Half Year (1HFY26) Results

Improved Half-Year Performance Reflecting Operational Reset and Continued HTS Momentum

Adrad Holdings Limited (ASX: AHL) today reports its results for the half-year ended 31 December 2025.

Financial Performance

For the half-year, the Group generated revenue from continuing operations of $77.4 million, an increase of 0.6% compared to the prior corresponding period and EBITDA of $8.3 million.

Underlying EBITDA increased to $9.4 million, an improvement of 13.0% over the prior corresponding period, reflecting improved operating performance, particularly within the Heat Transfer Solutions segment.

Underlying NPAT increased by 20.0% to $3.4 million, after excluding non-recurring corporate restructuring costs.

	Underlying				Statutory			
	1HFY26	1HFY25	Change		1HFY26	1HFY25	Change	
	$m	$m	$m	%	$m	$m	$m	%
Revenue	77.4	76.9	0.4	0.6%	77.4	76.9	0.4	0.6%
Earnings before interest, tax, depreciation and amortisation from continuing operations	9.4	8.4	1.1	13.0%	8.3	8.4	(0.0)	(0.5%)
Net Profit after tax (NPAT)[1]	3.4	2.8	0.6	20.0%	2.6	2.8	(0.2)	(7.9%)

1. *Underlying adjustments of ~$1.1 million relate to non-recurring Company restructuring costs. Where applicable a 30% tax rate has*

The improved underlying earnings performance reflects early benefits of the Group's cost structure optimisation and positions the business to capture growth opportunities across its core HTS end markets.

EBITDA, underlying EBITDA and underlying NPAT are non-IFRS financial measures and are used by the Directors to assess the underlying operating performance of the business. Underlying numbers should be considered in conjunction with, and not as a substitute for statutory results.

Operational Overview

During the period a transformational leadership and management restructuring occurred throughout the business which has significantly reduced costs whilst empowering our people to make faster decisions guided by our strategy.

The restructure was undertaken to position the Group for scalable, profitable growth aligned with structural demand across data centre, power generation and industrial infrastructure markets.

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Heat Transfer Solutions

The Heat Transfer Solutions segment delivered a strong operating performance during the half-year, supported by growth in power generation projects, improving off-highway volumes and ongoing manufacturing efficiency initiatives.

Segment revenue increased by 3.6% to $45.2 million, with EBITDA increasing by 25.9% to $6.1 million. Underlying EBITDA increased to $6.6 million, an increase of 36.7%.

The segment continues to build a pipeline of commercially attractive data centre and powergen projects, progressed prototype programs in off-highway and South-East Asian markets as well as benefited from improved capacity utilisation and operational efficiencies.

Manufacturing optimisation initiatives continued, including progress toward consolidation and optimisation of the Group's Thai manufacturing operations. This work will continue for the balance of FY26.

	HTS			
	1HFY26	1HFY25	Change	
	$m	$m	$m	%
Revenue	45.2	43.6	1.6	3.6%
EBITDA from continuing operations	6.1	4.8	1.3	25.9%
Underlying EBITDA	6.6	4.8	1.8	36.7%

Distribution

The Distribution segment experienced a transitional first half as management changes and structural cost improvements were implemented across the business.

Revenue for the segment was $32.2 million, with EBITDA of $2.7 million. A range of initiatives implemented during the period are now delivering improved performance and that momentum will continue to provide a foundation for improved performance into the second half of FY26.

Key initiatives included enhanced customer engagement, establishment of a specialist business development team, improved inventory availability, product range expansion, supplier cost reductions and branch network optimisation. The segment is positioned for further improvement, subject to prevailing market conditions and the ongoing effectiveness of operational initiatives.

The Distribution segment remains an important cash generative platform supporting Group investment in higher growth HTS markets.

	Distribution			
	1HFY26	1HFY25	Change	
	$m	$m	$m	%
Revenue	32.2	33.3	(1.2)	(3.5%)
EBITDA from continuing operations	2.7	3.3	(0.6)	(18.0%)
Underlying EBITDA	2.8	3.3	(0.5)	(14.0%)

Dividend

The Directors have declared a fully franked interim dividend of 1.45 cents per ordinary share, representing approximately 45% of NPAT. The dividend has a record date of 19 March 2026 and will be paid on 9 April 2026.

