

CWR Ceres Power Holdings plc

Ceres Power after the fall: well funded, still waiting for royalties

SHARE PRICE 282.60p ▼ 20 October 2026, against a 52-week range of 206.00p to 871.50p	CASH AND SHORT-TERM INVESTMENTS £172.0m at 30 June 2026, after a £102.6m gross equity raise	FY2025 ROYALTIES £110k out of £32.6m statutory revenue	DISCLOSED SHORT INTEREST 17.55% ▲ as at 15 October 2026, up from 16.47% on 9 October
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Share price, past 12 months

Daily close; latest price as at 10:09 on 21 October 2026 · Ticker Data API



Ceres Power closed down 5.02% at 282.60p on 20 October 2026, giving a market value of £604m and leaving the shares about two-thirds below the 871.50p high of the past year. The fall has taken out the spring enthusiasm for fuel cells as power for AI data centres, but it has not made the shares cheap on any measure the accounts support. After the £172.0m of cash and short-term investments held at 30 June, the business is valued at about £438m, nearly ten times the roughly £45m of 2026 revenue the company says is contracted. FY2025 produced a £47.5m loss and only £110,000 of royalties, the recurring income on which the licensing model ultimately depends.

The balance sheet is not the problem. June's £102.6m gross raise removes any near-term funding question, and first-half 2026 revenue rose 8% to £22.8m while the adjusted EBITDA loss narrowed to £6.8m. What matters is conversion. FY2025 revenue of £32.6m fell far short of £50-60m guidance, and the near-term story now rests on a new licensee the company expects to sign in 2026, and on whether Doosan's first export order turns into royalties. The chart shows persistent selling since the June placing, short interest has climbed to 17.55%, and rising gilt yields are making investors less willing to pay today for cash flows several years away.

A licensing model still waiting for its royalty stream

BEFORE	→	NOW · EMPLOYEES
~~546 at 31 Dec 2024~~		462
Doosan Fuel Cell contract with Reverion GmbH, Announced 6 Aug 2026	Royalties, FY2025	RFC Power Series A, 26 Aug 2026
c£60 million (108.7 billion KRW)	£110k	£10 million

Ceres Power develops solid oxide fuel cell (SOFC) technology, which turns gas into electricity at high temperature without burning it, and electrolysis technology, which runs the same cell in reverse to make hydrogen. It does not manufacture at scale itself. Partners license the designs, build the stacks and sell the products, paying Ceres licence fees and engineering charges up front and, in time, a royalty on each unit. In FY2025 that last element amounted to £110,000 out of £32.6m of revenue, so the business is still paid almost entirely for access to its technology and not yet for volume.

Doosan Fuel Cell in South Korea is the partner closest to volume. On 6 August 2026 Ceres noted Doosan's contract with Reverion GmbH, worth about 108.7 billion KRW (c£60 million), to supply Ceres-licensed SOFC stacks to power facilities in Germany and Europe, Doosan's first export of the technology. That sum is Doosan's contract value. Ceres's share arrives through royalties as stacks are delivered. The home market looks less secure: Seoul Economic Daily reported on 7 October that Korea has removed a public-building installation mandate for fuel cells, which run on natural gas and emit carbon dioxide.

The wider partner list has changed shape. Denso signed a manufacturing and licence agreement in July 2024, and a strategic partnership with Centrica was announced alongside the FY2025 results in March 2026. Bosch, an earlier manufacturing partner, decided in February 2025 to stop developing SOFC cells and stacks. The pitch to data-centre operators is that gas-fed fuel cells can supply continuous on-site power where grid connections are scarce, then switch to hydrogen later. Gas turbines and engines compete for the same demand.

Ceres has also slimmed down. Headcount fell to 462 at the end of 2025 from 546 a year earlier. RFC Power, a flow-battery business acquired outright in September 2025 for a nominal sum and later flagged as unable to continue as a going concern, was spun out in August 2026 through a £10m Series A led by the British Business Bank, with Centrica and Temasek Trust's C3H. Ceres put in £1m of cash and £1.5m of services in exchange for equity, keeping about 37% of a business valued at about £12m after the round, now renamed Certain Energy.

