Concurrent Technologies PLC

Acquisition accelerates US growth

23 November 2026

Concurrent has acquired VersaLogic Corp., an Oregon-based maker of small form factor (SFF) embedded computers, for an enterprise value of US$25m (c.£18.8m), the Group's second North American acquisition after Phillips Aerospace in 2023. The acquisition is backed by a fund raise of £35m (gross), through a fully underwritten placing and director subscription at 250p, plus a retail offer of up to £2.5m.

VersaLogic's major customers include Lockheed Martin, Leonardo DRS and Schneider Electric. FY25 revenue was US$16.2m (£12.3m) (FY24: US$17.1m, £13.0m), with 89% in medical and defence verticals, with a 53% gross margin (Concurrent FY25: 53.3%) generating EBIT of $2.0m (£1.5m) (12.3% margin). Concurrent is confident that in FY26 VersaLogic will deliver revenue of US$15m – US$16m, a 54%-56% gross margin and a 10.5%-12.5% EBITDA margin (indicative of revenue of £11.4-£12.2m, and EBITDA of £1.2-£1.5m ED estimate).

We estimate the price equates to c.14x 2026E EBITDA at the guidance midpoint. CFIUS[1] clearance for the deal has been obtained and management expects the acquisition to be earnings accretive and fundraise earnings neutral in FY27.

Strong strategic fit and entry into small form factor products

The acquisition provides Concurrent with an entry into compact unit-sized mobile, portable and unmanned platforms, complements its Intel-based SBCs and small rugged systems, and in addition to exposure to Defence, Aerospace and Medical segments, adds Energy, Industrial Automation and Transportation customers. Being US-based aids US market access and CUI[2] data requirements, whilst VersaLogic should gain chipset access through Concurrent's Intel® *Prestige Partner* status.

Proceeds fund acquisition, further growth and working capital provision

Net proceeds comprise c.£20.8m for the acquisition and costs, with c.£8.8m allocated to develop VersaLogic's manufacturing capabilities, add personnel and fund R&D, and c.£5.4m available for supply chain working capital.

Trading update: FY26 outlook in line. Our forecasts and Fair Value raised

The Group reports a record order book of £83.5m as of 30 October (FY25: £47.0m) with a strong pipeline of opportunities. The Board expects FY26 results in line with market expectations[3]. Our FY27 revenue and (adj.) EBIT outlook is raised by c.20% resulting in a **Fair Value of 392p/share**.

Key financials & valuation metrics

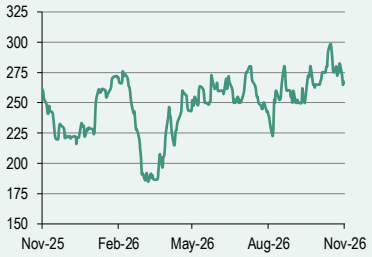
Yr to 31 Dec (£m)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	31.7	40.3	45.9	58.3	78.0	85.6
EBITDA (adj)	6.0	7.8	9.9	12.9	17.7	20.6
Pre-Tax Profit (adj)	3.5	5.2	6.8	8.5	12.8	15.2
EPS (adj, p)	4.0	5.2	5.9	7.5	9.8	11.6
Net cash / (debt)	11.1	13.7	14.4	32.1	34.0	42.0
P/E	*67.0x*	*51.2x*	*44.9x*	*35.6x*	*27.0x*	*22.9x*
EV/EBITDA	*40.6x*	*31.3x*	*24.7x*	*18.9x*	*13.8x*	*11.9x*

Source: Company data. Equity Development estimates. [1] Committee on Foreign Investment in the United States. [2] Controlled Unclassified Information. [3] Consensus revenue of c.£56.6m and PBT of c.£8.4m. [4] EV is calculated as H1 26 net cash, plus net funds raised, minus acquisition.

Company data

EPIC	CNC.L
Price (last close)	265p
52 weeks Hi/Lo	304p/174p
Market cap	£270m
ED Fair Value / share	392p
Net cash / (debt)	£27.4m
Avg. daily volume (3m)	101,003

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 in 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, Los Angeles and Oregon.

Next event

FY26 Results - April 2027

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Please refer to the important disclosures shown on the back page and note that this information is **Non-independent** and categorised as **Marketing Material**

Revised outlook

Below summarises our estimate of the (positive) impact of the acquisition on our outlook for FY26 – FY28E.