Outlook

Following the completion of leadership and cost structure optimisation in 1HFY26, the Group is positioned to deliver profitable growth aligned with structural demand across its core HTS end markets. The Group expects to realise further benefits from the restructuring through 2HFY26 as operating efficiencies are embedded and project execution and order book conversion continue to improve.

The HTS order book has strengthened, particularly across data centre and power generation related activity, and the Group continues to build its pipeline of opportunities across key industrial and infrastructure end markets.

The Group will continue to maintain disciplined capital allocation while evaluating value accretive acquisition opportunities that strengthen capability, market position and customer reach.

The outlook remains subject to customer demand, project timing, market conditions and the ongoing effectiveness of operational initiatives.

Further details on the Group's performance and operations are contained in the Half-Year Interim Financial Report and Directors' Report released today.

Results webinar

Adrad's CEO, Paul Proctor, and CFO, Rod Hyslop, will host a webinar to discuss the results on Thursday, 19 February at 12:00pm (AEDST).

Investors may register via the webinar link:
https://us02web.zoom.us/webinar/register/WN_Zhw2ZWTJQYKm78lyuvNBCg

Investors can submit questions prior to the webinar to melanie@nwrcommunications.com.au or do so via the Q&A function on Zoom, during the webinar.

This announcement is authorised for release by the Board of Directors of Adrad Holdings Limited.

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For more information, please visit http://adradholdings.com.au/

1. Underlying EBITDA presented on a post-AASB-16 basis

1HFY26 RESULTS PRESENTATION

February 2026

adradholdings.com.au

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Authorised for release by the Board of Adrad Holdings Limited.

Our diversified business

Vision: 1st Choice for Industrial & Engine Cooling Solutions

Two major segments servicing all aspects of the engine cooling market:

HEAT TRANSFER SOLUTIONS (AIR RADIATORS)

A vertically integrated designer and manufacturer of industrial and automotive radiator and cooling solutions.

HTS segment increasingly exposed to structural growth markets including data centres, remote power generation and off-highway electrification

DISTRIBUTION (ADRAD)

Importer and distributor of radiators and other products for the Australasian automotive and industrial aftermarket.

Distribution growth from increased trade customer base, SKUs and online platforms underpinned by vehicle growth

1HFY26 Group Financial Highlights

Adrad Holdings Limited

$77.4m Revenue ↑ 0.6% from 1HFY25	**$9.4m** Underlying[1] EBITDA ↑ 13.0% from underlying 1HFY25	**$3.4m** Underlying[1] NPAT ↑ 20.0% from underlying 1HFY25	**$6.3m** Operating Cash flow[2] ↓ underlying cash conversion ratio[3]: 80%; underlying 1HFY25: 123%
$2.9m Capital Investment[4] 1HFY25: $2.9m	**$1.06** Net tangible assets per ordinary share ↑ 1.2% from 30 June 2025	**3.4cps** Basic EPS ↓ 2.5% from 1HFY25	**1.45cps** 1HFY26 related dividends[5]– fully franked ↑ 3.8% from 1HFY25

Margin recovery reflecting structural cost reset and increasing contribution from higher margin HTS activity

Underlying performance reflects early benefits of leadership restructure and cost base optimisation implemented in 1HFY26

Notes (1HFY25 has been restated to reflect discontinued operations):

1. Underlying results have been adjusted for non-recurring Company restructuring costs (~$1.1m); tax effected at 30% for underlying NPAT purposes. Underlying measures are presented to assist assessment of performance and should be considered alongside statutory results.
2. $3m investment in inventory to meet data centre and project customer demand and Distribution network and range expansion.
3. Underlying cash conversion ratio: net cash from operating activities ÷ underlying EBITDA; reflects working capital investment to support growth.
4. Substantial completion of Thailand office facility and factory re-lay.
5. Equates to approximately 45% of statutory NPAT, fully franked. The interim dividend of $1.45cps has a record date of 19 March 2026 with a payment date of 9 April 2026.

