Concurrent Technologies PLC

Capitalising on a material growth opportunity

7 September 2026

Concurrent Technologies has continued its excellent growth record of recent years by reporting a strong H1 26 performance with revenue up 10%YoY to £23.2m and EBITDA (adj.) of £4.8m, +20%YoY, a 20.7% margin (H1 25, 18.8%). Order intake stood out as particularly strong, up 110% YoY at £46.9m (H1 25, £22.3m), i.e. equivalent to the full year FY25. Similarly, progress in converting design wins into production programmes indicates that the estimated lifetime value in the Products and Systems operations stands at £129m. At the time of reporting, the Group stands with an order book of over £68m, with continued growth momentum anticipating '*an exceptionally busy fourth quarter*'. We expect H2 (adj.) EBIT c.63% above H1 (vs H2 25: 48% above).

We initiate coverage with a Fair Value of 328p/share.

H1 saw the Group's largest single order of c.£17.0m, a reminder of the 'step change' in performance which we trace to FY24/25. Despite investment in expanded facilities in Colchester - expected to double production capacity - the Group closed H1 with cash of £9.7m (FY25, £7.8m), having generated £1.8m net in cash from operations post working cap, vs H1 25 outflow of (£2.3m).

Concurrent combines **three key attributes** which amount to a competitive advantage and underpin our positive outlook for the next phase of growth:

- **Positioning**, as a 'Prestige' Intel® partner, allowing **first-mover access** to the latest processor developments, and as a member of the US SOSA® (Sensor Open Systems Architecture) consortium which coordinates both new and ongoing product life-cycle projects.
- **Expertise**, in board computer design which informs the development of larger-scale systems, bridging component manufacturers' access to major customers, augmented by Concurrent's strong long-term client relationships.
- **Applicability** of latest products, which combine ultra-fast processing with graphics capabilities, which attract both next-generation defence specialists (e.g. Anduril Industries Inc.; Helsing SE), and larger, established defence systems providers.

Our Fair Value of 328p/share equates to a FY28 multiple of 18.5x, which compares favourably to the current average of defence peers and of direct competitors.

Key financials and valuation metrics

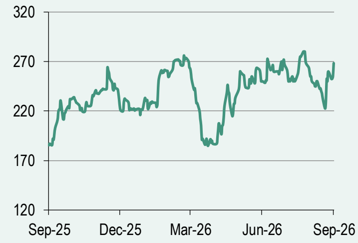
Yr to 31 Dec (£m)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	31.66	40.32	45.87	57.00	65.00	70.00
EBITDA (adj)	6.00	7.80	9.87	11.99	14.45	15.70
Pre-Tax Profit (adj)	3.47	5.18	6.81	8.42	10.95	12.00
EPS (adj, p)	3.95	5.18	5.90	7.52	9.78	10.71
Net debt / (cash)	(11.12)	(13.71)	(14.37)	(14.32)	(19.41)	(25.32)
P/E	*67.8x*	*51.7x*	*45.4x*	*35.6x*	*27.4x*	*25.0x*
EV/EBITDA	*37.0x*	*28.4x*	*22.5x*	*18.5x*	*15.4x*	*14.1x*

Source: Company data, Equity Development estimates.

Company data

EPIC	CNC
Price (last close)	268p
52 weeks Hi/Lo	286p/174p
Market cap	£222m
ED Fair Value / share	328p
Net debt / (cash) H1 26A	(£9.7m)
Avg. daily volume (3m)	198,268

Share price, p



Source: Investing.com.

Description

Founded in 1985, Concurrent Technologies ('Concurrent') designs and manufactures high-performance ruggedised single board computers (SBCs) and systems based on Intel® technology for use in the defence and aerospace sectors (90% of revenue), as well as the telecoms, medical, transportation and industrial markets.

The Group has UK centres located in Theale (design) and Colchester (manufacturing) plus sites in the US at Woburn MA and Los Angeles.

Next event

Full year results April 2027

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H1 26 results overview

- Revenue +10%YoY to £23.2m, with Products +10.6%YoY to £19.8m (86% of total) and Systems +9%YoY to US$4.6m (£3.4m).

- Order intake +110%YoY to £46.9m (2.0x book-to-bill ratio); subsequently reaching £68m at the time of reporting, with a lifetime projected pipeline worth an estimated £129m.

  H1 saw the largest single contract to date (previously US$6.2m in 2025: on 11 June 2026 a 4-year order worth c.£17.0m from a major European defence equipment prime contractor; the largest single contract to date. Including an upfront milestone payment, the 4-year contract spans extended development, qualification and deployment cycles. Post H1 (2 July), the Group received a US$9.4m order from a major US defence prime contractor – based on a 2024 design win - US$6.2m of which relates to c.400 standard product computer plug-in cards, for delivery during 2026/27. The remaining US$3.2m relates to potential future requirements, subject to customer contract funding in H2 26.

- Gross profitability remained strong at 50.8% (H1 25, 50.8%) EBITDA (adj.) whilst the Systems margin doubled to 26.3%.

- The closing net cash position of £9.7m reflected strong cashflow management (see p.10).

H1 26A performance

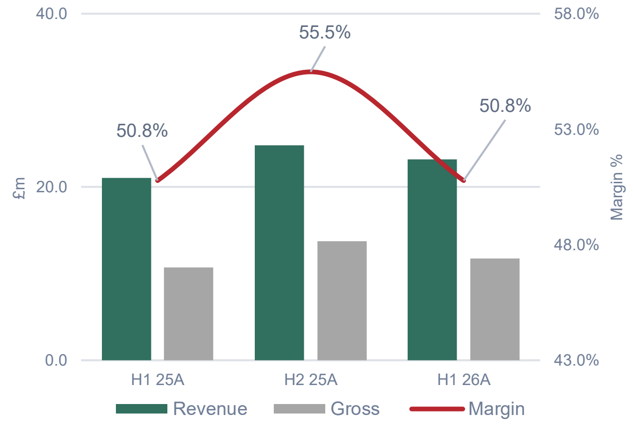
Yr to 31 Dec (£m)	FY23A	FY24A	FY25A	H1 25A	H2 25A	H1 26A	*H1 26 YoY*
Revenue	**31.66**	**40.32**	**45.87**	**21.06**	**24.81**	**23.16**	*10%*
Gross	15.64	19.98	24.46	10.69	13.77	11.76	*10%*
Margin	*49.4%*	*49.5%*	*53.3%*	*50.8%*	*55.5%*	*50.8%*	
COGS	(16.02)	(20.35)	(21.41)	(10.36)	(11.05)	(11.40)	
Op-ex	(11.95)	(14.78)	(18.04)	(8.02)	(10.02)	(8.43)	
EBIT Reported	3.69	5.19	6.63	2.67	3.96	3.33	*25%*
EBIT Adjusted	**3.69**	**5.19**	**6.63**	**2.67**	**3.96**	**3.33**	*25%*
Margin	*11.6%*	*12.9%*	*14.5%*	*12.7%*	*16.0%*	*14.4%*	
Amortisation	(1.51)	(1.94)	(2.33)	(1.02)	(1.31)	(1.20)	
Depreciation	(0.81)	(0.67)	(0.90)	(0.26)	(0.64)	(0.47)	
EBITDA Reported	6.00	7.80	9.87	3.95	5.91	4.80	*21%*
EBITDA Adjusted	**6.00**	**7.80**	**9.87**	**3.95**	**5.91**	**4.80**	*21%*
Margin	*19.0%*	*19.4%*	*21.5%*	*18.8%*	*23.8%*	*20.7%*	
Financial income	0.07	0.08	0.16	0.06	0.09	0.11	
Financial expense	(0.09)	(0.09)	(0.13)	(0.02)	(0.10)	(0.08)	
Other	(0.20)	0.00	(0.15)	0.00	(0.15)	(0.11)	
PBT Reported	3.47	5.18	6.52	2.71	3.80	3.24	*19%*
PBT Adjusted	**3.47**	**5.18**	**6.81**	**2.71**	**4.09**	**3.24**	*19%*
Tax	(0.31)	(0.48)	(1.46)	(0.31)	(1.15)	(0.69)	
Reported tax rate	*9.0%*	*9.2%*	*25.0%*	*11.5%*	*30.1%*	*21.4%*	
PAT Adjusted	**3.16**	**4.70**	**5.35**	**2.40**	**2.95**	**2.55**	
Basic wtd. av. shares (m)	77.83	85.68	86.39	86.43	86.39	86.99	
Diluted wtd. av. shares (m)	79.90	90.78	90.72	90.88	90.72	91.32	
EPS Reported Basic (p)	4.06	5.49	5.86	2.78	3.08	2.93	*5%*
EPS Reported Diluted (p)	3.95	5.18	5.58	2.64	2.93	2.79	*6%*
EPS Adjusted Basic (p)	4.06	5.49	6.19	2.78	3.41	2.93	*5%*
EPS Adjusted Diluted (p)	**3.95**	**5.18**	**5.90**	**2.64**	**3.25**	**2.79**	*6%*

Source: Company data, Equity Development estimates.

