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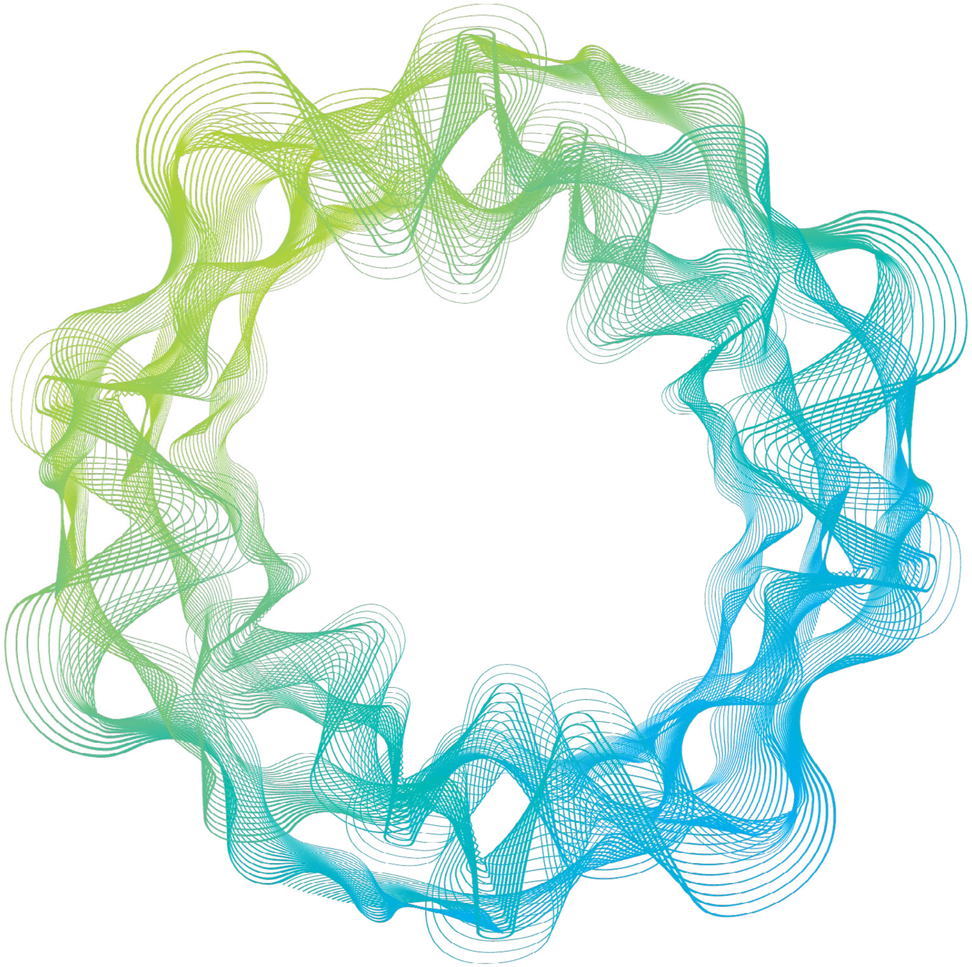


The State of the Deal and Deloitte Queensland Index

Q2 2026 – Quarterly Insight

MAKING AN IMPACT THAT MATTERS since 1845

Contents

Foreword

At a national level, annual CPI to June 2026 came in at 3.8% down from 4.6% in March driven by inflation in housing (+6.8%) and an increase in electricity prices, which are 22.4% higher in the 12 months to Jun-26 due to the State Government rebates ending. New dwellings increased 5.8% driven by builders passing on higher material and labour costs. The unemployment rate increased to 4.4% from 4.3% in March 2026. In May, the Reserve Bank of Australia announced the cash rate to increase to 4.35 and this remained unchanged in June 2026.

The Deloitte Queensland Index returned a 7.2% increase in Q2 2026 (compared to negative 6.8% in Q1 2026). The S&P/ASX All Ordinaries also returned to positive growth with 3.5% in Q2 2026 (compared to negative 3.7% in Q1 2026). Over the 12-month period to Jun-26, the returns were higher at 3.7% for the Deloitte Queensland Index versus 2.4% for the ASX All Ordinaries.

The total market capitalisation of Queensland-based ASX listed companies increased by $8.8b (+7.2%) from $120.8b as at 31 March 2026 to $129.6b as at 30 June 2026. The largest increase was seen in the Technology, Media and Telecom (TMT) sector driven by a rebound in the data and AI space, notably NEXTDC ($3.8b increase), Megaport ($2.5b increase) and Technology One ($0.9b increase). Real Estate saw a significant decrease of 52% after the delisting of National Storage REIT which represented 54.7% of the sector as at 31 March 2026.

