SRT SRT Marine Systems PLC

SRT Marine results: revenue up 46% to £114.1m, but cash leans on suppliers

Following the Final Results · 9 November 2026

FY2026 REVENUE	PROFIT BEFORE TAX	CONTRACTED ORDER BOOK	RESTRICTED CASH
£114.1m	£10.7m	£539.5m	£27.4m
▲ up 46% on £78.0m	▲ against £1.4m (£4.9m before exceptional items)	▲ after £218.4m of contracts converted in the year	▲ of £57.1m total cash, against £5.7m restricted a year earlier

Share price, past 12 months

Daily close; latest price as at 16:28 on 6 November 2026 · Ticker Data API



SRT Marine Systems' final results today showed revenue up 46% to £114.1m and profit before tax of £10.7m for the year to 30 June 2026. The contracted order book reached £539.5m and the pipeline of opportunities grew to £2.4bn. Net cash from operations was £37.7m and year-end cash £57.1m. Those headline cash figures need unpacking. Higher payables to suppliers and others supplied £34.1m of the inflow, £27.4m of the cash is pledged against performance bonds, and the auditor has again flagged a material uncertainty over going concern. Management expects the first half of FY2027 to make a loss, with higher-margin work weighted to the second half.

Over a longer view, SRT has grown from £14.8m of revenue in the 15 months to June 2024 into a profitable business delivering for five sovereign customers, with a sixth contracted. It has not yet shown that its cash generation can stand without supplier credit. At 68.60p, the last price shown alongside today's results, the company is valued at £187m. That is about 17 times FY2026 earnings and below April's 82p placing price, and the shares sit close to their 52-week low. Two things will separate a timing issue from a funding problem. The first is the annual report's explanation of a new £21.1m non-current payables balance. The second is the interim results for the half to December, which will show whether unrestricted cash of £29.7m holds through the guided loss.

> **“These results demonstrate how rapidly we are developing and growing as a global leader in sovereign civil defence systems. Despite converting 12% of our previously reported £1.8bn pipeline during the year we have grown the pipeline itself to £2.4bn and I expect to see conversion to continue at pace.”**
>
> **Simon Tucker**, CEO · Final Results, 9 November 2026

Six sovereign customers and a £539.5m order book

SRT sells national surveillance systems to governments for watching their coastlines and territorial waters. It also has a smaller line of navigation safety equipment such as AIS transceivers, the units that broadcast a vessel's identity and position. In the year to 30 June 2026 the systems business produced £104.3m of revenue and navigation safety £9.8m, so the investment case turns almost entirely on sovereign contracts. SRT now has five active sovereign customers and a sixth contracted.

During the year SRT converted £218.4m of contracts from what it calls a £1.8bn validated opportunity pipeline. That took the contracted order book to £539.5m, while the pipeline itself grew to £2.4bn. The order book is signed work. The pipeline is opportunities under discussion, and it carries no contractual weight however large it grows. Contract news during the year included a $261m award from a new sovereign customer, reported in March. There was also a £15.3m follow-on with an existing customer and, in May, a £5m one-year support contract that was the customer's second such annual contract and larger than the first.

The chairman's statement sets out a new five-year plan, the 'STS Strategy'. It takes SRT beyond maritime work into land and low-altitude air border surveillance, and adds recurring services such as drones (UAV), uncrewed surface vessels (USV) and data. In navigation safety, the first controlled shipments of the NEXUS voice and data transceiver went out with, in the chairman's words, 'no major issues'. Neither initiative yet produces figures that can be tested. Shareholders can first question management on them at the webcast on 10 November, and then at the AGM on 16 December.

