FCH XLON Funding Circle Holdings PLC

Trading Update · RNS 4293C · 10 November 2026

Funding Circle raises FY26 guidance to at least £275m revenue with c.16% profit margins

Share price	207.5p
Market cap	Not available
52-week range	113.2p - 252p
Shares in issue	Not available
12-month change	+63.8%

Ticker Data API, as at 9 Nov 2026, 16:29

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SUMMARY

Funding Circle upgraded its FY26 guidance today, now expecting revenue of at least £275 million and profit margins of c.16%, after strong September and October trading and a good start to November. Previous guidance was more than £255 million of revenue and more than £40 million of profit before tax. The revenue rise is clear. The profit step is smaller, and the margin is not defined: 16% of £275 million is about £44 million, only modestly above the old floor. Today's upgrade is the second since the July trading update. It comes against a 4.00% Bank Rate, a CEO handover in 2027, and 2025 accounts that leave open questions on cash flow and borrowings. The FY26 results will show whether the growth is turning into cash and holding up on credit.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
FY26 revenue guidance	at least £275 million	FY 2026	Previously more than £255 million
FY26 profit margin guidance	c.16%	FY 2026	Previously profit before tax of more than £40 million
Cumulative share buybacks	£80 million		19% of issued share capital
H1 revenue	£138.2m	H1 2026	Up 50% on H1 2025
H1 profit before tax	£24.1m	H1 2026	Grew fourfold
Unrestricted cash	£136 million	30 June 2026	31 December 2025: £101 million
Borrowings	£267m	31 December 2025	£102m at 31 December 2024
Pre-tax profit	£20.3m	FY 2025	After-tax profit £46.0m
FlexiPay and Card transactions	£640 million	H1 2026	Up 71%

Sources: Trading Update RNS, 10 Nov 2026; Half Year 2026 Results RNS, 8 Sep 2026; H1 FY26 trading statement, 16 Jul 2026; Debt, maturities and covenants, Annual Report 2025; Income statement (tagged accounts), 2025-12-31

THE ANNOUNCEMENT

- FY26 revenue is now expected to be at least £275 million with profit margins of c.16%, up from previous guidance of more than £255 million revenue and more than £40 million profit before tax.
- The momentum reported at the half year continued through September and October, and November has started well. CEO Lisa Jacobs said SME demand has remained resilient despite continued macro uncertainty.
- The fourth share buyback, launched on 21 September 2026, has bought £5 million of shares so far. Across all programmes the company has bought back £80 million of shares, 19% of issued share capital.
- The company describes itself as capital-light, with a robust balance sheet and strong cash generation. The figures are unaudited, with no revenue breakdown, impairment or arrears data.

AGAINST GUIDANCE

FY26 guidance has risen in stages. In July the company said it was on track for at least £235 million revenue and at least £35 million profit before tax. The half-year results in September raised that to more than £255 million and more than £40 million. Today's floor of at least £275 million lifts revenue by £20 million. Profit guidance has moved from a pound figure to an undefined margin of c.16%. Applied to £275 million, that gives about £44 million, so treat it as illustrative, not confirmed pre-tax guidance. After H1 revenue of £138.2m, the new floor needs £136.8m in H2, slightly below the first half. A full-year margin of 16% would also imply second-half profit below H1's £24.1m. Ticker's earnings surprise model had estimated an in-line outcome as at 9 November, with low confidence.

BULL CASE

- Management has raised FY26 guidance twice since July and now has two more months of trading behind the new floor, which needs no acceleration in the second half. On near-term delivery, the record is good.
- Funding capacity has grown through 2026. Commitments include up to £500m from Castlelake, £700m from Waterfall and a renewed £200m forward flow agreement with Deutsche Bank (forward flow means funders agree in advance to buy loans as they are written). The FlexiPay facility rose to £320 million.
- FlexiPay and Card transactions grew 71% in H1 to £640 million. That gives Funding Circle a second growth line alongside term loans, whose originations reached £1,050 million in the half.
- Buybacks have cut the share count meaningfully, with £80 million spent so far (19% of issued share capital). Unrestricted cash still rose to £136 million at 30 June 2026.

BEAR CASE

- Profit guidance moved only modestly, and the margin basis is undefined. The implied second half is less profitable than the first, so the upgrade is stronger on revenue than on earnings.
- Credit conditions are tightening. Bank Rate stood at 4.00% on 5 November, up 0.25 points over three months, and CPIH inflation was 3.60%. Defaults usually show up well after loans are written, and the Financial Times reported in June that Funding Circle used a government-backed scheme to lend to higher-risk borrowers.
- The cash and balance sheet picture is unclear. For 2025, the tagged accounts show an operating cash outflow of £33.8m, while the report's primary statements show a positive figure. Borrowings rose to £267m with £269m falling due within a year, so the description "capital-light" depends on how much of that debt is recourse to the group, meaning shareholders would bear it.
- Leadership changes in 2027. Rob Straathof joins in H1 2027, subject to regulatory approval, and Lisa Jacobs steps down by no later than September 2027. FY27 expectations will be set across that handover.

WHAT TO WATCH

- The FY26 results, date not yet announced. Look for a definition of the c.16% margin and whether profit before tax clears the previous £40 million floor.
- Whether operating cash flow reconciles to rising unrestricted cash after buybacks, and how much of the £267m of borrowings is secured only on loan assets rather than recourse to the group.
- Arrears and impairments by loan vintage (the year a loan was written), and whether funders renew or reprice their forward flow commitments as rates stay higher.
- FY27 guidance under the incoming CEO, and whether the shares regain the 252.02p 52-week high. They were at 207.50p on 10 November, up 2.99% on the day.

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