

ENSI EnSilica plc

EnSilica swings to £5.9m EBITDA on 53% revenue growth, but chip supply lags

Following the Final Results · 5 October 2026

FY26 REVENUE £27.8m ▲ up 53% on £18.2m in FY25	FY26 EBITDA £5.9m ▲ against £0.0m in FY25; includes £4.2m other income	CHIP SUPPLY REVENUE £6.7m ▲ up 16% on £5.7m; 24% of revenue	FY27 REVENUE GUIDANCE £32m to £34m reconfirmed; EBITDA guided at £5.5m to £6.5m
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Share price, past 12 months

Daily close; latest price as at 16:27 on 5 October 2026 · Ticker Data API



EnSilica's audited final results today confirmed a record year to 31 May 2026: revenue rose 53% to £27.8m, EBITDA (earnings before interest, tax, depreciation and amortisation) moved from nil to £5.9m and the group made a £1.2m profit after tax against a £2.7m loss. EBITDA came in above the £4.7m indicated in June, which the company attributes to a larger research and development tax credit. FY27 guidance of £32m to £34m revenue and £5.5m to £6.5m EBITDA was reconfirmed, with more than 80% of anticipated revenue described as visible. The shares were about 83.70p on results day, up 9.46%.

Behind the headline, growth came mainly from design fees: non-recurring engineering (NRE) revenue rose 155% to £15.0m, while chip supply, the recurring income the strategy depends on, grew 16% to £6.7m. Gross margin fell from 40% to 35%, and £4.2m of the EBITDA came from grant income and tax credits. Operating cash flow of £6.2m did not cover £6.5m of capitalised development spending. Two oversubscribed equity raises, £10m in March and £14.9m in July, have removed the funding strain of previous years, and this year's going-concern statement carries no material uncertainty. The longer-term case rests on five chips in volume supply, fourteen in design, \$375m of lifetime supply visibility and growth markets in satellite communications and photonics. The near-term test is whether supply revenue and cash generation accelerate.

“This has been a record year for EnSilica. Our revenues grew 53% to £27.8 million and we generated record EBITDA of £5.9 million, delivering significant growth in our target markets.”

Ian Lankshear, Chief Executive Officer · Final Results, 5 October 2026

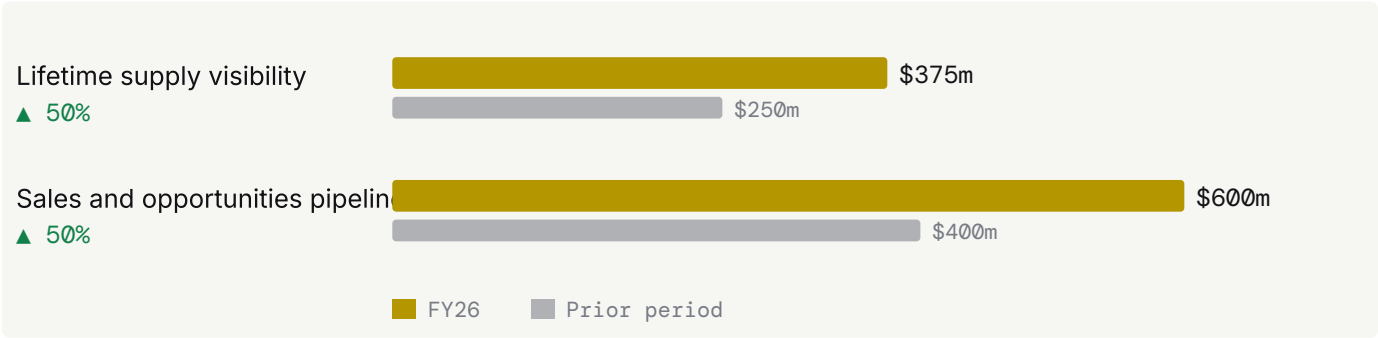
A chip designer moving from fees to supply

EnSilica is a fabless chip company. It designs application-specific integrated circuits (ASICs, custom chips built for one customer's product) and outsources manufacturing to foundries such as TSMC. It is paid upfront for design work and, once a chip reaches production, earns supply revenue for the life of the customer's product, typically seven to ten years. It serves space and satellite communications, automotive, industrial and photonics markets, and the team grew to 204 people during the year.

