SNX AIMX Synectics PLC

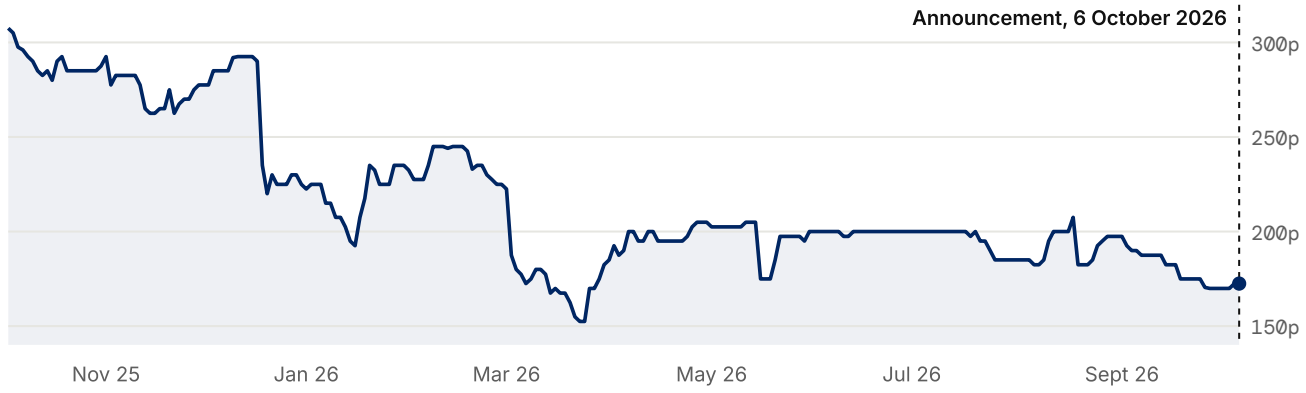
Trading Update · RNS 6966X · 6 October 2026

Synectics expects FY26 adjusted EBITDA at top of £3.7m–£4.1m range as Energy orders slip

Share price	173.5p
Market cap	Not available
52-week range	146p - 310.6p
Shares in issue	Not available
12-month change	-43.9%

Ticker Data API, as at 5 Oct 2026, 15:15

SHARE PRICE, 12 MONTHS



SUMMARY

Synectics said today that it expects adjusted EBITDA for the year to 30 November 2026 at the top end of its £3.7 million to £4.1 million range, with revenue in line with market expectations. Stronger margins carried the result, even though Middle Eastern Energy opportunities expected in FY26 have moved into FY27. This year's profit is protected, though guidance is unchanged. Top-end delivery returns EBITDA to the £4.1m expected in May, before August's wider range, and is about half FY25's £8.5m, a year that included a large one-off contract. The longer-term case now depends on Energy work that has missed two timetables turning into signed orders, and on the order book rebuilding from £26.4m at 31 May.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
FY26 adjusted EBITDA guidance range (top end expected)	£3.7 million to £4.1 million	Year to 30 November 2026	
H1 adjusted EBITDA	£1.0m	Six months to 31 May 2026	from £4.2m
H1 revenue	£22.2m	Six months to 31 May 2026	from £35.5m
H1 gross margin	48%	Six months to 31 May 2026	from 41%
Order book	£26.4 million	31 May 2026	30 Nov 2025: £26.5m; 31 May 2025: £35.1m
Net cash	£10.5m	31 May 2026	from £12.1m
FY25 adjusted EBITDA	£8.5m	Year to 30 November 2025	from £6.3m
Interim dividend	2.2p	H1 FY26	unchanged

Sources: Trading Update RNS, 6 Oct 2026; Interim results RNS, 18 Aug 2026; Final Results and Strategic Update RNS, 3 Mar 2026

THE ANNOUNCEMENT

- FY26 adjusted EBITDA is expected at the top end of the £3.7 million to £4.1 million range set at the August interim results. Revenue is expected to be in line with current market expectations.
- The Board credits stronger margins and good performance across the group to the '5P' strategy. That strategy covers simpler product deployment, closer management of partner accounts, and tighter processes and commercial discipline.
- Energy opportunities, particularly in the Middle East, did not convert in FY26 and are now expected to extend into FY27. The company says they remain active and describes a significant pipeline with encouraging signs of progression.
- Chief executive Amanda Larnder said the focus for FY27 is on converting opportunities and increasing the pace of execution. She said there is still plenty to do.