1HFY26 Key take aways

ADRAD Holdings Limited

1HFY26 Summary

- Revenue of $77.4m, up 0.6%
- Underlying EBITDA of $9.4m, up 13.0%, reflecting improved operating performance
- Underlying NPAT of $3.4m, up 20.0%, after excluding non-recurring corporate restructuring costs
- NPAT impacted by non-recurring corporate restructuring costs incurred during the period

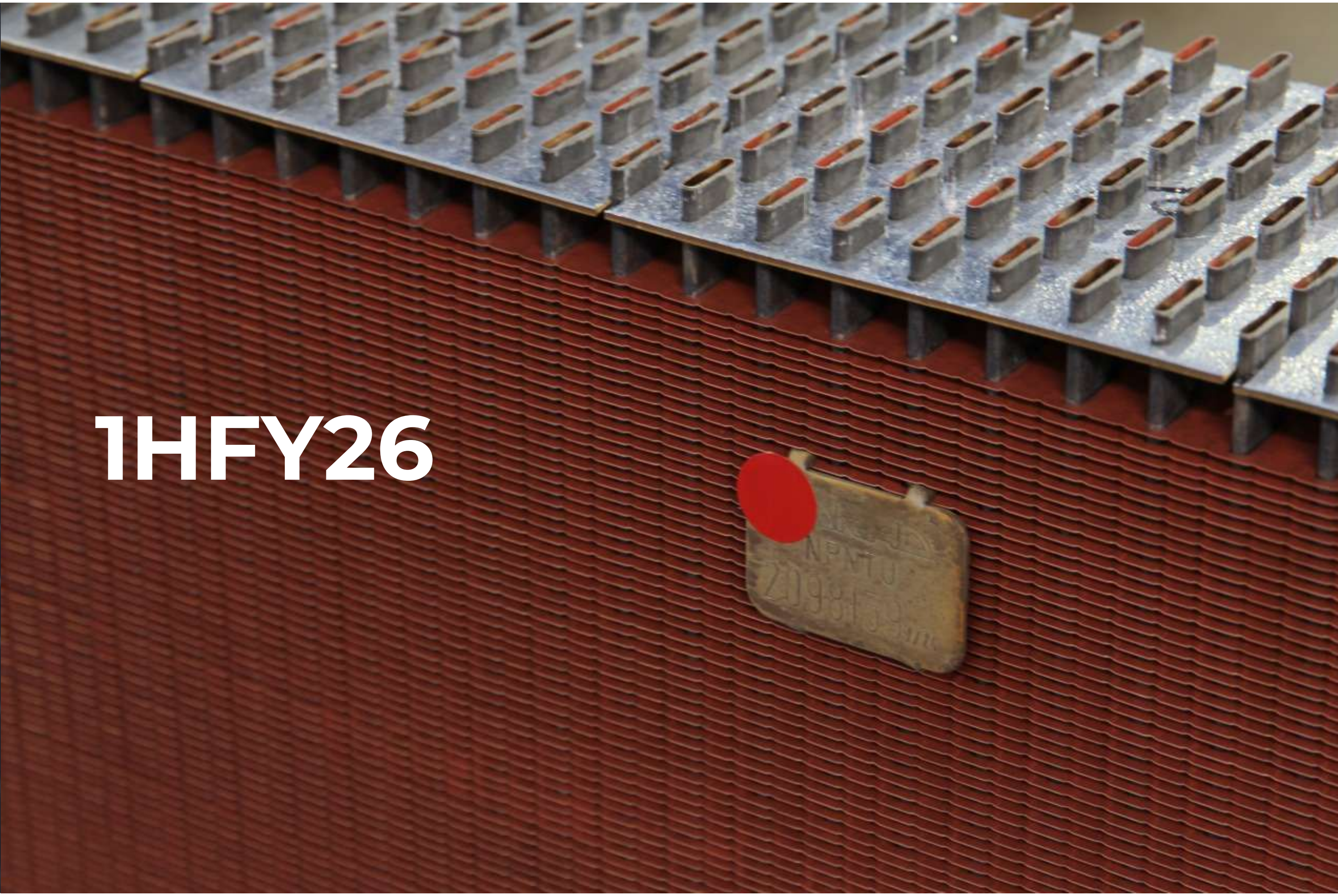
Actions Implemented

- Leadership structure is now lean and has been empowered
- Both operating segments have new leaders
- Costs have been reduced and efficiency improved
- Product strategy in now closely aligned with evolving market requirements
- $3m investment is inventory to support HTS project delivery and Distribution footprint and range expansion