H1 26A performance in context

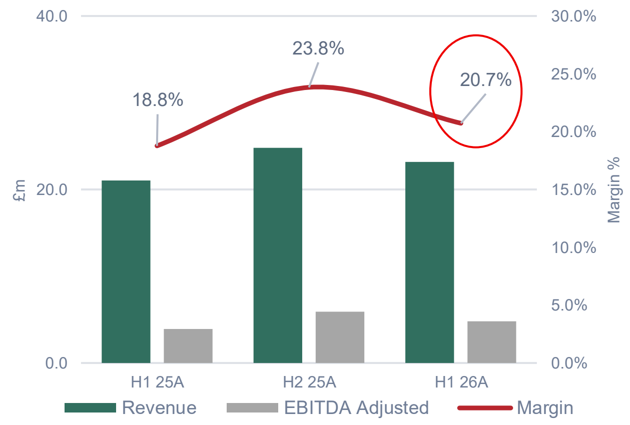
Below we illustrate H1 26A performance in the context of the recent annual trend, where we see FY24 (highlighted) marking a step change in scale and profitability.

H1 26 gross margin steady



Source: Company data.

H1 26 (adj.) EBITDA margin up

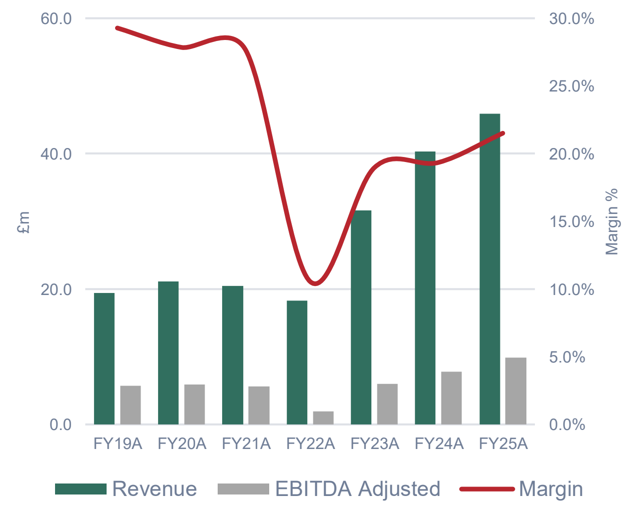


Source: Company data.

Earnings inflection point, FY24A

Source: Company data, Equity Development estimates.

(adj.) EBITDA surge from FY24A



Source: Company data, Equity Development estimates.

Outlook to FY28

The Group reports visibility on the '***long-term value***' of design wins, of which the majority are already finalised decisions, standing at £129m. This serves as a guide to the shift in momentum from FY24/25, with increased revenue providing the basis for our assumption that the Group has reached a (planned) 'inflection point' for the next phase of growth. This is evident in, for example:

- Establishment of the new Los Angeles office, a key showcase for US customer engagement.
- Expansion of Colchester design and manufacturing facilities – the existing currently nearing capacity - scheduled for completion in H2 26. The Group projects that the resulting **doubling of capacity** should underpin an increase in revenue potential to c.£80m. Following capex of c.£5.8m, annual costs for the expanded facility are projected to rise by c.£2.0m.
- The key input of rapid expansion of Systems operations, also with ancillary benefits for Boards sales.

Forecasts to FY28E

Yr to 31 Dec (£m)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**31.66**	**40.32**	**45.87**	**57.00**	**65.00**	**70.00**
YoY	*73.2%*	*27.4%*	*13.8%*	*24.3%*	*14.0%*	*7.7%*
Gross	15.64	19.98	24.46	28.79	33.15	35.70
Margin	*49.4%*	*49.5%*	*53.3%*	*50.5%*	*51.0%*	*51.0%*
COGS	(16.02)	(20.35)	(21.41)	(28.22)	(31.85)	(34.30)
Op-ex	(11.95)	(14.78)	(18.04)	(20.20)	(22.30)	(23.90)
EBIT Reported	3.69	5.19	6.63	8.59	10.85	11.80
EBIT Adjusted	**3.69**	**5.19**	**6.63**	**8.59**	**10.85**	**11.80**
Margin	*11.6%*	*12.9%*	*14.5%*	*15.1%*	*16.7%*	*16.9%*
YoY	*657.6%*	*40.9%*	*27.7%*	*29.5%*	*26.4%*	*8.8%*
Amortisation	(1.51)	(1.94)	(2.33)	(2.40)	(2.60)	(2.90)
Depreciation	(0.81)	(0.67)	(0.90)	(1.00)	(1.00)	(1.00)
EBITDA Reported	6.00	7.80	9.87	11.99	14.45	15.70
EBITDA Adjusted	**6.00**	**7.80**	**9.87**	**11.99**	**14.45**	**15.70**
Margin	*19.0%*	*19.4%*	*21.5%*	*21.0%*	*22.2%*	*22.4%*
YoY	*211.1%*	*30.0%*	*26.4%*	*21.5%*	*20.6%*	*8.7%*
Financial income	0.07	0.08	0.16	0.20	0.30	0.40
Financial expense	(0.09)	(0.09)	(0.13)	(0.25)	(0.20)	(0.20)
Other	(0.20)	0.00	(0.15)	(0.11)	0.00	0.00
PBT Reported	3.47	5.18	6.52	8.42	10.95	12.00
PBT Adjusted	**3.47**	**5.18**	**6.81**	**8.42**	**10.95**	**12.00**
Tax	(0.31)	(0.48)	(1.46)	(1.60)	(2.08)	(2.28)
Reported tax rate	*9.0%*	*9.2%*	*25.0%*	*19.0%*	*19.0%*	*19.0%*
PAT Adjusted	**3.16**	**4.70**	**5.35**	**6.82**	**8.87**	**9.72**
Basic wtd. av. shares (m)	77.83	85.68	86.39	86.39	86.39	86.39
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EPS Adjusted Basic (p)	4.06	5.49	6.19	7.90	10.27	11.25
EPS Adjusted Diluted (p)	**3.95**	**5.18**	**5.90**	**7.52**	**9.78**	**10.71**

Source: Company data, Equity Development estimates.

H2: material growth expected

Following a strong H1 26, we expect a marked uplift in H2 earnings:

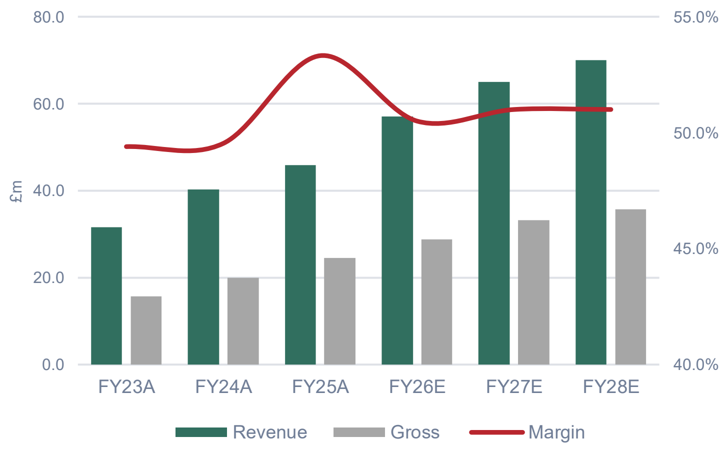
- H2 26E revenue £33.8m, +36%YoY, with revenue in the Products business unit of £28.2m (+46%YoY) and in Systems, £5.6m.

