

HDD Hardide plc

Hardide doubles revenue to £13.5m and beats FY26 profit expectations

Following the Year End Trading Update · 21 October 2026

FY26 REVENUE £13.5m ▲ FY25: £6.0m, in line with £13.5m market expectation	FY26 EXPECTED EBITDA £5.8m ▲ FY25: £1.0m; market expectation £5.5m	GROSS CASH, 30 SEP 2026 £3.2m ▲ 30 September 2025: £0.7m	FY27 REVENUE EXPECTATION £18.8m Market expectation as understood by Hardide
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Share price, past 12 months

Daily close; latest price as at 09:00 on 21 October 2026 · Ticker Data API



Hardide's year-end trading update today confirmed that revenue more than doubled to £13.5m in the year to 30 September 2026, with EBITDA (earnings before interest, tax, depreciation and amortisation) expected at £5.8m and pre-tax profit at £4.9m. Both profit lines are ahead of the £5.5m and £4.6m the company understands the market expected, while revenue matched its £13.5m forecast exactly, so the beat is £0.3m on each profit line. Gross cash rose to £3.2m from £0.7m, after a £1.5m working-capital investment, much of it to secure process gas for most of FY27, and a £0.7m deposit on coating reactors expected to cost £3.5m. Those reactors should double capacity to about £40m of annual sales, coming on stream in the second half of FY27.

The turnaround is plain when set against the FY23 accounts, which carried a material uncertainty over going concern. The open question is how much is left to surprise on in FY27. Final-quarter revenue of £4.6m annualises to £18.4m, close to the £18.8m already expected, and the extra capacity arrives only late in the year. With the shares at 102.67p today and a market value of £81m, the price already assumes that forecast is met. The audited results due on 10 December 2026 will carry the first full cash-flow statement for the year and show how much of the profit became cash.

“The combination of strong current trading momentum and encouraging recent order intake underpins market expectations and positions Hardide for further significant growth in FY27, consistent with the Company’s strategic objective of more than doubling revenues again over the next two to three years.”

Hardide plc, Company announcement · Year End Trading Update, 21 October 2026

One North American customer still drives the growth

North American energy order,
Deliveries by 30 Sep 2026

£1.8m

North American energy orders, FY26
requirements

£2.4m

Second-generation component order,
To November 2026

US\$1.9m

Hardide applies tungsten carbide and tungsten metal matrix coatings to engineering components that wear out in harsh conditions, such as directional drilling tools, valves, pumps and gas turbine parts. It sells this largely as a service: customers send parts to its sites in Bicester and Martinsville in the US, and Hardide coats them in reactors. Capacity is therefore set by reactor count, which explains why the £3.5m reactor purchase matters so much.

The year's growth came mostly from a major North American energy customer. That customer placed £1.8m of orders in April, £2.4m in May and, on 14 September, a first production order of about US\$1.9m for second-generation components, covering deliveries to November 2026 and split equally between the UK and US plants. The first shipments of those new-generation parts have now gone out. Orders arrive in short tranches, so visibility beyond a few months depends on the next one.

Hardide also reports new production work in aerospace and new customers in energy and industrials, all contributing to FY27 revenue, though none is sized. Testing continues with a potential major energy customer in the Middle East and with semiconductor customers, with results described as encouraging. These remain trials, not contracts. Separately, Dr Yuri Zhuk left the board on 1 October to become Chief Technology Officer.

Sources: New Order Intake RNS, 28 Apr 2026; Significant further order intake RNS, 27 May 2026; Year End Trading Update RNS, 21 Oct 2026

Margins, not revenue, produced the beat

Revenue of £13.5m landed exactly on the market expectation Hardide cites, so the upside came from costs. EBITDA of £5.8m implies a margin of about 43%, against 17% in FY25, and pre-tax profit rose to £4.9m from £0.2m. The company credits improved cost management and continuous improvement work. This happened despite the roughly £0.7m of extra second-half input costs flagged in April.

The operating leverage is what you would expect from a reactor business with a largely fixed cost base: each extra coating run adds revenue without much extra overhead. The first half had already shown it, with operating margin of 26.8% on revenue up 71% to £4.8m. The final quarter produced £4.6m of revenue and approximately £1.9m of EBITDA, a margin close to the full-year figure.