Out of the 140 companies on the Deloitte Queensland Index at 30 June 2026, 77 reported an increase to their market capitalisation, 53 reported a decrease and 8 remained unchanged. 2 companies were added and 2 were removed.

Due to geopolitical uncertainty, high interest rates and new reform pressures, for the six months ended Jun-26, announced M&A deal value in Queensland decreased by 55% from $15.4b in H2 2025 to $6.9b in H1 2026. M&A volume in Queensland decreased 10%, from 102 transactions in H2 2025 to 92 in H1 2026 with financial backed buyers representing 9% of the deals, up slightly from 7% in the previous half year.

Executive Summary

The Deloitte Queensland Index as at 30 June 2026 increased by 7.2% since 31 March 2026 compared to ASX All Ordinaries which increased by 3.5%.

Deloitte Queensland Index Return in Q2 2026

7.2%

(6.8)% in Q1 2026

4.2% over LTM Jun-26

S&P/ASX All Ordinaries return in Q2 2026

3.5%

(3.7)% in Q1 2026

2.4% over LTM Jun-26

Market capitalisation

$129.6b *at Jun-26*

$120.8b *at Mar-26*

Companies in the Deloitte QLD Index

140 at 30 June 2026

140 at 31 March 2026

During Q2 2026:

77 companies increased market capitalisation (55%)

***53** companies decreased market capitalisation (38%)*

***8** experienced no movement (6%)*

***2** new companies were added to the QLD index (1%)*

***2** companies were removed from the QLD index (1%)*

Queensland Economic Update

Robust public spending and ongoing private investment is expected to help Queensland navigate uncertain economic conditions throughout 2026-27

Queensland real gross state product (change on year earlier)

Source: Deloitte Access Economics, June quarter 2026.

Queensland's economy rebounded slightly in the March quarter, following a subdued end to 2025. Growth was underpinned by strength across both private and public investment, though ongoing inflationary pressures are expected to weigh on momentum. Household consumption remained steady in the March quarter as cost-of-living pressures moderated discretionary spending. Stronger expenditure on essentials, particularly utilities following the expiry of temporary energy bill relief measures, supported overall consumption growth, despite the broader pullback in non-essential categories. Although the outlook for household spending is weaker, growth is expected to outpace other states, supported by strong population growth and wage growth above the national average. Household spending growth is forecast to ease through 2026-27, before strengthening in 2027-28.

Dwelling investment continued its upward trajectory, rising for a sixth consecutive quarter, supported by initiatives such as the Residential Activation Fund and Boost to Buy. Annual private sector house approvals reached their highest level since the pandemic, pointing to likely growth in dwelling investment over the remainder of the year. Despite this, housing market conditions remain tight. Brisbane dwelling prices have continued to rise, increasing 17.4% in the year to June 2026. While increased housing supply is likely to offset some of the demand, driven in part by interstate and international population growth, strong ongoing affordability challenges are expected to continue across the state.

*The above analysis is based on ABS data which has a 3-month reporting lag and therefore data released at the end of Jun-26 relates to the quarter ended Mar-26 (with comparisons to Dec-25 and prior quarters).

Business investment recorded modest growth in the March quarter, with businesses exercising caution amid uncertain conditions. Despite softer economic conditions, private spending is expected to recover throughout 2026, with a strong pipeline of infrastructure activity, including projects such as the Quinbrook Supernode Battery Energy Storage System, alongside population-driven growth in demand. Business investment is forecast to rise by 3.6% in 2026-27 with further acceleration anticipated thereafter. Meanwhile, public demand continues to support economic activity, underpinned by higher spending by public corporations and a strong pipeline of major infrastructure projects ahead of the Brisbane 2032 Olympics.