- FY27E EPS neutral to the dilutive impact of 15.0m new shares issue.
- FY27E: +20% uplift to our prior revenue outlook, +22% uplift to gross contribution. At (adj.) EBIT level, +18% uplift.
- FY28E: +22% uplift to our prior revenue outlook, +26% uplift to gross contribution. At (adj.) EBIT level, +27% uplift.

FY26 – FY28E revised outlook

£m	FY26E	FY26E			FY27E	FY27E			FY28E	FY28E		
	Prior	*New*	*Change*	*YoY*	*Prior*	*New*	*Change*	*YoY*	*Prior*	*New*	*Change*	*YoY*
Products prior	48.0	49.3	*3%*	*32%*	54.0	65.7	*22%*	*33%*	57.0	69.5	*22%*	*6%*
Systems prior	9.0	9.0	*0%*	*4%*	11.0	12.3	*12%*	*37%*	13.0	16.1	*24%*	*31%*
Revenue	57.0	58.3	*2%*	*27%*	65.0	78.0	*20%*	*34%*	70.0	85.6	*22%*	*10%*
Gross	28.8	29.4	*2%*	*20%*	33.2	40.5	*22%*	*38%*	35.7	44.9	*26%*	*11%*
Gross margin	*50.5%*	*50.5%*			*51.0%*	*52.0%*			*51.0%*	*52.5%*		
EBIT Adjusted	8.6	8.7	*1%*	*31%*	10.9	12.7	*18%*	*47%*	11.8	15.0	*27%*	*17%*
Margin	*15.1%*	*14.9%*			*16.7%*	*16.3%*			*16.9%*	*17.5%*		
EBITDA Adjusted	12.0	12.9	*7%*	*31%*	14.45	17.72	*23%*	*38%*	15.70	20.57	*31%*	*16%*
Margin	*21.0%*	*22.1%*			*22.2%*	*22.7%*			*22.4%*	*24.0%*		
PBT Adjusted	8.4	8.5	*1%*	*25%*	10.95	12.85	*17%*	*51%*	12.00	15.18	*26%*	*18%*
PAT Adjusted	6.8	6.9	*1%*	*29%*	8.87	10.44	*18%*	*51%*	9.72	12.33	*27%*	*18%*
EPS Adjusted Diluted (p)	7.5	7.5	*-1%*	*26%*	9.8	9.8	*0%*	*32%*	10.7	11.6	*8%*	*18%*

Source: Company data. Equity Development estimates.

Acquisition of VersaLogic - strategic rationale multiplier

As summarised below, the acquisition of VersaLogic unlocks mutually-beneficial advantages, creating growth opportunities for the Group as a whole.

Acquisition advantages for Concurrent

- Provides access to SFF – small form factor – technology, an additional capability for the Systems division.
- Offers SFF product options which are in demand from its existing client base.
- Allows access to US markets as a US-domiciled manufacturer, bypassing tariff impacts and supported by Controlled Unclassified Information accreditation.
- Allows access to a wider US client base, notwithstanding some overlap between VersaLogic's client base and Concurrent's.

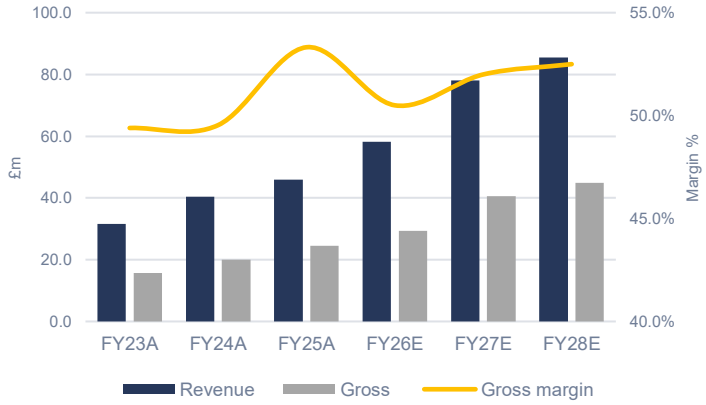
Source: Company data. Equity Development analysis.