Impact and outlook

- Profit margins improving as we operate more efficiently
- Management structure facilitates faster and more decisive implementation of strategy
- HTS is well positioned to benefit from project growth within expanding industries
- Distribution business is well positioned for growth in 2H and ongoing
- The Company is now well positioned for its structural growth phase

1HFY26



1HFY26 - Group

	Underlying				Statutory			
	1HFY26 $m	1HFY25 $m	Change $m	Change %	1HFY26 $m	1HFY25 $m	Change $m	Change %
Revenue	77.4	76.9	0.4	0.6%	77.4	76.9	0.4	0.6%
Earnings before interest, tax, depreciation and amortisation from continuing operations	9.4	8.4	1.1	13.0%	8.3	8.4	(0.0)	(0.5%)
Net Profit after tax (NPAT)[1]	3.4	2.8	0.6	20.0%	2.6	2.8	(0.2)	(7.9%)

1. Underlying adjustments of ~$1.1 million relate to non-recurring Company restructuring costs. Where applicable a 30% tax rate has

Continued growth in data centre cooling demand

Increased pipeline of power generation projects

Strong HTS order book supporting future revenue conversion

Reduction in overheads and corporate costs has improved margin and allows a more competitive offering

1HFY26 Segment Performance - HTS

	HTS 1HFY26 $m	HTS 1HFY25 $m	Change $m	Change %
Revenue	45.2	43.6	1.6	3.6%
EBITDA from continuing operations	6.1	4.8	1.3	25.9%
Underlying EBITDA	6.6	4.8	1.8	36.7%

HTS positioned across multiple structurally growing end markets, reducing cyclicality and improving earnings visibility

1HFY26 Segment Performance - HTS

Power Generation Industrial

Cooling Systems for **remote power generation projects**

Construction & Mining

Cooling Systems for **ICE & EV medium & heavy construction & mining equipment**

Data Centres

Cooling Systems for **server room & standby generators**

On Highway

Cooling Systems & Spare Parts for **on-highway vehicles**

Rail

Cooling Systems for **rail transport and track equipment**

INDUSTRIAL

Cooling Systems for **industrial & specialty equipment**

1HFY26 execution

- **Continued to build a pipeline of commercially attractive projects in power generation**
- **Recently received an additional order (~$17m) for data centre units to be built in Lara and Gillman**
- **Increased order book at the Lara site for data centre work; and doubled unit production capacity**
- **Optimised the Thai manufacturing facility**

1HFY26 Segment Performance - Distribution

	Distribution			
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	$m	$m	$m	%
Revenue	32.2	33.3	(1.2)	(3.5%)
EBITDA from continuing operations	2.7	3.3	(0.6)	(18.0%)
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Distribution remains a strong cash generative platform supporting Group growth investment

Margin expected to improve as supplier cost reductions and operating efficiencies are realised through 2HFY26

Strategic focus

- **Reduce operating costs and improve efficiency**
- **Grow market share by optimising and leveraging current footprint**
- **Explore opportunities to grow national footprint**