FY2026 against the prior period

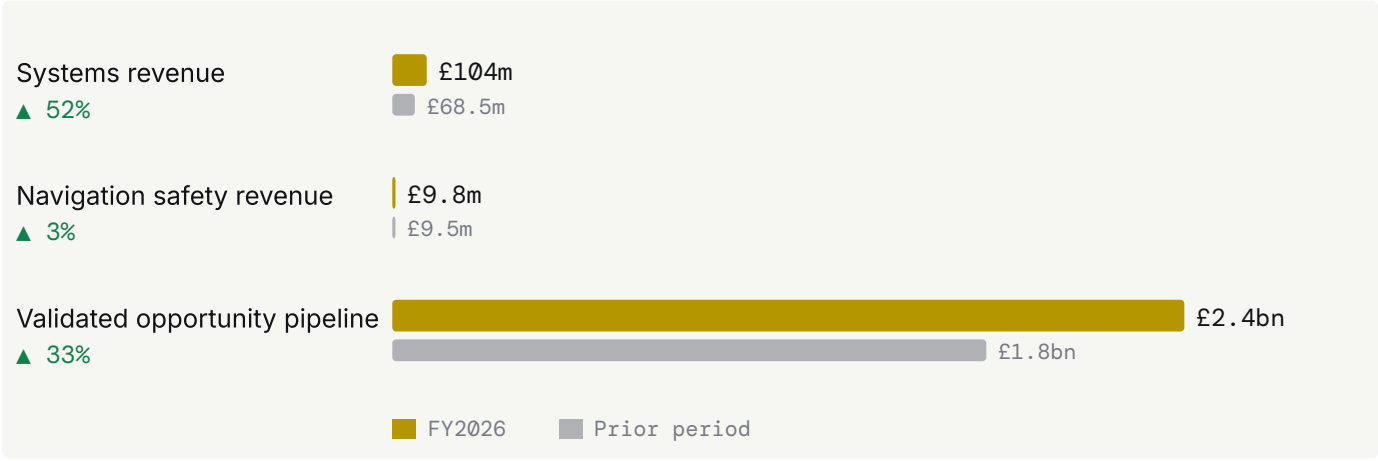
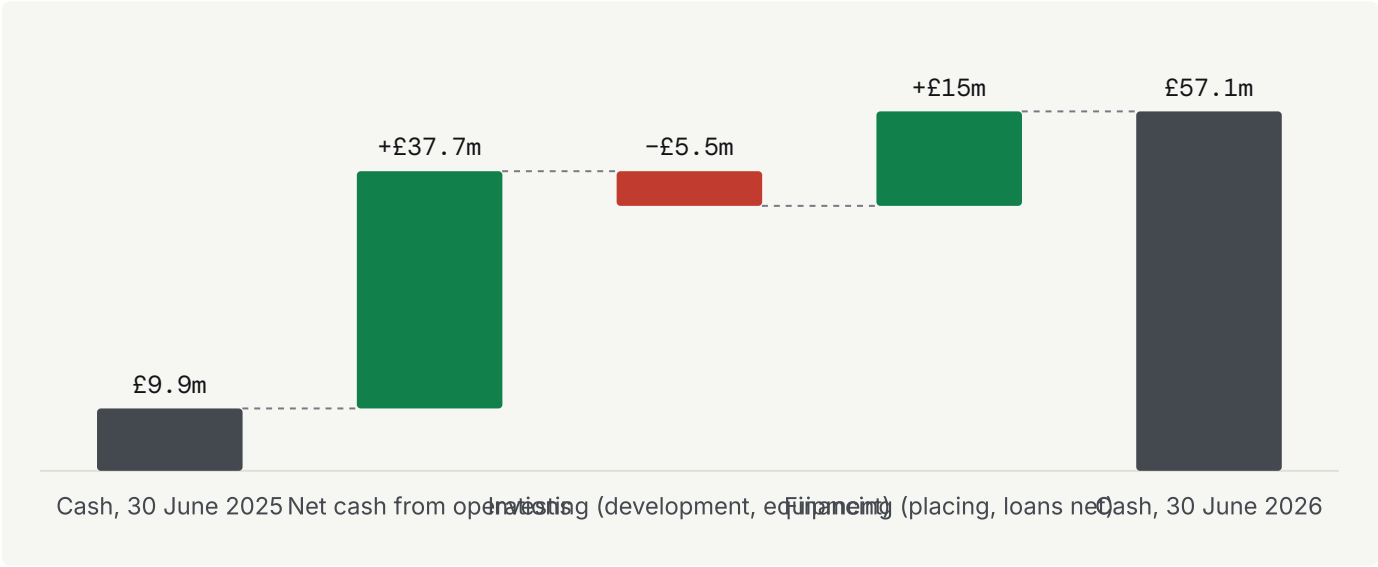