Today's audited results for the year to 31 May 2026 present FY26 as the year the business moved "from a design services business into a semiconductor design and supply platform". Five ASICs are now in volume production and fourteen chip programmes are in design. Lifetime supply visibility, the expected supply revenue under customer contracts based on customer forecasts, rose 50% to \$375m. The sales and opportunities pipeline rose 50% to more than \$600m, after \$125m of opportunities converted into contracted supply.

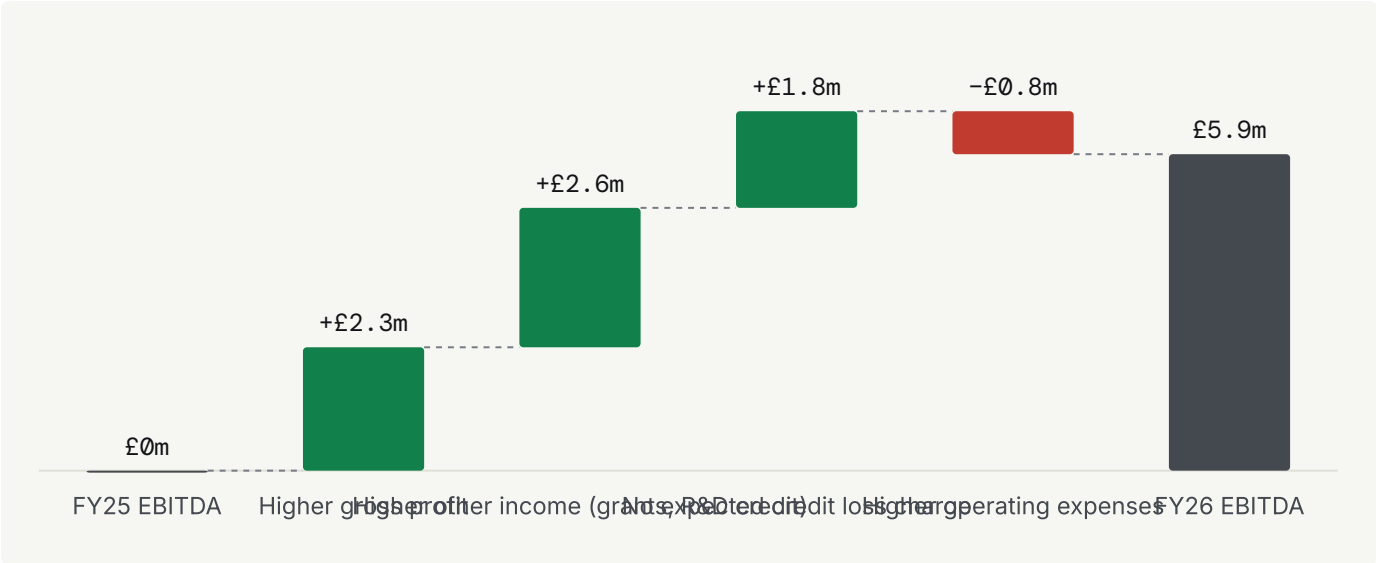
Operational highlights include a \$75m automotive supply contract with a German tier-one supplier, the company's largest automotive win to date. There were also two development contracts with a leading European satellite operator, potentially worth over \$50m from 2030 onwards. The Edge AI ASIC completed production tape-out (the hand-over of a finished design to the foundry), releasing US\$5m of NRE and tape-out fees recognised across FY26 and FY27. Since the year end, the company has won €1.1m of follow-on orders for its satellite communications ASSP (application-specific standard part, a chip designed to be sold to several customers) and a €1.7m second-phase satellite payload ASIC contract. It has also opened a Space and Communications centre in Milan.