26 AUG 2026	VALUE	CHANGE
Ceres retained stake in RFC Power	c.37%	post-money value c.£12 million

Sources: Ceres spins out RFC Power RNS, 26 Aug 2026; Doosan Fuel Cell SOFC order with Reverion GmbH RNS, 6 Aug 2026; Final results RNS, 26 Mar 2026

2025 missed its own revenue guidance by a wide margin

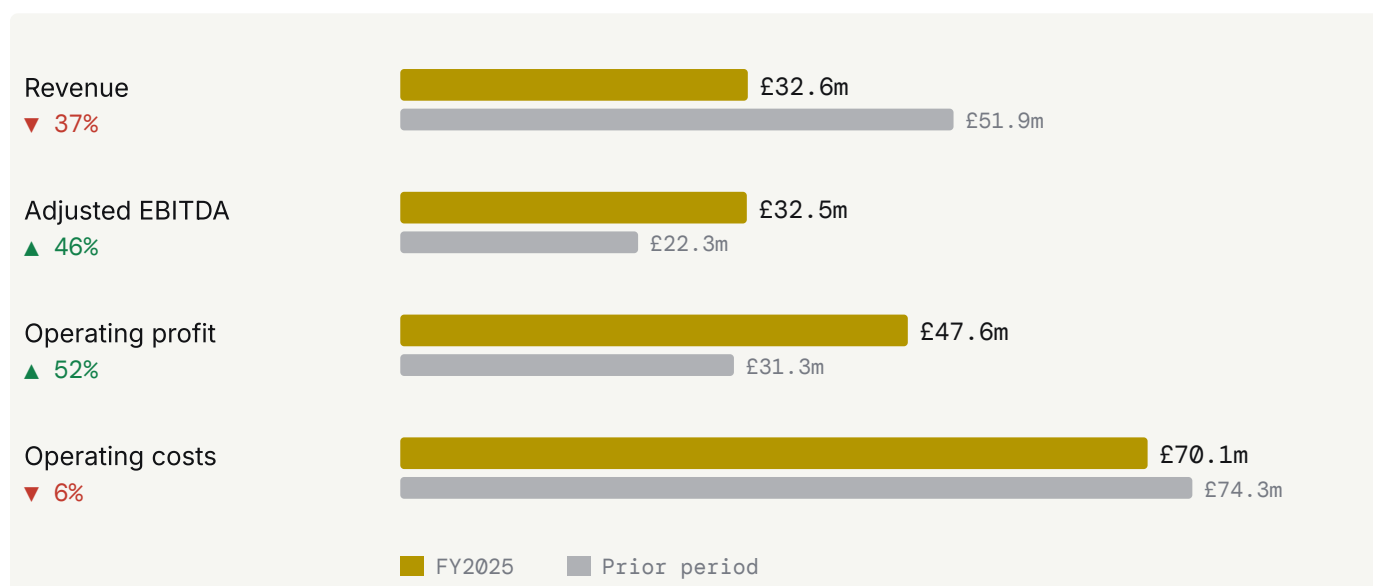
BEFORE	→	NOW · GROSS MARGIN
~~77%, guidance had been over 75%~~		70%

FY2025 revenue fell to £32.6m from £51.9m. In March 2025 Ceres had reverted to £50-60m guidance while it worked to clarify the correct accounting treatment under IFRS 15, the standard that decides when contract income is booked, and confirmed a gross margin above 75%. The margin came in at 70%, down from 77%, and gross profit fell to £22.7m from £40.2m. In a licensing business the timing of revenue recognition can move a year's result substantially, because a single licence fee may be booked at signing, spread over the contract or tied to milestones. No restatement of prior accounts has been quantified, so the evidence points to a forecasting failure, not to misstated figures.