FIGURE	VALUE	CHANGE
Systems revenue FY2026	£104.3m	+52% FY2025: £68.5m
Navigation safety revenue FY2026	£9.8m	+3.2% FY2025: £9.5m

FIGURE	VALUE	CHANGE
System contracts converted FY2026	£218.4m	
Validated opportunity pipeline FY2026	£2.4bn	+33% up from £1.8bn
Contracted order book 30 June 2026	£539.5m	
System support contract 1 Jan to 31 Dec 2026	£5m	second annual contract, larger than the first

Sources: Final Results RNS, 9 Nov 2026; £5m System Support Contract RNS, 8 May 2026

How year-end cash rose from £9.9m to £57.1m



Taken from the consolidated cash flow statement. The closing figure includes £27.4m of restricted cash held against performance bonds.

Profit roughly doubled once last year's one-off is removed

Revenue rose 46% to £114.1m and profit before tax to £10.7m from £1.4m. The headline 653% rise flatters the improvement, because FY2025 carried a £3.4m non-cash exceptional finance cost. Measured against FY2025's pre-exceptional profit before tax of £4.9m, profit roughly doubled. Basic earnings per share were 4.29p, up from 0.85p.

Gross margin edged up to 32%, even though one Middle East contract took extra costs. Those costs came from supply-chain disruption and a decision to widen the system's scope. The chairman attributes the margin gain to timing: the period included a higher share of higher-margin SRT-Tech deliverables. Operating profit rose to £11.9m from £6.4m, a margin of about 10.4% against 8.2%. Because margin depends on which deliverables land in which period, FY2026's mix is a weak base for forecasting later years.

Cash overheads, which include capitalised development but exclude depreciation and amortisation, rose to £25.4m from £19.7m. In March management had said it expected operating and staffing costs to grow at a reduced rate. Capitalised development spending was £5.0m, up from £4.4m. Had all of it been expensed, operating profit would have been about £6.9m. That is a sensitivity, not a criticism of the accounting.

Judged against its own July trading update, SRT delivered close to what it said. Revenue came in below the estimated £116m and profit ahead of the £10m pre-exceptional figure. First-half revenue was £51.1m and first-half profit before tax £3.1m, so the second half produced about £63m of revenue and most of the year's profit.