1HFY26 execution

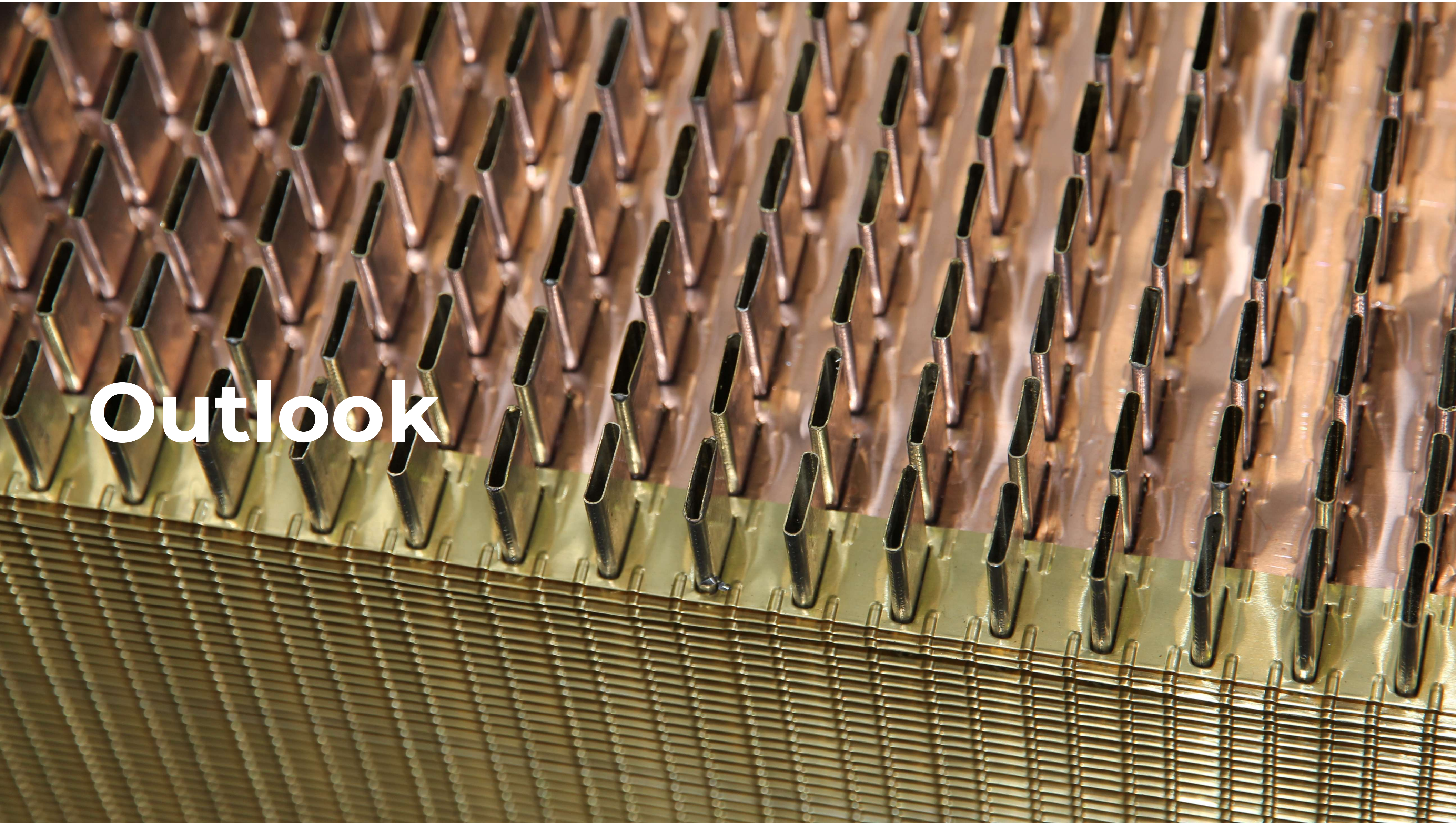
- **Established a high performance culture**
- **Established a Cooling Specialist Business Development team to drive growth**
- **Early signs of solid revenue improvement seen in late 1H and into 2H**
- **Achieved supplier cost reductions supporting the “best price” initiative**
- **Continued to refine service levels and operational processes**
- **Opened a new branch as part of network growth**
- **Increased trade customer base by 4.8%**

Balance Sheet

	31-Dec-25	30-Jun-25	Change	
	$m	$m	$m	%
Cash	18.6	18.2	0.4	2.3%
Trade and other receivables	21.6	22.0	(0.4)	(1.8%)
Contract Assets	1.4	4.7	(3.3)	(70.4%)
Inventory	49.7	46.9	2.8	6.0%
Property, Plant & Equipment	20.7	19.1	1.6	8.1%
Right of use assets	36.6	36.3	0.3	0.8%
Other assets	42.8	43.2	(0.4)	(0.9%)
Total assets	**191.5**	**190.5**	**1.0**	**0.5%**
Trade and other payables	15.3	16.3	(1.0)	(6.2%)
Provisions	6.6	6.3	0.3	4.2%
Borrowings	0.5	0.6	(0.1)	(15.6%)
Lease liabilities	41.6	40.8	0.8	1.9%
Other liabilities	0.1	0.2	(0.1)	(45.3%)
Total liabilities	**64.1**	**64.2**	**(0.2)**	**(0.3%)**
Net assets	**127.4**	**126.2**	**1.2**	**0.9%**