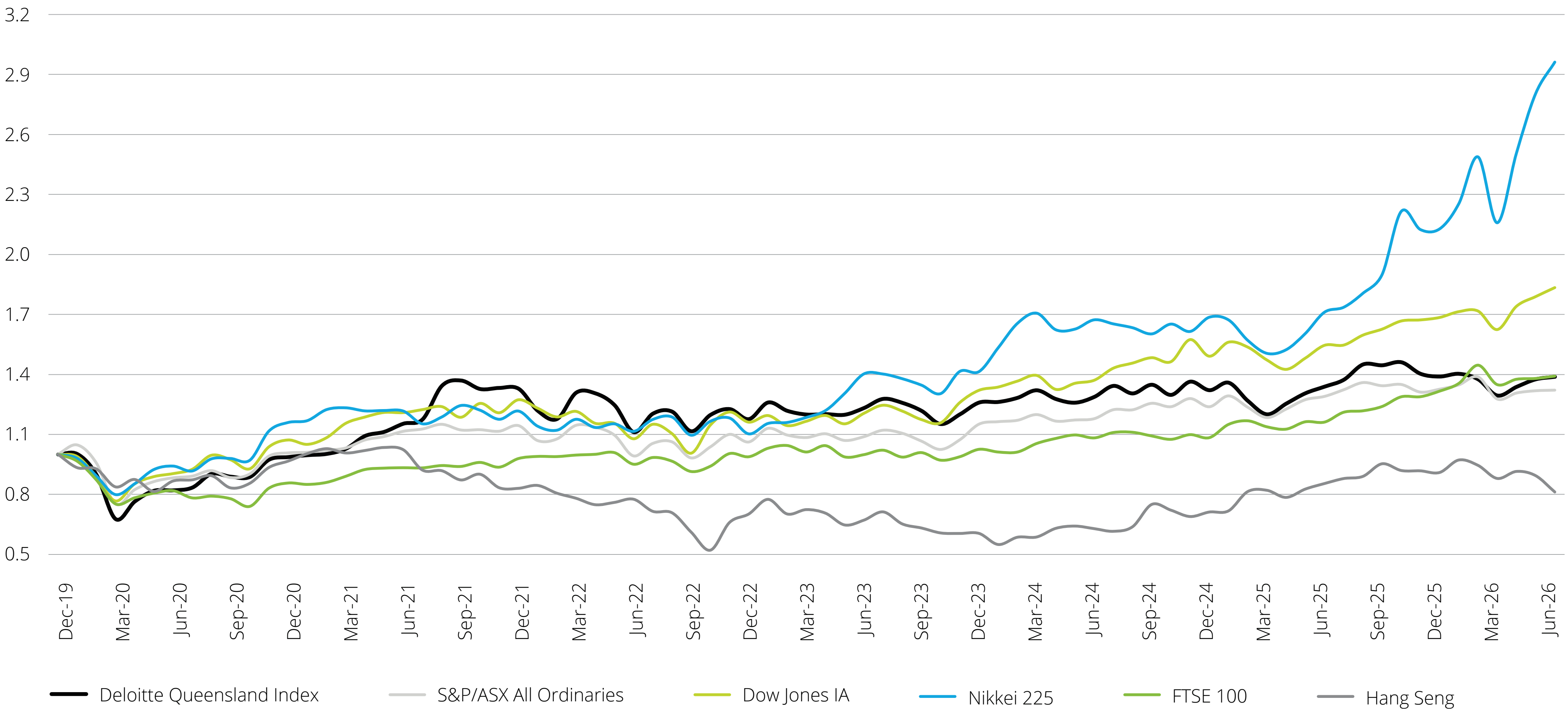
The 2026-27 State budget, however, highlighted the risks associated with continued reliance on public spending. Net debt is expected to reach $98 billion by 2029-30, approximately one sixth of Gross State Product. Uncertainty around key revenue sources, such as mining royalties and stamp duty, presents a more challenging fiscal outlook for Queensland, and heightens the risk of a credit downgrade. This would raise borrowing costs for the government and may place pressure on its ability to sustain elevated investment. External conditions remain volatile, with Queensland's export sector softening towards the end of 2025 and into early 2026. However, higher coal prices, driven by the Middle East conflict and constrained supply of alternative energy sources, are expected to support a broadly positive outlook for mining exports. At the same time, climatic conditions pose downside risks. The emergence of El Niño conditions and above-average temperatures through 2026 may adversely affect agricultural output.

Overall, Queensland's economic momentum is expected to strengthen modestly over the near term, supported by population growth, public investment and a gradual recovery in private sector activity.

The Deloitte Queensland Index Q2 2026

The Deloitte Queensland Index experienced an increase of 7.2% in Q2 2026 compared to the S&P/ASX All Ordinaries which delivered a return of 3.5%. Dow Jones Industrial Average and FTSE 100 experienced increases of 12.9% and 3.2% respectively, whilst the Hang Seng delivered a negative 7.7%. Japan's Nikkei 225 index experienced an increase of 37.2% driven by strong AI and tech momentum.

