

Corporate

Current price **101.0p**

Sector **TMT**

Code **ENSI.L**

Listing **AIM**

Share Performance



% Change	1m	3m	12m
ENSI.L	+1%	+106%	+164%

Source: Reuters Eikon, Allenby Capital

Share Data

Market Cap (£m) **119.1**

Shares in issue (m) **117.9**

52 weeks (p) High **123.0** Low **32.0**

Financial year end **MAY**

Source: Company Data, Allenby Capital

Key Shareholders

Ian Lankshear (CEO) **13.6%**

Esterhuyzen Ltd **13.6%**

Richard Hamer **4.97%**

Marc Castells **4.88%**

Richard Marley **3.97%**

Source: Company Data, Allenby Capital

Matt Butlin

m.butlin@allenbycapital.com

0203-328-5666

www.allenbycapital.com

EnSilica Plc (ENSI.L)

Update confirms record trading year, positive FY2027 outlook

EnSilica has confirmed record revenues of £27.5m for the year ended 31 May 2026, a 51% increase on the prior year's £18.2m. EBITDA is expected to come in at £4.7m against an EBITDA loss of £49k in FY 2025. The company ended the year with a healthy cash position of £7.5m, underpinned by the £10m equity fundraise completed in March 2026. FY2027 guidance is in line with our current forecasts, pointing to further strong growth, and is supported by a new business opportunities pipeline that has expanded to \$600m from \$400m, even after \$125m of recent contract wins transferred from pipeline into committed life-time supply revenues. Committed life-time revenues now sit at \$375m, an increase of c.50% over the year. Against this increasingly positive backdrop, we have extended our forecast horizon to include FY 2029.

- **Revenues marginally behind, EBITDA ahead.** FY2026 revenues are expected at £27.5m, slightly below our £28.5m forecast and at the lower end of the company's £28m–£30m guidance range, though the shortfall did not weigh on profitability. EBITDA is anticipated at £4.7m, above the £3.5m–£4.5m guidance range and ahead of our £4.15m forecast.
- **Year-end cash of £7.5m, strengthened balance sheet facilitating contract wins.** Balance sheet concerns have overshadowed EnSilica for some time and, in our view, acted as a drag on the share price. The £10m fundraise in March served a dual purpose: it provided the catalyst for the recent share price rally and gave the Company the financial standing to secure major new contracts. Wins announced following the fundraise include a satellite user terminal chipset programme with a leading European operator, expected to generate lifetime supply revenues exceeding \$50m, and a major automotive contract with a lifetime value of approximately \$75m.
- **FY2027 outlook, continued growth expected.** The Group is guiding to revenues of £32m–£34m and EBITDA of £5.5m–£6.5m for FY27 which is in line with our current forecasts. Impressively, approximately 80% of anticipated FY2027 revenues are already covered by existing contracts and orders. Our forecasts assume revenue and EBITDA growth in FY 2027 of +20% and +26% respectively. The Board now expects to reach positive monthly operational cash generation by the end of FY2027 (previously end calendar year 2026), we view this shift as understandable given the step-up in investment activity following the £10m equity raise.
- **Business model maturing.** EnSilica continues its transition from a design-led business to a semiconductor design-and-supply company. Five ASICs are now in the volume supply phase, with three more expected to enter production in FY2027 and FY2028. Management note that the financial contribution from the space sector remains largely ahead of them: only one chip is currently generating supply revenues, despite five of the company's 14 chips in design targeting space applications. As those programmes move into production, they represent a meaningful and as yet unrealised source of future revenue growth.

Year End: May	2025	2026	2027e	2028e	2029e
(£'000)					
Consultancy Design Services	6,551	7,500	7,500	7,500	7,500
NRE Design services	5,891	12,750	13,000	14,000	16,000
Supply of products	5,741	7,250	12,500	16,000	20,000
Total Revenues	18,183	27,500	33,000	37,500	43,500
Growth	-28.0%	51.2%	20.0%	13.6%	16.0%
EBITDA	(49)	4,700	5,930	7,650	9,670
EBITDA Margin	-0.3%	17.1%	18.0%	20.4%	22.2%
Net Debt/(Cash)	3,321	(2,980)	(3,755)	(3,317)	(5,791)
EV/Revenue (x)	6.4	4.2	3.5	3.1	2.7
EV/EBITDA (x)	-2368.9	24.7	19.6	15.2	12.0

INCREASING NUMBER OF CHIPS MOVING TO SUPPLY

EnSilica is transitioning from a design-led revenue model towards one increasingly driven by high-margin, recurring supply revenues. As more programmes move through the 2–5 year ASIC design lifecycle into production, revenues become increasingly visible and scalable. Crucially, the growing pipeline of chips in the design phase represents the next wave of supply revenues, providing a clear runway for sustained top-line growth.