Acquisition advantages for VersaLogic's operations

- Speeds product development, by an estimated 18 months to two years, via access to Concurrent's Intel® *Prestige Partner* status. VersaLogic has one Defence design win of more than US$6m over its life, commencing Q3 27E.
- Enables in-house manufacturing. Concurrent will allocate funds to develop production lines using the experience and expertise employed at the Colchester UK facility, augmented with equipment and personnel hires.
- Creates the opportunity to benefit from Concurrent's contract bidding and marketing systems.

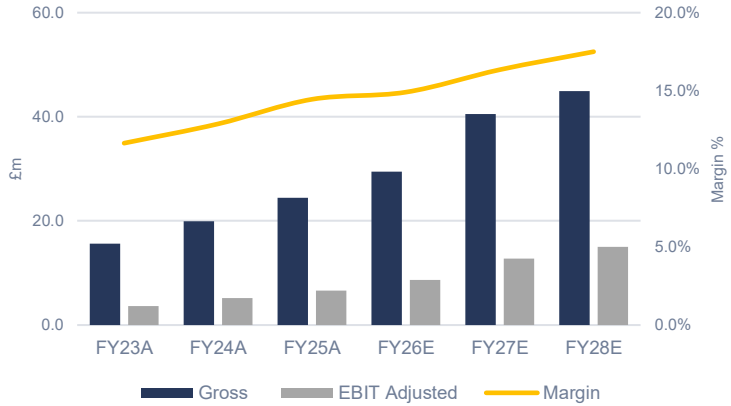
Source: Company data. Equity Development analysis.

Concurrent revised Revenue and gross outlook



Source: Company data. Equity Development estimates

Concurrent revised Gross and (adj.) EBIT outlook



Source: Company data. Equity Development estimates



VersaLogic

VersaLogic Corp. (www.versalogic.com) was founded in 1976 in Eugene, Oregon, by current owners Len Crane and Gary Harris. The company:

- Specialises in the design, sales and support of small form factor (SFF) ruggedised embedded computers; manufacturing is outsourced. Most of the c.100 product range use Intel processors but prior to acquisition the company did not have Intel® *Prestige Partner* status.
- Employs 54 persons in a 34,000 sq. ft. facility.
- Addresses four market verticals of which two dominate: Medical, Defence and Aerospace (together c.90% of total), Security and Surveillance, and Energy, Industrial Automation and Transportation.
- As shown below, revenue has remained relatively stable backed by repeat orders; variation has resulted from selling down old product stock held for long-term customers (c.US$4.8m in 2024 and US$2.3m in 2025).
- The FY25 Gross margin was 53%; the gross margin indicated for the first nine months of 2026 is 55%.
- Product development costs are expensed during the year (US$1.4m in FY25). This is a policy Concurrent plans to review in line with its practice of capitalising R&D.

