

February 17, 2026

## ACCUMULATE (no change)

Stock code:	SRG AU
Price:	A\$2.79
12-month target price:	A\$3.20
Previous target price:	A\$3.00
Up/downside to target price:	14.7%
Dividend yield:	2.3%
12-month TSR*:	17.0%
Market cap:	A\$1,748m
Average daily turnover:	A\$7.5m
Index inclusion:	S&P/ASX 300

\* Total stock return – Up/downside to target price + 12-month forward dividend yield.

### Price performance

(%)	1M	3M	12M	3Y
Absolute	-10.9	6.9	95.8	262.3
Rel ASX/S&P200	-11.7	3.4	91.3	241.7



Source: Iress

### Financial summary

	Jun-25A	Jun-26F	Jun-27F	Jun-28F
Revenue (A\$m)	1,323.3	1,641.5	1,803.5	1,893.7
EBITDA Norm (A\$m)	127.1	166.0	189.0	200.0
NPAT (A\$m)	61.0	82.5	96.9	103.8
EPS Norm (A\$)	0.10	0.13	0.15	0.16
EPS Growth Norm (%)	31.7%	27.2%	15.5%	7.1%
P/E Norm (x)	27.7	21.7	18.8	17.6
DPS (A\$)	0.050	0.060	0.065	0.070
Dividend Yield (%)	1.8%	2.2%	2.3%	2.5%
Franking (%)	100%	100%	100%	100%
EV/EBITDA (x)	13.2	10.7	9.3	8.6
Gearing (Net Debt/EBITDA)	-0.13	-0.09	-0.34	-0.57

Source: Company data, Morgans estimates

### Related research

[Sector report - 29 Oct 2025](#)
[SRG \(ACCUMULATE - TP A\\$3.00\) - 14 Oct 2025](#)

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– N/A

# SRG Global

## 1H26 result: Stay the course

SRG reported a strong 1H26 with all key earnings metrics broadly in line with our forecasts. Revenue, EBITDA and EPS each grew by +20% YoY. The core business (ex-TAMS) performed well, with a weaker E&C offset by a stronger Maintenance performance, which underlines SRG's diversification. FY26 group EBITA guidance was upgraded by +1-4% to \$126-130m. The balance sheet remains robust with net debt of just \$21m, leaving the company well placed to pursue further growth opportunities. While the valuation has re-rated materially over the last ~12 months, SRG may continue to compound +20% EPS growth for the next few years through a combination of organic and inorganic growth. We increase our EBITDA forecasts by +1% each year across our forecast period and EBITA by +2-3%. Target price rises to \$3.20 (from \$3.00). Accumulate maintained.

### Robust 1H26 – softer E&C but strong Maintenance

Earnings were largely in line with our forecasts. Revenue of \$744m was in-line with our forecast and +20% YoY. Maintenance revenue was slightly ahead of our expectations (+5% vs MorgansF) but this was offset by slightly lower E&C revenue (-6% vs MorgansF). EBITDA of \$71.0m (+20% YoY), which excludes \$4m of one-off costs associated with the TAMS acquisition, was a touch below our forecast (-2% vs MorgansF \$72.8m). However, slightly lower D&A saw EBITA of \$53.2m (+26% YoY) in line with our forecast (\$53.9m). Divisionally Maintenance EBITA of \$58.4m - which contained a two-month contribution from TAMS - was +4% ahead of our forecast (\$56.3m). TAMS performed to expectations, delivering \$33.6m revenue and \$5.2m of PBT for November & December. Organic EBITA growth in Maintenance (ex-TAMS and an incremental two-month contribution from Diona) was strong at +12%. E&C EBITA of \$12.2m was flat YoY and -18% vs MorgansF (\$14.9m). NPATA of \$33.7m (+27% YoY) was in line with our forecast (\$34.2m). The dividend of 3.0c (+20% YoY) was +11% ahead of our forecast for 2.7c.

