Cohort PLC

27 May 2026

FY update: ahead of estimates plus record order book

In a Trading Update for the year to 30 April 2026, Cohort reports revenue of £303m (ED est. £290.2m) +12%YoY, and (adj.) operating profit of c.£36.0m, 11.9% margin (ED est. £35.0m, 12.1% margin), ahead of market expectations[1]. Order intake was strong, at £313m compared to £284m in FY25, whilst the order book underpins c. £253m (c.80%) of FY27 market consensus revenue outlook.

- **The closing order book posted a new record of £620m** (FY25: £615m). Order intake, up 10%YoY, was particularly strong at EID, MASS and EM Solutions (C&I division), and at Chess and SEA (S&E). Order intake exceeding full year revenue at 1.1x was boosted by major contracts including a €42.3m (£34.0m) contract to EID from the Portuguese Navy[2]. The on-order revenue horizon extends into the mid-2030s.

- Revenue in the **Communications & Intelligence division** was £159m, (+27%YoY, FY25: £125.4m) with an operating margin of c.20% (FY25: 16.8%), indicating an (adj.) EBIT of £31.8m, boosted by a full year contribution from EM Solutions, the key driver of improved Group performance.

- Revenue in the **Sensors & Effectors division** was £144m, (-1%YoY, FY25: £147.1m), with an operating margin of c.7.0%, indicating (adj.) EBIT of £10.5m. The lower margin reflected continued trading on ELAC's Italian sonar contract (which we see moving towards the final test and installation phase) and the sale of SEA's higher margin transport business in June 2025. The Group noted positive trading for all three S&E operations (Chess, ELAC and SEA), albeit at a margin which is below the mid-term target.

- Year-end net funds totalled £2.9m reflecting **strong H2 cashflow** (H1: £32.5m net debt), although a further £6.0m potential contribution fell into Q1 27, received in early May.

Defence challenges continue to multiply

The ongoing war in Iran – at this point – adds to the range of key drivers Cohort has in the past identified: conflicts and geo-political tensions in Europe (Ukraine), the Middle East and Asia-Pacific; the commitment by European NATO members to increase spending on defence towards 3.5% of GDP; and the implications of the June 2025 UK Strategic Defence Review (SDR).

Inclusive of this extremely encouraging FY26 update we retain our outlook at present - whilst mindful of maintained orders momentum. FY26 results due on 15th July will provide a detailed opportunity to further review. **Our Fair Value remains 1,930p/share.**

Key financials & valuation metrics

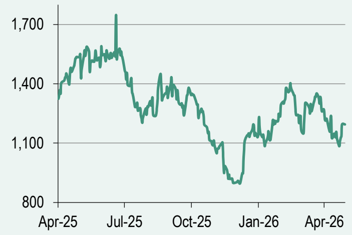
Year to 30 April (£m)	2023A	2024A	2025A	2026E	2027E
Revenue	182.7	202.5	270.0	303.0	315.5
EBIT (adj.)	19.1	21.1	27.5	36.0	40.9
EBITDA (adj.)	23.2	25.7	32.9	41.5	46.4
Pre-Tax Profit (adj.)	17.7	19.8	27.0	35.5	40.4
EPS (adj. p)	36.4	42.7	53.5	61.7	66.8
Dps (p)	13.4	14.8	16.3	17.9	19.7
Net cash / (debt)	15.6	23.1	5.3	10.9	34.4
P/E	*33.7x*	*28.7x*	*22.9x*	*19.9x*	*18.3x*
EV/EBITDA	*26.2x*	*23.7x*	*18.5x*	*14.7x*	*13.1x*

Source: Company data. Equity Development estimates. [1] Cohort reports FY26 consensus market expectations of: revenue of £292.9m, (adj.) operating profit of £34.7m, and (adj.) EPS of 58.9p/share. [2] See FY26 orders summary on p.2.

Company data

EPIC	CHRT.L
Price (last close)	1,225p
52 weeks Hi/Lo (p)	1,796/881
Market cap	£576m
ED Fair Value / share	1,930p
Net cash / (debt) H1 26A	(£32.5m)
Avg. daily volume (3m)	154,556

Share price, p



Source: Investing.com

Description

Operating in the UK, Germany, Australia and Portugal, Cohort Group has two divisions:

Communications and Intelligence: EID, defence communications; MASS, digital defence; MCL, surveillance technology; EMS, satellite-based communications.

Sensors & Effectors: Chess, electro-optical tracking and surveillance systems; ELAC SONAR, advanced sonar systems and underwater communications; SEA, technology for defence and transport markets, and specialist research and training services.

