CER Cerillion PLC

Cerillion's record contract win masks weaker profit and cash flow

Following the Final Results · 23 November 2026

FY26 REVENUE	ADJUSTED EBITDA	LARGEST CONTRACT	ANNUALISED RECURRING REVENUE
£46.5m	£21.1m	£42.5m	£28.4m
▲ up 3% on £45.4m	▼ down 8% on £23.1m	Omantel contract, including a five-year subscription term	▲ up 26% on £22.6m

Share price, past 12 months

Daily close; latest price as at 11:49 on 23 November 2026 · Ticker Data API



Cerillion's final results today showed a £42.5m Omantel contract and record new orders, but only 3% revenue growth to £46.5m and an 8% fall in adjusted EBITDA to £21.1m. Slower decisions on new and existing customer work held back revenue. Annualised recurring revenue rose 26% to £28.4m, although that measure includes subscriptions contracted but not yet live.

The Omantel win gives Cerillion a substantial implementation project and a potential reference for further large contracts. It also accounts for most of this year's £49.3m of new orders. Meanwhile, contract assets, which are revenue recognised before it can be invoiced, rose £8.7m as operating cash flow and margins fell. The investment case now depends on delayed upgrades arriving, Omantel and Ucom progressing, and recognised revenue turning into invoices and receipts. Net cash of £34.7m gives Cerillion room to deliver, but the outlook contains no numerical FY27 forecast.

> **"While we did not perform as well as expected against some key financial metrics, the successful securing of our largest ever contract win was a major milestone for the business."**
>
> **Louis Hall**, CEO of Cerillion plc · Final Results, 23 November 2026

Omantel dominates a record order year

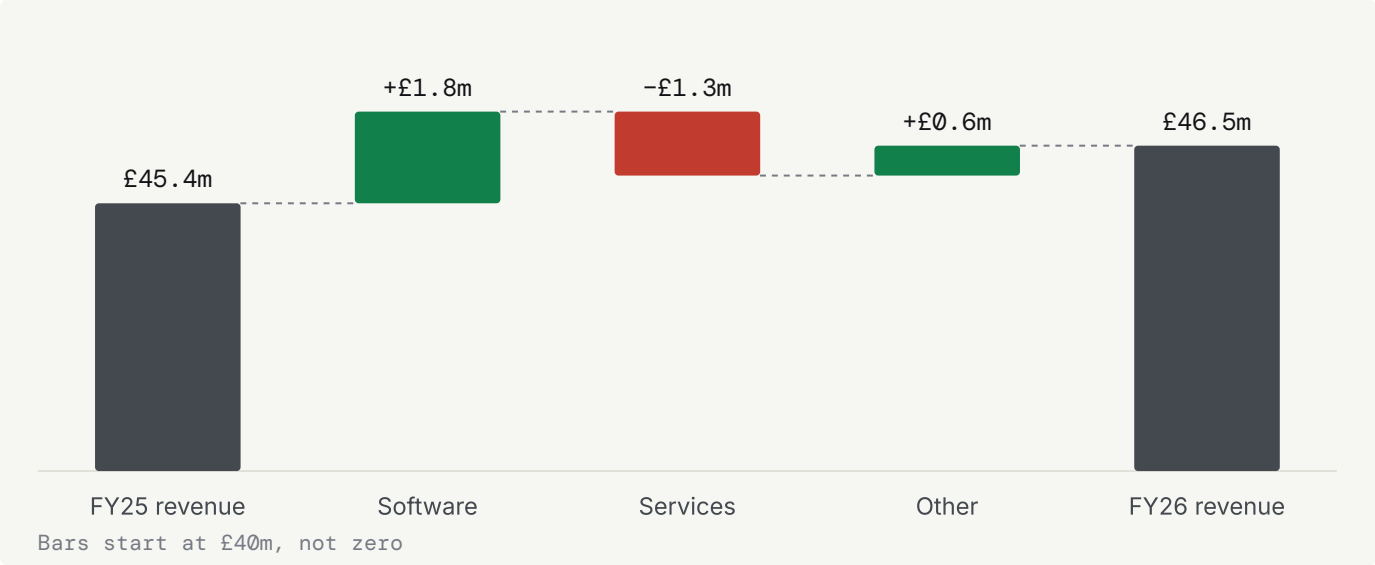
Cerillion supplies billing, charging and customer-management software, chiefly to telecoms operators. Its £42.5m Omantel contract covers the operator's fixed, mobile and broadband customers and includes a five-year subscription term. The base software has been installed; configuration and interface development are under way. Cerillion expects installation work to contribute services revenue in the new financial year and the next, with significant recurring revenue once the system is live.

