ROSE Rosebank Industries PLC

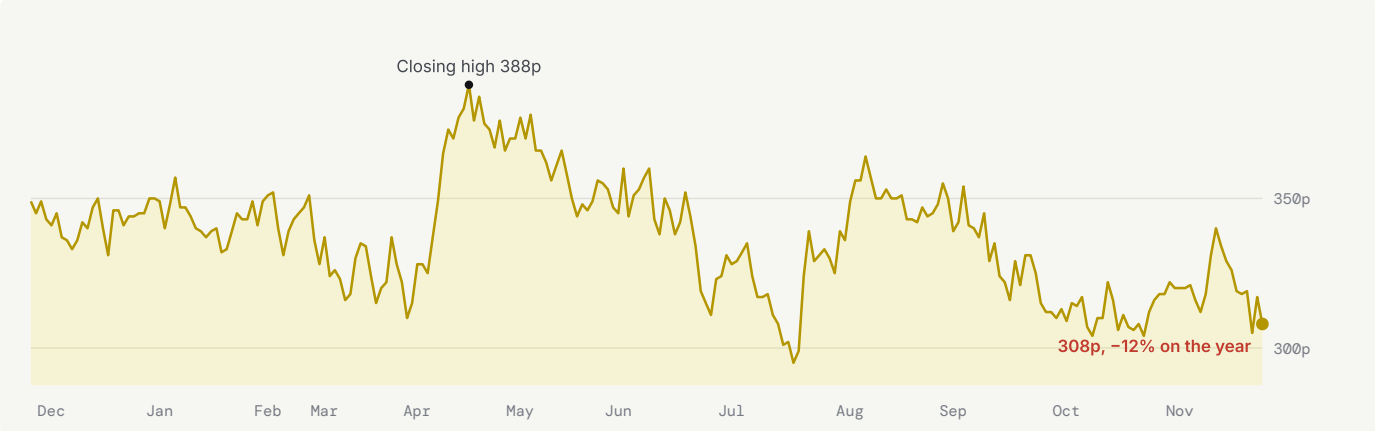
Rosebank expects to beat 2026 profit consensus as acquired businesses' margins climb

Following the Trading Ahead of Full Year 2026 Expectations · 25 November 2026

ECI ADJUSTED OPERATING MARGIN	MW COMPONENTS REVENUE GROWTH	2026 PROFIT CONSENSUS TO BEAT	NET DEBT AT 30 JUNE
16.8%	14%	$321m	$1,069m
▲ 1 Jul to 31 Oct, against 16.1% in H1 and a target of at least 18%	▲ Period on same period last year, with margin up six percentage points	Company-compiled adjusted operating profit consensus. 2027 consensus is $470m	Leverage 2.4x, the same as at 31 December 2025

Share price, past 12 months

Daily close; latest price as at 16:29 on 24 November 2026 · Ticker Data API



Rosebank Industries said today that 2026 adjusted operating profit and earnings per share will come in ahead of the company-compiled analysts' consensus of $321m, after all three of its acquired businesses traded well in the four months to 31 October. ECI's adjusted operating margin reached 16.8%, up from 16.1% in the first half and closer to its target of at least 18%. MW Components grew revenue 14% and lifted its margin by six percentage points year on year. CPM appointed a new chief executive and finance director on 1 October and will carry out most of its restructuring in 2027. The size of the beat is not given, and no figure sits behind the "impressive cash generation" Rosebank reports.

This is the third time in 2026 that Rosebank has raised or beaten expectations, after July and September. The shares were 307p on the day, down 3.79%, below the 330p March placing price and near the bottom of a 294p to 395p 52-week range. The operational record is getting harder to dispute. The unproven part is cash. First-half adjusted operating profit of $110m sat alongside a statutory operating loss of $34m, and net debt was $1,069m at 30 June, 2.4 times leverage. The 2027 consensus of $470m needs profit to rise

by almost half. The full-year results in March are the next real test, because they should bring the cash flow, net debt and covenant detail that is missing so far.

