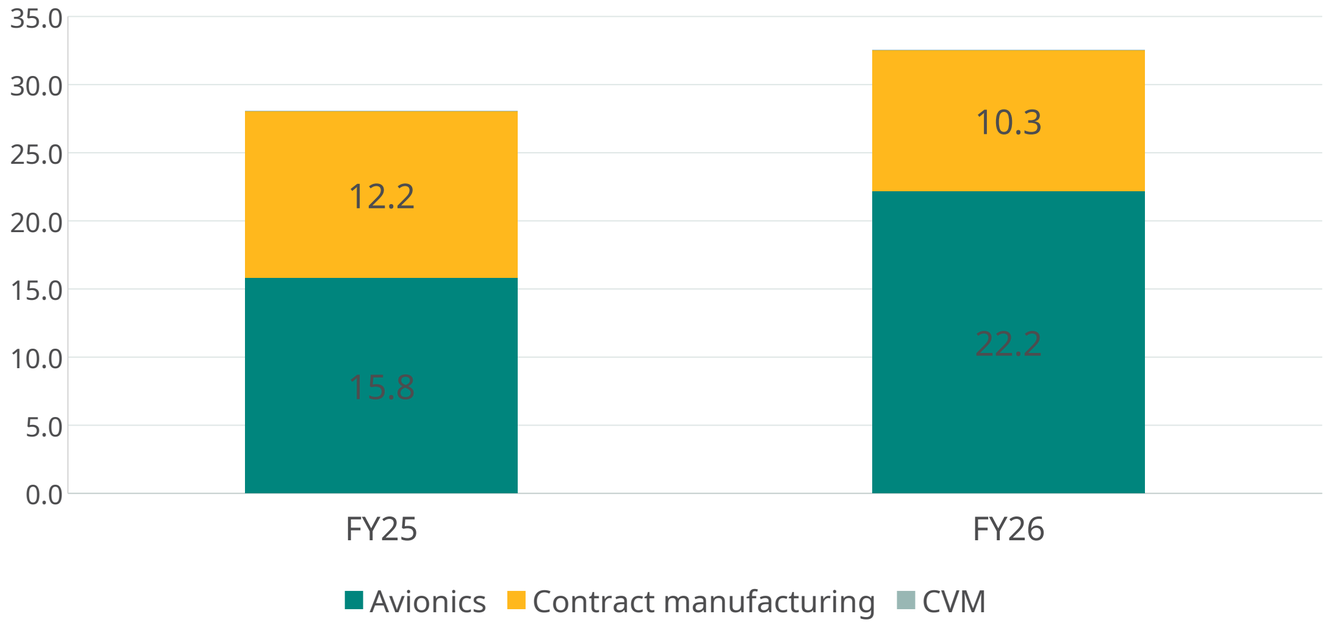
The FAA approved the Boeing 737NG Certification Plan on 29 October 2026. Final application approval remains pending.

SMS is unable to provide an estimated completion date as this is controlled by the FAA.

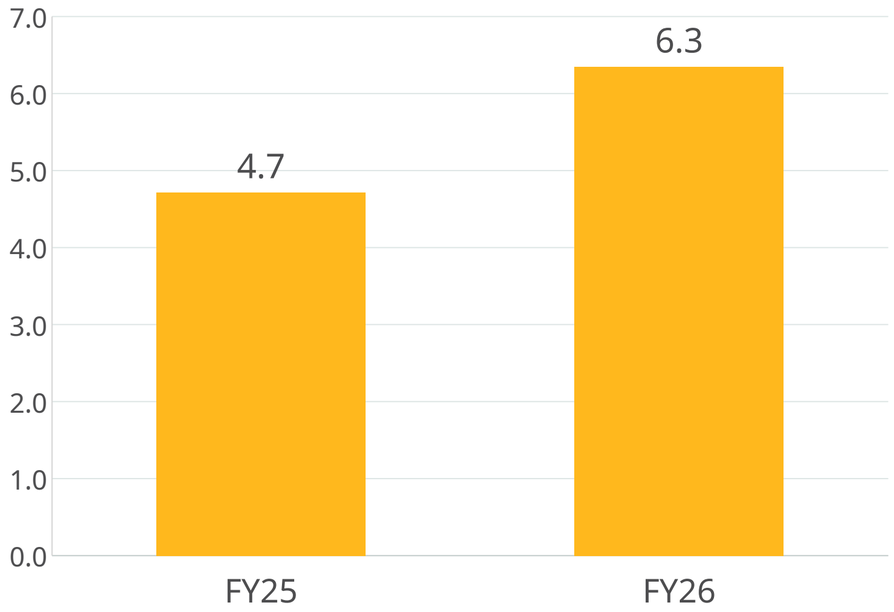
Source: FY26 Annual Report and AEM management update, 30 October 2026. A$ unless stated.