Losses widened as revenue fell. The statutory operating loss was £47.6m against £31.3m, and the adjusted EBITDA loss (earnings before interest, tax, depreciation and amortisation, excluding one-off items) grew to £32.5m from £22.3m. Operating costs did come down, to £70.1m from £74.3m, including £3.4m of exceptional costs. Finance income of £4.1m on the cash pile cushioned the pre-tax loss of £46.3m.

The first half of 2026 looks better. Revenue rose 8% to £22.8m and the adjusted EBITDA loss narrowed to £6.8m. A large part of that revenue came from one-off licence income, which flatters a single half and says little about recurring earnings. The test for the second half is whether costs stay at the lower level and whether any of the income starts to repeat.

FY2025 against the prior period



FIGURE

VALUE CHANGE

Revenue FY2025	£32.6m		-37% from £51.9m; guidance had been £50-60m
Adjusted EBITDA FY2025	-£32.5m		+46% from -£22.3m
Operating profit FY2025	-£47.6m		+52% from -£31.3m
Operating costs FY2025	£70.1m		-5.7% from £74.3m
Net profit FY2025	-£47.5m		+68% from -£28.3m
Revenue H1 2026	£22.8m		+8%

FIGURE	VALUE	CHANGE
Adjusted EBITDA H1 2026	-£6.8m	
FY2025 revenue guidance Given 11 Mar 2025	£50-60 million	

Sources: Final results RNS, 26 Mar 2026; Interim Results RNS, 23 Sep 2026; Guidance, 11 Mar 2025

£172m of liquidity, most of it raised in June

Cash and short-term investments, 30 Jun 2026 £172.0m	Equity issuance, gross proceeds, 2026 £102.6m	Borrowings, 31 Dec 2025 £2.41m
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Cash outflow halved in 2025. Operating cash flow was negative £20.1m against negative £35.9m, and total cash outflow was £19.2m against £37.5m, leaving net cash of £83.3m at the year end. Capital spending fell to £1.9m from £6.7m, which is what an asset-light model should look like. The smaller cash burn than the £47.5m loss suggests that non-cash charges and working capital helped, and it still falls well short of self-funding.

The June placing changed the picture. Ceres raised £102.6m gross, and 18,000,000 new shares were admitted on 12 June 2026, lifting the share count by about 9% to 213,832,469 by 30 September. Cash and short-term investments reached £172.0m at 30 June, about 80p for each share in issue. Debt is negligible: £2.41m of borrowings and £3.15m of leases at the end of 2025.

The accounts carry no material uncertainty over going concern. The directors stress-tested their projections against scenarios including a slower intake of new licensee partners. At the FY2025 rate of outflow, £172.0m covers several years, though that is a static calculation and spending plans can change. The split between cash and short-term investments, and the reconciliation of licence revenue to receivables and cash received, are the details that will show whether first-half revenue is arriving as money or building up as amounts owed. Ceres pays no dividend and has no defined-benefit pension scheme.