> **“Recent months have underpinned our confidence in achieving our aim of at least doubling the equity value of each of the three businesses we own.”**
>
> **Simon Peckham**, Chief Executive · Trading Ahead of Full Year 2026 Expectations, 25 November 2026

Three turnarounds, each at a different stage

BEFORE		NOW · ECI MARGIN TARGET
~~approximately 13% prior to acquisition~~	→	at least 18%

ECI low-margin revenue exited, Relative to FY25

approximately $35 million

MW Components head office annualised saving

at least $15 million

CPM head office and divisional annualised saving

at least $10 million

Rosebank is an AIM-quoted, Jersey-registered company founded in 2024 to buy industrial businesses, improve them and, in its chief executive's words, at least double the equity value of each. It owns three. ECI was bought on 19 August 2025, CPM on 12 May 2026 and MW Components on 28 May 2026. Each came with a margin target. ECI's adjusted operating margin is to rise from about 13% before acquisition to at least 18%, CPM's from about 22% to between 28% and 29%, and MW Components' from about 15% to between 21% and 22%.

Most of the news for 1 July to 31 October concerns work already done. At ECI, an initial 24-month restructuring is cutting the number of sites by more than a quarter and reducing central costs materially. ECI has also exited work worth about $35m of revenue relative to FY25 that had low profit and no prospect of improvement, and it has recovered tariffs in full. The higher-margin Electrification and Industrial (E&I) division now makes up almost half of ECI's revenue.

MW Components has moved fastest. It has been split legally into three stand-alone businesses (Fasteners, Springs and Precision Components), its Charlotte head office has closed for an annualised saving of at least $15m, and three factory closures have begun. Rosebank has approved $40m of capital expenditure, including about $14m for the Fasteners facility at Addison, and completed a bolt-on acquisition for Precision Components on 2 November.

CPM is furthest behind, by design. Its new chief executive and finance director both joined on 1 October. Head office and divisional costs have been cut by at least $10m a year, the former Process Solutions division is being consolidated into Industrial Solutions, and CPM has bought its UK and Ireland aftermarket distributor. The full CPM programme starts in 2027, and the group plans to concentrate on its existing businesses for the next 12 months before looking at further acquisitions.

FIGURE	VALUE	CHANGE
CPM margin target Under Rosebank ownership	28% to 29%	from approximately 22% prior to acquisition
MW Components margin target Within first 12 months of ownership	21% to 22%	from approximately 15% prior to acquisition

FIGURE	VALUE	CHANGE
MW Components capital expenditure approved	$40m	includes approximately $14 million for the Addison facility

Sources: Trading update RNS, 25 Nov 2026

MW Components is running ahead, ECI is closing in

ECI's 16.8% margin in the period compares with 16.1% in the first half, leaving 1.2 percentage points to the 18% target. Revenue rose 3% on the same period last year, or 6% after adjusting for the work it chose to exit. Growth was uneven across the business. E&I grew 14%, faster than the 9% it managed in the first half. Appliance and HVAC revenue fell 7%, although that division carries most of the exited low-margin work and ran 6% ahead of its first-half rate.

MW Components lifted its margin by six percentage points year on year, helped by revenue growth of 14%, with all three divisions ahead of Rosebank's pre-acquisition expectations. The company says MW Components will "nearly achieve" its margin target on a run-rate basis this year, even though the Addison facility has not yet reached its potential. A run-rate is the margin of the latest months scaled up to a full year. It is a forward-looking measure, so it is weaker evidence than a reported annual margin. The full target is due within the first 12 months of ownership, by about the end of May 2027.

CPM offers less to measure. Aftermarket revenue, the spare parts and servicing business that Rosebank wants to expand in Europe, is growing at about 6%. No margin figure is given.