### Strong financial position

The financials were strong, which has been a feature of SRG's recent results as it continues to grow its recurring and more predictable revenue streams. Operating cash flow (pre-interest & tax) of \$44m represents cash conversion of 92% (vs underlying EBITDA of \$71m). This drove net debt of \$21m (slightly better than our forecast for \$29m) which is down from \$53m post the TAMS acquisition (pro forma).

### Outlook firms

SRG has upgraded its FY26 guidance for EBITDA of \$164-168m (from \$163m) and EBITA of \$126-130m (from \$125m). At EBITA, this represents a +1-4% upgrade to guidance and MorgansF. The order book remains at \$4.2bn (flat on pro-forma order book at TAMS acquisition in October).

### Forecast and valuation update

For FY26, we increase our forecasts at EBITDA to \$166m (+1%) and EBITA to \$128m (+2%) to align with the guidance mid-points. Across our outer years (FY27 and FY28), we similarly increase EBITDA by +1% and EBITA by +2-3%. This sees us increase our target price to \$3.20 (from \$3.00).

### Investment view

We rate SRG an ACCUMULATE with a \$3.20 target price derived through an equal weighted EV/EBIT and DCF. Given SRG's diversification, track record of strong and consistent EPSA growth, high recurring earnings, and strong cash generation, we assign a 15x EBIT valuation (in line with maintenance-focused peers).

### Price catalysts

Contract awards, earnings releases, M&A.

### Risks

Duration and timing of projects, contracting risks, deterioration in end-market demand, labour constraints, acquisition integration.

# SRG Global

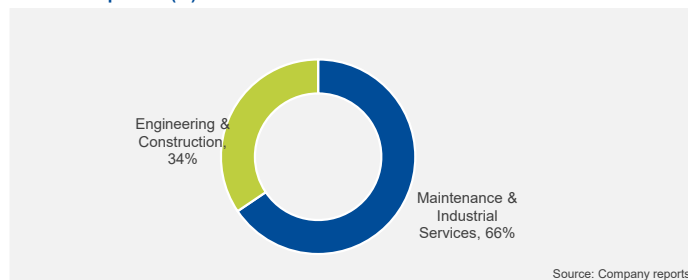
ACCUMULATE

as at February 17, 2026

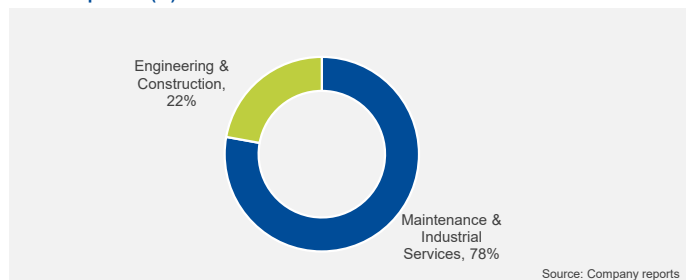
Price (A\$):	2.79	12-month target price (A\$):	3.20
Market cap (A\$m):	1,748	Up/downside to target price (%):	14.7
Free float (%):	84	Dividend yield (%):	2.3
Index inclusion:	S&P/ASX 300	12-month TSR (%):	17.0

SRG is an Australian diversified infrastructure services company that provides maintenance, industrial services, and engineering and construction services.