Consequently, we expect FY 26E revenue of £57m, +24%YoY, rising 14%YoY in FY27E to £65.0m and in FY28E +8%YoY to £70m.

Based on a stable gross margin of c.51% we expect operating (adj. EBIT) profitability of 15.1% in FY26E rising to 16.9% by FY28E.

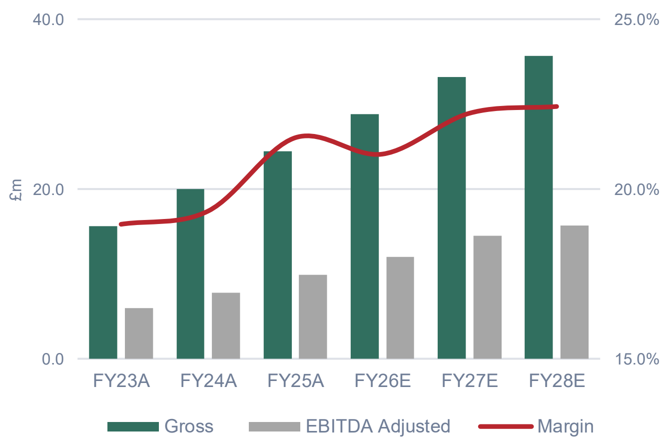
The Group notes that the impact of the sizeable June 2026 £17.0m contract win should be recognised over the four-year term of the order, with a "significant proportion" in FY26. In line with phasing in of the contract, it is expected that the initial contribution will carry a lower gross margin, rising subsequently. Consequently, our FY26E gross margin outlook (50.5%) is below FY25A (53.3%).

Revenue, Gross, FY23 - FY28E



Source: Company data, Equity Development estimates.

Gross, (adj.) EBITDA FY23 - FY28E



Source: Company data, Equity Development estimates.

Business unit performance and outlook

Products

H1 26 Products revenue grew 10.6%YoY to £19.8m. The Group highlighted improved visibility and momentum into Q2. The potential for further growth is underpinned by:

- The strength of order demand and long-term value in **design wins**, projected doubling of production capacity at Colchester and a strong pipeline of product new releases; five in FY25 and a further five released in H1 26.
- Implementation of Microsoft Dynamics 365 Business Central ERP, adding significant planning capabilities. The Group reports the positive impact of work on procurement management and inventory control, based on coordination between sales leads and sourcing, notably accumulation of stock for rapid delivery and reduced SKUs; customers have shown a preference for prompt delivery.

New product developments outlined in FY25 and into FY26:

- **Launch of *Kratos*** in March 2025, doubling the computing power back by early access to Intel's Xeon 6516P-B processor, a reminder of the Group's Prestige Partner status. **Launch of *Bragi***, using NVIDIA-enabled graphics for data-intensive, AI-enabled defence applications.
- Launch of ***Kratos (32 Core)***, a new range of rugged embedded computing products based on Intel's Core™ Ultra architecture (*Eir, Hermes II, Magni II* and *Caelus*).

Systems

Systems recorded H1 26A revenue of US$4.6m (£3.4m), +9%YoY and US$8.0m of orders. The operation closed the half in profit as the balance of lower-margin Design and higher-margin Production-related operations normalised, resulting in an improvement in gross profitability from 13.3% in H1 25 to reach 26.3%; turning a H1 25 loss of £0.5m into a £0.4m contribution to operating profit (adj. EBIT). The Systems business unit offers the potential for continued improvement in the scale of Group operations, based on:

- **Pricing**. Single unit prices at the c.US$100,000 level, c.20x that of board-based products.
- **Scale of demand**, where Concurrent reports strong interest, particularly via its LA showcase centre.
- **Competitive edge**, where expertise in board design and assembly feeds through to efficient and competitive systems construction.

In Appendix II we provide examples of the new generation of defence specialist manufacturers – Anduril Industries Inc., and Helsing SE – where we see the high-speed processing capabilities offered by Concurrent's systems as particularly applicable.

Forecasts for business units

Here we summarise our outlook by business unit. We expect that the current business unit designation will in due course devolve into segment-based reporting.

Business unit revenue outlook to FY28E

Yr to 31 Dec (£m)	FY24A	FY25A	FY26E	FY27E	FY28E
Products	37.8	37.2	48.0	54.0	57.0
Systems	2.5	8.6	9.0	11.0	13.0
Revenue	40.3	45.9	57.0	65.0	70.0

Source: Company data, Equity Development estimates.

Concurrent product and solutions

Concurrent Technologies' products and solutions fall broadly into two categories, **Systems and Boards**, based on Intel® CPU technology. The Group's '*Prestige*' Intel® allows access to Intel's pipeline of processor technology from early stages of development. The Group has expanded its product range from Single Board Computers (SBCs) to Plug in Cards (PICs), from 2023 adding systems-level capabilities. Illustrated below, examples include:

- Ruggedised VPX developed under the VITA-46 open-architecture standard for high-performance computer systems particularly suited for military applications. VPX boards enable the ultra-high speed data transfer rates in ethernet, RapidIO or InfiniBand which are critical for military applications. Systems are designed to perform in challenging environments including temperature extremes, whilst scalability allows for upgrade or modification extending product life.
- SBC and PICs, switches and networking modules, storage, carrier cards and expansion modules, e.g. TR MS8 plug-in storage card (15.2TB capacity), Magni and Hermes PICs based on Intel® Core™ 16-core processors and Fulla ethernet switch (with 48 channels of 10GbE).

Concurrent solutions: Systems and Boards

Source: Company data, FY25 Results presentation slide 20.

Importance of SOSA® membership for US market access

The Group is a member of the SOSA® (Sensor Open Systems Architecture) Consortium and Technical Standard, a US Department of Defense-sponsored group of member companies cooperating to align VPX standardisation and design protocols. Membership allows access to long-term US market programmes where cooperative participation accelerates product development, promotes interoperability and reduces product obsolescence.

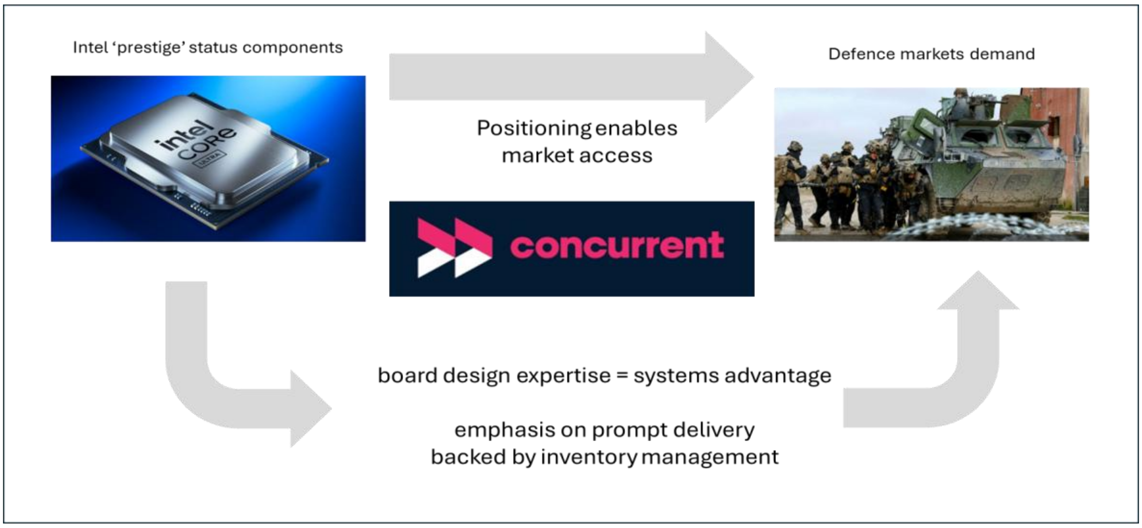
The Group recently added to its SOSA capability with the **appointment of Cody Cox** as Director of Embedded Technology; Cody specialised in the Modular Open Systems Approach (MOSA) and the integration of SOSA® aligned hardware for defence at the Georgia Tech Research Institute and in 2025 co-ordinated the 2025 *SOSA PlugFest*, Open Architecture event.