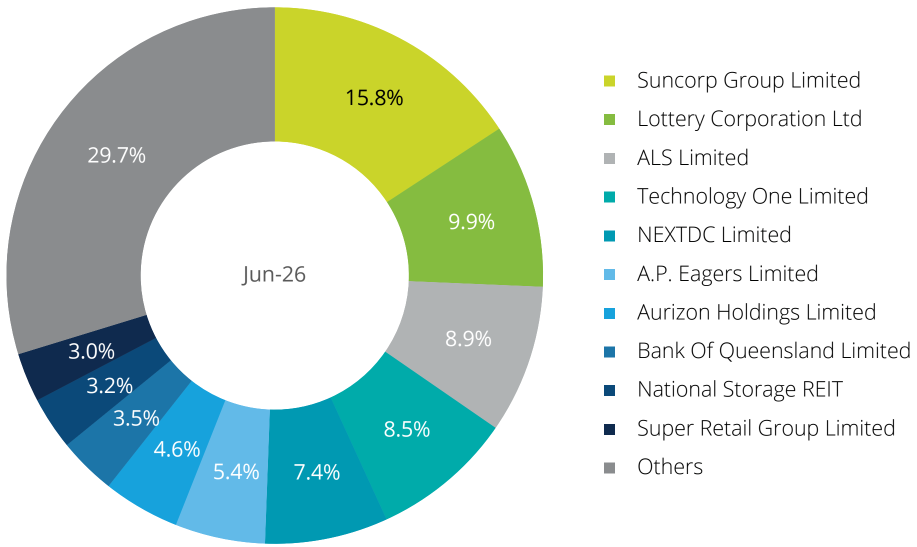
Deloitte Queensland Index versus Major International Indices

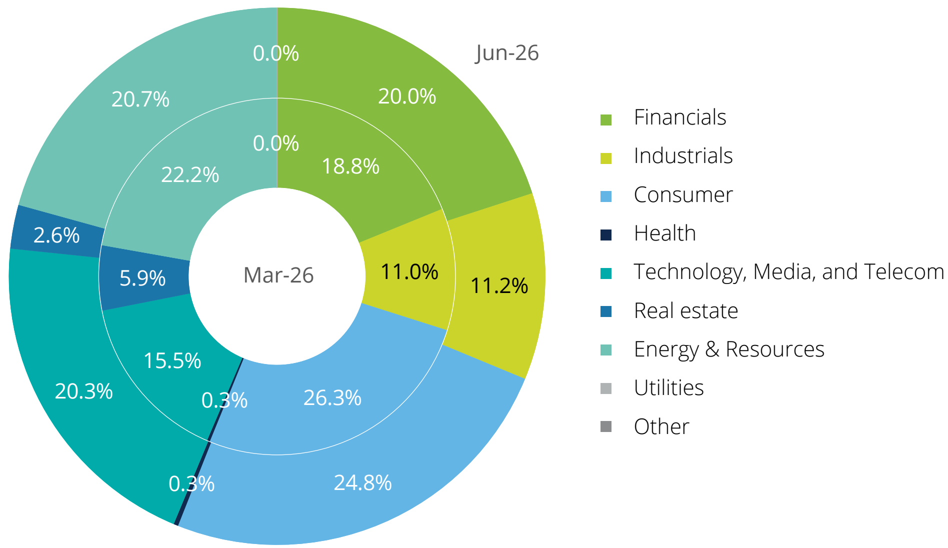


The Deloitte Queensland Index Q2 2026

The composition of the Index at Jun-26 continues to show reasonable sector diversification, with declines seen in the Consumer, Real Estate and Energy & Resource sectors and growth in TMT, Financials and Industrials in Q2 2026.

Deloitte Queensland Index - Top 10 Companies and Others by Market Cap as at 30 Jun 26





- Compared to Mar-26, the composition of the Index as at Jun-26 has shifted towards Technology, Media and Telecom, Financials and Industrials, and away from Consumer, Energy and Resources and Real Estate.
- The Top 10 Companies in the Deloitte Index as at Jun-26 saw a 14.6% net increase in their total market capitalisation from $79.4b in Mar-26 to $91.1b in Jun-26. Increases of $3.8b, $3.2b and $2.5b achieved by NEXTDC, Suncorp and Megaport respectively are the main drivers of the increase.
- To a lesser extent, the market capitalisation of Queensland listed companies ranked 11-100 experienced a 3.6% increase from $36.8b at Mar-26 to $38.1b at Jun-26.

Top Performers

Queensland Index: top performers in Q2 2026

Top 5 Increases in Top 100 Companies by $ Movement in Market Capitalisation

Company	Change $m	Rank Jun-26	Rank Mar-26
NEXTDC Limited	3,820	4	5
Suncorp Group Limited	3,219	1	1
Megaport Limited	2,541	10	20
ALS Limited	1,035	3	3
Technology One Limited	858	5	4

Top 5 movers in Top 100 Companies by % Movement in Market Capitalisation

Company	Change %	Rank Jun-26	Rank Mar-26
Bowen Coking Coal Limited	353%	86	127
Megaport Limited	198%	10	20
Orcoda Limited	140%	100	123
Anteo Diagnostics Limited	133%	66	87
Greenwing Resources Ltd	72%	85	102

Positive movements in the Index were largely driven by:

NEXTDC Limited: Completed its full $1.5bn equity capital raise alongside a $1.7b Hybrid Securities Offer and a further $1.8b of new senior debt facilities. This is in response to increases in both pro-forma contracted utilisation and forward order book seeing 60% and 83% increases respectively at 31 March 2026.