- **Robust balance sheet supported by operating cash flows**
- **Movement in contract assets reflects completion of data centre units**
- **Inventory increased to support future material requirements for data centre and project delivery**
- **Net tangible assets per share increased by 1.2% to 106 cents per share (30 June 2025: 105 cents per share)**
- **Operating cash flows supported investment in working capital, capital expenditure and payment of dividends**
- **Underlying cash conversion ratio of 80% (1HFY25: 123%)**
- **Balance sheet strength supports continued investment in HTS capacity expansion and Distribution network optimisation**

Outlook



Outlook

ADRAD Holdings Limited

Following the completion of leadership and cost structure optimisation in 1HFY26, the Group is positioned to deliver profitable growth aligned with structural demand across its core HTS end markets. Key focus areas include:

- **Realising the full benefits of leadership and organisational restructure**
- **Continued discipline in operating cost management and efficiency improvement**
- **Converting the strengthened HTS order book into revenue and earnings**
- **Exposure to structural growth markets including data centres, power generation and industrial infrastructure**
- **Improving earnings leverage as HTS mix increases and utilisation improves**
- **Maintaining a disciplined approach to capital allocation while continuing to evaluate value-accretive acquisition opportunities that strengthen capability, market position and customer reach**

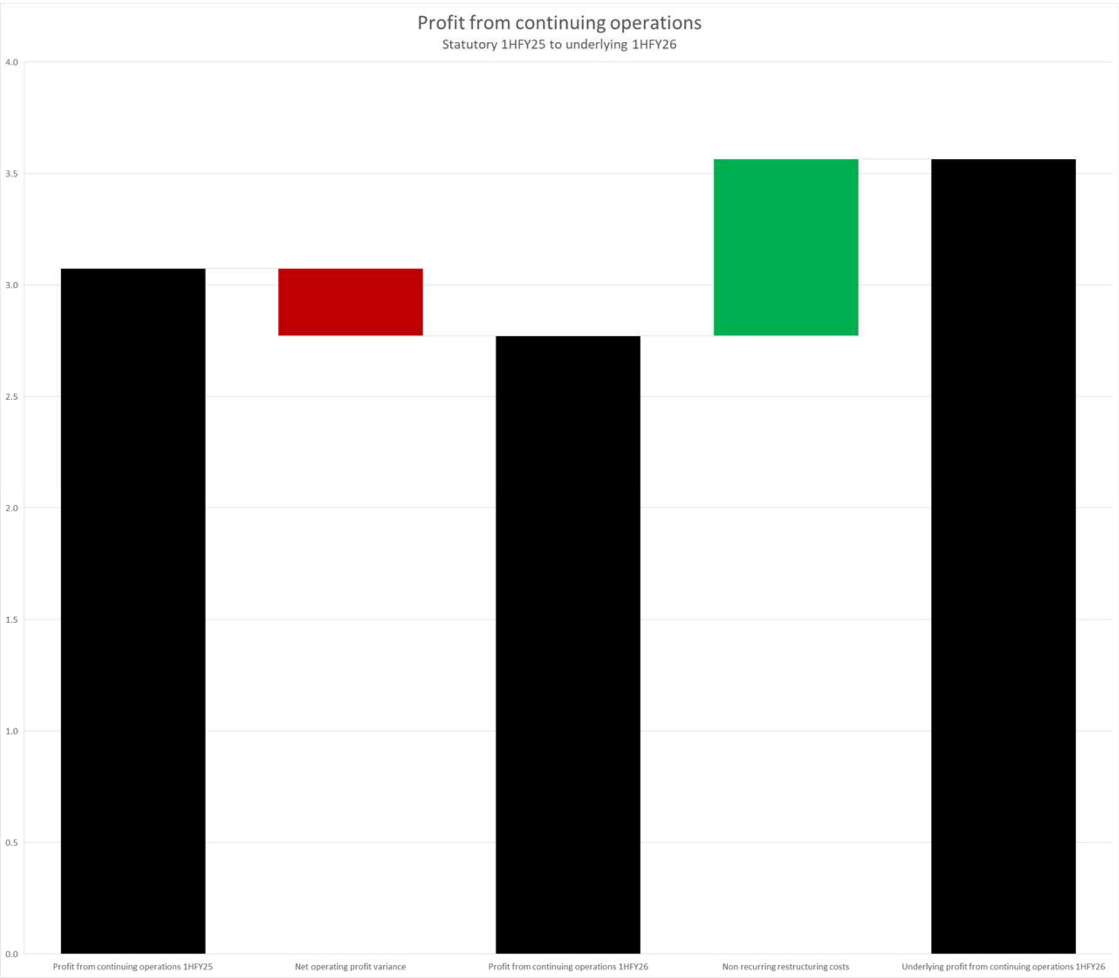
The Group expects further improvement in operating performance through 2HFY26 as restructuring benefits are fully realised and project execution and order book conversion accelerate.