SOSA participation forms a key component in market share expansion plans and is aligned with overall progress in becoming part of 'framework' contract schedules with major customers.

Strategic focus and robust drivers

We note Concurrent's **positioning** in developing and delivering embedded processing boards and systems which enable Intel® and other component manufacturers to access major markets, notably in the defence sector. The **key differentiator remains being first to market**; backed by expertise in the "physics of board design" and manufacture - an essential element in the development of larger-scale systems – reflecting the quality and depth of experience of Group design personnel. The pace of growth is enhanced by development of strong customer relationships, leading to increased contract scale and repeat opportunities.

Concurrent key positioning and delivery parameters

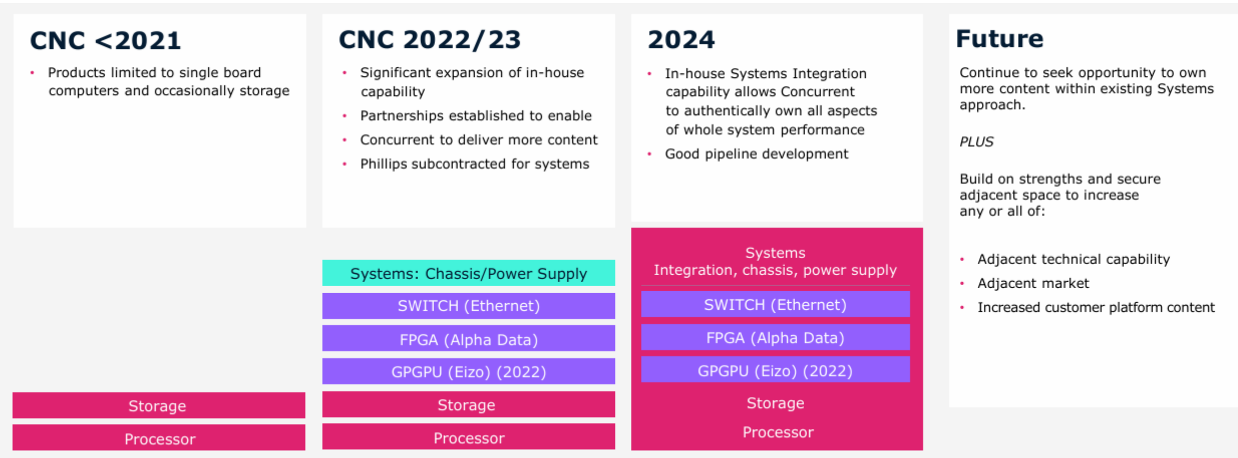


Source: Company FY26 results presentation data, Equity Development analysis.

M&A opportunities are under constant review

M&A remains a key component of growth strategy; the acquisition of Philips Aerospace in 2023 (now profitable) initiated development of Systems integration operations. Concurrent reports that it remains alert to further acquisition with an active pipeline of opportunities, in areas such as expanded systems content, or adjacent technologies on the existing platform.

M&A track record and focus



Source: Company data, FY24 Results presentation slide 19.

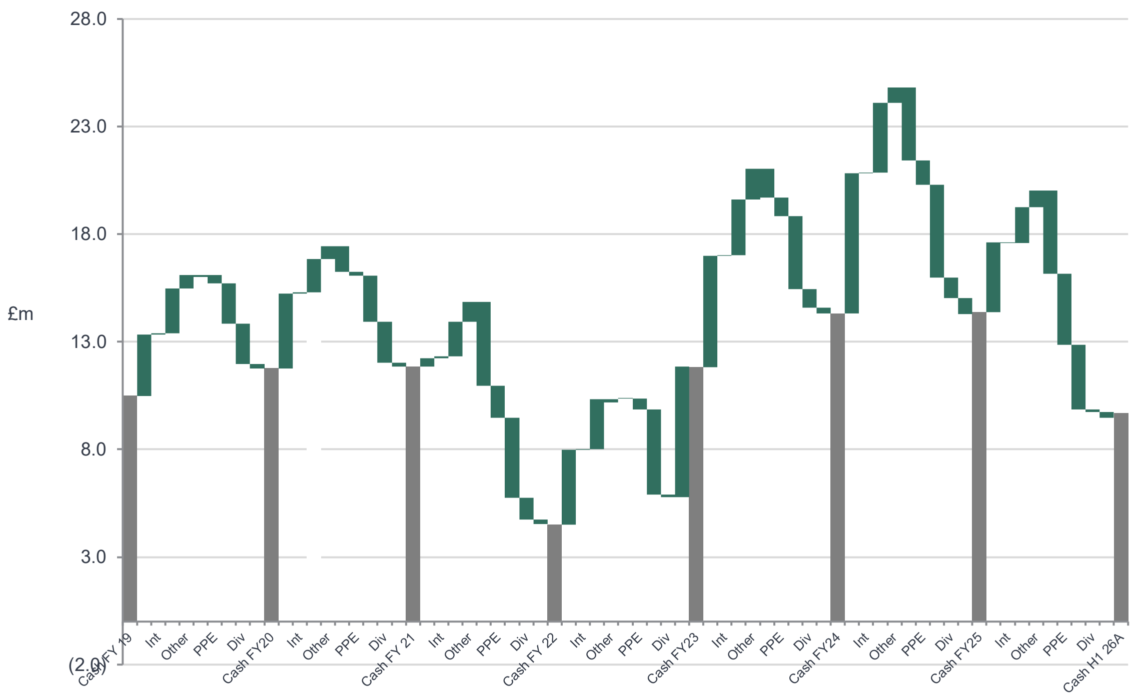
Cashflow: sound management continues

Concurrent closed H1 with £9.7m in cash, +24%YoY. The key features of H1 cashflow were:

- Operating cashflow of £5.6m compared to £4.5m a year earlier. Working capital absorbed £3.9m (H1 25: (£6.8m), with a notable £11.7m increase in receivables and £8.8m increase in payables. In this respect the Group noted the impact of a contract with a £6.7m receivable which was paid in H2 25, resulting in a matching H26 liability contingent on revenue to be recognised on delivery.
- Resulting cash from operations (net) was £1.8m compared to (£2.3m) a year earlier.
- Outflow totalled £6.2m (H1 25, £2.6m) principally due to expansion of capacity (i.e. doubling) at the Colchester facility resulting in H1 expenditure of c.£3.0m, with a further £2.5m earmarked for H2 26.

Further out, our medium-term cashflow projections (to FY27E) indicate that the Group is capable of cash generation sufficient to fund acquisition opportunities that might arise.