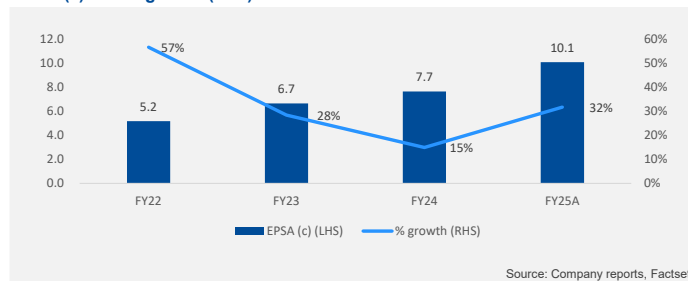
## Revenue exposure (%) - FY25



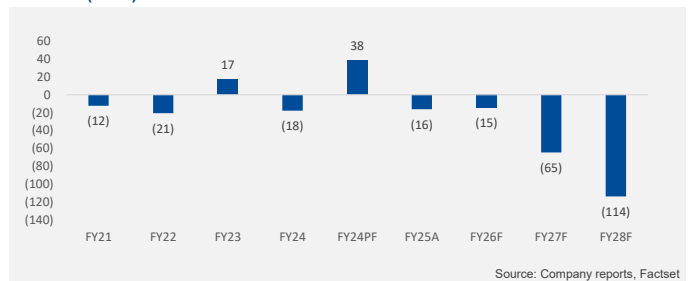
## EBITA exposure (%) - FY25



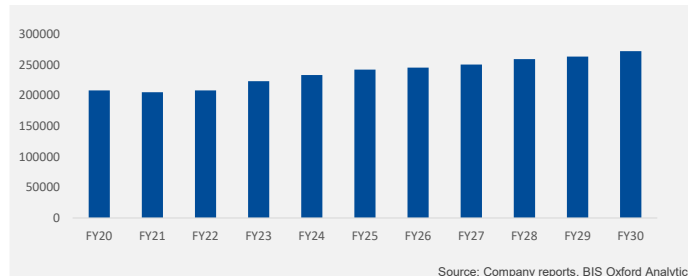
## EPSA (c) and % growth (YoY)



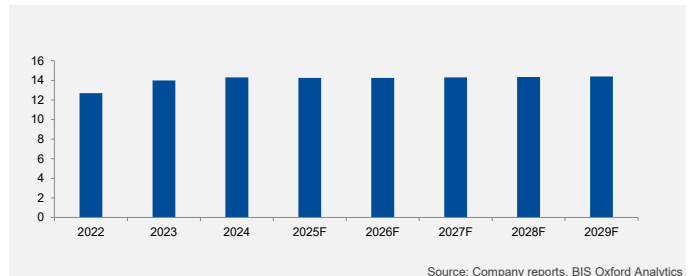
## Net debt/(cash) ex leases



## Australian infra & construction spend (\$m)



## Australian Maintenance spend (\$m)



## Bull points



### Diversified services provider

SRG services >20 end-markets which means it's less susceptible to cyclical factors.

### Predominantly recurring earnings

~80% of earnings is now recurring/annuity style earnings with the balance project based. This means the business has strong earnings visibility.

### Preferred drill & blast/geotechnical services provider for t1 golds

SRG counts NST, EVN and GMD as key clients. These clients are all expected to grow production considerably over the next 3-4 years which should translate into scope growth at SRG's drill and blast/geotechnical operations.

## Bear points



### Mature business may see growth slow

SRG is now a large and mature business which may make historical earnings growth difficult to repeat.

### Delays risk

Project delays & deferrals can be a restraint on growth. To mitigate this risk, SRG has prioritised its maintenance business and is well diversified with no significant reliance on any one project.

### Acquisition risk

SRG is likely to continue to be acquisitive which means it's exposed to all the inherent risks for acquisitions (e.g. price, integration, retention).