Next event

FY 26 results 15th July 2026

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Recap: FY26 orders and contracts announced total c.£140m

As the Trading Update notes, the Group maintained strong (and record) orders momentum. We note that during FY26, the Group announced a total of five specified contracts (i.e. those than can be itemised) totalling an estimated £87.1m. The contracts announced in FY26 were:

- 1 May 2025: **SEA (S&E)**, an £8.0m, 5-year, contract with Thales UK as part of the 15-year Maritime Sensor Enhancement Team (MSET) £1.8bn programme to upgrade the Royal Navy's sonar, masts, periscopes, and electronic-warfare sensors. The SEA contract is for waterfront support maintenance, repairs and regulatory inspections at Royal Navy dockyards on towed array handling equipment.

- 25 September 2025: as reported at the **AGM** contracts totalling £60m awarded since the start of FY26, with an order book as of 20 September 2025 of over £590m.

- 7 October 2025: **MASS (C&I)**, a £15.7m, 4-year contract for airborne countermeasures and services, from a UK defence prime contractor with an international customer.

- 30 January 2026: **MCL (C&I)**, with Skydio[3], a £14.0m contract by a UK government customer for of uncrewed air systems (drones) with in-service support for two years, and a £3.9m UK order for tactical audio systems.

- 23 March 2026: **EM Solutions (C&I)**, a AU$21.7m (£11.5m) Portuguese Navy contract, to 2030, for its *Cobra* and *King Cobra* satellite communications terminals for Vasco da Gama-class frigates upgrades and new-build programmes. Portugal has three German-built MEKO Vasco da Gama class frigates which comprise its core naval capability; constructed in 1990 their mid-life upgrade (MLU) is required to extend operational life to 2035. *Cobra* is a tri-band maritime SOTM (satcom-on-the-move) terminal offering high-bandwidth communications across X-band and military Ka-band. *King Cobra* features a 2m aperture, has extended Ka-band with simultaneous X-band, and connectivity to GEO, HEO, MEO, and LEO satellites (Geostationary-, High-, Mid- and Low-Earth Orbit satellites)

- 26 March 2026: **EID (C&I)**, a €42.3m (£34.0m) contract to 2029 from the Portuguese Navy for Integrated Communication Systems (ICS) and Networks. Of a total defence budget of €3.06bn (2025), the Portuguese Navy is allocated an estimated €800m (26%)[4].

[3] Skydio, based in San Mateo CA, is a developer and manufacturer of integrated autonomous drone systems for DFR (defence as first responder) and inspection applications (see www.skydio.com).

[4] SIPRI (Stockholm International Peace Research Institute) Military Expenditure Database, 27 April 2026; sipri.org.

P&L

£m	H1 25A	H2 25A	H1 26A	FY24A	FY25A	FY26E	FY27E
Revenue	**118.2**	**151.8**	**128.8**	**202.5**	**270.0**	**303.0**	**315.5**
Gross	**38.3**	**52.2**	**41.9**	**76.3**	**90.4**	**125.7**	**132.5**
Margin	*32.4%*	*34.4%*	*32.5%*	*37.7%*	*33.5%*	*41.5%*	*42.0%*
COGS	(80.0)	(99.6)	(86.9)	(126.3)	(179.6)	(177.3)	(183.0)
Op-ex excluding one-off items	(28.1)	(34.8)	(32.2)	(55.1)	(63.0)	(89.7)	(91.6)
Amortisation intangibles	(1.0)	(2.0)	(2.6)	(3.1)	(3.0)	(8.0)	(5.0)
R&D credits	0.0	3.3	0.0	2.9	3.3	2.0	2.0
Forex	(0.1)	0.2	0.3	0.3	0.1	0.0	0.0
One-off charges	(0.2)	(1.5)	0.5	0.0	(1.7)	0.0	0.0
EBIT rptd.	8.8	17.3	8.0	21.2	26.1	30.0	37.9
EBIT (adj.)	**10.1**	**17.4**	**9.7**	**21.1**	**27.5**	**36.0**	**40.9**
EBIT (adj.) mrg	*8.6%*	*11.4%*	*7.5%*	*10.4%*	*10.2%*	*11.9%*	*13.0%*
Amortisation Intangibles	(1.0)	(2.0)	(2.6)	(3.1)	(3.0)	(5.0)	(5.0)
Depreciation PPE	(1.6)	(1.6)	(2.6)	(2.6)	(3.2)	(3.2)	(3.2)
Depreciation RoU	(1.1)	(1.2)	(1.3)	(2.0)	(2.3)	(2.3)	(2.3)
EBITDA Reported	12.5	22.1	14.5	28.9	34.6	40.5	48.4
EBITDA Adjusted	**12.8**	**20.2**	**13.6**	**25.7**	**32.9**	**41.5**	**46.4**
Margin	*10.8%*	*13.3%*	*10.6%*	*12.7%*	*12.2%*	*13.7%*	*14.7%*
Financial income	0.3	0.8	0.2	0.5	1.1	1.2	1.2
Financial expense	(0.6)	(1.0)	(1.1)	(1.9)	(1.6)	(1.6)	(1.7)
PBT Reported	8.5	17.1	7.1	19.8	25.6	29.5	37.4
PBT Adjusted	**9.8**	**17.2**	**8.8**	**19.8**	**27.0**	**35.5**	**40.4**
Tax	(1.7)	(4.3)	(1.1)	(4.5)	(6.0)	(6.8)	(9.3)
Reported tax rate	*20.0%*	*25.2%*	*15.1%*	*22.9%*	*23.4%*	*23.1%*	*24.9%*
PAT Reported	6.8	12.8	6.0	15.3	19.6	22.7	28.1
PAT Adjusted	**8.1**	**12.9**	**7.7**	**15.2**	**21.0**	**28.7**	**31.1**
Basic wtd. Av. shares (m)	40.5	40.7	45.6	40.4	42.7	45.6	45.6
Diluted wtd. av. shares (m)	40.9	41.5	46.5	40.6	43.5	46.5	46.5
EPS Reported Basic (p)	17.5	27.9	13.4	37.9	45.1	49.8	61.6
EPS Adjusted Diluted (p)	**19.8**	**35.8**	**15.8**	**42.7**	**53.5**	**61.7**	**66.8**