AGAINST GUIDANCE

Existing guidance is met but not raised. In March the company guided FY26 revenue around 10% lower than FY25 and mid-single-digit EBITDA margins. In May it expected trading in line with market expectations, subject to energy sector activity normalising through the second half. That normalisation did not happen, and in August the EBITDA range widened to £3.7m–£4.1m to reflect uncertainty over Energy conversion. Today's guidance puts EBITDA at the top of that range, which matches the £4.1m figure recorded against May's guidance. With £1.0m earned in the first half, about £3.1m has to come in the second half. FY27 guidance from March for double-digit revenue growth, and EBITDA above normalised FY25 levels once the one-off contract is excluded, was not restated today.

BULL CASE

- The company held profit at the top of its range while Energy revenue slipped. H1 gross margin rose to 48% from 41%, which supports the view that the '5P' changes are lowering the cost of delivery. If deferred Energy work lands in FY27, it would arrive on that higher-margin base.
- Energy demand outside the Middle East is already showing. In August the company reported that post-period Oil & Gas order intake had exceeded the whole of H1, mainly from customers outside the Middle East. A £1.4m Eni contract for the Kutei FPSO project is due for delivery in Q1 2027.
- Other contracts give FY27 some cover: £1.5m of Stagecoach-related bus orders, a £1.4m UK regional authority award and a US$2.4m US casino contract with recurring software support, mostly delivered in 2027. CAPSS cyber certification for the Synergy platform and the AI-based Synergy SEARCH product add longer-term options, though neither yet produces measurable revenue.
- The balance sheet gives time to wait for conversion. Net cash was £10.5m at 31 May 2026, FY24 operating cash flow of £8.52m exceeded after-tax profit of £3.18m, and the 2.2p interim dividend was held.

BEAR CASE

- The Middle Eastern Energy timetable has now slipped twice, first against May's expectation of a second-half recovery and then in today's move into FY27. 'Remain active' is not a signed order. The May order book of £26.4m compares with £35.1m a year earlier.
- A strong second half is still required and has not yet been delivered. No cash balance, working capital figures or bridge from adjusted EBITDA to statutory profit came with today's trading figures. Delayed projects can tie up inventory and unbilled work, so profit may not show up as cash.
- The surrounding conditions do not obviously favour quick resolution. Brent crude was $102.25 at 2 October 2026, up 41.8% in three months, alongside Middle East tensions that have delayed customer decisions. The two-year gilt yield rose 0.64 points over three months to 4.91% at 1 October, which makes investors less willing to pay now for earnings that depend on next year's orders.
- Even at the top of the range, FY26 EBITDA is about half FY25's £8.5m. One year of adjusted figures does not show whether the margin gain is structural or comes from cost restraint during a weaker year.

WHAT TO WATCH

- Contract announcements naming Middle Eastern Energy customers, and whether they lift the order book meaningfully above the £26.4m recorded at 31 May 2026.
- Full-year results for the year to 30 November 2026 (last year's came on 3 March): year-end net cash against May's £10.5m, working capital, and how adjusted EBITDA reconciles to statutory profit.
- Whether the FY27 targets set in March, double-digit revenue growth and EBITDA above normalised FY25, are reaffirmed or softened at the full-year results.
- Whether the higher gross margin holds once deferred projects are delivered, and whether Synergy SEARCH and the casino software support start to appear as recurring revenue.

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