Megaport Limited: Secured three storage contracts for GPU, CPU and network with a combined total contract value of $254m and an annualised recurring revenue of $91m. Following completion of the institutional component on 5 June 2026, Megaport commenced the $309m retail component of its broader $827m capital raise.

ALS Limited: Released FY26 full year results which showed revenue and NPAT growth of 10.7% and 25.8% respectively with a dividend of 23.1cps driven by the performance in its commodities business. A disciplined approach to capital management saw a free cash flow of $674m and deleveraging down from 2.3x to 1.7x.

Technology One: Released Half-Year results which showed revenue and NPAT growth of 11% and 6% respectively with an interim dividend of 8.0cps showing a 21% increase. This is also supported by a SaaS and recurring revenue increase of 13% to $299m.

Orcoda Limited: Signed a multi-year workforce logistics and management services contract with Wagner Corporation for a value of $8m annually.

Greenwing Resources Ltd: Greenwing Resources has commenced a basin-scale hydrology program at its 100%-owned San Jorge Lithium Project to assess water resources and support the project's Preliminary Economic Assessment. The study is expected to improve understanding of the basin's hydrology, inform future deeper drilling following indications that the brine system extends to approximately 1,000 metres, and advance development planning.

Top companies by market capitalisation

Top 20 companies (as at 30 June 2026) by market capitalisation

Rank		Company	Market Capitalisation ($m)		Change since Mar-26	
Jun-26	Mar-26		30 Jun 2026	31 Mar 2026	$ million	%
1	1	Suncorp Group Limited	20,448	17,230	3,219	18.7%
2	2	Lottery Corporation Ltd	12,814	11,969	845	7.1%
3	3	ALS Limited	11,592	10,557	1,035	9.8%
4	5	NEXTDC Limited	11,074	7,254	3,820	52.7%
5	4	Technology One Limited	9,619	8,761	858	9.8%
6	6	Aurizon Holdings Limited	7,036	6,683	353	5.3%
7	7	A.P. Eagers Limited	5,999	6,349	(350)	(5.5%)
8	8	New Hope Corporation Limited	4,503	4,947	(445)	(9.0%)
9	9	Bank Of Queensland Limited	4,138	4,399	(260)	(5.9%)
10	20	Megaport Limited	3,827	1,286	2,541	197.7%
11	11	Super Retail Group Limited	2,976	2,895	81	2.8%
12	12	Dalrymple Bay Infrastructure Ltd	2,851	2,504	347	13.9%
13	15	Flight Centre Travel Group Limited	2,447	2,199	247	11%
14	16	Virgin Australia Holdings Limited	2,306	1,798	509	28.3%
15	14	Corporate Travel Management Limited	2,232	2,232	-	-
16	13	Stanmore Coal Limited	2,100	2,470	(370)	(15.0%)
17	19	Elevra Lithium Limited	1,863	1,416	447	31.5%
18	17	GemLife Communities Group	1,749	1,688	61	3.6%
19	24	Data#3 Limited	1,528	1,031	496	48.1%
20	18	Domino's Pizza Enterprises Limited	1,481	1,533	(52)	(3.4%)
		Top 20	**112,584**	**99,200**	**13,384**	**13.5%**
		Others	17,003	21,638	(4,636)	(21.4%)
		Total QLD index	**129,587**	**120,838**	**8,749**	**7.2%**
		Top 20 as a % of total	86.9%	82.1%		

Queensland M&A Overview

Queensland M&A deal value declined in H1 2026 ($6.9b) compared to H2 2025 ($15.4b)

Announced QLD M&A transactions in H1 2026

92

10% decrease from H2 2025 (102)

1% increase from H1 2025 (91)

Foreign buyers investing in QLD in H1 2026

14% of deals compared to

18% in H2 2025

24% in H2 2025

Announced M&A transactions by QLD ASX-listed companies in H1 2026

31

23% decrease from H2 2025 (40)

35% increase from H1 2025 (23)

QLD buyers investing in foreign assets in H1 2026

14% of deals compared to

9% in H2 2025

4% in H1 2025

Disclosed value of announced QLD M&A transactions in H1 2026

$6.9b

55% decrease from H2 2025 ($15.4b)

5% decrease from H1 2025 ($7.2b)

Disclosed value of announced M&A transactions by QLD ASX-listed companies in H1 2026