The beat was modest. In July the board had said results would be materially ahead of £13.4m revenue and £4.3m EBITDA, and expectations moved up after that. Against the revised £5.5m EBITDA and £4.6m pre-tax forecasts, today's figures are ahead by £0.3m each. All of it is unaudited.

FY26 against the prior period

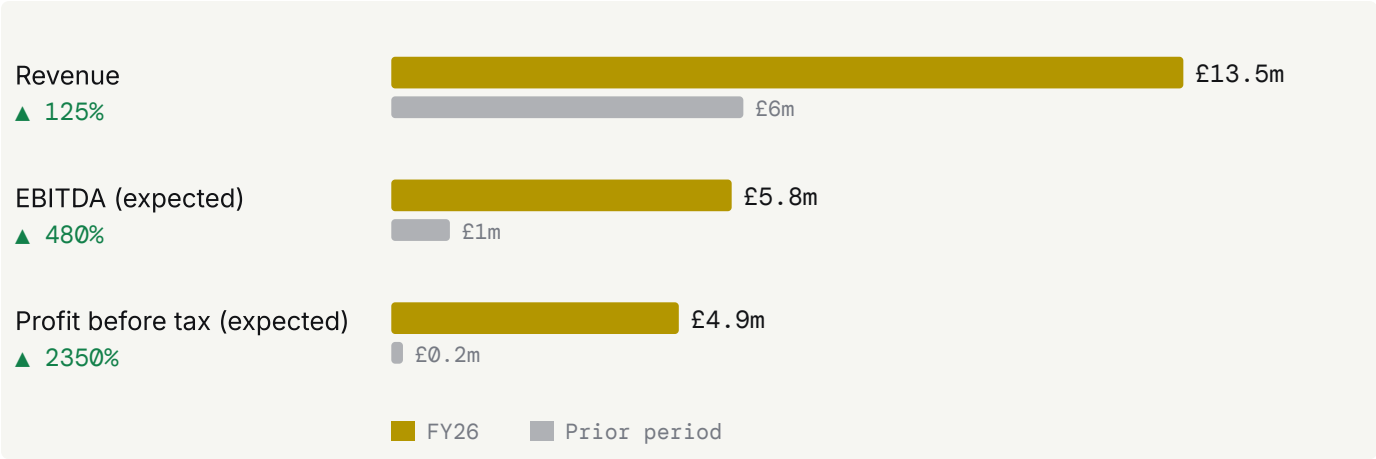


FIGURE	VALUE	CHANGE
Revenue FY26	£13.5m	+125% FY25: £6.0m
EBITDA (expected) FY26	£5.8m	+480% FY25: £1.0m; expectation £5.5m
Profit before tax (expected) FY26	£4.9m	+2350% FY25: £0.2m; expectation £4.6m
Final quarter revenue Q4 FY26	£4.6m	
Final quarter EBITDA Q4 FY26	c.£1.9m	
EBITDA margin FY25	17%	
Operating margin H1 FY26	26.8%	

Sources: Year End Trading Update RNS, 21 Oct 2026; Annual results RNS, 22 Jan 2026; Interim Statement, 21 May 2026

Cash grew £2.5m, but the reactor bill is close behind

Working capital investment, FY26	Reactor deposit paid, FY26	Reactor total expected cost
£1.5m	£0.7m	£3.5m

Gross cash ended the year at £3.2m, up from £0.7m, even after £1.5m went into working capital and £0.7m was paid as a reactor deposit. That makes a cash-burn reading hard to sustain. How much of the £5.8m EBITDA turned into operating cash is still unknown, with no cash-flow statement, no receivables or payables figures and no net cash number yet published.

The remaining reactor cost is £2.8m on the £3.5m total, close to the whole gross cash balance. Subtracting one from the other leaves £0.4m, but that is a stress case in which the full balance falls due at once, and the payment schedule is not disclosed. No committed bank facility is mentioned. The July update described a £4.5m capital investment for three new reactors, a figure that needs reconciling with today's £3.5m.

Gross cash also overstates headroom. At 31 March cash was £1.49m but net cash only £0.7m, and the filed FY25 accounts show cash of £827k where today's update says £0.7m. The FY25 accounts reported no borrowings and operating cash flow of £663k. A June capital reduction created about £3.2m of distributable reserves, which permits dividends in law but adds no cash.