Group revenue and profit for the period were not disclosed. The last group figures are from the first half, when adjusted revenue was $733m, adjusted operating profit $110m and adjusted diluted earnings per share 10.3 cents. Those numbers include CPM and MW Components for only part of the half, so they are a poor guide to a full year with all three businesses.

FIGURE	VALUE	CHANGE
ECI adjusted operating margin 1 Jul to 31 Oct 2026	16.8%	
ECI adjusted operating margin H1 2026	16.1%	1.0 percentage point higher than same period last year
ECI revenue growth 1 Jul to 31 Oct 2026	3%	6% adjusting for exited low margin work
E&I revenue growth 1 Jul to 31 Oct 2026	14%	accelerating from 9% in H1
Appliance & HVAC revenue 1 Jul to 31 Oct 2026	7% lower	+7% ahead of H1 run rate
MW Components revenue growth 1 Jul to 31 Oct 2026	14%	margin up six percentage points year on year
CPM Aftermarket revenue growth 2026	approximately 6%	
Group adjusted operating profit H1 2026	$110m	
Adjusted diluted EPS H1 2026	10.3 cents	

Sources: Trading update RNS, 25 Nov 2026; Unaudited Results, six months ended 30 June 2026, 3 Sep 2026

A $144m gap between adjusted and statutory profit

Adjusted net profit, H1 2026	Statutory EPS, H1 2026	Interim dividend, Paid 9 Oct 2026
$74.0m	-7.2 cents	2.1 cents

Rosebank reports its progress in adjusted terms, and the statutory figures look very different. In the first half, adjusted operating profit of $110m sat alongside a statutory operating loss of $34m, a difference of $144m. Adjusted net profit of $74m compared with a statutory loss of $52m, and statutory earnings per share were a loss of 7.2 cents. Restructuring and acquisition costs are the obvious candidates for that difference, but no breakdown has been published, and the breakdown matters because some of those items are paid in cash.

A statutory loss is not a measure of cash either, so it does not show how much is available to service debt. Rosebank describes cash generation in the period as "impressive" but gives no figure for operating cash flow, working capital or restructuring payments. The only full-year cash figure is from 2025: a free cash outflow of $77m, after a $122m planned unwind of costly working-capital programmes inherited with ECI. That one-off unwind makes 2025 a poor baseline for judging normal cash conversion.

Net debt was $1,069m at 30 June, with bank covenant leverage of 2.4 times, the same ratio as at 31 December 2025. Leverage here means net debt divided by adjusted EBITDA (earnings before interest, tax, depreciation and amortisation). The bank facility has two covenants, net debt to adjusted EBITDA and interest cover, but their limits and the remaining headroom are not disclosed. As a result, the balance sheet can be described neither as comfortable nor as close to a breach. Because the covenant is based on EBITDA, cutting a forecast of operating profit by an assumed percentage does not show whether it would be broken.

Cash commitments are piling up. They include the $40m of approved MW Components capital expenditure, factory closures at Springs and Precision Components, the CPM restructuring and the 2.1-cent interim dividend paid on 9 October. Across 988 million shares, that dividend comes to roughly $21m. The March results need to show cash after all of these, and whether net debt fell in the second half.