Achievement of ‘Tape-out’ a key milestone in a chip’s lifecycle

Tape-out refers to the milestone at which the ASIC design is finalised and released to the semiconductor foundry for fabrication. At this point, the complete design database is delivered to the foundry, which uses it to generate the mask set. The mask set consists of a series of patterned masks that define how the circuit is transferred onto silicon wafers during fabrication. Following tape-out, the foundry produces engineering samples, which are then tested and validated to ensure the ASIC operates as intended. Once the design is fully validated, the chip can proceed to volume production and large-scale supply.

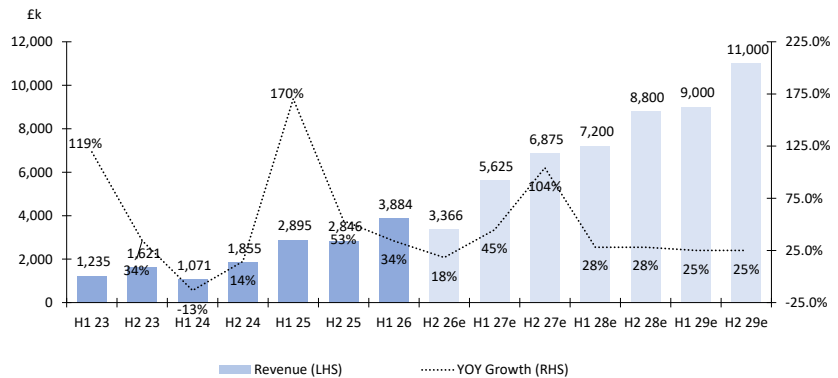
Exhibit 1: Supply revenues contracts included in Allenby Capital forecasts

	Contract	Tape-out achieved	Key RNS dates	Financials guidance/ comments
1	Industrial - electronic timing	✓	Pre IPO contract	In supply from mid-2020
2	Aerospace - gyroscope component	✓	Pre IPO contract	In supply from mid-2021
3	Autos - chassis control (assumed to be JLR)	✓	22 May 2023, 10 Sept 2024	Vehicle launch June 22. > \$40m/7yrs
4	Satellite Comms - LEO Sat. component (assumed to be AST Space Mobile)	✓	11 April 2023 12 June 2025	\$28m/10 years from end 2025
5	Industrial - factory automation (assumed to be Siemens)	✓	25 Jul 22, 10 Oct 23, 3 Sept 24	\$30m/7 years from end 2025
6	Industrials (Siemens)	✓	12 Sept 24, 5 Feb 26	Tape-out Feb 2026, supply from Jan 27. No financials given.
7	Edge AI chip (Design done by client)	✓	15 July 2024, 3 Nov 2025	\$7m NRE from FY25, \$50m supply/5 years from FY 27
8	Autos German manufacturer of automotive components	✓	1 June 2026	\$75m/7 years from end FY 27 Low margin as design already done

Source: Company data, Allenby Capital forecasts.

EnSilica has eight chips that have reached the point of tape-out. The revenues from these chips are included in our supply forecasts.

Exhibit 2: Supply revenue forecast (May year-end)



Source: Allenby Capital, Company data. Note: expected dip in H2 2026 due to cyber-attack at key customer in Q3 2026.

Further upside as contracts achieve tape-out

We exclude from our supply forecasts the supply revenues associated with the seven contracts listed below in exhibit 3. These contract wins have been announced but have not yet reached the tape-out stage. Tape-out achievements are expected from between Q4 2026 and 2029. Until the contracts reach tape-out, we conservatively exclude them from our supply forecasts.

Exhibit 3: Six contracts won and in progress but not yet included in supply forecasts as tape-out not yet reached

Contract	Tape-out timing Allenby Capital estimate	Key RNS dates	Financials guidance/comments
1 Oriole Networks Ltd (Photonics controller ASIC)	Q4 FY26	11 Nov 2024	Financials not disclosed
2 Automotive & Industrials - supplier to OEMs	Q1/Q2 FY27	15 Oct 2024	\$31m over 7 years (NRE + Supply)
3 Automotive & Industrials (electromechanical products)	Q1/Q2 FY27	27 March 2025	\$18m / 7 years (NRE + Supply)
4 Industrial Test Equipment Timing Controller ASIC	Q2/Q3 FY27	6 Dec 2024 4 Nov 2025	\$30m/10 years (NRE + Supply)
5 Healthcare – UK publicly quoted life-science technology company	Q1 FY28	10 March 2026	Financials not disclosed
6 Space industry, Multi-chip (payload and user terminal) with a leading European satellite operator	FY29	23 April 2026	NRE of \$6.8m, Supply in excess of \$50m from 2030

Source: Company data, Allenby Capital forecasts

There is clearly upside to our forecasts as the contracts reach tape out and we then include in our forecasts. For example, should the first four contracts achieve tape-out in line with expectations and then move into production we could be increasing our 2028 supply forecast by c.£5m from the current forecast of £16m.