FIGURE	VALUE	CHANGE
Gross cash 30 Sep 2026	£3.2m	+357% 30 Sep 2025: £0.7m
Cash 31 Mar 2026	£1.49m	
Net cash 31 Mar 2026	£0.7m	
Operating cash flow FY25	£0.66m	+57% FY24: -£422k
Cash 30 Sep 2025	£0.83m	

Sources: Year End Trading Update RNS, 21 Oct 2026; Interim Statement, 21 May 2026; Annual Report and Accounts to 30 Sep 2025

The fourth-quarter run-rate already matches FY27 forecasts

FY27 revenue expectation, FY27	FY27 EBITDA expectation, FY27	FY27 PBT expectation, FY27
£18.8m	£8.0m	£6.6m

Hardide says current trading and order intake underpin FY27 market expectations of £18.8m revenue, £8.0m EBITDA and £6.6m pre-tax profit. Both revenue and EBITDA would grow by about 39%, with almost no room for margin slippage. Final-quarter revenue of £4.6m, annualised, gives £18.4m, so the existing run-rate roughly covers the forecast without further growth.

A large beat is harder to engineer this year. If the new reactors double capacity to £40m of annual sales, current capacity is roughly half that, and the extra reactors arrive only in the second half of FY27. Upside before then has to come from new wins and pricing within existing capacity. Securing most of FY27's process gas at known costs removes one input-cost risk, but not all of them.

The longer aim is to more than double revenue again over the next two to three years, which the board first set out in July after meeting its first doubling target ahead of schedule. The next fixed date is the audited FY26 results on 10 December 2026. After that, the North American customer's order for the period beyond November 2026 is the one to watch.

FIGURE	VALUE	CHANGE
Capacity after expansion Annual sales	c. £40m	
Audited results date	10 December 2026	

Sources: Year End Trading Update RNS, 21 Oct 2026

Twelve times next year’s pre-tax profit assumes delivery

At a market value of £81m, with the shares at 102.67p today, Hardide trades at about 16.5 times unaudited FY26 pre-tax profit and 14 times FY26 EBITDA. On the FY27 expectations, the multiples fall to roughly 12 times pre-tax profit and 10 times EBITDA, before tax and before any adjustment for cash. A pre-tax multiple flatters the comparison with after-tax earnings multiples quoted elsewhere.

For a business earning EBITDA margins above 40% and growing at nearly 40% a year, those multiples are not stretched on their face. They do, however, already build in the FY27 forecast, which itself depends on short-dated orders from one energy customer. The shares carry a small free float in trading terms, with average daily value traded of around £249,000, so any revision to forecasts in either direction can move the price further than the change in numbers alone.

Rates add to the cost of being wrong. The UK two-year gilt yield stood at 4.90% on 16 October, up 0.42 points over three months, while the FTSE AIM All-Share fell 1.6% in the three months to 20 October.

FIGURE	VALUE	CHANGE
Market capitalisation	£81m	
Share price 21 Oct 2026	102.67p	-1.0% on the day
Shares in issue 7 Oct 2026	78,837,749	
2-year gilt yield 16 Oct 2026	4.90%	+0.42 points over three months
FTSE AIM All-Share 20 Oct 2026	762.95	-1.6% over three months

Sources: Ticker price data, 21 Oct 2026; Exercise of Options RNS, 7 Oct 2026; UK economy data

The rally had cooled before the figures landed

52-week high	52-week low	Day range, 21 Oct 2026
112.00p	6.25p	102.67p - 107.50p

The shares went into the update close to their 52-week high of 112.00p, set on 15 October on volume of 737,069 shares, three to four times a normal session. On-balance volume, a running tally of volume on up days less down days, confirmed that high, so the advance had real buying behind it. Over three months the shares had risen 40.5% and over a year by more than twelve-fold.

The four sessions after 15 October brought a pullback to a 104p close on 20 October, with above-average volume on the heaviest down days, which reads as profit-taking. The MACD, a momentum gauge, crossed below its signal line on that last session, and the stochastic oscillator had turned down a day earlier. Bollinger band width, a measure of recent volatility, was narrower than in 99% of the previous 126 readings, a pattern that often comes before a larger move without indicating its direction. The 102.67p price today sits within a day range of 102.67p to 107.50p.