Cashflow FY19 – H1 26A



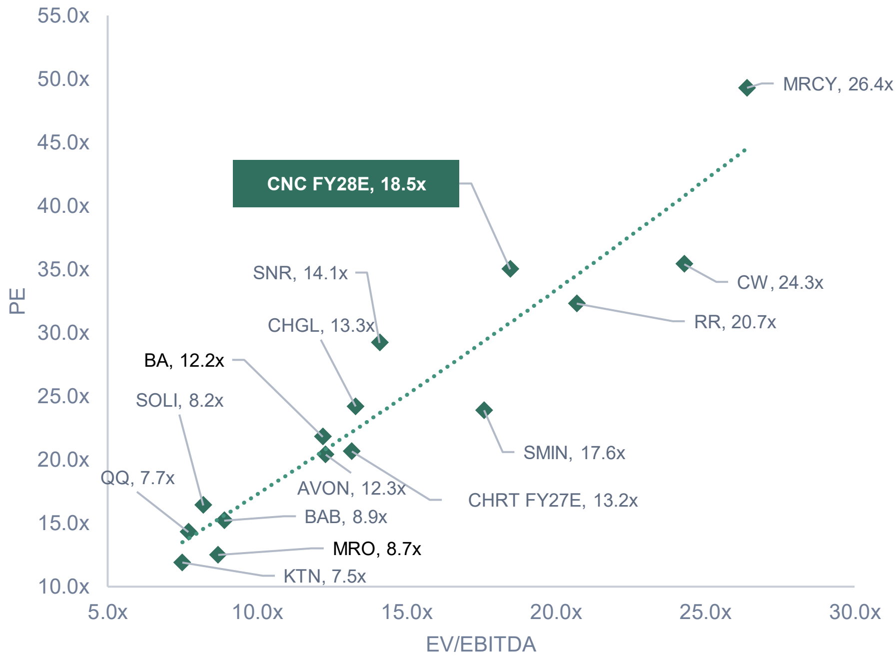
Source: Company data.

Valuation considerations

We show Concurrent's comparative positioning based on our FY26 outlook alongside a sample of peers in the UK defence and military equipment sector: Avon Protection, Babcock, BAE Systems, Chemring Group, Cohort plc, Melrose Industries, QinetiQ, Rolls Royce Holdings, Senior, Smiths Group, Solid State, and specialists Mercury Systems, Curtiss-Wright and Kontron.

- Concurrent trades on a FY26E PE of 35.6x. We note that FY26 PE is inflated by the reduction in EPS resulting from changes in the RDEC[1] scheme.
- This compares to a market cap weighted average for the peer group PE of 28.6x and EV/EBITDA of 17.9x (*source: Koyfin* 04.09.26). Amongst Concurrent competitors, the respective multiples are 32.2x and 19.4x.

Comparative valuation: defence industry peers



Source: Koyfin, Equity Development estimates. Data labels show EV/EBITDA multiple.

[1] Research & Development Expenditure Credit.

Implied Fair Value

As shown here, a read-across valuation based on peer group EV/EBITDA multiples indicates a Concurrent per share value of 328p.

Peer group-based Fair Value

FY28 E (adj.) EBITDA £m	15.7
Peer group mkt cap. wtd. av. EV/EBITDA	18.7x
Implied EV £m	293
H1 '26 net debt / (cash)	(9.7)
Implied equity	283
Shares (m)	86.4
Peer group implied per share (p)	**328**

Source: Equity Development estimates. Koyfin. Valuation based on combined market cap-weighted EV/EBITDA +1 year multiples of peers.

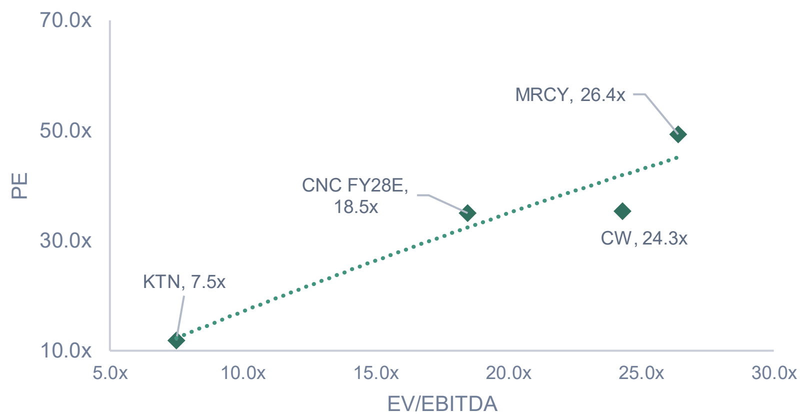
Direct competitors

We identify three quoted competitor peers to Concurrent:

- Curtiss-Wright Corp., CW.US, £15.5bn mkt. cap. (curtisswright.com).
- Mercury Systems Inc., MRCY.US, £3.7bn mkt. cap. (mrcy.com).
- Kontron AG, KTN.EU, £1.1bn mkt. cap. (kontron.com).

As illustrated below, the US peers trade on multiples (PE, EV/EBITDA) which are substantially above Concurrent's (*data: Koyfin*). The competitive landscape also includes Advantech, a Taiwanese DDR5 DRAM manufacturer (Advantech.com), ADLINK Technology (adlinktech.com), also Taiwan-based, and Abaco Systems in the US (abaco.com), part of the AMETEK Inc. group (revenue c.US$333m). Concurrent highlights Elma Electronic (elma.com) founded in 1960 in Switzerland, as a relevant competitive peer, with offices in the US, Europe, India and China.

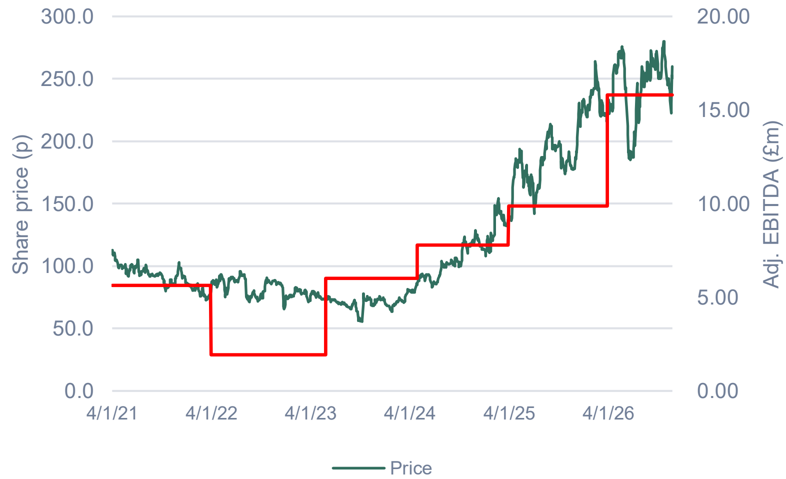
Comparative valuation, competitors



Source: Koyfin, Equity Development estimates. Data shows EV/EBITDA multiple.

The schematic below illustrates Concurrent Technologies share price (5 year to date) matched against the (adj.) EBITDA with the FY26E Equity Development outlook.

Concurrent Technologies 5-year share price and (adj.) EBITDA, FY26 est.



Source: Investing.com, Equity Development estimates.