FY26 revenue and earnings improved

Group revenue by business (A$m)



Adjusted EBITDA (A$m)



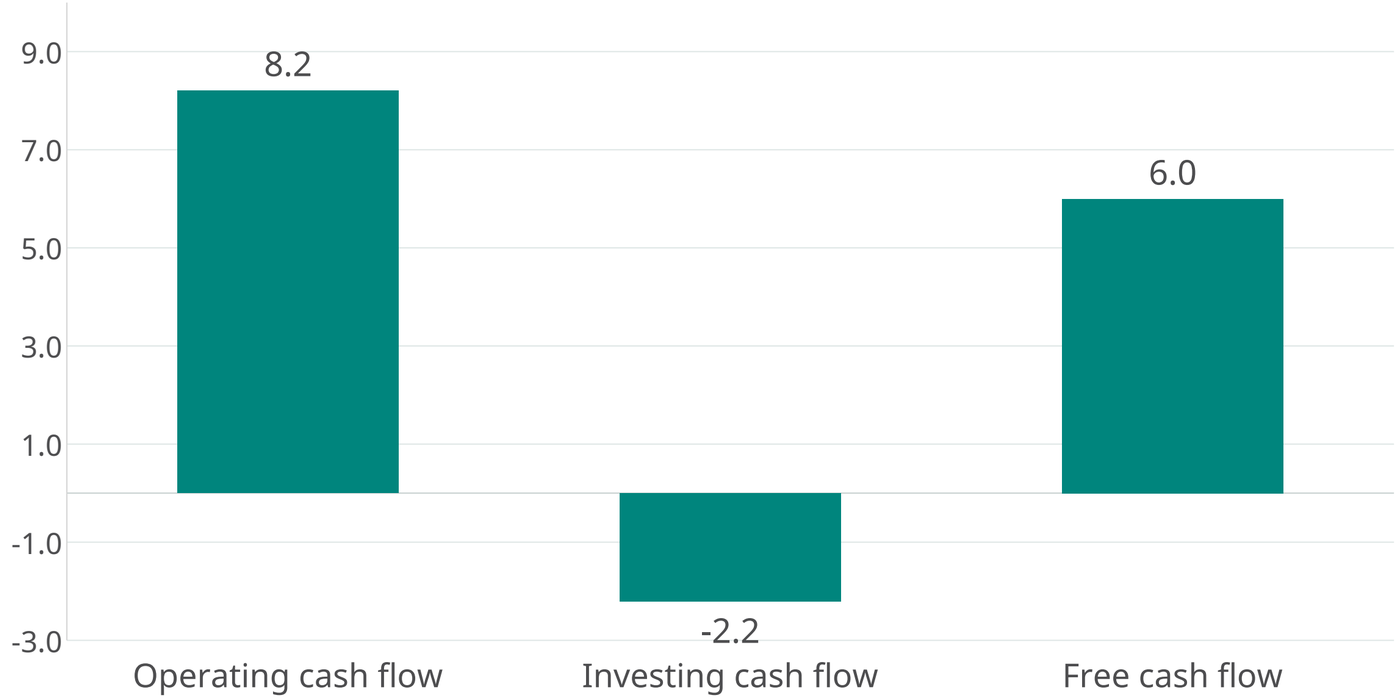
Avionics represented 68% of FY26 revenue, up from 56% in FY25.

Net profit after tax increased to A$1.3m, up from FY25 Net Profit of A$ 0.2m

Source: SMS FY26 Annual Report, released 29 September 2026. A$ unless stated. Adjusted EBITDA is a non-IFRS measure. Totals may differ due to rounding.