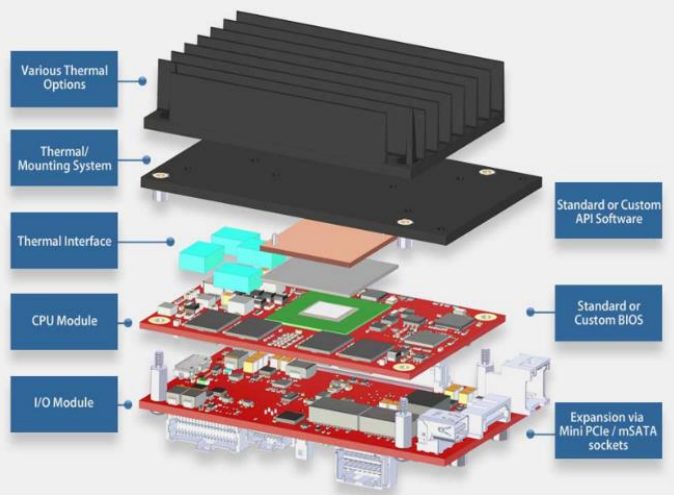
VersaLogic financial summary

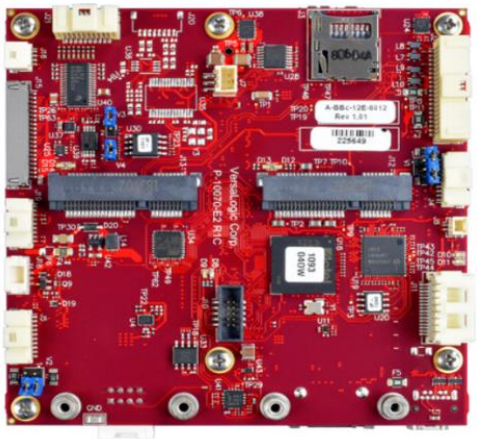
Yr to 31 Dec US$m	FY23	FY24	FY25	FY26E	FY26E	
Revenue	14.3	17.1	16.2	*15.0*	*16.0*	*range*
Gross	7.0	9.1	8.6	8.3		
Margin	*49.0%*	*53.0%*	*53.0%*	*55.0%*		
EBIT	1.6	3.0	2.0			
Margin	*11.2%*	*17.5%*	*12.3%*			
Cash	1.1	1.3	3.2			

Source: Company data.

Below illustrates (left) a VersaLogic embedded processing unit (EPU) design and (right) its *Harrier EPU, a 'near-credit-card sized embedded computer featuring Intel's Apollo Lake Atom processor'*.

VersaLogic product examples





Source: VersaLogic.

Revised DCF and comparative valuation

As the acquisition places focus on Concurrent's own strategy and prospects, we employ a DCF valuation to test the potential contribution to value. **The resulting Fair Value per share indicated is 392p.**

Below, illustrates Concurrent's comparative valuation positioning versus a range of defence industry peers - Avon Technologies, Babcock, BAE Systems, Chemring, Cohort PLC, Curtiss-Wright Corp., Kontron AG, Mercury Systems Inc., Melrose Industries, QinetiQ, Rolls-Royce Holdings, Smiths Group, Solid State.

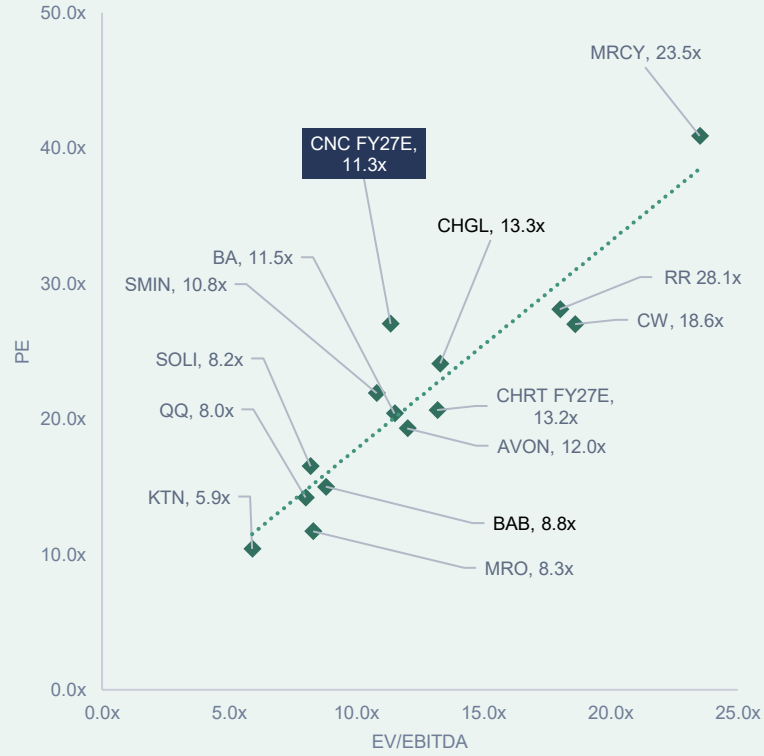
Revised DCF valuation

Year to 31 Dec (£m)	**FY26E**	**FY27E**	**FY28E**	**FY29E**	**FY30E**	**FY31E**
Revenue	58.26	77.98	85.58	96.69	112.43	126.92
OCF	13.20	15.45	20.50	25.59	32.59	39.74
Cash tax	(1.46)	(1.60)	(2.41)	(2.85)	(3.84)	(5.20)
Capex, investments	(5.80)	(5.40)	(3.00)	(1.50)	(1.50)	(1.50)
FCF	(17.16)	2.52	8.64	14.01	18.85	23.58
DCF	(1.9)	2.2	6.9	10.0	12.1	13.6
Cash	32.1	34.0	42.0	55.4	73.7	96.7
EV/EBITDA (x)	*30.3x*	*22.0x*	*19.0x*	*15.0x*	*11.6x*	*9.7x*
EBITDA	12.9	17.7	20.6	26.1	33.6	40.2
EBITDA margin	*22.1%*	*22.7%*	*24.0%*	*27.0%*	*29.9%*	*31.7%*