FY2025 against the prior period

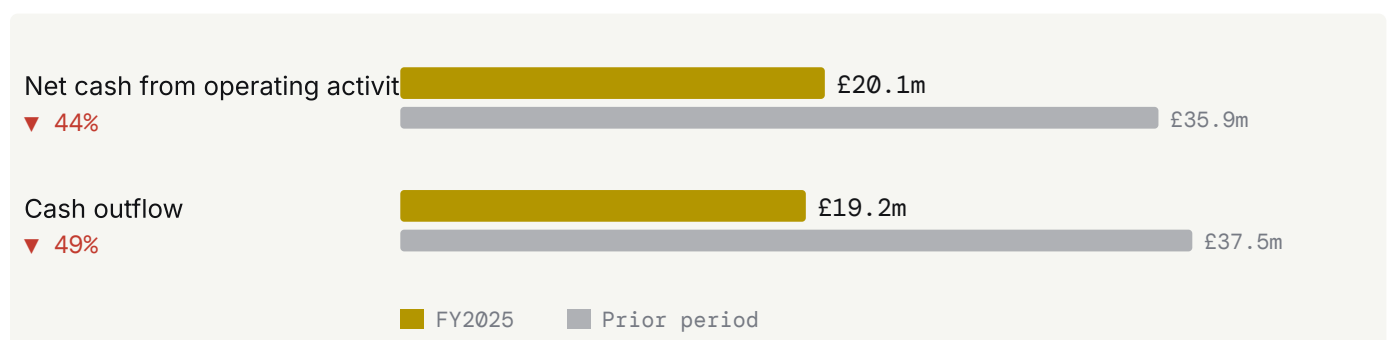


FIGURE	VALUE	CHANGE
Net cash 31 Dec 2025	£83.3m	-18% from £102m
Net cash from operating activities FY2025	-£20.1m	-44% from -£35.9m

FIGURE	VALUE	CHANGE
Cash outflow FY2025	£19.2m	 -49% from £37.5m
Leases 31 Dec 2025	£3.15m	
Shares in issue 30 Sep 2026	213,832,469	
New shares admitted 12 Jun 2026	18,000,000	

Sources: Final results RNS, 26 Mar 2026; Debt, maturities and covenants, 2025-12-31; Total Voting Rights RNS, 30 Sep 2026; Total Voting Rights RNS, 30 Jun 2026; Interim Results RNS, 23 Sep 2026

The 2026 numbers need a licence that is not yet signed

The September interim report put 2026 contracted revenue at about £45m and said Ceres was confident of signing another licensee this year. Figures on the company's website, which it presents as indicative, show FY2026 revenue of £60m and EBITDA of £1m. The gap between the two suggests the higher figure depends on a new licence being signed and booked before the year end. A licence that slips into 2027, or that arrives with fees staged over several years, would leave the full year closer to the contracted base.

The guidance record argues for treating pipeline language as a probability. In January 2025 Ceres expected £55-60m of revenue for the year, cut that to £50-60m in March, and delivered £32.6m. The more recent pattern, with lower costs and a contract-based revenue figure, is easier to check. The research database lists 18 November as a possible results date, with low confidence. Interim results were published on 23 September, so the firmer markers are any licence announcement, a year-end trading update and the FY2026 results.

The backdrop is less forgiving than in the spring. The two-year gilt yield rose 0.42 points in three months to 4.90% at 16 October, while Bank Rate held at 3.75% and CPIH inflation was 3.3% in August. Brent crude reached \$110.55 on 20 October. Ceres does not produce oil, so the main effect of dearer energy is the risk of tighter policy for longer, which lowers the value investors place on profits several years away. The 28 October Budget and the Bank of England's November decision are the next tests for rates.

FIGURE	VALUE	CHANGE
FY2026 revenue (company website, indicative) FY2026e	£60m	
FY2026 EBITDA (company website, indicative) FY2026e	£1m	
FY2025 revenue guidance in January 2025 Given 29 Jan 2025	£55-60 million	
2-year gilt yield 16 Oct 2026	4.90%	+0.42 points over three months
Bank Rate 19 Oct 2026	3.75%	+0.00 points over three months
Brent crude 20 Oct 2026	\$110.55/bbl	+18% +over three months

Sources: Company website, key financial figures (indicative); Guidance, 29 Jan 2025; UK economy and markets, 16 Oct 2026; UK economy and markets, 19 Oct 2026; UK economy and markets, 20 Oct 2026

Two-thirds off the high, still ten times contracted revenue

BEFORE	→	NOW · BASIC EPS
~~£0.1464~~		-£0.2452
Market capitalisation, 20 Oct 2026	52-week range, To 20 Oct 2026	Revenue, FY2025
£604m	206.00p - 871.50p	£32.6m

At 282.60p on 20 October, Ceres is valued at £604m. Taking off the £172.0m of June cash and short-term investments and adding back roughly £5.6m of borrowings and leases gives an enterprise value (the value of the operating business, net of cash and debt) of about £438m. That is nearly ten times the roughly £45m of contracted 2026 revenue, and the market value is about 18 times FY2025 revenue. Losses rule out any earnings multiple.