FY2026 against the prior period

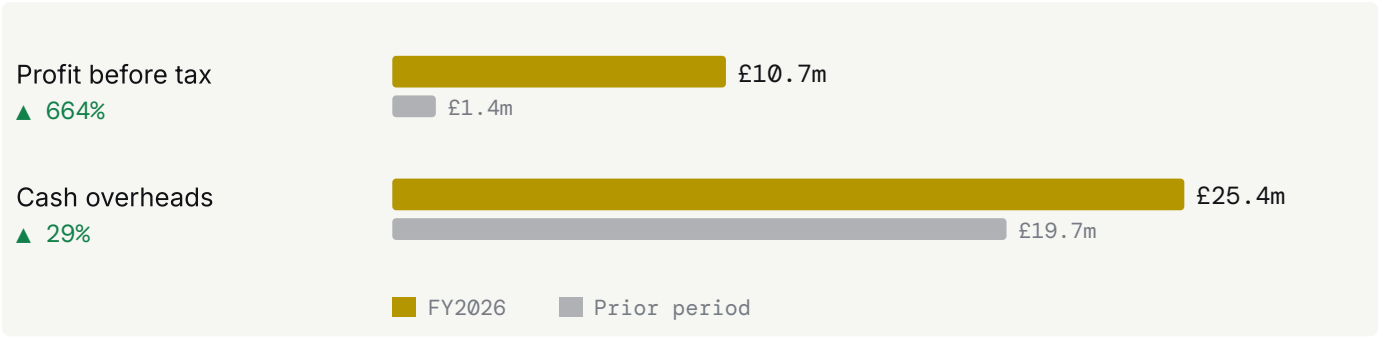


FIGURE	VALUE	CHANGE
Revenue FY2026	£114.1m	+46% on £78.0m
Profit before tax FY2026	£10.7m	+664% FY2025: £1.4m; £4.9m before exceptional items
Operating profit FY2026	£11,883,461	FY2025: £6,407,505
Blended gross margin FY2026	32%	
Basic earnings per share FY2026	4.29p	+405% FY2025: 0.85p
Cash overheads FY2026	£25.4m	+29% up from £19.7m
Product development expenditure FY2026	£4,968,142	FY2025: £4,433,910
Estimated revenue in trading update FY2026	£116m	
First-half revenue H1 FY2026	£51.1m	+95% on £26.2m

Sources: Final Results RNS, 9 Nov 2026; FY2026 Trading Update RNS, 23 Jul 2026; Half Year Report, 16 Mar 2026

Suppliers, more than customers, funded the cash inflow

Cash rose to £57.1m from £9.9m, and net cash from operations was £37.7m against £1.0m. Of the £57.1m, £27.4m is restricted, held as security for the performance bonds that sovereign customers require. A performance bond is a guarantee that pays the customer if SRT fails to deliver. The bonds and their cash are released as contracts complete, but SRT expects to recycle that cash into new bonds as contracts are signed. In practice the restricted cash is not available to run the business. Unrestricted cash was £29.7m.

Almost all of the operating cash inflow came from suppliers and other creditors. Trade and other payables rose £34.1m in the cash flow statement, following a £38.3m rise in FY2025. Without that rise, operating

cash flow would have been about £3.7m, and after £5.9m spent on product development and equipment it would have been slightly negative. Receivables absorbed £10.3m and inventories £2.7m. The balance sheet also shows a new £21.1m of non-current trade and other payables (amounts not due within a year), against nil a year earlier. The preliminary results do not explain it. If the balance is agreed long-dated project credit, it is harmless. If it is deferred supplier bills, cash quality is weaker than the headline suggests.

Borrowings total £16.7m, of which £6.65m is due within a year. Most of the debt is £14.41m of secured loan notes at 10% with terms of up to three years, alongside a £2.29m equipment loan. Unrestricted cash less borrowings leaves about £13m, before any obligations sitting within payables. The April placing raised £17.5m gross at 82p. Even so, the auditor's report again draws attention to a material uncertainty over going concern, a formal flag that the company's ability to keep trading depends on things not yet certain. The stated cause is a possible mismatch between customer receipts and supplier payments. Loan-note repayments fall due within 12 months and there is 'no guarantee of such financing'.

The auditor gave the same warning on the FY2025 accounts, and in 2023 SRT breached a debt service cover covenant and obtained a waiver from its noteholders. The announcement gives no covenant tests, no receipts schedule and no split of receivables into invoiced debts, contract assets and customer advances. Without those, the figures show neither an imminent shortfall nor comfortable funding. The annual report, to be published on the company's website, is the next document that could fill those gaps.