FY26 operating cash flow funded reinvestment

Cash generation (A$m)



30 June 2026 balance sheet

A$4.8m

Cash and cash equivalents
FY25: A$2.1m

A$0

Bank debt
FY25: A$1.0m

Source: FY26 Annual Report. Free cash flow = operating + investing cash flows, before financing cash flows.

Q1 FY27 – profits continue

Quarter ended 30 September 2026 · Unaudited

A$7.0m

Group revenue

Q1 FY26: A$8.1m
14% lower year on year*

A$1.8m

Group adjusted EBITDA

A$0.7m net profit
after tax

A$5.2m

Cash at 30 September

30 June 2026: A$4.8m

* The prior corresponding quarter included the A$1.4m CAL FIRE order completed in June 2025 but recognised in July following a customs delay. CAD:AUD average rate declined 8.8% year on year.

Source: September 2026 Quarterly Activities Report, released 26 October 2026. Unaudited. A$ unless stated.

FY26 financial highlights and investment for growth

A$32.5m

Group revenue

Up 16%

A$6.3m

Group adjusted EBITDA

Up 36%

A$4.8m

Group cash at 30 June

Up 123%

A$6.0m

Group free cash flow

FY25: A$0.6m outflow

New developments

A$1.9m capitalised development in FY26. Avionics programs remain self-funded.

Design approval organisation

Brought DAO in-house to expedite STC and TSO approvals.

Debt repaid

A$1.0m bank debt repaid in FY26. No bank debt at 30 June.

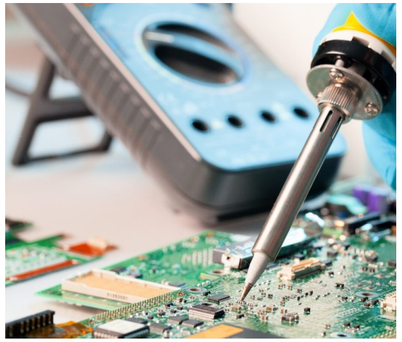


Source: FY26 Annual Report. Group actuals in Australian dollars.

AEM avionics product portfolio











Radios

Specialist aviation communications

Audio systems

Digital cockpit audio systems

AMO

Maintenance and customer support

Consoles

Aircraft control consoles

Loudspeakers

External aircraft loudspeaker systems

Source: AEM product portfolio and management presentation. Financial performance is presented using reported Group AUD figures on the adjacent slides.

Avionics continues to be the Company's main source of growth

A$22.2m

FY26 avionics revenue up 40%
A$7.5m segment adjusted EBITDA

Radio unit sales increased 29%

More than 320 radios were sold in FY26.



Digital audio systems expanded

More than 102 digital audio systems sold in FY26, up from 49 in FY25.
FY26 customers included organisations in North America and Europe.



Source: FY26 Annual Report and AEM management update, 30 October 2026. A$ unless stated. Adjusted EBITDA is a non-IFRS measure.

FY26 audio-system customers worldwide

FY26 audio-system sales included customers in North America and Europe

Austrian Ministry of Interior
Police

Austrian Air Force
via CLS

Danish Home Guard
via Airborne Technologies

California Highway Patrol
United States

New York City Police Department
United States

Texas Department of Public Safety
United States

U.S. Customs and Border Protection
United States

U.S. Department of the Interior
United States

Howell Instruments
CH-47 STC

Customer list supplied by AEM. Logos identify organisations and do not imply endorsement.

CVM certification-plan approval and next steps

Boeing 737NG aft pressure bulkhead application

The FAA approved the Boeing B737NG Certification Plan on 29 October 2026.

This is a step in the certification pathway. Final approval of the Boeing 737NG application remains pending.

Review of the Service Bulletin remains outstanding. Competing certification priorities continue to affect timing.