Source: Company data. Equity Development estimates.

Cashflow

£m	H1 25A	H2 25A	H1 26A	FY24A	FY25A	FY26E	FY27E
PAT rptd	**6.8**	**12.8**	**6.0**	**15.3**	**19.6**	**22.7**	**28.1**
Tax	1.7	4.3	1.1	4.5	6.0	6.8	9.3
Depreciation	2.7	2.8	4.0	4.6	5.5	5.5	5.5
Amortisation	1.0	2.0	2.6	3.1	3.0	8.0	5.0
Finance net	0.3	0.2	0.9	1.4	0.5	0.5	0.5
Derivatives/forex	0.1	(0.2)	(0.3)	(0.3)	(0.1)	0.0	0.0
Share-based payments	0.2	0.5	0.9	1.1	0.7	0.0	0.0
Provisions	0.2	3.7	2.2	2.2	3.9	0.0	0.0
Operating Cash Flow	**13.0**	**26.0**	**17.3**	**31.9**	**39.0**	**43.5**	**48.4**
(Inc)/Dec inventories	(6.0)	(1.2)	(4.9)	(1.4)	(7.1)	(6.0)	(2.4)
(Inc)/Dec receivables	5.6	(14.5)	(30.0)	(24.7)	(8.9)	(10.6)	13.2
Inc/(Dec) payables	22.1	13.1	(10.3)	23.8	35.2	6.2	(0.6)
Movement in working capital	**21.7**	**(2.5)**	**(45.2)**	**(2.3)**	**19.2**	**(10.4)**	**10.2**
Cash from operations	**34.7**	**23.5**	**(27.9)**	**29.6**	**58.2**	**33.1**	**58.6**
Interest paid	(0.6)	(1.0)	(2.5)	(1.9)	(1.6)	(4.9)	(5.2)
Tax (paid)/received	(2.7)	(2.8)	(1.1)	(4.7)	(5.5)	(6.8)	(9.3)
Net cash from operations	**31.4**	**19.8**	**(31.6)**	**23.0**	**51.2**	**21.3**	**44.1**
Interest received	0.3	0.8	0.2	0.5	1.1	1.2	1.2
PPE	(6.7)	(6.5)	(10.3)	(6.7)	(13.2)	(11.0)	(6.0)
Acquisition	(3.0)	(78.6)	5.9	0.0	(81.6)	5.9	0.0
Net cash investing	(9.3)	(84.3)	(4.2)	(6.2)	(93.6)	(3.9)	(4.8)
Net OpFCF	**22.1**	**(64.5)**	**(35.8)**	**16.9**	**(42.5)**	**17.4**	**39.3**
Share issue	1.4	39.9	1.3	0.7	41.3	1.3	0.0
Dividends	(4.1)	(2.4)	(5.0)	(5.6)	(6.5)	(8.2)	(9.0)
Purchase own shares	(4.0)	0.0	0.0	(1.9)	(4.0)	0.0	0.0
Settlement of own shares	0.9	0.0	1.1	0.8	0.9	1.1	0.0
Borrowings	(5.0)	21.8	15.1	0.0	16.8	15.1	0.0
Repayments	0.0	0.0	0.0	(9.0)	16.8	0.0	0.0
Lease repayments	(1.1)	(2.3)	(1.3)	(1.9)	(2.3)	(1.8)	(1.8)
Net cash from financing	(11.9)	57.0	11.1	(16.9)	46.2	7.4	(10.8)
Net increase in cash	**10.1**	**(6.4)**	**(24.8)**	**(0.1)**	**3.7**	**24.8**	**28.5**
Forex	(0.6)	(4.3)	2.9	(1.7)	(4.9)	3.0	0.0
Cash start	39.7	49.2	38.5	41.5	39.7	38.5	66.3
Cash end	**49.2**	**38.5**	**16.7**	**39.7**	**38.5**	**66.3**	**94.8**