FIGURE	VALUE	CHANGE
Total cash 30 June 2026	£57.1m	**+477%** 30 June 2025: £9.9m
Restricted cash 30 June 2026	£27,431,288	30 June 2025: £5,675,894
Unrestricted cash 30 June 2026	£29,707,400	30 June 2025: £4,272,396
Net cash from operating activities FY2026	£37.7m	**+3670%** FY2025: £1.0m
Increase in trade and other payables FY2026	£34,055,018	FY2025: £38,297,695
Increase in trade and other receivables FY2026	£10,348,577	FY2025: £51,117,078
Non-current trade and other payables 30 June 2026	£21,077,234	30 June 2025: nil
Current borrowings 30 June 2026	£6,651,150	30 June 2025: £10,715,228
Non-current borrowings 30 June 2026	£10,050,267	30 June 2025: £5,882,022
Loan notes outstanding 30 June 2026	£14,410,000	**+10%** interest, terms up to 3 years
Gross equity placing April 2026	£17.5m	at 82p per share

Sources: Final Results RNS, 9 Nov 2026

> **“In the financial year ahead (FY27), we expect a similar pattern whereby H1 will be loss making due a heavy weighting of low margin infrastructure completions but balanced by higher margin SRT Tech Modules deliverables in H2.”**
>
> **Kevin Finn**, Chairman · Final Results, 9 November 2026

A loss-making first half is already in the plan

SRT has told the market in advance that the first half of FY2027 will make a loss. The chairman expects the FY2026 pattern to repeat, with low-margin infrastructure completions in the first half and higher-margin SRT Tech Modules deliverables in the second. In FY2026 the first half contributed £3.1m of the £10.7m pre-tax profit. With a first-half loss, the second half would have to produce all of FY2027's profit.

That timetable runs straight into the balance-sheet question. A loss-making half, combined with any unwinding of the supplier credit built up over two years, would draw on unrestricted cash just as loan notes fall due. If a milestone slips, whether through Middle East disruption, supply problems or slow government procurement, the gap would need bridging finance, which the going-concern note says is not guaranteed. Funding is available but expensive. The loan notes carry 10%, Bank Rate stands at 4.00% after a 0.25-point rise over three months, and the two-year gilt yield is 4.78%.

Demand looks steadier than payment timing. The chairman cites sovereigns' wish for their own civil-defence surveillance and expects conversions from the £2.4bn pipeline. Brent crude at $98.32 a barrel and conflict in the Middle East can raise the priority governments give maritime security, but they can also complicate delivery and squeeze public budgets.

The next dates are the shareholder webcast at 8:00am GMT on 10 November and the AGM at 11:00am on 16 December, with an investor open day from 9:00am at Midsomer Norton. Interim results for the half to 31 December are expected around 18 February 2027 on the market calendar, though last year's interims came on 16 March.

FIGURE	VALUE	CHANGE
First-half profit before tax H1 FY2026	£3.1m	+48% on £2.1m
Bank Rate 5 Nov 2026	4.00%	+0.25 points over three months
2-year gilt yield 4 Nov 2026	4.78%	+0.35 points over three months
Brent crude 6 Nov 2026	$98.32/bbl	+18% +over three months
Annual General Meeting	11.00am, 16 December 2026	

Sources: Half Year Report, 16 Mar 2026; UK economy and markets data; Final Results RNS, 9 Nov 2026

About 17 times earnings and below April's 82p placing

Market capitalisation, at 68.60p
£187m

52-week range
67.12p - 99.00p

Ocean Infinity warrants, granted October 2024
20,000,000 at 35p

At 68.60p, the last price shown alongside today's results, SRT is valued at £187m. That is roughly 17 times FY2026 profit after tax of £10.96m, or 16 times basic earnings per share of 4.29p. The shares trade below the 82p at which SRT raised £17.5m in April, and their 52-week range runs from 67.12p to 99.00p.

The £539.5m order book is nearly three times the market value. That comparison sets revenue against equity value, and at a gross margin of about 32% it says more about how much work is visible than about what the company is worth. For a business growing at this pace the earnings multiple is not demanding. It does, however, rest on a single year of profit, earned on a mix the company itself attributes to timing and with cash flow funded largely by payables.

