

H126 trading update – trading significantly ahead

1 Year Chart



Made Tech's H126 trading update (November period-end) says that "as a result of the strong trading performance in the first half of the year, the Board now expects trading for FY26 to be significantly ahead of current market expectations". We have increased our adjusted EBITDA estimates by 23% for FY26 and by 18% from FY27.

The statement adds that "the first half of 2026 has been an exceptionally strong period for both revenue and Adjusted EBITDA, building on the momentum seen in FY25. Robust cash generation has further improved our balance sheet position and the strategic optionality this provides. Our near-term focus remains on sales pipeline conversion and adding to our already solid Contracted Backlog position, giving us good visibility into FY27".

Made Tech now trades on a 65% valuation discount to the UK Software Service peer group (based on market consensus) which we believe should narrow given Made Tech's better recent contract win rate and stronger balance sheet.

10th December 2025

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Made Tech PLC is a research client of H2 Radnor Ltd.

MiFID II – this research is deemed to be a minor, non-monetary benefit.

- **UK politics;** Made Tech's customers are all UK public sector and we believe that it has a large opportunity as the public sector uses the digital skills of the private sector to improve service levels and reduce costs. Pressure on UK Government spending is likely to spur the need for further efficiencies which do not impact front-line service levels.
- The statement says that "the UK Government has emphasised the significant role technology will play in delivering its priorities, and we believe the Group continues to be well-positioned to capitalise on these opportunities. Consequently, we remain optimistic and confident in our outlook."
- **Valuation;** our illustrative fair value, which uses a DCF, increases by 20% from 50p to 60p, 130% upside from the current share price.

Y/E May, £m	Revenue	EBITDA	Adj PBT	Adj EPS (p)	Net Cash	PE	EV/EBITDA
FY 2023A	40.2	1.5	1.1	0.3	8.5	77.2	19.9
FY 2024A	38.6	2.4	1.4	1.	7.6	28.3	13.1
FY 2025A	46.4	3.5	2.9	1.2	10.4	23.2	8.2
FY 2026E	55.1	4.8	3.9	2.0	13.3	14.3	5.3
FY 2027E	57.9	5.2	5.1	2.6	16.7	11.0	4.3

Source: h2Radnor

Other points from the update

- **Revenue** for H126 was c.£27.7m, representing a year-on-year increase of c.27% on the £21.8m of H125, “following good Sales Bookings momentum in the second half of FY25”. In FY25, revenue rose by 20% (14% in H1 and 27% in H2). We note that 27% revenue growth is a much better outcome than that reported by Made Tech’s main quoted peers.
- **Sales bookings** (the total value of sales contracts awarded in the period to be delivered in FY26-FY30) “for H1 FY26 were softer than the strong prior year performance but the Sales Booking pipeline remains very active with a number of opportunities expected to increase the Contracted Backlog position in H2”.
- **The Contracted Backlog** (the value of contracted revenue that has yet to be recognised) declined by c.8% from £80.8m in H125 to c.£74.0m in H126, “which provides good contractual coverage for the remainder of FY26 and into FY27”.
- **Adjusted EBITDA** is expected to be c.£2.4m, representing growth of c.33% on the £1.8m of H125, with the result that the margin rose from 8.2% to c.8.7%, “a result of operational efficiencies, offset by a higher than target contractor base”. We believe that Made Tech built up the contractor base both due to the high levels of contract wins and political uncertainty (to create some flexibility) during FY25 and that its use of contractors will now reduce.
- **Made Tech has no debt and net cash** was £11.9m an increase on the £9.1m in H125 and £10.4m in FY25 and reflected “the continuing strong operating cash flow conversion of the business”. We think net cash positions the company well for investments and bolt-on acquisitions and may also be a competitive advantage when bidding for public sector contracts.
- **H1 results** will be announced in February.
- **Our initiation note** on Made Tech is available on request, or can be accessed from this [link](#).

Estimate revision

In Figure 2 below, we show our estimate revisions, with our adjusted EBITDA estimates rising by 23% for FY26 and by 18% from FY27. On revenue, we had previously expected growth of 8% in FY26 and 10% in FY27 but now forecast, respectively, 19% and 5%. We believe that Made Tech will benefit from the strong sales momentum coming into FY26 from what was won in FY25 and also from converting a better pipeline in H226.