WACC	**11.4%**	Cash calculation:	**£m**
Terminal multiple (x)	*15.0x*	H1 26A net cash	9.7
PV of terminal value (£m)	347.8	Funds raised (net)	35.5
PV of DCF (£m)	42.9	Deduct acquisition	(18.8)
Net cash / (debt) £m	26.4	Cash	26.4
EV (£m)	390.7		
PV of equity (£m)	417.1		
Shares (m)	106.3		
Price per share (p)	**392**		

Source: Company data. Koyfin.

Comparative valuation: EV/EBITDA / PE



Source: Company data. Equity Development analysis.

P&L

Yr to 31 Dec (£m)	H1 25A	H2 25A	H1 26A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	**21.06**	**24.81**	**23.16**	**31.66**	**40.32**	**45.87**	**58.26**	**77.98**	**85.58**
Gross	**10.69**	**13.77**	**11.76**	**15.64**	**19.98**	24.46	29.42	40.55	44.93
Gross margin	*50.8%*	*55.5%*	*50.8%*	*49.4%*	*49.5%*	*53.3%*	*50.5%*	*52.0%*	*52.5%*
COGS	(10.36)	(11.05)	(11.40)	(16.02)	(20.35)	(21.41)	(28.84)	(37.43)	(40.65)
Op-ex	(8.02)	(10.02)	(8.43)	(11.95)	(14.78)	(18.04)	(20.73)	(27.80)	(29.95)
EBIT Reported	2.67	3.96	3.33	3.69	5.19	6.63	8.69	12.75	14.98
EBIT Adjusted	**2.67**	**3.96**	**3.33**	**3.69**	**5.19**	**6.63**	**8.69**	**12.75**	**14.98**
Margin	*12.7%*	*16.0%*	*14.4%*	*11.6%*	*12.9%*	*14.5%*	*14.9%*	*16.3%*	*17.5%*
Amortisation	(1.02)	(1.31)	(1.20)	(1.51)	(1.94)	(2.33)	(2.92)	(3.00)	(3.10)
Depreciation	(0.26)	(0.64)	(0.47)	(0.81)	(0.67)	(0.90)	(1.27)	(1.97)	(2.49)
EBITDA Reported	3.95	5.91	4.80	6.00	7.80	9.87	12.88	17.72	20.57
EBITDA Adjusted	**3.95**	**5.91**	**4.80**	**6.00**	**7.80**	**9.87**	**12.88**	**17.72**	**20.57**
Margin	*18.8%*	*23.8%*	*20.7%*	*19.0%*	*19.4%*	*21.5%*	*22.1%*	*22.7%*	*24.0%*
Financial income	0.06	0.09	0.11	0.07	0.08	0.16	0.20	0.30	0.40
Financial expense	(0.02)	(0.10)	(0.08)	(0.09)	(0.09)	(0.13)	(0.25)	(0.20)	(0.20)
Other	0.00	(0.15)	(0.11)	(0.20)	0.00	(0.15)	(0.11)	0.00	0.00
PBT Reported	2.71	3.80	3.24	3.47	5.18	6.52	8.52	12.85	15.18
PBT Adjusted	2.71	4.09	3.24	3.47	5.18	6.81	8.52	12.85	15.18
Tax	(0.31)	(1.15)	(0.69)	(0.31)	(0.48)	(1.46)	(1.60)	(2.41)	(2.85)
Reported tax rate	*11.5%*	*30.1%*	*21.4%*	*9.0%*	*9.2%*	*25.0%*	*18.8%*	*18.8%*	*18.8%*
Forex	(0.12)	0.18	0.26	(0.10)	(0.05)	0.06	0.00	0.00	0.00
PAT Reported	2.40	2.66	2.55	3.16	4.70	5.06	6.92	10.44	12.33
PAT Adjusted	**2.40**	**2.95**	**2.55**	**3.16**	**4.70**	**5.35**	**6.92**	**10.44**	**12.33**
Basic wtd. av. shares (m)	86.43	86.39	86.99	77.83	85.68	86.39	88.59	101.99	101.99
Diluted wtd. av. shares (m)	90.88	90.72	91.32	79.90	90.78	90.72	92.92	106.32	106.32
EPS Reported Basic (p)	2.78	3.08	2.93	4.06	5.49	5.86	7.81	10.23	12.09
EPS Reported Diluted (p)	2.64	2.93	2.79	3.95	5.18	5.58	7.45	9.82	11.60
EPS Adjusted Basic (p)	2.78	3.41	2.93	4.06	5.49	6.19	7.81	10.23	12.09
EPS Adjusted Diluted (p)	**2.64**	**3.25**	**2.79**	**3.95**	**5.18**	**5.90**	**7.45**	**9.82**	**11.60**