Breakeven arithmetic shows how far the business has to travel. At FY2025's £70.1m of operating costs and a 70% gross margin, revenue would need to reach about £100m to cover costs. Annualising the lower first-half 2026 cost base brings that to about £88m. Both figures are roughly double what is contracted for 2026, and they assume the margin holds as the mix moves from licence fees to royalties.

The 52-week range runs from 206.00p to 871.50p, and the shares closed at 591p on 12 June, the day the new placing shares were admitted. Investors who bought in the placing are sitting on losses of around half, which tends to create sellers whenever the price recovers. The year-to-date performance figures in the data conflict, so the claim that the shares are still up on the year is a weak anchor. Measured from the 206.00p low, they remain well above where they started the rally.

20 OCT 2026	VALUE	CHANGE
Share price	282.6p	-5.0% on the day

Sources: Market data, 20 Oct 2026; Income statement (tagged accounts), 2025-12-31

Testing 290.7p support with selling still in control

BEFORE	→	NOW · DISCLOSED SHORT POSITIONS
~~16.47% on 9 Oct 2026~~		17.55%

The shares have fallen hard and on volume. To the 19 October close of 295p they were down 28.1% over a month and 20.3% in a week, and the 50-day moving average crossed below the 200-day on 10 September, a pattern chartists call a death cross. The price sits below every major average, 31% under the 200-day. On-balance volume, a running tally that adds volume on up days and subtracts it on down days, has fallen almost continuously from about -9 million in mid-June to -42 million, which points to distribution (persistent selling) since the placing.

Momentum readings are stretched. The 14-day relative strength index was 29.7 at the 19 October close, below the 30 level usually read as oversold, which raises the odds of a bounce without signalling a turn. There is no bullish divergence yet, and the latest swing high on 23 September and 2 October failed to exceed the one before. Daily moves average about 10% of the price, so swings of a few per cent mean little.

The nearest support at 290.7p has been touched seven times, most recently in July. The 20 October trade at 282.60p, in a day range of 278.20p to 295.44p, puts that level under test. A decisive close below it on

rising volume would open the way to the next shelf at 207.5p, close to the December 2025 low. On the upside, resistance sits at 348p to 361p, with an unfilled gap from 15 October between 354.39p and 368.98p.

Positioning adds to the volatility. Disclosed short positions reached 17.55% of shares on 15 October across ten holders. The October holding notices complicate the picture: JPMorgan's 5.34% and Barclays' 5.37% are held mostly through financial instruments, and the 5.10852% notified by funds linked to Christian Leone sits almost wholly in cash equity swaps. Such positions can reflect broker hedging or long exposure as well as bets against the shares, so they do not all point one way. BlackRock lifted its holding to 6.78% in September.

FIGURE	VALUE	CHANGE
Day range	278.20p - 295.44p	
20 Oct 2026		
JPMorgan Chase & Co. voting rights	5.335648%	5.143303% through financial instruments
15 Oct 2026		
Barclays PLC voting rights	5.37%	4.80% through financial instruments
14 Oct 2026		
Thebes funds voting rights	5.10852%	5.08138% through cash equity swaps
9 Oct 2026		
BlackRock, Inc. voting rights	6.78%	from 5.85%
22 Sep 2026		

Sources: Market data, 20 Oct 2026; Holding(s) in Company RNS, 20 Oct 2026; Holding(s) in Company RNS, 19 Oct 2026; Holding(s) in Company RNS, 15 Oct 2026; Holding(s) in Company RNS, 24 Sep 2026

The case for and against

FOR

The case for starts with the balance sheet and the price. Ceres holds £172.0m of liquidity, about 80p a share, and almost no debt, so it can keep developing the technology and pursue partners without returning to shareholders soon. First-half 2026 revenue rose 8% and the adjusted EBITDA loss shrank to £6.8m after a year of cost cuts. Doosan's c£60m Reverion order is the first export of Ceres-licensed stacks and the first sign of demand outside Korea. A new licensee, particularly one aimed at data-centre or Western power markets with meaningful upfront cash, would show the model can grow beyond its current partners. With short interest at 17.55% and the shares two-thirds below their high, good news could move the price sharply.