On adjusted EBITDA, after an adjusted EBITDA margin of 7.5% in FY25, we had previously modelled an increase to 7.8% in FY26 and 8.0% in FY27 but now forecast, respectively, 8.7% and 9.0%. We note that an adjusted EBITDA margin of 9.0% would be in line with the previous peak of FY22.

Figure 2: h2Radnor estimate revisions

May year end £m	Previous			New		Revision	
	FY'25A	FY'26E	FY'27E	FY'26E	FY'27E	FY'26E	FY'27E
Revenue	46.4	50.1	55.2	55.1	57.9	10%	5%
Adjusted EBITDA	3.5	3.9	4.4	4.8	5.2	23%	18%
Margin (%)	7.5%	7.8%	8.0%	8.7%	9.0%	12%	12%
Adj. PBT	2.9	3.1	4.3	3.9	5.1	25%	17%
Adj. EPS diluted (p)	1.20	1.56	2.17	1.96	2.55	25%	17%
Cash (debt)	10.4	13.1	16.1	13.3	16.7	2%	3%

Source: h2Radnor

Relative valuation

In Figure 3 below, we show the key valuation metrics across Made Tech's main comparative peer groups according to the latest FactSet market consensus.

Following a recent de-rating, Made Tech now trades on an EV/EBITDA discount to all of the key Software Service and Software Product peer groups.

Figure 3: Made Tech's peer groups

	Price, local	Market Cap, local	FY1 Net Cash, local	EV, local	FY1 EV / Sales, x	FY1 EV / EBITDA, x
Made Tech Group PLC	26	39.0	13.3	25.7	0.5	5.3
<i>Rel to UK Software Service Peers</i>					-82%	-65%
<i>Rel to Overseas Software Service Peers</i>					-70%	-38%
<i>Rel to UK Software Product Peers</i>					-77%	-24%
<i>Rel to UK Business Process Outsourcing Peers</i>					-1%	-14%
Software Service Peers - UK						
Kainos Group PLC	1155	1,379.4	66.4	1,313.0	3.3	19.5
TPXimpact Holdings PLC	23	20.3	-5.9	26.1	0.3	3.9
					2.6	15.5
Software Service Peers - Overseas						
Netcompany Group A/S	347	16,156.9	-2,887.5	19,044.4	2.4	16.0
Capgemini SE	145	24,659.8	-4,486.0	29,145.8	1.3	8.1
CGI Inc. Class A	126	27,262.7	-2,809.9	30,072.6	1.8	9.0
Reply S.p.A.	115	4,294.4	526.0	3,768.4	1.5	8.0
Globant SA	69	3,046.6	-243.7	3,290.4	1.3	6.4
					1.5	8.7
Software Product Peers - UK						
Big Technologies PLC	68	197.0	93.3	103.6	2.1	4.3
Idox PLC	69	313.7	0.0	313.7	3.4	11.6
Tracsis plc	331	98.5	29.4	69.1	0.8	5.2
					2.1	7.1
Business Process Outsourcing Peers - UK						
Capita plc	360	409.5	-340.6	750.1	0.3	4.0
MITIE Group PLC	161	2,064.3	-466.0	2,530.3	0.5	7.3
Serco Group plc	258	2,556.2	-492.1	3,048.3	0.6	8.0
					0.5	6.3

Source: FactSet, h2Radnor

DCF Valuation

Given the defensive profile and cash generative nature of Made Tech we believe that a DCF is the most appropriate valuation tool (Figure 4).