Source: Company data, Equity Development estimates.

Cashflow

Yr to 31 Dec (£m)	H1 25A	H2 25A	H1 26A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
PBT	2.71	3.80	3.24	3.47	5.18	6.52	8.52	12.85	15.18
Finance net	(0.04)	0.01	(0.03)	0.02	0.01	(0.03)	0.05	(0.10)	(0.20)
Amortisation	1.02	1.31	1.20	1.51	1.94	2.33	2.92	3.00	3.10
Depreciation	0.26	0.64	0.47	0.81	0.67	0.90	1.27	1.97	2.49
Impairment	0.00	0.23	0.00	0.03	0.00	0.23	0.00	0.00	0.00
Share-based payment	0.33	0.62	0.53	0.43	0.74	0.95	1.00	1.00	0.50
Forex, other	0.17	0.24	0.23	(0.15)	0.03	0.40	0.00	0.00	0.00
Operating Cash Flow	**4.45**	**6.85**	**5.64**	**6.12**	**8.58**	**11.30**	**13.76**	**18.72**	**21.07**
Working capital									
(Increase)/Decrease inventories	(2.06)	1.26	(0.94)	(1.87)	1.08	(0.79)	(2.70)	(4.44)	(1.36)
(Increase)/Decrease in receivables	(2.60)	(1.41)	(11.71)	(1.03)	(1.66)	(4.01)	(2.25)	(4.44)	(1.36)
Increase/(Decrease) in payables	(2.12)	3.54	8.79	2.85	(0.75)	1.43	4.39	5.60	2.16
Movement in working capital	**(6.77)**	**3.40**	**(3.86)**	**(0.04)**	**(1.33)**	**(3.38)**	**(0.56)**	**(3.27)**	**(0.57)**
Cash generated by operations	**(2.32)**	**10.24**	**1.78**	**6.08**	**7.25**	**7.92**	**13.20**	**15.45**	**20.50**
Tax (paid)/received	0.14	(1.00)	0.00	(0.44)	0.64	(0.86)	(1.46)	(1.60)	(2.41)
Net cash from operations	(2.19)	9.24	1.78	5.63	7.89	7.05	11.74	13.85	18.09
Investing activities									
Interest received	0.06	0.09	0.11	0.07	0.08	0.16	0.20	0.30	0.40
Acquisition	0.00	0.00	0.00	(0.69)	0.00	0.00	(18.80)	0.00	0.00
Capitalised R&D	(2.40)	(1.93)	(3.02)	(3.98)	(3.38)	(4.34)	(4.50)	(6.24)	(6.85)
PPE	(0.21)	(0.91)	(3.29)	(0.50)	(0.88)	(1.12)	(5.80)	(5.40)	(3.00)
Net cash used in investing	**(2.55)**	**(2.75)**	**(6.20)**	**(5.09)**	**(4.18)**	**(5.29)**	**(28.90)**	**(11.34)**	**(9.45)**
Net OpFCF	(4.74)	6.50	(4.42)	0.54	3.71	1.76	(17.16)	2.52	8.64
Financing activities									
Dividends	(0.95)	0.00	0.00	0.00	(0.86)	(0.95)	0.00	0.00	0.00
Interest paid	(0.02)	(0.10)	(0.08)	(0.09)	(0.09)	(0.13)	(0.25)	(0.20)	(0.20)
Sale/issue shares	0.01	0.51	0.00	6.36	0.06	0.52	35.50	0.00	0.00
Lease payments	(0.16)	(0.21)	(0.19)	(0.22)	(0.23)	(0.36)	(0.40)	(0.40)	(0.40)
Net cash from financing	(1.12)	0.20	(0.27)	6.05	(1.12)	(0.92)	34.85	(0.60)	(0.60)
Forex	(0.02)	(0.15)	(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)**	**6.61**	**2.59**	**0.67**	**17.69**	**1.92**	**8.04**
Cash at beginning of year	13.71	7.83	14.37	4.51	11.12	13.71	14.37	32.07	33.98
Cash at year end	**7.83**	**14.37**	**9.68**	**11.12**	**13.71**	**14.37**	**32.07**	**33.98**	**42.03**