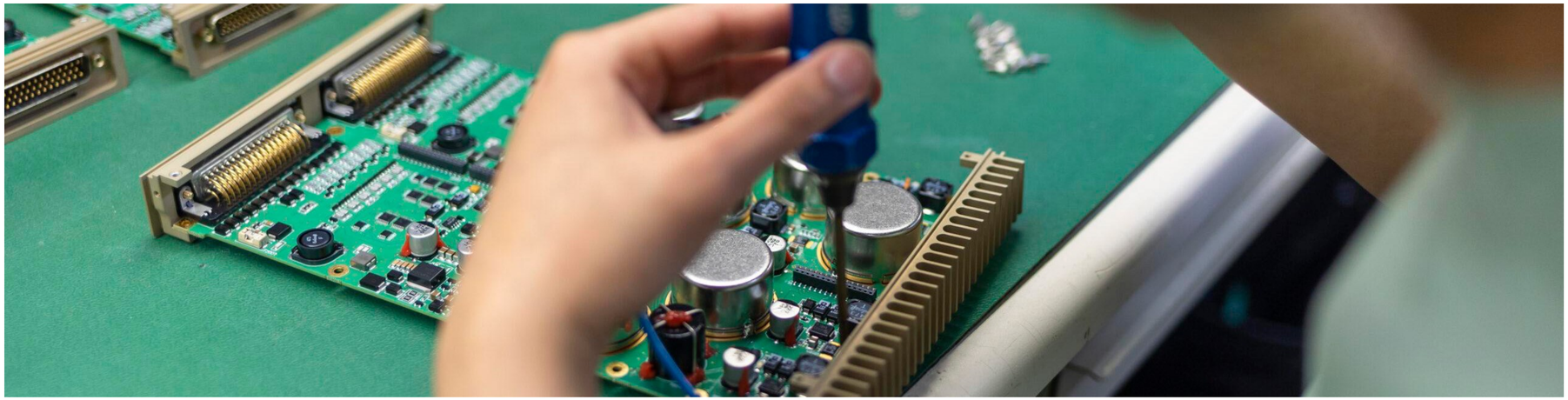
SMS is unable to provide a revised completion date as this is controlled by the FAA.

SMS continues certification engagement and assessment of additional OEM-supported applications.



Source: AEM update, 30 October 2026. Approval is application-specific. Commercial timing remains dependent on regulatory and customer processes.

Contract manufacturing important to AEM growth strategy



Selective, value added, margin-focused work

AEM will focus on contract manufacturing where we add value to both AEM and our customers.

Margin discipline remains a priority.

Provides manufacturing scale, stable cash flow, operational support and overhead absorption while supporting continued investment in proprietary avionics products.

Source: SMS FY26 Annual Report. Strategy and image: April 2026 webinar presentation.

Q1 FY27 avionics product development update

Self-funded avionics product development

A$0.8m

Q1 FY27 product development investment

Q1 FY26: A$0.3m

Programs commenced in late Q3 FY26

Both programs on schedule

Investment in two new avionics products aims to open new critical-mission markets for AEM.

Extensive customer reviews help ensure product designs and features meet customer needs.

Both programs have potential civil and military uses, targeting rotorcraft and fixed-wing aircraft.

MTP136 radios

Specialist communications for critical-mission aircraft.

MTP138 radio

Expansion of AEM's specialist radio offering.

New avionics products

Two self-funded programs informed by customer requirements.

Broader applications

Potential civil and military uses across rotorcraft and fixed-wing aircraft.

Source: September 2026 Quarterly Activities Report and AEM management update. Product development remains subject to technical and commercial execution.

Four years of building a branded avionics business

Pivoted from contract manufacturing to a branded avionics business.

Group revenue more than doubled from A$15.7m in FY22 to A$32.5m in FY26.

Targeting revenue growth over next five years through product development, business growth and winning OEM business.

Focused on the critical-mission aftermarket sector.

Our success in critical-mission aftermarket avionics is attracting interest from major OEMs and creating opportunities for future contracts.

Source: FY26 Annual Report, p.21, and AEM management presentation. Five-year revenue growth remains a strategic ambition, subject to market conditions and execution.

The turnaround to financial stability

Cash positive and funding development without further capital raises

13.3% annual compound Group revenue growth from FY23 to FY26

Performance trend (A$m)	FY23	FY26
Net profit/(loss) after tax	(3.3)	**1.3**
Adjusted EBITDA[1]	(0.2)	**6.3**
Operating cash flow	(1.5)	**8.2**

[1] Group adjusted EBITDA is a non-IFRS measure, as reported in the FY26 Annual Report.