Dilution also matters. There are 273,012,119 shares in issue. Ocean Infinity, which holds 14.63%, received 20,000,000 warrants at a 35p strike with a three-year exercise period in return for a $21.3m guarantee in October 2024, a guarantee first provided as a cash loan at 0.75% a month. In July three executives had 0.1p options extended from August 2026 to August 2028. On the other side of the ledger, non-executive director Oliver Plunkett bought 190,456 shares at 77.9575p on 27 July 2026, after a purchase of 170,000 at 78.76p in September 2025. Any new equity raised before second-half deliveries come through would not necessarily be priced on April's terms.

FIGURE	VALUE	CHANGE
Profit for the year after tax FY2026	£10,963,070	FY2025: £2,026,692
Placing issue price April 2026	82p	5.75% discount to 10 April close
Shares in issue 9 June 2026	273,012,119	
Ocean Infinity holding 17 April 2026	14.63%	−15% down from
Director purchase 27 July 2026	190,456 shares at 77.9575p	

Sources: Final Results RNS, 9 Nov 2026; Proposed Placing, Subscription & Retail Offer RNS, 13 Apr 2026; Issue of Equity RNS, 5 Jun 2026; Holding(s) in Company RNS, 23 Apr 2026; Director/PDMR Shareholding RNS, 29 Jul 2026; Market data accompanying Final Results

The results land on a chart in a long, orderly decline

The shares fell through most of 2026 despite trading updates that were in line with expectations. On chart data to 6 November, the price sat below its 20, 50, 100 and 200-day moving averages, and the 50-day had crossed below the 200-day on 22 June. ADX, a measure of trend strength, read 38, which counts as a strong trend. The high of 99p came on 12 January, so the shares were about 31% below it going into the results.

The decline was gradual. Heavy down-days were roughly matched by heavy up-days, with no sign of a panic or forced sale. When the price made a lower low at 67.22p on 26 October, the momentum gauges

(RSI and MACD) and on-balance volume made higher lows. That divergence suggests selling pressure was fading into the low, but it is not confirmation of a turn.

The nearest test sits at the 20-day average of 71.35p. Beyond it, 75.73p has acted as resistance ten times, most recently on 12 October, when a rally to 76.3p failed just under it. Further up, 83.91p and 91.62p have each capped the price repeatedly. A close above 71.35p, then through 75.73p on clearly above-average volume, would be the first sign that buyers accept the timing argument. A close below the 67p low would show the downtrend still in charge.

Liquidity limits how much any single move can tell you. Average daily value traded over 20 sessions was about £148,000, so modest orders move the price, and a one-day jump on light volume says little. The wider market has not helped either, with the FTSE AIM All-Share down 5.3% over three months to 6 November.

FIGURE	VALUE	CHANGE
52-week range	67.12p - 99.00p	
Year-to-date performance	-0.2%	
FTSE AIM All-Share 6 Nov 2026	753.73	-5.3% over three months

Sources: Market data accompanying Final Results; UK economy and markets data

The case for and against

FOR

The case for starts with scale. Two years ago SRT reported £14.8m of revenue for a 15-month period. It has now delivered £114.1m, with operating margin up to about 10.4% and pre-tax profit roughly double FY2025's pre-exceptional figure. It met its July guidance within a few million pounds. It holds a signed order book of £539.5m, and the pipeline grew even after £218.4m was converted. Some balance-sheet measures improved too. Receivables rose far more slowly than revenue (closing receivables fell from about 246 days of revenue to about 196 on a crude measure), current borrowings fell to £6.65m from £10.7m, and total borrowing was broadly flat. On this reading the payables build is ordinary project finance for a contractor delivering large systems, the restricted cash comes back as projects complete, and a director buying at about 78p sees the same thing. A share price around 17 times earnings, below the April placing price, then looks like it already allows for plenty of caution.