$0.7b compared to

$13.6b in H2 2025

$1.0b in H1 2025

Queensland announced M&A transactions

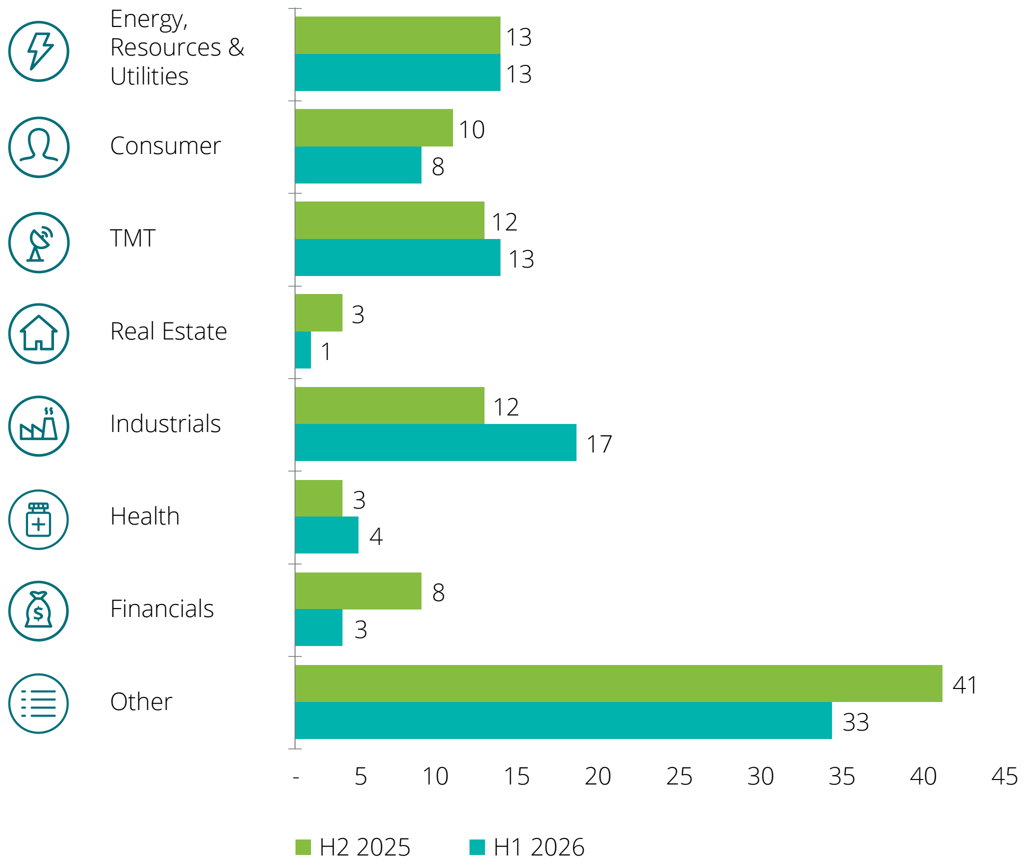
- **Overview:** The total number of M&A transactions in Queensland decreased from 102 deals in H2 2025 to 92 deals in H1 2026, with the decline primarily driven by a dip in strategic buyers from 90 in H2 2025 to 81 in H1 2026. Conversely, the number of financial buyers remained relatively stable at 8 in H1 2026. This appears to reflect lower strategic buyer activity due to increased uncertainty around higher borrowing costs.

- ASX-listed companies based in Queensland saw a decrease in deal volume, from 40 transactions in H2 2025 to 31 transactions in H1 2026. The disclosed value of these deals was significantly lower at $700m compared to $13.6b over the same period.