Source: Company data. Equity Development estimates.

Balance sheet

£m	H1 25A	H1 26A	FY24A	FY25A	FY26E	FY27E
Goodwill	51.5	79.1	50.1	76.6	79.1	79.1
Intangible assets	3.7	48.4	2.8	49.1	48.4	43.4
RoU assets	7.5	9.9	7.8	9.7	7.4	5.1
PPE net	24.3	39.4	19.4	31.0	38.8	41.6
Deferred tax, other	2.6	13.5	2.5	7.9	7.9	7.9
Sum Fixed Assets	**89.6**	**190.3**	**82.7**	**174.3**	**181.7**	**177.2**
Inventories	39.3	56.6	33.3	52.1	58.1	60.5
Trade receivables	70.5	106.3	79.4	89.0	99.6	86.4
Derivatives, tax	3.4	7.6	1.9	6.5	8.6	9.8
Cash, Equivalents	75.4	53.2	55.2	74.6	58.3	86.8
Sum Current Assets	**188.5**	**223.7**	**169.8**	**222.3**	**224.7**	**243.6**
Trade payables, other	(99.0)	(111.7)	(81.0)	(126.6)	(132.8)	(132.3)
Derivatives, tax	(3.2)	(3.9)	(2.5)	(3.9)	(5.1)	(5.8)
Leases	(1.8)	(2.3)	(1.8)	(2.3)	(2.3)	(2.3)
Borrowings	(26.1)	(37.5)	(15.5)	(37.0)	(23.0)	(28.0)
Provisions	(11.0)	(8.7)	(8.9)	(6.4)	(6.8)	(6.7)
Other payables	0.0	(0.1)	0.0	0.0	0.0	0.0
Sum Current Liabilities	**(141.1)**	**(164.2)**	**(109.7)**	**(176.2)**	**(170.0)**	**(175.1)**
Deferred tax	(1.1)	(6.1)	(0.9)	(13.5)	(15.3)	(20.8)
Leases	(6.3)	(7.2)	(6.7)	(7.2)	(5.4)	(3.6)
Borrowings	(11.3)	(48.2)	(16.5)	(32.4)	(32.4)	(32.4)
Provisions	(2.4)	(18.2)	(3.2)	(4.1)	(4.3)	(4.2)
Retirement benefit	(4.6)	(3.1)	(5.6)	(3.2)	(3.2)	(3.2)
Other	0.0	0.0	0.0	0.0	0.0	0.0
Sum Long-term liabilities	**(25.8)**	**(82.8)**	**(33.0)**	**(60.3)**	**(60.5)**	**(64.2)**
Share Capital	4.2	4.7	4.2	4.7	4.7	4.7
Share Premium	33.5	74.2	32.2	73.0	74.0	60.4
Own shares	(7.4)	(6.3)	(4.6)	(7.4)	(7.4)	(7.4)
Share option reserve	3.3	4.6	2.9	4.7	4.7	4.7
Other	0.0	0.0	0.0	0.0	0.0	0.0
Retained earnings	76.8	88.3	74.1	83.7	98.3	117.4
Equity	**110.4**	**165.5**	**108.7**	**158.6**	**174.2**	**179.7**
Non-controlling interests	0.8	1.4	1.2	1.5	1.6	1.7
Net cash / (debt) non-IFRS16	**37.9**	**(32.5)**	**23.1**	**5.3**	**2.9**	**26.4**

Source: Company data. Equity Development estimates.

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