Exhibit 4: Income statement - Y/E 31 May

	2024	2025	2026e	2027e	2028e	2029e	Comments
Revenues							
Consultancy Design services	7,112	6,551	7,500	7,500	7,500	7,500	
NRE Design services	15,228	5,891	12,750	13,000	14,000	16,000	Contribution towards cost of designing ASICs
Supply of products	2,926	5,741	7,250	12,500	16,000	20,000	Recurring revenue stream as chips enter production
	25,266	18,183	27,500	33,000	37,500	43,500	
Revenue growth (yoy)	23.4%	-28.0%	51.2%	20.0%	13.6%	16.0%	
Cost of sales	(16,267)	(10,850)	(16,500)	(19,470)	(21,750)	(25,230)	
Gross Profit	8,999	7,333	11,000	13,530	15,750	18,270	
Gross Profit Margin	35.6%	40.3%	40.0%	41.0%	42.0%	42.0%	Margin expansion with move away from Consultancy
Administrative expenses							
Of which D&A	(817)	(1,671)	(2,200)	(3,100)	(3,600)	(4,800)	As ASICs move to revenue generation R&D amortised
Of which 'other' Admin expenses	(7,348)	(7,222)	(8,200)	(9,000)	(9,500)	(10,000)	Employee, Property, PLC costs
Credit loss allowance	-	(1,783)	-	-	-	-	Customer receivable assessed to be at risk of non-payment.
Exceptional Items	-	(910)	-	-	-	-	
Total operating expenses	(8,165)	(11,586)	(10,400)	(12,100)	(13,100)	(14,800)	
Other operating income	38	1,623	1,900	1,400	1,400	1,400	Government grants, 2025 R&D tax credit
EBIT (pre exceptionals)	872	(1,720)	2,500	2,830	4,050	4,870	
EBIT Margin (pre exceptionals)	3.5%	-9.5%	9.1%	8.6%	10.8%	11.2%	
Lease liability financing charge	(219)	(329)	(300)	(300)	(300)	(300)	
Net interest on bank and other borrowings	(705)	(578)	(575)	(200)	-	50	
Profit before tax (pre exceptionals)	(52)	(2,627)	1,625	2,330	3,750	4,620	
Tax	(130)	811	400	(200)	(350)	(349)	
Profit/(loss) for the year (pre exceptionals)	(182)	(1,816)	2,025	2,130	3,400	4,271	
Fully diluted number of shares	80,747	83,512	100,147	117,877	117,877	117,877	
Diluted EPS (p) - pre exceptionals	(0.23)	(2.17)	2.02	1.81	2.88	3.62	
EBITDA (pre exceptionals)	1,689	(49)	4,700	5,930	7,650	9,670	
EBITDA Margin	6.7%	-0.3%	17.1%	18.0%	20.4%	22.2%	