FY26 against the prior period



FY26	VALUE	CHANGE
ASICs in volume production	5	
Chip programmes in design	14	
Lifetime supply visibility	\$375m	+50% from \$250m
Sales and opportunities pipeline	\$600m+	+50% from \$400m
Automotive contract win	\$75m	
Employees	204	

How FY26 EBITDA moved from nil to £5.9m



Each step is the year-on-year change in the corresponding line of the company's summary results table (gross profit £7.3m to £9.6m, other income £1.6m to £4.2m, credit loss £1.8m to nil, operating expenses £7.1m to £7.9m).

Design fees drove the 53% revenue jump

BEFORE

~~24%~~

→

NOW · LARGEST CUSTOMER SHARE OF REVENUE

14%

Revenue rose 53% to £27.8m (FY25: £18.2m). The growth was driven largely by NRE design revenue, which rose to £15.0m from £5.9m, helped by the six development and supply agreements signed in FY25. Consultancy design services slipped to £6.1m from £6.6m. Chip supply revenue rose 16% to £6.7m. The company says supply growth was held back by a previously disclosed cybersecurity issue in an automotive customer's supply chain. The half-year report showed £3.9m of supply revenue in the first half, which implies a weaker second half for supply. Customer concentration improved: the largest customer accounted for 14% of revenue, against 24% a year earlier.

Gross margin fell five percentage points to 35%. The company says this reflects development costs on projects whose grant income had to be booked as other income rather than revenue. Other income rose to £4.2m (FY25: £1.6m), made up of £1.7m from the UK Space Agency C-LEO modem grant and £2.5m of R&D expenditure credit. Operating expenses rose 11% to £7.9m. FY25 had also carried a £1.8m expected credit loss allowance that did not recur. Together these produced EBITDA of £5.9m.

Below EBITDA, depreciation and amortisation rose to £3.0m from £1.7m and interest fell to £0.7m. Profit before tax was £2.2m and profit after tax £1.2m, after a £1.0m tax charge. Basic earnings per share were 1.23p in the note. The primary statement shows the figure in brackets as (1.23)p, a presentational inconsistency.

The EBITDA figure needs reading with care. The June trading statement had indicated £4.7m, and the final £5.9m beat came from a higher-than-estimated tax credit, not stronger trading. Revenue of £27.8m was slightly below the original £28m to £30m guidance; the company had said the Edge AI tape-out timing was the reason.