FINANCIALS

P&L

Yr to 31 Dec (£m)	H1 25A	H2 25A	H1 26A	H2 26E	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**21.06**	**24.81**	**23.16**	**33.84**	**31.66**	**40.32**	**45.87**	**57.00**	**65.00**	**70.00**
Gross	**10.69**	**13.77**	**11.76**	**17.03**	**15.64**	**19.98**	24.46	28.79	33.15	35.70
Margin	*50.8%*	*55.5%*	*50.8%*	*50.3%*	*49.4%*	*49.5%*	*53.3%*	*50.5%*	*51.0%*	*51.0%*
COGS	(10.36)	(11.05)	(11.40)	(16.82)	(16.02)	(20.35)	(21.41)	(28.22)	(31.85)	(34.30)
Op-ex	(8.02)	(10.02)	(8.43)	(11.77)	(11.95)	(14.78)	(18.04)	(20.20)	(22.30)	(23.90)
EBIT Reported	2.67	3.96	3.33	5.26	3.69	5.19	6.63	8.59	10.85	11.80
EBIT Adjusted	**2.67**	**3.96**	**3.33**	**5.26**	**3.69**	**5.19**	**6.63**	**8.59**	**10.85**	**11.80**
Margin	*12.7%*	*16.0%*	*14.4%*	*15.5%*	*11.6%*	*12.9%*	*14.5%*	*15.1%*	*16.7%*	*16.9%*
Amortisation	(1.02)	(1.31)	(1.20)	(1.20)	(1.51)	(1.94)	(2.33)	(2.40)	(2.60)	(2.90)
Depreciation	(0.26)	(0.64)	(0.47)	(0.53)	(0.81)	(0.67)	(0.90)	(1.00)	(1.00)	(1.00)
EBITDA Reported	3.95	5.91	4.80	6.98	6.00	7.80	9.87	11.99	14.45	15.70
EBITDA Adjusted	**3.95**	**5.91**	**4.80**	**6.98**	**6.00**	**7.80**	**9.87**	**11.99**	**14.45**	**15.70**
Margin	*18.8%*	*23.8%*	*20.7%*	*20.6%*	*19.0%*	*19.4%*	*21.5%*	*21.0%*	*22.2%*	*22.4%*
Financial income	0.06	0.09	0.11	0.09	0.07	0.08	0.16	0.20	0.30	0.40
Financial expense	(0.02)	(0.10)	(0.08)	(0.17)	(0.09)	(0.09)	(0.13)	(0.25)	(0.20)	(0.20)
Other	0.00	(0.15)	(0.11)	0.00	(0.20)	0.00	(0.15)	(0.11)	0.00	0.00
PBT Reported	2.71	3.80	3.24	5.18	3.47	5.18	6.52	8.42	10.95	12.00
PBT Adjusted	2.71	4.09	3.24	5.18	3.47	5.18	6.81	8.42	10.95	12.00
Tax	(0.31)	(1.15)	(0.69)	(0.91)	(0.31)	(0.48)	(1.46)	(1.60)	(2.08)	(2.28)
Reported tax rate	*11.5%*	*30.1%*	*21.4%*	*17.5%*	*9.0%*	*9.2%*	*25.0%*	*19.0%*	*19.0%*	*19.0%*
Forex	(0.12)	0.18	0.26	(0.26)	(0.10)	(0.05)	0.06	0.00	0.00	0.00
PAT Reported	2.40	2.66	2.55	4.27	3.16	4.70	5.06	6.82	8.87	9.72
PAT Adjusted	**2.40**	**2.95**	**2.55**	**4.27**	**3.16**	**4.70**	**5.35**	**6.82**	**8.87**	**9.72**
Basic wtd. av. shares (m)	86.43	86.39	86.99	86.39	77.83	85.68	86.39	86.39	86.39	86.39
Diluted wtd. av. shares (m)	90.88	90.72	91.32	90.72	79.90	90.78	90.72	90.72	90.72	90.72
EPS Reported Basic (p)	2.78	3.08	2.93	4.95	4.06	5.49	5.86	7.90	10.27	11.25
EPS Reported Diluted (p)	2.64	2.93	2.79	4.71	3.95	5.18	5.58	7.52	9.78	10.71
EPS Adjusted Basic (p)	2.78	3.41	2.93	4.94	4.06	5.49	6.19	7.90	10.27	11.25
EPS Adjusted Diluted (p)	**2.64**	**3.25**	**2.79**	**4.71**	**3.95**	**5.18**	**5.90**	**7.52**	**9.78**	**10.71**

Source: Company data, Equity Development estimates.

Cashflow

Yr to 31 Dec (£m)	H1 25A	H2 25A	H1 26A	H2 26E	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
PBT	2.71	3.80	3.24	5.18	3.47	5.18	6.52	8.42	10.95	12.00
Finance net	(0.04)	0.01	(0.03)	0.08	0.02	0.01	(0.03)	0.05	(0.10)	(0.20)
Amortisation	1.02	1.31	1.20	1.20	1.51	1.94	2.33	2.40	2.60	2.90
Depreciation	0.26	0.64	0.47	0.53	0.81	0.67	0.90	1.00	1.00	1.00
Impairment	0.00	0.23	0.00	0.00	0.03	0.00	0.23	0.00	0.00	0.00
Share-based payment	0.33	0.62	0.53	0.47	0.43	0.74	0.95	1.00	1.00	0.50
Forex, other	0.17	0.24	0.23	(0.23)	(0.15)	0.03	0.40	0.00	0.00	0.00
Operating Cash Flow	**4.45**	**6.85**	**5.64**	**7.23**	**6.12**	**8.58**	**11.30**	**12.87**	**15.45**	**16.20**
Working capital										
(Increase)/Decrease inventories	(2.06)	1.26	(0.94)	(1.44)	(1.87)	1.08	(0.79)	(2.39)	(1.62)	(0.82)
(Increase)/Decrease in receivables	(2.60)	(1.41)	(11.71)	9.77	(1.03)	(1.66)	(4.01)	(1.94)	(1.62)	(0.82)
Increase/(Decrease) in payables	(2.12)	3.54	8.79	(5.18)	2.85	(0.75)	1.43	3.61	1.97	1.23
Movement in working capital	**(6.77)**	**3.40**	**(3.86)**	**3.14**	**(0.04)**	**(1.33)**	**(3.38)**	**(0.72)**	**(1.26)**	**(0.41)**
Cash generated by operations	**(2.32)**	**10.24**	**1.78**	**10.37**	**6.08**	**7.25**	**7.92**	**12.16**	**14.19**	**15.79**
Tax (paid)/received	0.14	(1.00)	0.00	(1.46)	(0.44)	0.64	(0.86)	(1.46)	(1.60)	(2.08)
Net cash from operations	(2.19)	9.24	1.78	8.91	5.63	7.89	7.05	10.70	12.59	13.71
Investing activities										
Interest received	0.06	0.09	0.11	0.09	0.07	0.08	0.16	0.20	0.30	0.40
Acquisition	0.00	0.00	0.00	0.00	(0.69)	0.00	0.00	0.00	0.00	0.00
Capitalised R&D	(2.40)	(1.93)	(3.02)	(1.48)	(3.98)	(3.38)	(4.34)	(4.50)	(5.20)	(5.60)
PPE	(0.21)	(0.91)	(3.29)	(2.51)	(0.50)	(0.88)	(1.12)	(5.80)	(1.00)	(1.00)
Net cash used in investing	**(2.55)**	**(2.75)**	**(6.20)**	**(3.90)**	**(5.09)**	**(4.18)**	**(5.29)**	**(10.10)**	**(5.90)**	**(6.20)**
Net OpFCF	(4.74)	6.50	(4.42)	5.01	0.54	3.71	1.76	0.60	6.69	7.51
Financing activities										
Dividends	(0.95)	0.00	0.00	0.00	0.00	(0.86)	(0.95)	0.00	0.00	0.00
Interest paid	(0.02)	(0.10)	(0.08)	(0.17)	(0.09)	(0.09)	(0.13)	(0.25)	(0.20)	(0.20)
Sale/issue shares	0.01	0.51	0.00	0.00	6.36	0.06	0.52	0.00	0.00	0.00
Lease payments	(0.16)	(0.21)	(0.19)	(0.21)	(0.22)	(0.23)	(0.36)	(0.40)	(0.40)	(0.40)
Net cash from financing	(1.12)	0.20	(0.27)	(0.38)	6.05	(1.12)	(0.92)	(0.65)	(0.60)	(0.60)
Forex	(0.02)	(0.15)	(0.00)	0.00	0.01	0.00	(0.17)	0.00	0.00	0.00
Net increase in cash / equivalents	**(5.88)**	**6.55**	**(4.69)**	**4.64**	**6.61**	**2.59**	**0.67**	**(0.05)**	**6.09**	**6.91**
Cash at beginning of year	13.71	7.83	14.37	9.68	4.51	11.12	13.71	14.37	14.32	20.41
Cash at year end	**7.83**	**14.37**	**9.68**	**14.32**	**11.12**	**13.71**	**14.37**	**14.32**	**20.41**	**27.32**

Source: Company data, Equity Development estimates.