H1 2026 against the prior period

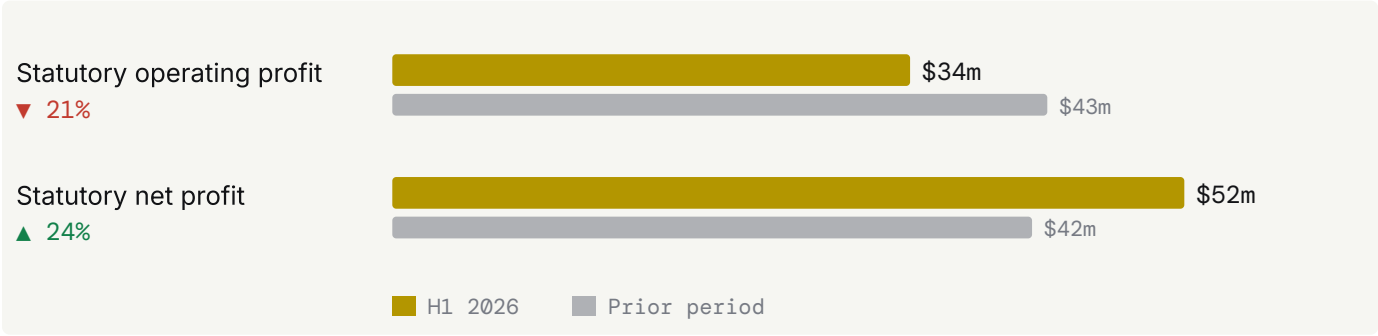


FIGURE	VALUE	CHANGE
Statutory operating profit H1 2026	-$34.0m	−21% prior -$43.0m
Statutory net profit H1 2026	-$52.0m	+24% prior -$42.0m

FIGURE	VALUE	CHANGE
Net debt 30 June 2026	$1.07bn	leverage 2.4x
Bank covenant leverage 31 December 2025	2.4x	
Free cash outflow FY2025	$77m	after $122 million unwind of inherited working capital programmes

Sources: Unaudited Results, six months ended 30 June 2026, 3 Sep 2026; Audited Results for year ended 31 December 2025, 3 Mar 2026

> **“We will provide more detail to showcase each of these factors with our full year results in March.”**
>
> **Simon Peckham**, Chief Executive · Trading Ahead of Full Year 2026 Expectations, 25 November 2026

The 2027 consensus needs profit to rise by almost half

The 2026 guidance is the third upgrade or beat this year. July's trading update raised full-year expectations, and the September interims said profit would come in ahead of them. Rosebank now expects adjusted operating profit and earnings per share to exceed the $321m consensus, without saying by how much. ECI and MW Components are on track for their acquisition margin targets, and further improvement is expected in FY27.

The company-compiled 2027 consensus of $470m is $149m above the 2026 figure, an increase of almost half. Much of that depends on work that has barely started. CPM's programme begins in earnest in 2027, the benefits of ECI's initial restructuring will be fully realised only in FY27, and MW Components' factory closures and Addison investment are still under way. An unquantified beat in 2026 makes the 2027 number more plausible but does not show it to be conservative. The $470m figure itself has not been raised.

The economic backdrop offers little help. Bank Rate stands at 4.00%, up 0.25 points in three months, the two-year gilt yield has risen 0.38 points to 4.94%, and CPIH inflation is 3.70%. Ticker's macro model, which produces estimates and not reported data, reads the current regime as a recovery. Much of Rosebank's business is in the US and its debt is in dollars, so UK gilt yields are only a rough guide to its financing costs or customers' appetite to invest. No geographical split of orders is available. Rosebank has promised more detail on each business with its full-year results in March.

FIGURE	VALUE	CHANGE
Company-compiled consensus adjusted operating profit 2026	$321m	Group expected to be ahead
Company-compiled consensus adjusted operating profit 2027	$470m	
Bank Rate 20 Nov 2026	4.00%	+0.25 points over three months
2-year gilt yield 19 Nov 2026	4.94%	+0.38 points over three months

FIGURE	VALUE	CHANGE
CPIH inflation Oct 2026	3.70%	+0.60 points over three months

Sources: Trading update RNS, 25 Nov 2026; UK economy and markets data

Shares below both placing prices, directors buying near 310p

BEFORE		NOW · ARTEMIS HOLDING
~~11.044118%~~	→	12.084557%

At 307p on 25 November, down 3.79% on the day, Rosebank is valued at £3.03bn on 988 million shares. That is below the 330p at which it raised £1.92bn in March 2026 to buy CPM and MW Components, and only just above the 300p of the £2.05bn raise for ECI in June 2025. Investors who joined the two large placings have little or nothing to show for it, and that is one reason the shares have struggled despite three upgrades.