AGAINST

The case against rests on conversion and credibility. Royalties were £110,000 in FY2025, FY2025 revenue fell almost £20m short of the low end of guidance, and the margin missed too. Contracted 2026 revenue of about £45m is half what is needed to break even on the current cost base, and an enterprise value of about £438m already prices in years of improvement. The partner base has thinned, with Bosch gone and Korea's public-building mandate removed, while gas turbines compete for data-centre demand. June's cash came from shareholders, and a future raise would come at a far lower price than 12 June's 591p close if the licence timetable slips. Selling has been persistent since the placing and higher gilt yields weigh on shares whose value lies years ahead.

WHAT TO WATCH

The evidence that would separate the two cases is specific. First is whether the new licensee is signed by the end of 2026, and on what cash terms, since a headline with back-loaded fees would do little for this year's numbers. Second is whether FY2026 revenue clears the £45m contracted base and how it compares with the £60m shown on the company website. Third is royalty income in the FY2026 accounts against FY2025's £110,000, alongside licence revenue turning into cash rather than receivables. Then come the next deliveries under the Reverion contract and any further Doosan exports. Rates matter too, starting with the 28 October Budget and the Bank of England's November decision.

Risks

- ! The new licensee that Ceres expects to sign in 2026 could slip into 2027 or come with staged fees, leaving FY2026 revenue near the £45m contracted base and well short of the £60m figure on the company website.
- ! Royalties, at £110,000 in FY2025, may take years to build, and the licence-fee income that dominates revenue is lumpy and hard to forecast, as the miss against £50-60m FY2025 guidance showed.
- ! Ceres depends on partners to manufacture and sell its technology, and Bosch's exit in 2025 and the removal of Korea's public-building mandate show how partner and policy decisions outside its control can shrink the market.
- ! Data-centre power demand may go to gas turbines and engines, leaving fuel cells with a smaller share than the spring rally assumed.
- ! If conversion stalls, another equity raise could be needed in later years at a price well below the 591p close on the June admission date, diluting existing holders.
- ! Rising gilt yields, with the two-year at 4.90%, and oil above \$110 could keep policy tight and further reduce the value placed on pre-profit companies.
- ! Disclosed short interest of 17.55% and daily moves of about 10% of the price make the shares prone to sharp swings in either direction, and a break below 290.7p support leaves little chart support until 207.5p.

THE OTHER VIEW

A stronger reading of the same evidence starts from what the market value now implies. Strip out cash worth about 80p a share and the operating business is valued at about £438m, for intellectual property that Doosan, Denso and Centrica have chosen to work with and that has just produced its first export order in Europe. The FY2025 miss was a timing failure in a lumpy licensing business, and no restatement has been quantified. The first half of 2026 shows costs falling and losses narrowing, while the £45m contracted base already sits well above FY2025 revenue. On this view, the comparison with contracted revenue understates the value of a royalty stream that barely exists today, because the multiple falls fast once partner volumes start. The persistent selling since June can be read as placees and momentum holders exiting after a sentiment-driven spike, and much of the reported short interest sits in swaps that may hedge long positions. A single cash-backed licence would then meet a shareholder base that has already sold, which is how sharply higher prices could follow a modest piece of news. The weakness in this reading is that it needs the licence, the royalties and a friendlier rates backdrop to arrive within the same window, and the company's guidance record gives little reason to assume the timing.

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