Figure 4: DCF Model

May year end	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	TV
Revenue	55.1	57.9	64.2	71.3	79.1	87.9	95.8	104.4	113.8	124.0	135.2	136.5
Change	18.7%	5.0%	11.0%	11.0%	11.0%	11.0%	9.0%	9.0%	9.0%	9.0%	9.0%	1.0%
EBITDA	4.8	5.2	5.9	6.7	7.6	8.6	9.5	10.5	11.7	12.9	14.3	13.0
Margin	8.7%	9.0%	9.2%	9.4%	9.6%	9.8%	9.9%	10.1%	10.2%	10.4%	10.6%	9.5%
Margin change	16.0%	3.0%	3.0%	2.0%	2.0%	2.0%	1.5%	1.5%	1.5%	1.5%	1.5%	(10.0%)
Working capital	(0.9)	(0.9)	(1.3)	(1.4)	(1.6)	(1.8)	(1.0)	(1.0)	(1.1)	(1.2)	(1.4)	(0.3)
Capex	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Subtotal	3.9	4.2	4.6	5.2	5.9	6.8	8.5	9.4	10.4	11.5	12.8	12.6
Tax	(1.0)	(1.1)	(1.1)	(1.3)	(1.5)	(1.7)	(2.1)	(2.3)	(2.6)	(2.9)	(3.2)	(3.1)
Tax rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Free cash	2.9	3.2	3.4	3.9	4.5	5.1	6.3	7.0	7.8	8.6	9.6	9.4
Present value	2.7	2.7	2.7	2.8	3.0	3.1	3.6	3.7	3.7	3.8	3.9	3.5

Source: h2Radnor

Our illustrative fair value for the Group is 60p per share (Figure 5).

Figure 5: DCF Valuation

Illustrative fair value	
Market cap	
Total present value of forecast period	36
Terminal value	47
Sub-total	83
Cash	13
Total	96
Number of shares (diluted) (m)	161
Value per share (p)	60
Cost of equity	
Risk free rate	4.0%
Equity risk premium	4.5%
Beta	1.0
Total	8.5%

Source: h2Radnor

Made Tech PLC

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Price (p): 26 p
Market Cap: 39 m
EV: 26 m

PROFIT & LOSS

Y/E May	2022	2023	2024	2025E	2026E	2027E
Revenue	29.3	40.2	38.6	46.4	55.1	57.9
Change YoY %		37%	-4%	20%	19%	5%
Gross Profit	11.3	14.4	13.2	14.8	17.8	18.9
Gross Profit Margin %	38.4%	35.8%	34.2%	32.0%	32.3%	32.6%
Operating Costs	(8.6)	(12.9)	(10.8)	(11.4)	(13.0)	(13.7)
EBITDA	2.6	1.5	2.4	3.5	4.8	5.2
Change YoY %		-43%	56%	47%	38%	8%
EBITDA Margin %	9.0%	3.8%	6.2%	7.5%	8.7%	9.0%
Depr & Amort	(0.3)	(0.4)	(1.2)	(0.9)	(1.1)	(0.4)
EBIT - Adjusted	2.3	1.1	1.2	2.6	3.7	4.8
EBIT Margin %	8.0%	2.7%	3.0%	5.6%	6.7%	8.3%
Associates & JV's	-	-	-	-	-	-
Net Interest	(0.0)	0.0	0.2	0.3	0.2	0.3
PBT - Adjusted	2.3	1.1	1.4	2.9	3.9	5.1
Non Operating Items	-	-	-	-	-	-
Other Financial Items	-	-	-	-	-	-
PBT - IFRS	2.3	1.1	1.4	2.9	3.9	5.1

Tax - Adjusted	(0.5)	(0.6)	0.0	(1.1)	(1.0)	(1.3)
Tax rate - Adjusted	22.2%	53.8%	-1.6%	37.4%	25.0%	25.0%
Minority interests	-	-	-	-	-	-
No. shares m, diluted	139.7	153.0	154.7	159.5	160.5	160.5
Adj EPS (p), diluted	1.3	0.3	0.9	1.1	1.8	2.4
Total DPS (p)	-	-	-	-	-	-