Source: Company data, Equity Development estimates.

Balance sheet

Yr to 31 Dec (£m)	H1 25A	H2 25A	H1 26A	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Fixed Assets									
Intangible assets	16.52	16.98	18.83	13.91	15.39	16.98	37.36	40.60	44.34
PPE net	2.61	4.67	7.49	2.47	2.69	4.67	9.60	13.43	14.34
Deferred tax, other	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**	**16.38**	**18.08**	**21.65**	**46.96**	**54.03**	**58.68**
Current Assets									
Inventories	12.93	11.67	12.61	11.96	10.88	11.67	14.37	18.80	20.16
Trade receivables	10.70	12.11	23.82	6.44	8.10	12.11	14.37	18.80	20.16
Cash, Equivalents	7.83	14.37	9.68	11.12	13.71	14.37	32.07	33.98	42.03
Tax	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**	**30.30**	**32.70**	**38.16**	**60.80**	**71.59**	**82.35**
Total Assets	**50.60**	**59.81**	**72.44**	**46.68**	**50.78**	**59.81**	**107.76**	**125.61**	**141.04**
Current Liabilities									
Trade payables	(6.83)	(10.45)	(17.73)	(9.67)	(8.94)	(10.45)	(14.37)	(19.23)	(21.10)
Provisions	(0.02)	(0.04)	(0.02)	(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)
Sum Current Liabilities	**(6.85)**	**(10.48)**	**(18.32)**	**(9.68)**	**(8.96)**	**(10.48)**	**(14.41)**	**(19.27)**	**(21.14)**
Total Assets less Current Liabilities	**43.75**	**49.32**	**54.12**	**37.00**	**41.82**	**49.32**	**93.35**	**106.35**	**119.90**
Long-term Liabilities									
Borrowings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Payables	(0.28)	(1.73)	(3.16)	(0.70)	(0.45)	(1.73)	(2.19)	(2.93)	(3.22)
Tax	(2.56)	(2.47)	(2.47)	(1.66)	(2.12)	(2.47)	(2.61)	(3.42)	(3.86)
Provisions	(0.33)	(0.36)	(0.38)	(0.32)	(0.33)	(0.36)	(0.36)	(0.36)	(0.36)
Sum Long-term liabilities	**(3.16)**	**(4.55)**	**(6.01)**	**(2.67)**	**(2.90)**	**(4.55)**	**(5.16)**	**(6.71)**	**(7.44)**
Total liabilities	**(10.01)**	**(15.04)**	**(24.33)**	**(12.36)**	**(11.86)**	**(15.04)**	**(19.56)**	**(25.98)**	**(28.58)**
Net Assets	40.59	44.77	48.11	34.32	38.93	44.77	88.20	99.63	112.46
Capital & Reserves									
Share Capital	0.86	0.87	0.87	0.86	0.86	0.87	0.87	0.87	0.87
Share Premium	9.95	10.45	10.45	9.95	9.95	10.45	45.95	45.95	45.95
Capital Reserve	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	1.15	1.10	1.16	1.16	1.16	1.16
Retained earnings	28.54	32.03	35.11	22.10	26.76	32.03	39.95	51.39	64.22
Equity	40.59	44.77	48.11	34.32	38.93	44.77	88.20	99.63	112.46
Net cash / (debt)	**7.83**	**14.37**	**9.68**	**11.12**	**13.71**	**14.37**	**32.07**	**33.98**	**42.03**

Source: Company data, Equity Development estimates.

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