One claim made for the shares is that they trade on a mid-single-digit multiple of forward operating profit. The figures do not support it. A rough conversion of the £3.03bn market value plus the $1,069m of net debt puts the enterprise value (shares plus debt) at around ten times the $470m 2027 consensus operating profit. That multiple is undemanding for a business delivering these margin gains, but it is not a bargain, and it assumes the 2027 consensus will be met.

People inside the company have been buying. Christopher Miller, Senior Independent Director, bought 414,803 shares at £3.346363 on 8 September. Liam Butterworth, Chief Operating Officer, bought 161,045 at £3.096962 on 13 October, and Justin Dowley bought 161,576 at £3.086774 on 22 October. Simon Peckham, Chief Executive, bought 109,737 at £3.1892 in June. Among institutions, Artemis raised its holding to 12.08% in November and BlackRock disclosed 7.83% in September. The plan to focus on existing businesses for the next 12 months also suggests no new acquisition-funding placing is planned in that period, which removes one source of supply that has weighed on the shares.

FIGURE	VALUE	CHANGE
Share price 25 Nov 2026	307p	−3.8% on the day
Market capitalisation 25 Nov 2026	£3.03bn	
Placing 3 Mar 2026	£1.92bn at 330p	for acquisitions of MW Components and CPM
Fundraise 6 Jun 2025	£2.05bn at 300p	for acquisition of ECI
Christopher Miller purchase 8 Sep 2026	414,803 shares at £3.346363	
Liam Butterworth purchase 13 Oct 2026	161,045 shares at £3.096962	
Justin Dowley purchase 22 Oct 2026	161,576 shares at £3.086774	

Sources: Ticker market data; Fundraisings record; Director/PDMR Shareholding RNS, 9 Sep 2026; Director/PDMR Shareholding RNS, 13 Oct 2026; Director/PDMR Shareholding RNS, 23 Oct 2026

A 304p floor tested nine times beneath a falling trend

The shares closed at 308p on 24 November, below their 20, 50, 100 and 200-day moving averages. The 50-day average crossed below the 200-day on 14 July, a pattern chart-watchers call a death cross, and both are still falling. The downtrend is weak, though. The ADX, an index of trend strength, is 16.5, below the level of 20 usually taken to mark a trend worth following. The 52-week range runs from 294p (20 July) to 395p (20 April).

The run into today's update was a round trip. The shares rallied from the low 300s in mid-October to 340p on 11 November on rising volume, then gave nearly all of it back on ordinary volume, about 0.93 times the 20-day average over the last five sessions. Heavy selling on rising volume would have pointed to informed holders leaving, and the falls did not look like that. A fair reading is that the market priced in a good update early in November and then lost its nerve. On the day of the announcement the shares traded between 305p and 318p and fell 3.79% to 307p.

Support sits at about 304p, touched nine times, most recently on 6 November. Resistance lies at about 334p. Trading averages about £7m a day. Disclosed short positions add up to 31.30% of the shares across ten holders, with the latest single disclosure at 3.34% on 20 November. A short position is a bet that the price will fall. Aggregate figures built from separate disclosures can overstate the current net position, but a short base of this size can make moves sharper in either direction. A close below 304p on heavy volume would point towards the 294p low. A recovery above 334p on rising volume would be the first sign that the trend is turning.