FY26 against the prior period

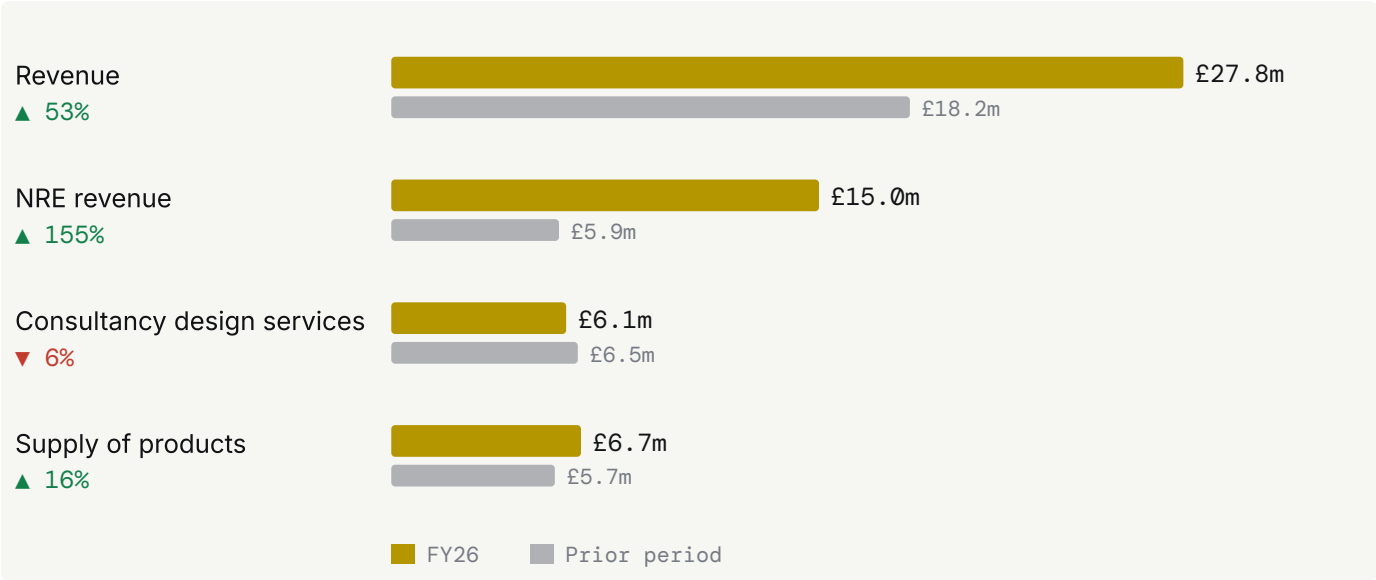


FIGURE	VALUE	CHANGE
Revenue FY26	£27.8m	+53% from £18.2m
NRE revenue FY26	£15.01m	+155% from £5,891k
Consultancy design services FY26	£6.14m	-6.3% from £6,551k
Supply of products FY26	£6.66m	+16% from £5,741k
Gross margin FY26	35%	-40% down from
Other income FY26	£4.2m	+163% from £1.6m
R&D expenditure credit FY26	£2.5m	
Profit after tax FY26	£1.2m	from £(2.7)m loss
Basic EPS FY26	1.23p	from (3.26)p
H1 chip supply revenue H1 FY26	£3.9m	+34%

Sources: Final Results RNS, 5 Oct 2026; Final Results RNS, segmental note, 5 Oct 2026; Final Results RNS, note 5, 5 Oct 2026; Half-year Financial Report, 3 Feb 2026

Two share placings rebuilt the cash

Year-end cash was £7.6m (31 May 2025: £2.0m). The increase came from the March equity raise, which brought £9.5m net, rather than from trading surplus. Net cash flow from operations was £6.2m, including a £1.3m tax receipt. Against that, the group spent £6.5m on capitalised development (customer ASICs and

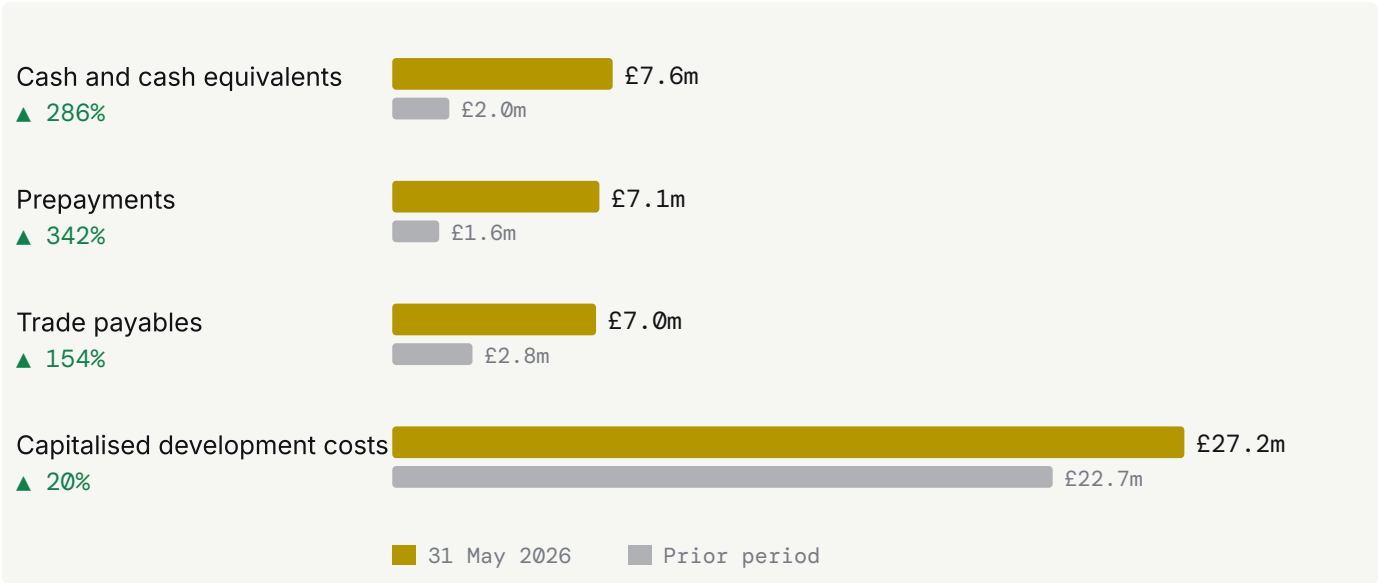
its own intellectual property), £0.5m on equipment and £0.6m on interest. Cash consumption after these items was £1.4m, a big improvement on £5.3m in FY25. Loan and lease repayments took a further £2.2m. Including leases, the net debt note shows a small net cash position of £701k at 31 May 2026, against £6.0m of net debt a year earlier.