The outlook remains subject to customer demand, project timing, market conditions and the continued effectiveness of operational and cost initiatives."


Thank you

Appendices

Profit from continuing operations bridge

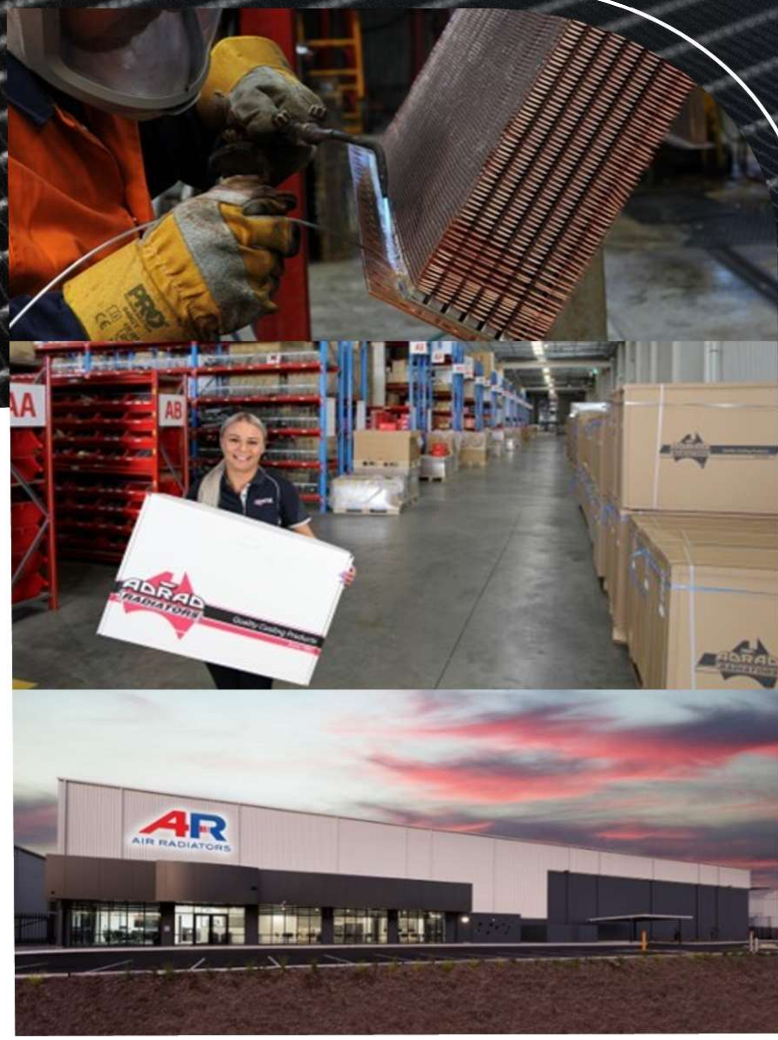


Statutory profit from continuing operations 1HFY25 to 1HFY26:

- Slightly lower 1HFY26 operating profit off 1% revenue growth and improved raw materials purchasing offset by non-recurring corporate restructuring costs.

Underlying profit from continuing operations 1HFY26 to 1HFY26 :

- Addback tax effected non-recurring costs associated with corporate restructure implemented during 1HFY26.



ADRAD

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