FIGURE	VALUE	CHANGE
52-week range	294.00p - 395.00p	
Day range 25 Nov 2026	305.00p - 318.00p	
Disclosed short positions Latest 20 Nov 2026	31.30% of shares	10 disclosed positions
Latest disclosed short position 20 Nov 2026	3.34%	

Sources: Ticker market data; Disclosed short positions record

The case for and against

FOR

The case for rests on a record that keeps improving. Rosebank has raised or beaten expectations three times in 2026. ECI's margin has risen from about 13% before acquisition to 16.1% in the first half and 16.8% in July to October. MW Components has added six percentage points of margin in six months on 14% revenue growth and expects to hit its target within a year of ownership. CPM, with $10m of savings already in hand and a new management team, is the largest gain still to come, and its full programme has not started. If adjusted EBITDA rises as the 2027 consensus implies, leverage falls even before any debt is repaid. Directors have bought shares with their own money at prices between about 309p and 335p. The planned 12-month pause in acquisitions should also keep new shares off the market, and the stock already trades below both placing prices.

AGAINST

The case against starts with what is missing. The 2026 beat has no number attached, and the cash generation Rosebank describes has no figure. In the first half, a $144m gap separated adjusted operating profit from the statutory loss, and it has not been explained line by line. Net debt of $1,069m sits against covenants whose limits are undisclosed, while restructuring, factory closures, $40m of capital expenditure and a dividend all draw on cash. The 2027 consensus asks for profit to rise by almost half, much of it from a CPM plan only now getting under way and from an Addison facility that is still behind. Three restructurings running at once leave room for slippage. The $3.97bn raised in two placings has created a large body of shareholders sitting on losses, and disclosed short positions total 31.30% of the shares. Financing conditions in the UK have tightened, and there is no view yet of US demand.

WHAT TO WATCH

The March full-year results will show which case is closer to the truth. The figures that matter are the size of the 2026 beat against $321m, a line-by-line reconciliation of adjusted to statutory profit, operating cash flow after restructuring, interest, the dividend and capital expenditure, the change in net debt from $1,069m, and the covenant limits with the headroom left. After that, the tests are whether ECI reaches 18%, whether MW Components reports a margin of 21% to 22% by around May 2027, whether CPM publishes a costed plan, and whether the $470m 2027 consensus rises or falls. Between now and March, a close below about 304p or a recovery above about 334p on heavy volume would show which way the market is leaning.

Risks

- Cash conversion is unproven: neither the cash generation Rosebank describes nor the restructuring payments have been quantified, so adjusted profit growth may not reduce the $1,069m of net debt.
- Covenant headroom is undisclosed. Leverage of 2.4x was stable at the last two reporting dates, but without the limits investors cannot judge how much room there is if earnings slip.
- The $470m 2027 consensus is $149m above the 2026 benchmark and depends heavily on CPM, whose new management only joined on 1 October and whose full programme starts in 2027.
- Execution risk runs across three restructurings at once, including site consolidations at ECI and CPM, three MW Components factory closures and an Addison facility not yet at its potential.

- Shareholders from the two large placings at 300p and 330p are sitting on losses at 307p, and disclosed short positions totalling 31.30% of the shares can make price moves sharper in either direction.
- Tighter financing conditions, with Bank Rate at 4.00% and the two-year gilt yield at 4.94%, could dampen customer investment and make any future equity raise more costly.

THE OTHER VIEW

A more sceptical reading treats today's news as evidence of operational activity and nothing more. Every hard number available is a margin percentage, a revenue growth rate or an annualised saving, and all of them sit above the line where Rosebank's costs are excluded from adjusted profit. In the first half, those exclusions came to $144m against an adjusted operating profit of $110m. A company that keeps closing sites, merging divisions and exiting contracts will keep incurring the costs that adjusted figures strip out, and if those costs recur each year they are part of the business. The one cash claim, "impressive cash generation", comes with no figure, even though Rosebank could easily have given one. Meanwhile the 2027 consensus needs profit to rise by almost half, largely from a business (CPM) whose managers have been in post for less than two months. On this reading, an unquantified beat of a 2026 number does little to support the 2027 number the valuation depends on. The leverage ratio can fall only through EBITDA growth that has not yet happened. Shareholders from the 300p and 330p placings are waiting to sell into strength, so the share price may not reflect better operations until cash flow is shown, however well the businesses perform.

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