Balance Sheet

Yr to 31 Dec (£m)	H1 25A	H2 25A	H1 26A	H2 26E	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Fixed Assets										
Intangible assets	16.52	16.98	18.83	19.08	13.91	15.39	16.98	19.08	21.68	24.38
PPE net	2.61	4.67	7.49	9.47	2.47	2.69	4.67	9.47	9.47	9.47
Deferred tax, other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sum Fixed Assets	**19.14**	**21.65**	**26.33**	**28.55**	**16.38**	**18.08**	**21.65**	**28.55**	**31.15**	**33.85**
Current Assets										
Inventories	12.93	11.67	12.61	14.05	11.96	10.88	11.67	14.05	15.67	16.49
Trade receivables	10.70	12.11	23.82	14.05	6.44	8.10	12.11	14.05	15.67	16.49
Cash, Equivalents	7.83	14.37	9.68	14.32	11.12	13.71	14.37	14.32	20.41	27.32
Tax	0.00	0.00	0.00	0.00	0.78	0.01	0.00	0.00	0.00	0.00
Sum Current Assets	**31.46**	**38.16**	**46.11**	**42.43**	**30.30**	**32.70**	**38.16**	**42.43**	**51.75**	**60.31**
Total Assets	**50.60**	**59.81**	**72.44**	**70.98**	**46.68**	**50.78**	**59.81**	**70.98**	**82.90**	**94.15**
Current Liabilities										
Trade payables	(6.83)	(10.45)	(17.73)	(14.05)	(9.67)	(8.94)	(10.45)	(14.05)	(16.03)	(17.26)
Provisions	(0.02)	(0.04)	(0.02)	(0.04)	(0.02)	(0.02)	(0.04)	(0.04)	(0.04)	(0.04)
Tax, Other	0.00	0.00	(0.57)	0.00	0.00	0.00	(0.00)	0.00	0.00	0.00
Sum Current Liabilities	**(6.85)**	**(10.48)**	**(18.32)**	**(14.09)**	**(9.68)**	**(8.96)**	**(10.48)**	**(14.09)**	**(16.06)**	**(17.30)**
Total Assets less Current Liabilities	**43.75**	**49.32**	**54.12**	**56.89**	**37.00**	**41.82**	**49.32**	**56.89**	**66.84**	**76.86**
Long-term Liabilities										
Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1.00	2.00
Payables	(0.28)	(1.73)	(3.16)	(2.14)	(0.70)	(0.45)	(1.73)	(2.14)	(2.45)	(2.63)
Tax	(2.56)	(2.47)	(2.47)	(3.19)	(1.66)	(2.12)	(2.47)	(3.19)	(4.15)	(4.55)
Provisions	(0.33)	(0.36)	(0.38)	(0.36)	(0.32)	(0.33)	(0.36)	(0.36)	(0.36)	(0.36)
Sum Long-term liabilities	**(3.16)**	**(4.55)**	**(6.01)**	**(5.69)**	**(2.67)**	**(2.90)**	**(4.55)**	**(5.69)**	**(5.95)**	**(5.53)**
Total liabilities	**(10.01)**	**(15.04)**	**(24.33)**	**(19.78)**	**(12.36)**	**(11.86)**	**(15.04)**	**(19.78)**	**(22.01)**	**(22.83)**
Net Assets	40.59	44.77	48.11	51.20	34.32	38.93	44.77	51.20	60.89	71.32
Capital & Reserves										
Share Capital	0.86	0.87	0.87	0.87	0.86	0.86	0.87	0.87	0.87	0.87
Share Premium	9.95	10.45	10.45	10.06	9.95	9.95	10.45	10.06	10.88	11.60
Capital Reserve	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26	0.26
Translation / merger reserve	0.98	1.16	1.42	1.16	1.15	1.10	1.16	1.16	1.16	1.16
Retained earnings	28.54	32.03	35.11	38.85	22.10	26.76	32.03	38.85	47.72	57.44
Equity	40.59	44.77	48.11	51.20	34.32	38.93	44.77	51.20	60.89	71.32
Net debt / (cash)	**(7.83)**	**(14.37)**	**(9.68)**	**(14.32)**	**(11.12)**	**(13.71)**	**(14.37)**	**(14.32)**	**(19.41)**	**(25.32)**

Source: Company data, Equity Development estimates.

Appendix I: DRAM price trend

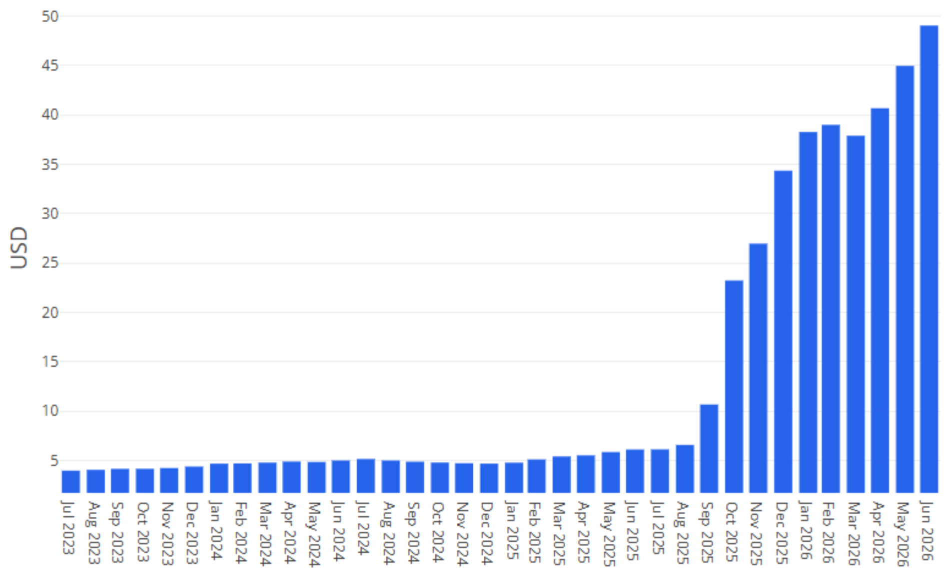
As shown below, the price of a key component in the assembly of on-board computers and systems, Dynamic Random Access Memory (DRAM)[1] has risen sharply since the autumn of 2025. The average price of a DDR5 (double data rate, fifth generation DRAM) stands at US$49.0 (*source DRAMeXchange, TrendForce, June 2026*), which is 8.0x June 2025 levels. This reflects the impact of US trade tariff policy, a shift in production by Samsung, Micron and SK Hynix towards DDR5 from the prior DDR4 generation, some stockpiling by Chinese users and, additionally, projected AI-driven data centre demand.

As the transition from DDR4 to DDR5 proceeds, overall average DRAM prices are expected to remain high into 2027 (*source: DRAMeXchange*).

However, for Concurrent this is not a defining factor

Concurrent reports having secured ample DRAM stock (plus a margin of 10%) at retrospective locked-in prices, agreed with most customers. Within the overall product mix and pricing structure, DRAM pricing is not seen as a defining factor.

DRAM pricing index June 2023 – June 2026



Source: *Mainstream DRAM Spot Price | DataTrack*

[1] The DRAM (dynamic random-access memory) remains the key 'information feed' (temporary memory store) for CPU functionality. As central processors have increased in speed and capacity, the early (1980s) 256k DRAM products pioneered in Japan, have evolved currently into 4Gb, 8Gb, 16Gb and 32Gb territory, a 500,000x increase in capacity.

Appendix II: Next generation defence industries

Concurrent's latest products, such as *Bragi*, using NVIDIA-enabled graphics for data-intensive, AI-enabled defence applications, are particularly suited to the new generation of defence specialists which have joined the major established defence systems providers: BAE Systems, QinetiQ, or Rolls-Royce. New entrants also collaborate with established defence specialists, offering further market access. New names include:

- Anduril Industries Inc. (US): with emphasis on software-based autonomous systems, AI command platforms, and battlefield networks. Anduril's *Lattice OS* competes with Defence Holdings' aggregation and planning platforms.
- Helsing SE (Germany): developing real-time AI-based combat data fusion systems across NATO.
- Palantir Technologies: providing advanced data analytics platforms.
- Marques Aviation: a specialist in UAV platforms and VTOL capabilities for tactical Intelligence, surveillance and reconnaissance.
- Roke Manor Research: providing electronic warfare and communications intelligence.
- CRFS: developing RF spectrum monitoring equipment for electronic warfare applications.