**Figure 1: Financial summary**

Income Statement					Cash Flow Statement					
(A\$m)	FY25A	FY26E	FY27E	FY28E	(A\$m)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Revenue</b>	<b>1,323</b>	<b>1,641</b>	<b>1,804</b>	<b>1,894</b>	<b>EBITDA</b>	<b>99</b>	<b>127</b>	<b>166</b>	<b>189</b>	<b>200</b>
<b>EBITDA</b>	<b>127</b>	<b>166</b>	<b>189</b>	<b>200</b>	NIE & Tax paid	(20)	(29)	(48)	(51)	(54)
D&A	(42)	(38)	(41)	(43)	Chg in Working Capital	15	6	12	4	(0)
<b>EBITA</b>	<b>94</b>	<b>128</b>	<b>148</b>	<b>157</b>	Other Operating Movements	0	(10)	(10)	(5)	(5)
% growth	43.0%	36.5%	15.6%	6.1%	<b>Operating Cash Flow</b>	<b>94</b>	<b>95</b>	<b>120</b>	<b>137</b>	<b>141</b>
Interest	(8)	(10)	(10)	(9)	Cash conversion rate (%)	115.9%	97.4%	101.1%	99.3%	97.3%
<b>Profit before tax (A)</b>	<b>86</b>	<b>118</b>	<b>138</b>	<b>148</b>	Net Capital Expenditure	(27)	(28)	(28)	(31)	(34)
Underlying tax expense	(25)	(35)	(42)	(44)	Net Investments	2	(91)	(45)	(5)	(5)
Tax rate	28.7%	30.0%	30.0%	29.8%	Other Investing Cash Flows	-	-	-	-	-
<b>NPATA</b>	<b>61</b>	<b>82</b>	<b>97</b>	<b>104</b>	<b>Investing Cash Flow</b>	<b>(25)</b>	<b>(120)</b>	<b>(73)</b>	<b>(36)</b>	<b>(39)</b>
<b>EPSA (diluted)</b>	<b>10.1</b>	<b>12.8</b>	<b>14.8</b>	<b>15.9</b>	Debt Drawdown / (Repayment)	(9)	40	47	(5)	-
EPS gth %	31.7%	27.2%	15.5%	7.1%	Shares issued / (Buyback)	-	64	-	-	-
					Total Dividends paid	(21)	(28)	(37)	(39)	(41)
					Other Financing Cash Flows	(13)	(12)	(12)	(11)	(11)
					<b>Financing Cash Flow</b>	<b>(43)</b>	<b>64</b>	<b>(2)</b>	<b>(55)</b>	<b>(52)</b>
					<b>Net Cash Flow</b>	<b>26</b>	<b>39</b>	<b>45</b>	<b>45</b>	<b>49</b>
Segments					Balance Sheet					
(A\$m)	FY25A	FY26E	FY27E	FY28E	(A\$m)	FY24A	FY25A	FY26E	FY27E	FY28E
<b>Revenue</b>					Cash and Cash Equivalents	73	112	157	202	251
Maintenance	867	997	1,057	1,110	Trade Receivables	121	139	135	148	156
E&C	456	511	536	563	Inventories	92	112	157	168	176
<b>Total</b>	<b>1,323</b>	<b>1,508</b>	<b>1,594</b>	<b>1,673</b>	Other	31	30	30	35	40
					<b>Total Current Assets</b>	<b>318</b>	<b>392</b>	<b>479</b>	<b>553</b>	<b>623</b>
<b>EBITA</b>					Property, Plant & Equipment	123	126	153	159	167