Working capital moved in several directions. Trade receivables fell to £3.9m from £5.9m despite higher revenue, which argues against weak collections. But inventories rose to £1.7m from £0.4m, and prepayments jumped to £7.1m from £1.6m. The announcement does not explain what those prepayments are for or when they will turn into deliveries. Trade payables rose to £7.0m from £2.7m, and contract liabilities (customer money received for work still to be done) rose to £7.6m from £5.9m. A £6.1m rise in payables overall helped support operating cash flow.

Capitalised development costs now stand at £27.2m net, close to the whole of £31.4m net assets. Their value depends on project forecasts. No impairment was recognised this year, and the discount rate used in testing was lowered to 9.8% from 11.5%. Bank loans of £4.4m are with Bank of Scotland, and £3.9m is classified as current. The term loan is repayable by November 2027.

Since the year end, the July placing raised £14.9m gross (£14.2m net) at 91p a share. Added to May's cash, that gives about £21.8m on a pro-forma basis, or roughly £15m after loans and leases, before any spending since May. The going-concern statement no longer carries the material uncertainty over bank covenants flagged in the FY24 and FY25 accounts, although no covenant headroom figures are given.

31 May 2026 against the prior period



FIGURE

	VALUE	CHANGE
Cash and cash equivalents 31 May 2026	£7.56m	+286% from £1,963k
Net cash flow from operations FY26	£6.2m	+195% from £2.1m
Additions to intangible assets FY26	£6.45m	+11% from £5,797k

FIGURE

VALUE CHANGE

Cash consumption FY26	£1.4m		-74% from £5.3m
Prepayments 31 May 2026	£7.11m		+342% from £1,613k
Trade payables 31 May 2026	£6.99m		+154% from £2,745k
Capitalised development costs (net) 31 May 2026	£27.18m		+20% from £22,662k
Net assets 31 May 2026	£31.44m		+50% from £20,900k
Bank loans 31 May 2026	£4.4m		-17% from £5.3m
July 2026 placing Post year end	£14.9m gross (£14.2m net) at 91p		

Sources: Final Results RNS, balance sheet, 5 Oct 2026; Final Results RNS, 5 Oct 2026; Final Results RNS, cash flow statement, 5 Oct 2026; Final Results RNS, note 8, 5 Oct 2026; Final Results RNS, note 10, 5 Oct 2026; Final Results RNS, note 7, 5 Oct 2026

“With a growing base of recurring revenue and a clear focus on the high-margin space and satellite communications market, we are confident that EnSilica is well positioned to sustain this momentum into FY27 and beyond.”