As illustrated below, the systems on which entrants such as Anduril and Helsing focus are a natural source of demand for the type of ultra high-speed data processing hardware in which Concurrent specialises.

Anduril Industries

California-based Anduril Industries Inc., (www.anduril.com) has developed a series of autonomous, unmanned defence systems built around its **interconnected communications network, *Lattice***. As Anduril describes it: "*Lattice cuts through the noise and creates a shared real-time understanding of the battlespace. It autonomously parses data from thousands of sensors & data sources into an intelligent common operating picture in a single pane of glass. Lattice uses technologies like sensor fusion, computer vision, edge computing, and machine learning and artificial intelligence to detect, track, and classify every object of interest in an operator's vicinity.*"

Lattice is used to operate and coordinate a range of airborne, terrestrial and marine systems such as Roadrunner (illustrated below), which is a Twin-Turbojet VTOL (vertical take-off and landing) Autonomous Air Vehicle (AAV) suitable for reconnaissance, interception or attack roles.

Anduril airborne systems: Roadrunner

Source: www.anduril.com.

Anduril already has a series of collaborations with major defence contractors:

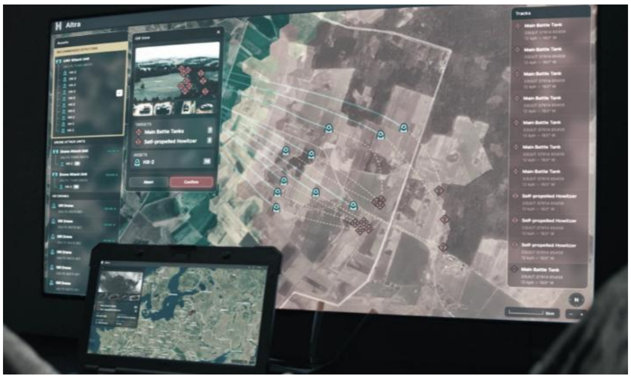
- **Saab Inc**.: to design, develop, qualify, and produce Solid Rocket Motors (SRM) in support of the Ground-Launched Small Diameter Bomb (GLSDB) system being developed in partnership with Boeing.
- **Rheinmetall**: to co-develop and deliver a software-defined autonomous air systems and advanced propulsion capabilities, including integration of Anduril´s *Barracuda* and *Fury*, autonomous air vehicles (AAVs), into Rheinmetall´s digital sovereignty framework, *Battlesuite*.
- **Meta**: to design, build, and field a range of integrated XR products for enhanced perception and enable control of autonomous battlefield platforms.

Helsing SE

Munich-based Helsing develops AI-driven observation, coordination and communication platforms. Helsing systems include:

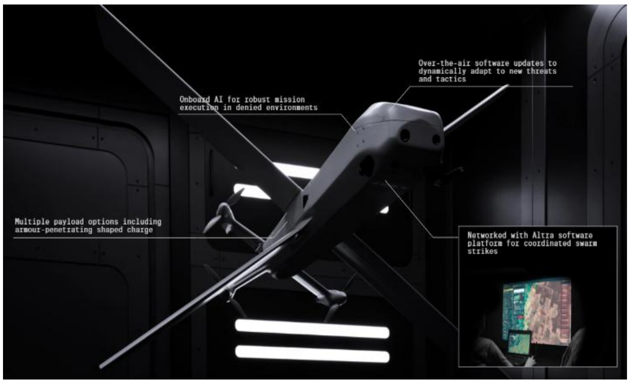
- **Helsing Altra** (illustrated), a "*recce-strike software platform" combines on-edge AI with networking and ground station software, bringing live data streams from ISR drones, spotters and other sources into a single operational picture, to enable appropriate measures*".
- **Helsing HX-2** (illustrated), a mass-producible, software-controlled drone, capable of engaging military targets at a range of c.100km. Helsing has supplied 6,000 HX-2 and 4,000 HF-1 strike drones to Ukraine.
- **Helsing Cirra,** addressing the problem of 'shapeshifting' anti-aircraft radars, with rapid analysis to enable real time classification and decoding of unknown anti-aircraft emitters: "*Instead of pattern matching against known radar signatures, Cirra learns their language. As a result, Cirra drastically increases the combat readiness and survivability of fighter jets in a hot conflict*".
- **HX-2**, an X-wing precision munition with up to 100 km range uses on-board AI to counter electronic defence systems and may be assembled as a 'swarm' centrally controlled via Altra recce-strike software and a single operator.

Helsing Altra platform



Source: helsing.com.

Helsing HX-2

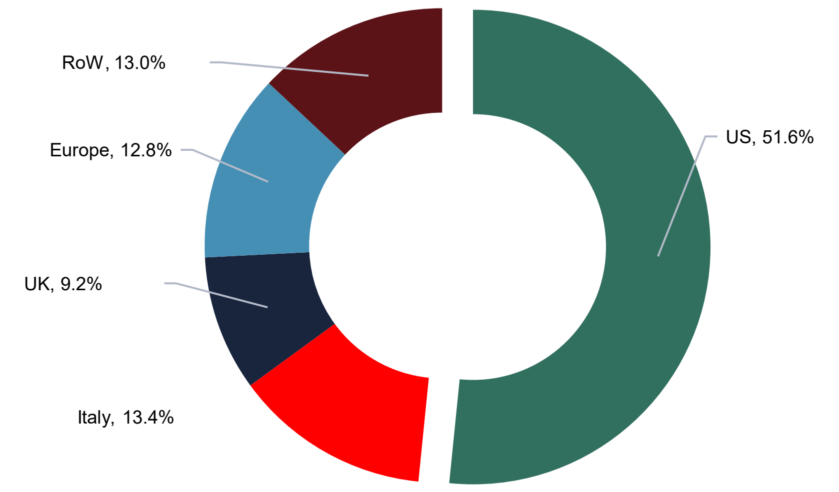


Source: helsing.com.

Appendix III: revenue distribution

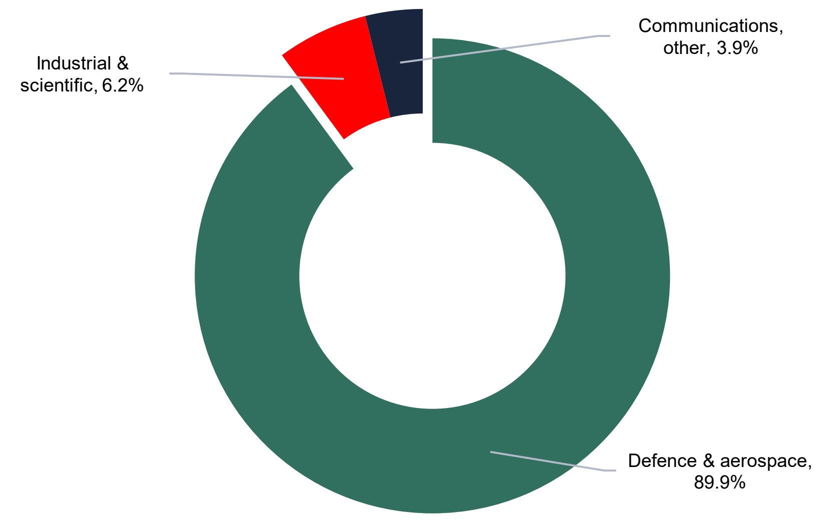
The Group operates globally and focuses primarily on defence and aerospace markets, as shown below.

Revenue by Geography, FY25A



Source: Company data. FY25 results.

Revenue by market, FY25A



Source: Company data. FY25 results.

The Group addresses major customers, the top ten accounting for 51% of total revenue, with two at 6% each and one customer accounting for 13% (c.£6.0m) of FY25 total revenue. We note that the nature of defence-related contracts - sizeable with lengthy lead-times - means that customer concentration should be expected to vary.

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