Maintenance	98	135	159	168	Contract assets	1	1	0	0	0
E&C	28	31	34	36	Intangibles & Goodwill	168	291	388	388	388
Corporate	(32)	(38)	(44)	(47)	Other	31	46	47	47	47
<b>Total</b>	<b>94</b>	<b>128</b>	<b>148</b>	<b>157</b>	<b>Total Non current assets</b>	<b>323</b>	<b>463</b>	<b>589</b>	<b>595</b>	<b>603</b>
					<b>Total Assets</b>	<b>640</b>	<b>855</b>	<b>1,068</b>	<b>1,148</b>	<b>1,226</b>
<b>EBITA margins %</b>										
Maintenance	11.3%	13.6%	15.0%	15.1%	Trade and other payables	144	192	225	247	259
E&C	6.1%	6.1%	6.3%	6.4%	Borrowings	18	30	35	35	35
<b>Total</b>	<b>7.1%</b>	<b>8.5%</b>	<b>9.3%</b>	<b>9.4%</b>	Provisions & other	102	145	177	193	202
					<b>Total Current Liabilities</b>	<b>264</b>	<b>367</b>	<b>437</b>	<b>475</b>	<b>496</b>
					Borrowings	38	66	107	102	102
					Other Non Current Liabilities	34	31	57	57	57
					<b>Total Non Current Liabilities</b>	<b>72</b>	<b>96</b>	<b>165</b>	<b>160</b>	<b>160</b>
					<b>Total Liabilities</b>	<b>335</b>	<b>463</b>	<b>602</b>	<b>634</b>	<b>656</b>
					Issued capital	267	331	369	369	369
					Share reserve	9	14	14	14	14
					Retained earnings	29	48	82	130	186
					<b>Total Equity</b>	<b>305</b>	<b>392</b>	<b>466</b>	<b>514</b>	<b>570</b>
					<b>Net Debt</b>	<b>(18)</b>	<b>(16)</b>	<b>(15)</b>	<b>(65)</b>	<b>(114)</b>
Operating Metrics					Valuation Metrics @ A\$2.79					
Ratios	FY25A	FY26E	FY27E	FY28E	FY24A	FY25A	FY26E	FY27E	FY28E	
Operating costs growth	23.2%	23.3%	9.4%	4.9%	Price/Earnings	36.4x	27.7x	21.7x	18.8x	17.6x
EBITDA growth (%)	29.0%	30.7%	13.8%	5.8%	EV/EBITDA	17.6x	13.6x	10.4x	9.2x	8.7x
NPATA growth	51.1%	35.2%	17.5%	7.1%	<b>EV/EBIT</b>	<b>26.4x</b>	<b>18.5x</b>	<b>13.5x</b>	<b>11.7x</b>	<b>11.0x</b>
EPSA growth	31.7%	27.2%	15.5%	7.1%	Dividend yield	1.6%	1.8%	2.2%	2.3%	2.5%
ROE (%) (NPAT)	17.5%	19.2%	19.8%	19.1%	Free cash flow yield	3.7%	3.3%	4.7%	5.4%	5.5%
ROCE (%) (EBIT)	24.9%	28.4%	32.9%	34.4%						
EPS (Underlying)	10.1	12.8	14.8	15.9						
Equity Value	1,748									
Net Debt	(16)									
Enterprise Value	1,732									
Shares Outstanding	446									
Net debt/EBITDA	(0.1)	(0.1)	(0.3)	0.0						
Gearing	-4%	-3%	-14%	-25%						
Franking	100%	100%	100%	100%						