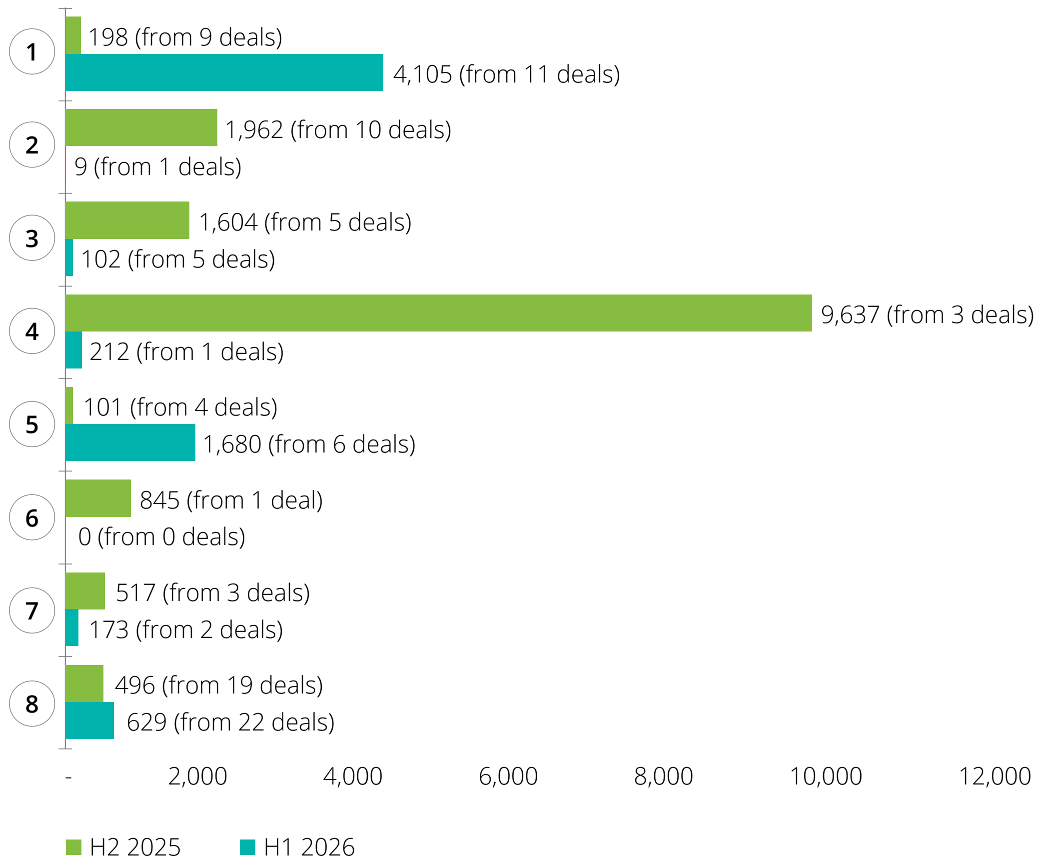
- **QLD M&A Environment:** Despite resilience shown by Queensland driven by continued population growth and infrastructure investments in preparation for the 2032 Olympics, the persistent pressures of the new ACCC reforms beginning in H1 2026 and foreign investment friction slowed M&A activity, aligning with national trends. Trends show sector shifts toward Industrials and Energy & Resources whilst sectors such as Real Estate and Technology-related transactions have remained subdued as buyers become cautious with rising interest rates and volatile market conditions causing valuations uncertainty.

Deal volumes in Industrials, Energy, Resources & Utilities and other sectors were higher compared to H2 2025, while transactions volumes in the remaining sectors declined.

QLD announced deals by sector (#)

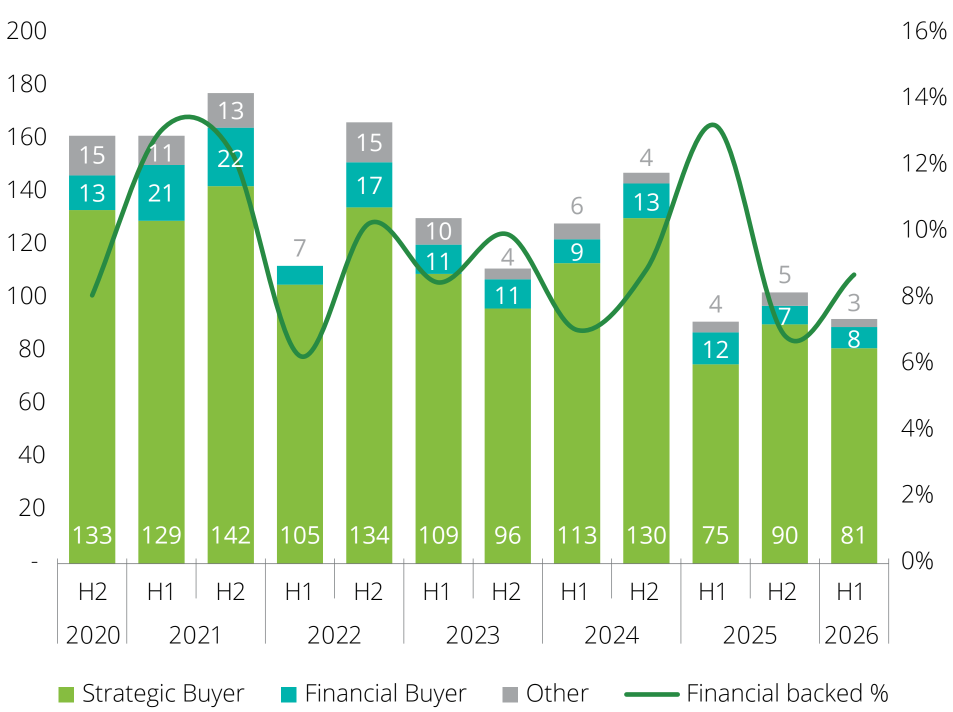


QLD announced deals by sector ($m)