Ian Lankshear, Chief Executive Officer · Final Results, 5 October 2026

Guidance reconfirmed, weighted to the second half

EnSilica reconfirmed FY27 guidance of £32m to £34m revenue and £5.5m to £6.5m EBITDA. Revenue is expected to be second-half weighted. Gross margin is expected to be stable, because better margins from higher chip supply will be offset by more grant-related development work. Operating expenses are expected to rise somewhat. The company says more than 80% of anticipated FY27 revenue is already visible, although the CFO's wording counts contracted customers "or contracts in negotiation" towards that figure. Two further tape-outs are expected to complete in FY27, after three already done.

The guidance implies revenue growth of roughly 15% to 22% but little EBITDA growth on FY26's £5.9m. The company expects "further significant growth" in chip supply revenue in FY27. Its medium-term ambition remains annual revenue of £100m and an EBITDA margin of 30%, built on four to five new chip programmes a year. Management also cites a satellite user-terminal silicon opportunity it estimates will grow around fivefold to over \$3bn between 2025 and 2030; that is a market estimate, not a near-term earnings driver.

One earlier target is absent. In February the company spoke of positive monthly operational cash generation by the end of calendar 2026. In June that became positive monthly operational cash generation after investment in intangible assets by the end of FY27. Today's results do not repeat either target. The AGM is on 30 October 2026 and an online results presentation is scheduled for 13 October 2026.

FIGURE	VALUE	CHANGE
FY27 revenue guidance FY27	£32m to £34m	reconfirmed
FY27 EBITDA guidance FY27	£5.5m to £6.5m	reconfirmed
FY27 revenue visibility FY27	more than 80%	
Medium-term revenue target	£100m	
Target EBITDA margin	30%	
Original FY26 revenue guidance FY26	£28-30m	
June FY26 EBITDA indication FY26	£4.7m	ahead of £3.5-4.5m guidance

Sources: Final Results RNS, 5 Oct 2026; Trading Statement, 23 Jun 2026

About three times next year's revenue

Market capitalisation, 5 Oct 2026

£112m

52-week range

32.00p - 126.00p

Day range, 5 Oct 2026

75.00p - 85.00p

At about 83.70p on results day, EnSilica's market value is around £112m, on 134m shares in issue. That is roughly 90 times FY26 profit after tax of £1.2m. On an enterprise basis, after about £15m of pro-forma net cash, it is around three times the FY27 revenue guidance and in the mid-teens times the midpoint of FY27 EBITDA guidance. With FY27 EBITDA guided broadly flat, those multiples are not demanding if chip supply scales as intended, but they already assume it will.

The shares remain below the 91p price of the July placing and well below the 126.00p high of the past year, though far above the 32.00p low. The results-day trading range was 75.00p to 85.00p. Ticker's earnings surprise model had leaned towards an in-line result going in. That is an estimate, and the reported EBITDA beat rests mainly on the tax credit.

FIGURE	VALUE	CHANGE
Share price 5 Oct 2026	83.7p	+9.5% +on the day
Shares in issue 31 Jul 2026	134,235,414	

Sources: Ticker company data, 5 Oct 2026; Total Voting Rights RNS, 31 Jul 2026

Range-bound since the July placing

Before today the shares had been consolidating rather than trending. A strong rise from the December 2025 low of 32p peaked at 126p in May, and the price closed at 74p on 2 October. That close sat above a still-rising 200-day average but below the 20-, 50- and 100-day averages. Since the 91p placing settled in late July, the shares had not closed above that level. They fell to 68p on 2 September on the heaviest volume of the period, then rallied to 84p by 17 September on light volume before fading. That pattern is consistent with holders selling into strength.