AGAINST

The case against starts with cash. Of the £37.7m operating inflow, £34.1m came from higher payables, after a £38.3m rise the year before. On that evidence SRT has not yet shown it can turn its own customers' payments into cash. The unexplained £21.1m of non-current payables, the £27.4m of restricted cash and the repeated going-concern warning all point the same way. FY2026 margins depended on the timing of higher-margin deliverables, £5.0m of development was capitalised, and the Middle East contract has already overrun. The guided first-half loss arrives as payables may unwind and loan notes at 10% fall due. The longer record is uneven as well. Forecasts publicised in 2022 pointed to a five-fold rise in revenue by FY2023, but revenue in the 15 months to June 2024 fell to £14.8m from £30.5m. Cash overheads rose about 29% despite March's expectation of slower cost growth. If funding is needed again before the second half delivers, it may come at a price well below April's 82p.

WHAT TO WATCH

The evidence arrives in a clear order. The annual report and the 16 December AGM should show what the £21.1m non-current payables are, and should break receivables into invoiced debts, contract assets and customer advances, alongside a loan-note maturity schedule. The interim results for the half to 31 December will show whether unrestricted cash holds near £29.7m through the guided loss without another large rise in payables or a new raise. After that, the second-half SRT Tech Modules deliveries, the activation of signed contracts and any new award carrying an upfront payment will show whether profit and cash come through together. On the chart, a close through 75.73p on strong volume or below 67p will show which way the market is leaning in the meantime.

Risks

- Customer receipts could arrive out of step with supplier payments and loan-note repayments, the specific mismatch behind the auditor's going-concern warning, and bridging finance is not guaranteed.
- Most of FY2026's operating cash flow came from a £34.1m rise in payables. If that unwinds as infrastructure work completes, unrestricted cash of £29.7m would fall during a half the company expects to be loss-making.
- The new £21.1m of non-current trade and other payables is unexplained in the preliminary results. If it represents deferred supplier obligations, the cash generation is weaker than reported.
- FY2027 profit depends on higher-margin SRT Tech Modules landing in the second half. A slip in milestones, from Middle East disruption, supply problems or slow government procurement, would push profit and cash out.
- Cost overruns have already hit one Middle East contract, and gross margin in FY2026 relied on the timing of higher-margin deliverables. A less favourable mix would compress margins.
- Any new equity or debt raised under pressure could dilute shareholders heavily or cost more than the existing 10% loan notes, given the shares trade below the 82p April placing price.
- Trading is thin, at about £148,000 a day on average, so the share price can move sharply on modest volumes in either direction.
- Revenue is concentrated among a handful of sovereign customers, so a political or budget change at any one of them would affect the order book materially.

THE OTHER VIEW

A more favourable reading holds that the cash concerns misread how sovereign systems contracts are financed. On the crude measure available, receivables fell relative to revenue, from about 246 days to about 196. Current borrowings dropped to £6.65m from £10.7m, total borrowing stayed broadly flat after £11.1m of new loans and £11.0m of repayments, and unrestricted cash rose sevenfold to £29.7m. Suppliers on large government projects routinely agree staged payment terms, and the new non-current payables could simply be credit deliberately matched to long project timetables. If so, using that credit is cheaper than issuing shares at a 52-week low. The restricted cash is tied to bond cover for contracts already won, which is a sign of activity and not of distress. The company has repeatedly refinanced loan notes and raised equity when needed, including an oversubscribed placing in April. On this view the going-concern note restates a structural feature of a fast-growing contractor and is not a new warning. The guided first-half loss is a known timing effect, and a £539.5m signed order book against a £187m valuation leaves room for the second half to arrive late without changing the outcome much. The weak share price then reflects a falling AIM market and rising gilt yields more than anything specific to SRT.

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