New orders reached £49.3m, but Omantel supplied most of that total. Total contract value, the value of active contracts regardless of when revenue is recognised, rose to £216.9m. The £255m new-customer pipeline is an unweighted total of qualified prospects, not contracted sales; it fell from £275m despite the removal of Omantel following its signing. A successful Omantel deployment could strengthen future bids, but the order record alone does not show that other customer decisions have accelerated.

FIGURE	VALUE	CHANGE
Omantel contract FY26	£42.5m	Largest ever new-customer contract
Total new orders FY26	£49.3m	+4% +on £47.6m
Total contract value 30 September 2026	£216.9m	+23% +on £176.8m
New-customer pipeline 30 September 2026	£255m	£275m at 30 September 2025

Sources: Final Results, 23 November 2026

How revenue changed by segment



Each change is the difference between the FY26 and FY25 segment revenue figures in the Final Results, 23 November 2026.

Licence growth did not protect margins

Revenue rose to £46.5m, within September's reduced £46m–£48m expectation but below the earlier £52.80m consensus cited in the September trading update. Software revenue increased, while services revenue fell as the timing of new wins reduced implementation work. Existing customers generated 72%

of revenue, against 93% last year; sales of additional licences and renewals also fell sharply. The Omantel contribution therefore sits alongside weaker activity from the established customer base.

Gross margin declined to 77.8% as third-party revenue took a larger share, and operating expenses rose 7% as Cerillion invested in staff and sales capacity. Adjusted EBITDA margin fell to 45.5% and statutory basic earnings per share fell to 49.3p. The EBITDA margin was slightly above September's reduced 43%–45% range, but the results do not establish that either customer spending or the previous margin has returned.

FY26	VALUE	CHANGE
Revenue	£46.5m	+3% +on £45.4m
Software revenue	£26.2m	+8% +on £24.4m
Services revenue	£17.8m	−7% on £19.0m
Gross margin	77.8%	81.5% in FY25
Adjusted EBITDA margin	45.5%	50.9% in FY25
Basic earnings per share	49.3p	−12% on 56.3p

Sources: Final Results, 23 November 2026

Cash is strong; billing has further to go

Net cash edged up to £34.7m after dividend payments, leaving Cerillion with substantial capacity to fund delivery. Cash generation was less reassuring. Free cash flow fell to £6.1m, partly after hardware purchases for the new customer contract, while operating cash conversion fell to 79% from 84%. The proposed total dividend rose to 16.7p per share.

Contract assets rose from 25,003 to 33,698 in the accounts' £'000 presentation. They arise when revenue has been recognised but invoicing awaits another contractual obligation or milestone; 19,993 (£'000) of accrued income is non-current. This accumulated balance is neither a new year's worth of unpaid sales nor guaranteed cash. Its increase makes the timing of invoices and receipts central to judging earnings quality, particularly as impairment losses on financial assets also rose. The year-end cash balance limits immediate financial pressure without resolving that collection test.

FIGURE	VALUE	CHANGE
Net cash 30 September 2026	£34.7m	£34.4m at 30 September 2025
Free cash flow FY26	£6.1m	£10.9m in FY25
Operating cash conversion FY26	79%	84% in FY25
Contract assets 30 September 2026	33,698 (£'000)	25,003 (£'000) at 30 September 2025
Non-current accrued income 30 September 2026	19,993 (£'000)	13,107 (£'000) at 30 September 2025
Total dividend per share FY26	16.7p	+8% +on 15.4p

Sources: Final Results, 23 November 2026; Final Results, note 11, 23 November 2026

> **“We continue to see a breadth of growth opportunities ahead and will invest in the business to support long-term growth.”**
>
> **Louis Hall**, CEO of Cerillion plc · Final Results, 23 November 2026

The backlog offers visibility over several years

The £67.0m back-order book comprises £57.6m of contracted sales not yet recognised and £9.4m of annualised support and maintenance. Cerillion expects about 25% of the contracted-but-unrecognised sales to become revenue within 12 months of 30 September 2026; the rest is spread over later years. Annualised recurring revenue rose 26%, but its definition includes subscriptions contracted and not yet live. Neither figure is a forecast of next year’s total revenue or cash receipts.