The results-day move to about 83.70p takes the price back above the 50-day average, but into a band of resistance between roughly 76p and 91p that has capped every rally since May. A sustained close above about 88.6p to 91p on volume well above the recent average of around £231,000 a day would be the first technical sign that new buyers are paying more than the July placees did. A fade back towards 72p to 76p would suggest the market sees the results as already known. The 68p September low is the level below which the picture would weaken. Daily price swings of several percent are normal for this share.

The case for and against

FOR

The bull case rests on the business model starting to compound. Five chips are shipping, fourteen are in design, \$375m of lifetime supply is visible and the pipeline has grown even after \$125m converted into contracts. The \$75m automotive win, the satellite operator contracts and the quick post-raise follow-on orders show customers are committing. On this view, each chip that reaches volume adds supply revenue without a matching rise in cost, opening the route to £100m revenue and a 30% margin. Satellite user terminals and photonics control chips for AI data centres, through the Oriole Networks partnership, offer large longer-term upside. The two oversubscribed raises, including a 16.39% holder in Esterhuyzen Limited, give the company money to execute.

AGAINST

Against that, FY26 growth was mainly design fees, chip supply grew only 16% and appears to have dipped in the second half, and gross margin fell. Most of the EBITDA, and nearly all of the beat against June, came from grants and tax credits. Operating cash did not cover development spending, and capitalised development is almost the whole equity base. The £7.1m of prepayments is unexplained, and the cash-generation milestone has moved once and is not repeated today. Guidance implies flat EBITDA, revenue leans on the second half, and the placing overhang and high gilt yields weigh on smaller growth shares.

WHAT TO WATCH

Chip supply decides it. If supply revenue accelerates enough to replace grant-supported EBITDA and begin funding development spending, the bull case holds; if it keeps growing at this year's 16%, the bear case does. The track record cuts both ways: revenue guidance has been broadly reliable, within 2% last year, while cash timetables have slipped. The H1 FY27 update is the next main test, with the AGM an earlier chance for news.

Risks

- ⚠ Chip supply growth may stay slow: supply was only £6.7m of £27.8m revenue in FY26 and appears to have weakened in the second half after an automotive customer's cybersecurity disruption.
- ⚠ Reported profit relies on non-trading income: £4.2m of the £5.9m EBITDA came from grant income and R&D tax credits, which may not recur at the same level.
- ⚠ A delay to the two remaining FY27 tape-outs or to supply ramps would hit second-half-weighted revenue while engineering costs continue, raising cash consumption.
- ⚠ Capitalised development of £27.2m is nearly all of net assets; any write-down if project forecasts disappoint would sharply reduce reported equity.
- ⚠ Cash generation is not yet self-funding: operating cash flow did not cover development spending, £7.1m of prepayments is unexplained, and the cash-generation target was not repeated in these results.
- ⚠ Any future equity raise in a market of high gilt yields and modest daily trading could come at a discount to the 91p July placing price.
- ⚠ As a fabless company relying on foundries including TSMC, EnSilica is exposed to any China–Taiwan confrontation, which the company lists as a principal risk.

THE OTHER VIEW

The strongest alternative view is more optimistic. It argues that the cash profile is simply the normal shape of a fabless chip company early in its supply cycle. Development has to be paid for up front, and the payback comes later as chips reach volume and earn supply revenue for seven to ten years. On this reading, five chips in supply, fourteen in design, \$375m of lifetime supply visibility, a growing pipeline and two oversubscribed raises point to compounding growth. That would make a £112m valuation modest against satellite and photonics markets measured in billions. The argument has merit, and the order book and funding are genuine improvements. It does not change the overall view because the evidence for the supply flywheel is not yet in the numbers. Supply grew only 16% and fell back in the second half, gross margin declined, and grants and tax credits drove most of the EBITDA. The cash-generation timetable has already slipped once and is absent from today's results. The large market opportunities are 2028 to 2030 drivers, while FY27 guidance implies flat EBITDA. Until supply revenue and cash generation visibly accelerate, the optimistic case remains a credible direction of travel rather than a demonstrated outcome.

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