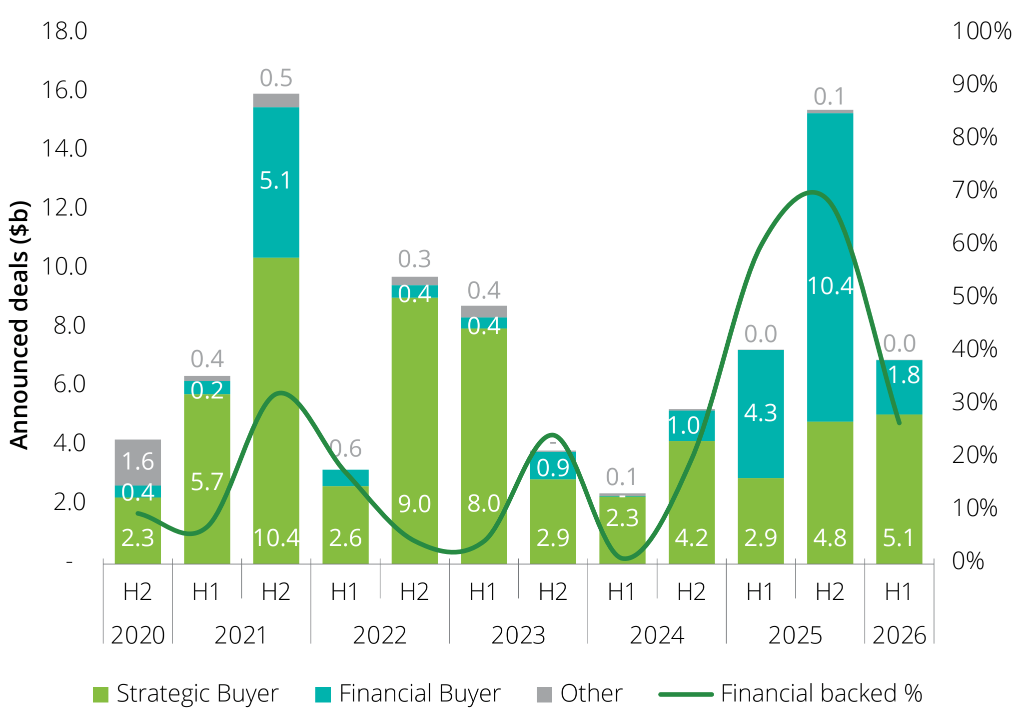


Whilst the total number of deals decreased by 10% for the period (compared to H2 2025), due to a decrease in corporate and other activity the proportion of financial backed transactions (as a % of total) increased from 7% in H2 2025 to 9% in H1 2026.

QLD announced deals by buyer (#)



QLD announced deals by buyer ($b)



Significant transactions announced in H1 2026

Target: Thiess Pty Ltd (Qld)

Acquirer: CIMC Group Limited
Announced deal value: $1.2b (Jul-26)
Sector: Materials
Description: CIMIC Group acquired the remaining 40% stake in Thiess from funds advised by Elliott Advisors for $1.2b, returning Thiess to full ownership by CIMIC (and indirectly HOCHTIEF). Thiess will continue operating as CIMIC's global mining services business, with the acquisition expected to have a slightly positive impact on HOCHTIEF's FY26 operational net profit.

Target: Kestrel Coal Group Pty Ltd (Qld)

Acquirer: Yancoal Australia Ltd (ASX:YAL)
Announced deal value: $3.4b (Apr-26)
Sector: Energy
Description: Yancoal Australia entered into an agreement to acquire Kestrel Coal Group for $3.4b, comprising $2.8b in cash and up to $840m in contingent consideration. The transaction is subject to regulatory approvals and is expected to complete in September 2026.

Target: Noja Power Switchgear Pty Ltd (Qld)

Acquirer: Goldman Sachs Asset Management L.P.
Announced deal value: $1.4b (May-26)
Sector: Industrials
Description: Goldman Sachs Asset Management agreed to acquire Noja Power Switchgear for approximately $1.4b in cash following a competitive bidding process. The transaction is expected to complete by mid-June 2026.

Target: MPC Kinetic Group (Qld)

Acquirer: Genus Plus Group Ltd
Announced deal value: $0.4b (May-26)
Sector: Industrials
Description: Genus Plus Group Ltd agreed to acquire MPC Kinetic Group for $400m comprising a $325m cash consideration and a contingent payment of $75m. The transaction completed on July 1 2026.

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Sources

Queensland M&A transaction data presented within:

- Reflects transactions for which one or more of the vendor, target and/or buyer are based or headquartered in Queensland
- Is based on the timing of the announcement of the transaction
- Excludes announced transactions which have been cancelled, are for <30% stake and take-overs by labour unions
- Is sourced from S&P Global Market Intelligence and public announcements
- Includes transaction values only where the value has been publicly disclosed

Queensland listed company data presented within:

- Is sourced from S&P Capital IQ

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