The nearest support is 100.67p, tested three times and last on 29 September. Below that the chart has little until 79.69p. A close back above 112p on heavy volume over two or three sessions would show the update has extended the trend, while a sustained close below 100.67p would show the market reads the beat as already in the price.

The case for and against

FOR

The case for rests on delivery. Hardide doubled revenue a year earlier than its original plan, beat profit forecasts that had already been raised in July, and lifted EBITDA margin to about 43% from 17% while absorbing higher input costs. Cash rose £2.5m in a year of heavy investment, which is hard to square with a fragile business. The second-generation North American parts are now shipping, aerospace, energy and industrial wins add breadth for FY27, and the reactors should double capacity to £40m of sales. If either the Middle East energy prospect or the semiconductor trials turns into production work, the new capacity has a use beyond one customer and the two-to-three-year doubling aim becomes credible.

AGAINST

The case against starts with concentration. Much of the growth rests on one North American energy customer that orders in tranches of a few months, the latest running only to November 2026, and demand from that sector is tied to Brent crude at \$110.55 on 20 October, up 17.5% in three months. The FY27 forecast is already covered by the fourth-quarter run-rate, the extra capacity arrives late in the year, and the shares sit near their high after a 40.5% three-month rise. Cash conversion is undisclosed, the £2.8m remaining reactor cost is close to gross cash of £3.2m, no committed facility is mentioned, and the £3.5m and £4.5m investment figures have not been reconciled. A slipped customer payment alongside a reactor instalment would test the balance sheet at a time when funding for small AIM companies is expensive. Thin trading would magnify any disappointment.

WHAT TO WATCH

The evidence to separate the two arrives soon. The audited results on 10 December should show operating cash flow after working-capital movements, whether payables rose to flatter year-end cash, net cash against gross cash, the reactor payment schedule and any facility. After that, the North American customer's next order for the months beyond November, any trading news that pushes FY27 revenue above £18.8m, conversion of the Middle East or semiconductor trials, and commissioning of the reactors in the second half of FY27 will show which reading holds.

Risks

- ⚠ Customer concentration: a pause in orders from the major North American energy customer after the current order runs out in November 2026 would leave FY27 revenue short of the £18.8m expected.
- ⚠ Energy cycle: demand is linked to high oil prices and North American drilling, and a fall in Brent from \$110.55 could slow orders.
- ⚠ Funding timing: the £2.8m remaining reactor cost is close to £3.2m of gross cash, with no committed facility disclosed, so a delayed customer receipt could force a placing.
- ⚠ Unverified cash: FY26 figures are unaudited and the update gives no cash-flow statement, so EBITDA-to-cash conversion and the gap between gross and net cash are unknown until 10 December.

- ! Capacity execution: the new reactors are due in the second half of FY27, and any delay or cost overrun pushes back growth beyond current capacity.
- ! Margin pressure: only most of FY27's process gas is secured at known costs, and other UK input-cost inflation could erode the 40%-plus margin the forecasts assume.
- ! Liquidity: average daily value traded of £249,000 means forecast changes or an equity raise could move the price sharply.

THE OTHER VIEW

A more optimistic reading holds that the FY27 forecasts are conservative. Hardide met its revenue-doubling target early and has now beaten raised profit expectations twice in three months, so its guidance has a pattern of being cleared. The fourth-quarter run-rate already covers £18.8m of revenue before counting the new aerospace, energy and industrial wins, which the company says will all contribute in FY27, and the second-generation North American parts have only just started shipping. On that view the cash build of £2.5m after £2.2m of investment is evidence that profit is converting, the reactors can be paid from operating cash as instalments fall due, and the stress case of a £0.4m buffer assumes payments no supplier would demand at once. If one of the Middle East or semiconductor trials converts, the £40m capacity would be filled faster than forecasts allow, and a valuation of about 10 times FY27 EBITDA would look undemanding for a business with margins above 40%. Against that, none of the new wins is sized, the trials are uncontracted, and the cash conversion remains unproven until the audited accounts.

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