Cerillion expects good progress in FY27 without giving a numerical forecast. That assurance follows a June statement that FY26 targets remained on track and a September reduction in revenue expectations, so delivery matters more than the wording. The online investor presentation is scheduled for 1 December 2026, the AGM for 4 February 2027, and Ucom is expected to go live in early 2027. Those occasions may clarify whether delayed customer upgrades are becoming orders and when Omantel’s next milestones can be billed.

FIGURE	VALUE	CHANGE
Back-order book 30 September 2026	£67m	£56.9m in FY25
Contracted sales not yet recognised 30 September 2026	£57.6m	£47.4m in FY25
Expected recognition within 12 months From 30 September 2026	c. 25%	Of contracted-but-not-yet-recognised sales
Annualised recurring revenue 30 September 2026	£28.4m	+26% +on £22.6m

Sources: Final Results, 23 November 2026

Cash generation tempers the earnings comparison

The accompanying market snapshot lists a £255m market capitalisation, but gives no observation time. On that undated snapshot, FY26 reported earnings imply roughly 17.5 times earnings, while £6.1m of free cash flow implies a yield of about 2.4%. Neither calculation is a live valuation for today’s results.

The distinction matters because profit and cash diverged during FY26. A larger contracted book could support future earnings, yet the shares cannot be judged on the £255m unweighted pipeline as though it were revenue. Equally, £34.7m of net cash provides protection while Cerillion works through implementation and billing milestones. Subsequent cash receipts will say more about the earnings comparison than another increase in total contract value.

FIGURE	VALUE	CHANGE
Market capitalisation Undated market snapshot	£255m	

FIGURE	VALUE	CHANGE
Free cash flow FY26	£6.1m	£10.9m in FY25
Net cash 30 September 2026	£34.7m	£34.4m at 30 September 2025

Sources: Price & Valuation (accompanying evidence, undated); Final Results, 23 November 2026

The pre-results rebound had not broken the downtrend

Cerillion closed at 856p on 20 November, before these results. That followed a rebound from the October low and then a retreat from the November high on thinner trading. The shares remained below their falling long-term moving average, so the recovery had not yet established a sustained change in trend.

The pre-results chart placed nearby support around 840p–850p and resistance around 915p. A move through either area accompanied by stronger volume would be more informative than a small daily change. These are levels from before the announcement: they show no share-price or volume reaction to today's figures.

The case for and against

FOR

The case for rests on a real, unusually large Omantel win, growing contracted revenue and a cash-rich balance sheet. Cerillion has installed Omantel's base solution, and Ucom is nearing completion. If those projects progress, existing customers resume their postponed upgrades and Omantel becomes a useful reference for further wins, today's weak profit could prove a poor guide to later years.

AGAINST

Against that, Omantel supplied most of FY26's new orders while existing customers supplied a smaller share of revenue. Lower-margin third-party sales and higher costs reduced profit, and contract assets grew faster than cash generation. Delayed projects may arrive later, but that remains an expectation; a further delay or costly implementation would put more pressure on margins and collection. The large net cash balance makes a near-term funding problem less persuasive than an earnings-quality or delivery concern.

WHAT TO WATCH

The 1 December presentation could provide a billing timetable and firmer FY27 expectations. Ucom's planned early-2027 launch, Omantel's implementation milestones and the next interim accounts will test delivery. In particular, new orders from existing customers, contract assets becoming invoices and receipts, and a recovery in operating cash conversion would support the growth case; further slippage, rising unbilled balances or another margin decline would support the more cautious reading.

Risks

- Omantel accounts for most FY26 new orders; a delay or cost overrun on its implementation would have an outsized effect.

- Contract assets increased as cash conversion weakened. Billing milestones may take longer to reach, and recognised revenue is not yet a cash receipt.
- Further delays to existing-customer upgrades would leave Cerillion facing higher operating costs without the expected licence revenue.
- Two customers accounted for nearly half of FY26 revenue, making individual project timetables consequential.

THE OTHER VIEW

The stronger growth reading is that large telecoms projects produce uneven revenue by nature: Omantel is contracted, its base installation is complete, recurring revenue has expanded and Cerillion has the cash to finish delivery. On that reading, weaker FY26 profit and rising contract assets reflect the timing of a larger project, while successful go-lives and later billing could reveal considerably more value in the contracted book than this year's cash flow shows.

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