Source: FY26 Annual Report, p.21; FY23 Annual Report, cash flow statement. All amounts A$. CAGR calculated from reported Group revenues.

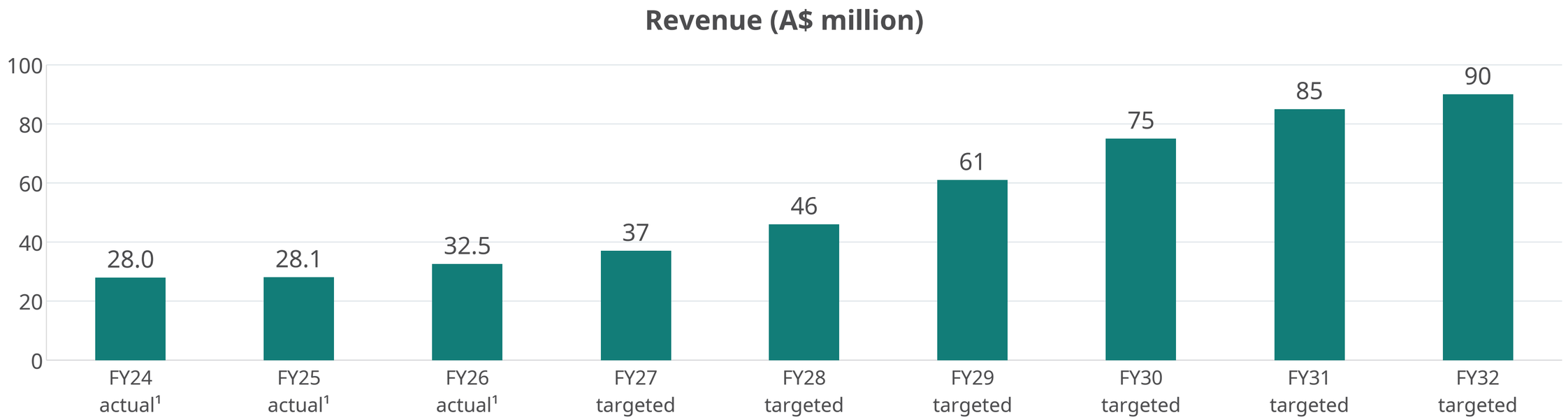
Targeted Revenue Growth over Five Years

Avionics	Expand the installed base of radio and digital audio products and develop new product offerings.
Contract manufacturing	Pursue selective, value-added work with a focus on margins and meeting customer needs.
CVM™	Progress application-specific approvals and develop commercial opportunities following FAA approval.

Strategic ambition, not a forecast or guarantee. Achievement depends on product development, market demand, regulatory approvals and execution.

Organic growth revenue pathway

Reported Group actuals and organic growth targets



Targets are strategic objectives, not forecasts or guarantees. Outcomes depend on product development, market demand, regulatory approvals and execution. Actual results may differ materially.

[1] FY24–FY26: audited Group revenue in reported AUD. FY27–FY32: CAD-derived targets at A$1.00 per C$1.00.

Source: FY26 Annual Report, p.21 (historical actuals).

Operating priorities

AEM avionics

Grow the installed base of radio and digital audio products.

Maintain customer-led product development.

Expand international markets.

Cash and margins

Protect operating cash generation.

Manage costs and working capital while investing in products and manufacturing capability.

CVM™

Continue the application-specific approval pathway.

Develop civil and potential military applications.

Prepare for commercial engagement following approval.

Priorities reflect the existing strategy and current operating focus.

FY26 financial reference

Year ended 30 June · A$ million

Metric	FY26	FY25
Revenue	32.5	28.1
Adjusted EBITDA[1]	6.3	4.7
Net profit after tax	1.3	0.2
Operating cash flow	8.2	1.1
Investing cash flow[2]	(2.2)	(1.6)
Free cash flow[3]	6.0	(0.6)
Cash and cash equivalents	4.8	2.1
Bank debt	—	1.0

Source: FY26 Annual Report. [1] Non-IFRS measure. [2] Investing cash flow comprises acquisition of plant and equipment and deferred research and development costs

[3] Operating plus investing cash flows, before financing cash flows.

Q&A

Thank you!

Rick Freeman
CEO, AEM

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