Source: Morgans estimates, company data

## Forecasts

Figure 2: Change in forecasts

Yr to June (A\$m)	2026			2027			2028		
	Old	New	% chg	Old	New	% chg	Old	New	% chg
EBITDA	164.0	166.0	1.3%	186.4	189.0	1.4%	197.9	200.0	1.1%
EBITA	125.0	128.0	2.4%	144.0	148.0	2.8%	154.0	157.0	2.0%
NPATA	79.0	82.5	4.4%	92.7	96.9	4.5%	100.3	103.8	3.5%
EPSA (diluted)	12.6	12.8	1.6%	14.7	14.8	1.1%	15.9	15.9	0.1%
DPS(cps)	5.5	6.0	9.1%	6.0	6.5	8.3%	6.5	7.0	7.7%

Source: Morgans estimates

For FY26, we increase our forecasts at EBITDA to \$166m (+1%) and EBITA to \$128m (+2%) to align with the guidance mid-points. Across our outer years (FY27 and 28), we similarly increase EBITDA by +1% and EBITA by +2-3%.

Figure 3: P&L

Yr to June (A\$m)	FY23A	FY24A	FY25A	1H	2H	FY26E	FY27E	FY28E
M&IS (Asset Maint. & Mining Serv. Pre FY23)	542.1	661.5	867.4	504.3	626.5	1,130.8	1,267.3	1,330.7
E&C	266.9	407.8	455.9	239.6	271.0	510.6	536.2	563.0
<b>Operating revenue</b>	<b>809.0</b>	<b>1,069.3</b>	<b>1,323.3</b>	<b>743.9</b>	<b>897.5</b>	<b>1,641.5</b>	<b>1,803.5</b>	<b>1,893.7</b>
<b>EBITDA</b>								
M&IS (Asset Maint. & Mining Serv. Pre FY23)	76.1	94.2	121.3	70.8	91.2	161.9	187.9	197.9
E&C	19.1	29.4	36.2	16.7	23.6	40.3	43.4	46.2
Corporate	-21.5	-25.0	-30.4	-16.5	-19.8	-36.2	-42.4	-44.1
Other (reversals etc)	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITDA</b>	<b>79.5</b>	<b>98.5</b>	<b>127.1</b>	<b>71.0</b>	<b>95.0</b>	<b>166.0</b>	<b>189.0</b>	<b>200.0</b>
<b>Depreciation</b>	<b>-36.6</b>	<b>-40.1</b>	<b>-41.6</b>	<b>-17.8</b>	<b>-20.2</b>	<b>-38.0</b>	<b>-41.0</b>	<b>-43.0</b>
M&IS (Asset Maint. & Mining Serv. Pre FY23)	55.3	70.0	98.1	58.4	77.0	135.4	158.9	168.0
E&C	12.0	22.2	27.9	12.2	18.7	30.9	33.5	35.7
Corporate	-23.1	-26.6	-32.2	-17.4	-20.9	-38.3	-44.4	-46.7
Other (reversals etc)	5.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>EBITA</b>	<b>50.1</b>	<b>65.6</b>	<b>93.8</b>	<b>53.2</b>	<b>74.8</b>	<b>128.0</b>	<b>148.0</b>	<b>157.0</b>
Net Interest	-4.3	-7.2	-8.3	-4.7	-5.5	-10.2	-9.5	-9.2
<b>PBTA</b>	<b>45.7</b>	<b>58.4</b>	<b>85.6</b>	<b>48.6</b>	<b>69.3</b>	<b>117.8</b>	<b>138.5</b>	<b>147.8</b>
Taxation	-13.9	-18.1	-24.5	-14.9	-20.8	-35.3	-41.5	-44.1
%	30.4%	30.9%	28.7%	30.7%	30.0%	30.0%	30.0%	29.8%
<b>NPATA</b>	<b>31.8</b>	<b>40.4</b>	<b>61.0</b>	<b>33.7</b>	<b>48.5</b>	<b>82.5</b>	<b>96.9</b>	<b>103.8</b>
After tax amortisation	-2.3	-4.8	-9.3	-4.3	-6.2	-10.5	-10.1	-6.3
After tax significant items	-6.9	-1.1	-4.2	-2.8	2.8	0.0	0.0	0.0
<b>Statutory NPAT</b>	<b>22.6</b>	<b>34.5</b>	<b>47.5</b>	<b>26.6</b>	<b>45.1</b>	<b>72.0</b>	<b>86.9</b>	<b>97.5</b>
EPS	6.7	7.7	10.1	5.3	7.5	12.8	14.8	15.9
DPS	4.0	4.5	5.0	3.0	3.0	6.0	6.5	7.0
Net Debt (Cash)	17.0	-17.8	-16.2	21.1	-14.5	-14.5	-64.5	-113.8
Leverage	0.2	-0.2	-0.1	0.2	-0.1	-0.1	-0.3	-0.6
<b>Margins (%)</b>	<b>FY23A</b>	<b>FY24A</b>	<b>FY25A</b>	<b>1H</b>	<b>2H</b>	<b>FY26E</b>	<b>FY27E</b>	<b>FY28E</b>
EBITDA	9.8%	9.2%	9.6%	9.5%	10.6%	10.1%	10.5%	10.6%
NPATA	3.9%	3.8%	4.6%	4.5%	5.4%	5.0%	5.4%	5.5%

Source: Morgans estimates, company data



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