ITM AIMX ITM Power PLC

Preliminary Results · RNS 3835Z · 19 October 2026

ITM Power beats raised FY26 guidance as revenue climbs 68% to £43.6m

Share price	92.15p
Market cap	£637m
52-week range	57.9p - 219.8p
Shares in issue	691.4m
12-month change	+17.9%

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SUMMARY

ITM Power's preliminary results today showed revenue for the year to 30 April 2026 up 68% to £43.6m, ahead of guidance already raised in February. The adjusted EBITDA loss narrowed to £20.2m from £33.0m, and year-end cash reached £215.6m, helped by a £40.0m share subscription from Great British Energy (GBE). For FY27 the company guides to revenue of £50m to £60m, an EBITDA loss of £17m to £20m and cash of £170m to £180m. The gross margin is still negative, operating cash outflow rose to £24.0m and backlog held flat at £144.0m. ITM concedes that customers' final investment decisions (FIDs) are taking longer than anticipated, and its new Hydropulse arm, which will own plants itself, has yet to say how its first 150 MW project would be funded.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Revenue	£43.6m	FY26 (year to 30 April 2026)	+68% (FY25: £26.0m)
Adjusted EBITDA loss	£20.2m	FY26	39% smaller (FY25: £33.0m)
Gross loss	£6.1m	FY26	FY25: £23.7m
Year-end cash	£215.6m	30 April 2026	FY25: £207.0m, including £40.0m GBE investment
Net cash used in operating activities	£24.0m	FY26	FY25: £20.0m
Contract backlog	£144.0m	30 April 2026	83% profitable contracts, up from 60% in April 2025
Gross onerous contract provision	£20.6m	30 April 2026	Management range £17.6m to £25.5m
Deferred income	£68.2m	30 April 2026	FY25: £64.2m
FY27 revenue guidance	£50m to £60m	FY27	26% growth, as stated by the company
FY27 year-end cash guidance	£170m to £180m	FY27	Includes forecast Chronos line capex

Sources: Preliminary Results RNS, 19 Oct 2026; Consolidated cash flow statement, Preliminary Results RNS, 19 Oct 2026; Note 6, Preliminary Results RNS, 19 Oct 2026

THE ANNOUNCEMENT

- Revenue rose 68% to £43.6m on 153 MW of deliveries (FY25: 40 MW), ahead of the upgraded £40m to £43m range. The gross loss fell to £6.1m from £23.7m, and the pre-tax loss to £24.8m from £45.4m.
- The adjusted EBITDA loss narrowed 39% to £20.2m, within the £20m to £21m range set on 8 October and well inside the original £27m to £29m.
- Cash ended at £215.6m (FY25: £207.0m) after GBE subscribed £40.0m for 71,994,240 new shares in April. Without that money, the company places underlying cash at the top of its original £170m to £175m range.
- Backlog held at £144.0m, with 83% now in profitable contracts against 60% in April 2025. Most of the large wins (Uniper 120 MW, Stablegrid 710 MW, a 300+ MW Asia-Pacific project, an RWE 150 MW reservation) are selections or reservations awaiting customer FIDs.
- FY27 guidance is revenue of £50m to £60m, an adjusted EBITDA loss of £17m to £20m and year-end cash of £170m to £180m, the cash figure including spending on the 1 GW Chronos manufacturing line.
- After the year end the first 100 MW plant at RWE's Lingen site became operational, and Hydropulse signed heads of terms with a European refinery for a 150 MW, 10-year project with FID targeted in 2027.

AGAINST GUIDANCE

Revenue of £43.6m beat the £40m to £43m range set on 17 February 2026, itself raised from £35m to £40m. The £20.2m adjusted EBITDA loss sat within the £20m to £21m range announced on 8 October and far better than the £27m to £29m reiterated in January, so much of the improvement was announced before today. Cash of £215.6m was at the top of the upgraded range, and excluding the £40.0m GBE money the company puts it at the top of the original £170m to £175m range. FY27 revenue guidance is largely covered by contracted work: remaining performance obligations on build contracts were £139.4m, of which the company expects to recognise 43% within a year.

BULL CASE

- Execution now shows in the numbers. Revenue rose 68% on almost four times the delivered megawatts, and the company met or beat guidance it had raised twice during the year.
- Under-absorbed factory costs of £7.5m and £5.0m of write-offs together exceed the £6.1m gross loss, which supports the argument that contracts make money once the Sheffield factory is fuller, while 83% of backlog is now in profitable contracts.
- Lingen 1 gives ITM an operating 100 MW reference plant, and the state-backed Chronos line, supported by a £46.5m DESNZ grant, is meant to lower unit costs.
- With £215.6m of cash, no conventional borrowing and a going concern stress test that stays cash-positive for 12 months with no customer receipts, no near-term fundraising is required.

BEAR CASE

- The gross margin is still roughly minus 14%, and the reported improvement was helped by £4.4m of contract-loss provision releases, which reduce losses without producing cash. Operating cash outflow rose to £24.0m despite the smaller accounting loss.
- Cash grew only because of the GBE issue, at roughly 55.6p a share, and potentially dilutive shares excluded from the loss per share rose to 88,996,802 from 12,271,234.
- Backlog was flat, two customers supplied about 79% of revenue, and the large opportunities depend on FIDs that the company admits are slow, with the UK two-year gilt yield at 4.97% on 14 October.
- Hydropulse could move plant capital onto ITM's own balance sheet, and no cost or financing split has been given for the 150 MW refinery project. The onerous contract provision could reach £25.5m or more on management's own range.

WHAT TO WATCH

- Group gross margin in the half-year to 31 October 2026: a positive figure, with lower inventory and without reliance on provision releases, would support the operating-leverage argument.
- Binding orders from Uniper, RWE, Stablegrid or the Asia-Pacific project that lift backlog clearly above £144.0m, and completion of Lingen 2 by 30 April 2027.
- The audited annual report, to be laid after the 30 October 2026 AGM, and whether the provisions survive the first audit by BDO.
- Disclosure of the Hydropulse funding structure ahead of the refinery FID targeted for 2027, and cash tracking within the £170m to £180m FY27 range.

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