Source: Company data, Allenby Capital forecasts

Exhibit 5: Balance sheet - Y/E 31 May

	2024	2025	2026e	2027e	2028e	2029e	Comments
Assets							
Property, plant and equipment	2,997	3,373	3,173	3,023	2,873	2,573	
Intangible assets	18,565	22,828	27,678	32,178	36,178	39,178	Increases with capitalised investment in R&D
Total non-current assets	21,562	26,201	30,851	35,201	39,051	41,751	
Inventories	753	439	1,750	1,200	1,700	1,701	
Trade & other receivables	8,390	10,108	10,643	10,890	12,375	14,355	
Of which trade receivables	1,743	5,868	4,144	4,973	5,651	6,555	
Corporation tax recoverable	1,349	1,363	1,900	1,400	1,400	1,400	
Cash & cash equivalents	5,156	1,963	7,464	7,439	6,201	7,875	
Total current assets	15,648	13,873	21,756	20,929	21,676	25,331	
TOTAL ASSETS	37,210	40,074	52,607	56,130	60,727	67,082	
Borrowings	(1,717)	(3,862)	(3,862)	(3,684)	(2,884)	(2,084)	Up to £9m Lloyds' facility paid down
Lease liabilities	(199)	(571)	(571)	(571)	(571)	(571)	
Trade and other payables	(7,118)	(10,492)	(12,375)	(14,408)	(16,095)	(18,670)	
Total current liabilities	(9,034)	(14,925)	(16,808)	(18,663)	(19,550)	(21,325)	
Borrowings	(2,298)	(1,422)	(622)	-	-	-	Lloyds' facility paid down
Lease liabilities	(1,904)	(2,126)	(1,826)	(1,526)	(1,226)	(926)	
Provisions	(206)	(235)	(200)	(200)	(200)	(200)	
Deferred tax	(1,365)	(466)	(466)	(466)	(466)	(466)	
Total non-current liabilities	(5,773)	(4,249)	(3,114)	(2,192)	(1,892)	(1,592)	
TOTAL LIABILITIES	(14,807)	(19,174)	(19,922)	(20,855)	(21,442)	(22,917)	
Net assets	22,403	20,900	32,685	35,275	39,285	44,165	
Issued share capital	153	156	156	156	156	156	
Share premium	14,957	16,181	25,781	25,781	25,781	25,781	
Currency differences reserve	(117)	(107)	(107)	(107)	(107)	(107)	
Retained earnings	7,410	4,670	6,855	9,445	13,455	18,335	
Total equity	22,403	20,900	32,685	35,275	39,285	44,165	
Balance sheet ratios	FY 2024	FY 2025	FY 2026e	FY 2027e	FY 2028e	FY 2029e	
Cash	5,156	1,963	7,464	7,439	6,201	7,875	
ST Debt	(1,717)	(3,862)	(3,862)	(3,684)	(2,884)	(2,084)	
LT debt	(2,298)	(1,422)	(622)	-	-	-	
Net Debt/(Cash)	(1,141)	3,321	(2,980)	(3,755)	(3,317)	(5,791)	

Source: Company data, Allenby Capital forecasts

Exhibit 6: Cashflow statement - Y/E 31 May

	2024	2025	2026e	2027e	2028e	2029e	Comments
Profit/(loss) for the year	(182)	(2,726)	2,025	2,130	3,400	4,271	
Adjustments for:							
Depreciation	495	633	600	600	600	800	
Amortisation of intangible assets	322	1,038	1,600	2,500	3,000	4,000	
Share based payments	248	261	260	260	260	260	Non-cash items removed from
Impairment of intangible assets	-	910	-	-	-	-	operating cashflow calculations
Net interest costs	924	908	875	500	300	250	
R&D Expenditure credit	-	(1,278)	(1,900)	(1,400)	(1,400)	(1,400)	
Tax credit	130	(811)	(400)	200	350	349	
Op. cashflow pre movements in working cap.	1,937	(1,065)	3,110	4,790	6,510	8,530	
(Increase)/decrease in inventories	(448)	313	(1,311)	550	(500)	(1)	
Dec/(Inc) in trade and other receivables	(997)	(1,718)	(1,072)	253	(1,485)	(1,980)	
Increase in trade and other payables	1,983	3,374	1,883	2,033	1,687	2,575	
Decrease in provisions	7	29	(35)	-	-	-	
Movements in Working capital	545	1,998	(535)	2,835	(298)	594	
Op. cashflow post movement in working cap.	2,482	933	2,576	7,625	6,212	9,124	
Tax received/(paid)	1,788	1,177	1,900	1,400	1,400	1,400	Tax credits aiding positive operating cashflow
Net cash generated from operating activities	4,270	2,110	4,476	9,025	7,612	10,524	
Purchase of P,P & E	(927)	(681)	(400)	(450)	(450)	(500)	
Additions to intangible assets	(6,425)	(5,797)	(6,500)	(7,000)	(7,000)	(7,000)	Investment in R&D (increased post 4/26 £10m raise)
Interest received	1	-	25	200	200	200	
Net cash used in investing activities	(7,351)	(6,478)	(6,875)	(7,250)	(7,250)	(7,300)	
Interest paid	(925)	(908)	(600)	(700)	(500)	(450)	
Lease liability payments	(172)	(309)	(300)	(300)	(300)	(300)	
Receipt of bank loans	713	5,710	-	-	-	-	
Repayment of bank loans	(865)	(4,436)	(800)	(800)	(800)	(800)	
Proceeds from issue of equity	6,480	1,228	9,600	-	-	-	
Net cash generated from financing activities	5,231	1,285	7,900	(1,800)	(1,600)	(1,550)	
Net movement in cash and cash equivalents	2,150	(3,083)	5,501	(25)	(1,238)	1,674	
Cash and cash equivalents - beg. of the year	3,095	5,156	1,963	7,464	7,439	6,201	
Foreign exchange losses	(89)	(110)	-	-	-	-	
Cash and cash equivalents - end of the year	5,156	1,963	7,464	7,439	6,201	7,875	