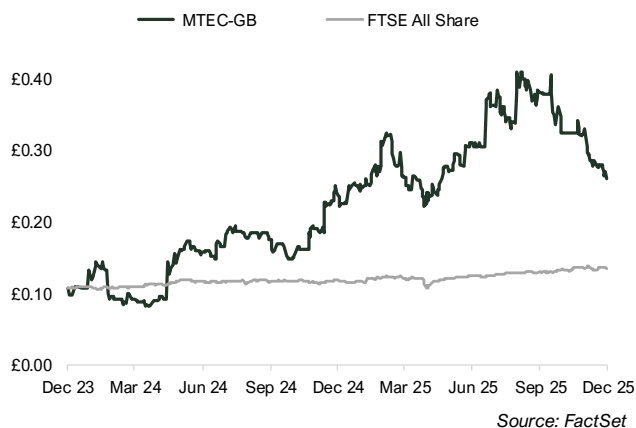
CASH FLOW

Y/E May	2022	2023	2024	2025	2026E	2027E
EBITDA	2.6	1.5	2.4	3.5	4.8	5.2
Working Capital	(0.8)	(1.5)	(2.1)	(0.4)	(0.9)	(0.9)
Exceptionals / Other	-	-	-	-	-	-
Gross Op Cashflow	1.9	0.0	0.3	3.1	3.9	4.3
Cash Tax	-	-	0.5	-	(1.1)	(1.0)
Cash Interest	(0.0)	0.0	0.2	0.3	0.2	0.3
Net Op Cashflow	1.9	0.1	1.0	3.3	3.0	3.6
Capex	(2.3)	(3.2)	(1.3)	(0.1)	(0.1)	(0.1)
Lease	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Free Cashflow	(0.5)	(3.1)	(0.3)	3.2	3.0	3.5
Issue of equity	13.5	-	-	-	-	-
Repayment of loans	(1.3)	-	-	-	-	-
Lease / EBT	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Net Cashflow	11.4	(3.9)	(0.8)	2.8	2.9	3.4
Net Cash (Debt)	12.3	8.5	7.6	10.4	13.3	16.7

BALANCE SHEET

Y/E May	2022	2023	2024	2025	2026E	2027E
Intangibles	1.9	5.0	1.1	0.6	-	-
P,P+E	0.9	0.5	0.2	1.2	1.2	1.2
Tax Asset & Other	-	-	-	-	-	-
Total Fixed Assets	2.8	5.5	1.3	1.8	1.2	1.2
Current Assets	6.1	6.2	6.7	7.0	7.8	9.1
Current Liabilities	(6.2)	(4.9)	(3.1)	(4.2)	(2.9)	(1.6)
Net Current Assets	(0.2)	1.3	3.6	2.8	4.9	7.5
Long Term Liabilities	(0.2)	(0.1)	(0.1)	(0.7)	(0.1)	(0.1)
Net Cash (Debt)	12.3	8.5	7.6	10.4	13.3	16.7
Net Assets	14.8	15.2	12.5	14.3	19.3	25.4

PRICE CHART - 2 YEAR ABSOLUTE vs FTSE ALL SHARE



SHAREHOLDERS

	% of ord. Share capital
Rory MacDonald	28.5%
Chris Blackburn	14.5%
Stonehage Fleming	8.5%
TrinityBridge	7.3%
Octopus Investments	5.5%
Interactive Investor	4.3%
	68.7%

Announcements

Date	Event
24 September 2025	FY25 final results
26 June 2025	FY update
05 February 2025	H125 results
20 November 2024	AGM update
30 September 2024	FY24 final results
16 September 2024	DfE contract win
27 June 2024	FY update
22 April 2024	DLUHC contract win

RATIOS

	2023	2024	2025	2026E	2027E
RoE	3.4%	11.4%	12.5%	15.1%	15.0%
RoCE	16.4%	24.0%	67.5%	61.1%	54.9%
Asset Turnover (x)	0.2x	0.0x	0.0x	0.0x	0.0x
NWC % Revenue	3.3%	9.3%	5.9%	8.8%	13.0%
Op Cash % EBITA	4.0%	23.0%	117.5%	106.0%	89.1%
Net Debt / EBITDA	-5.6x	-3.2x	-3.0x	-2.8x	-3.2x

VALUATION

Fiscal	2023	2024	2025	2026E	2027E
P/E	77.2x	28.3x	23.2x	14.3x	11.0x
EV/EBITDA	19.9x	13.1x	8.2x	5.3x	4.3x
Div Yield	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield	-12.1%	-1.3%	12.3%	11.6%	13.7%

YoY growth

Revenue	37.2%	-4.0%	20.4%	18.7%
EBITDA	-42.6%	56.2%	46.5%	37.7%

REGULATORY DISCLOSURES

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