Source: Company data, Allenby Capital forecasts

Disclaimer

Allenby Capital Limited ("Allenby") is incorporated in England no. 6706681; is authorised and regulated by the Financial Conduct Authority ("FCA") (FRN: 489795) and is a member of the London Stock Exchange. This communication is for information only it should not be regarded as an offer or solicitation to buy the securities or other instruments mentioned in it. It is a marketing communication and non-independent research and has not been prepared in accordance with the legal requirements designed to promote the independence of investment research, and is not subject to any prohibition on dealing ahead of the dissemination of investment research. The cost of Allenby research product on independent companies is paid for by research clients. The content of this promotion has not been approved by an authorised person within the meaning of the Financial Services and Markets Act 2000. Reliance on this promotion for the purpose of engaging in any investment activity may expose an individual to a significant risk of losing all of the property or other assets invested.

This communication is for the use of intended recipients only and only for distribution to investment professionals as that term is defined in article 19(5) of The Financial Services and Markets Act 2000 (Financial Promotion) Order 2005. Its contents are not directed at, may not be suitable for and should not be relied upon by anyone who is not an investment professional including retail clients. Any such persons should seek professional advice before investing. For the purposes of this communication Allenby is not acting for you, will not treat you as a client, will not be responsible for providing you with the protections afforded to clients, and is not advising you on the relevant transaction or stock. This communication or any part of it do not form the basis of and should not be relied upon in connection with any contract.

Allenby uses reasonable efforts to obtain information from sources which it believes to be reliable. The communication has been prepared without any substantive analysis undertaken into the companies concerned or their securities, and it has not been independently verified. No representation or warranty, express or implied is made, or responsibility of any kind accepted by Allenby its directors or employees as to the accuracy or completeness of any information in this communication. Opinions expressed are our current opinions as of the date appearing on this material only and are subject to change without notice. There is no regular update series for research issued by Allenby.

No recommendation is being made to you; the securities referred to may not be suitable for you and this communication should not be relied upon in substitution for the exercise of independent judgement. Neither past performance or forecasts are a reliable indication of future performance and investors may realise losses on any investment. Allenby shall not be liable for any direct or indirect damages including lost profits arising from the information contained in this communication. Allenby is acting only for the subject of this research and is not acting for you. Allenby will not treat you as a client, will not be responsible for providing you with the protections afforded to clients, and is not advising you on the relevant transaction or stock.

Allenby and any company or persons connected with it, including its officers, directors and employees may have a position or holding in any investment mentioned in this document or a related investment and may from time to time dispose of any such security or instrument. Allenby may have been a manager in the underwriting or placement of securities in this communication within the last 12 months, have received compensation for investment services from such companies within the last 12 months, or expect to receive or may intend to seek compensation for investment services from such companies within the next 3 months. Accordingly, recipients should not rely on this communication as being impartial and information may be known to Allenby or persons connected with it which is not reflected in this communication. Allenby has a policy in relation to management of conflicts of interest which is available upon request.

This communication is supplied to you solely for your information and may not be reproduced or redistributed to any other person or published in whole or part for any purpose. It is not intended for distribution or use outside the European Economic Area except in circumstances mentioned below in relation to the United States. This communication is not directed to you if Allenby is prohibited or restricted by any legislation or registration in any jurisdiction from making it available to you and persons into whose possession this communication comes should inform themselves and observe any such restrictions.

Allenby may distribute research in reliance on Rule 15a-6(a)(2) of the Securities and Exchange Act 1934 to persons that are major US institutional investors, however, transactions in any securities must be effected through a US registered broker-dealer. Any failure to comply with this restriction may constitute a violation of the relevant country's laws for which Allenby does not accept liability.

By accepting this communication, you agree that you have read the above disclaimer and to be bound by the foregoing limitations and restrictions.

Matt Butlin is the author of this research and is employed by Allenby Capital Limited as an Equity Analyst. Unless otherwise stated the share prices used in this publication are taken at the close of business for the day prior to the date of publication. Information on research methodologies and disclosure in relation to interests or conflicts of interests can be found at www.allenbycapital.com. Allenby Capital acts as Nomad and Joint Broker to EnSilica Plc.

Allenby Capital, 5 St Helen's Place London EC3A 6AB, +44 (0)20 3328 5656, www.allenbycapital.com