

Corporate

Current price **74.0p**

Sector **TMT**

Code **ENSI.L**

Listing **AIM**

Share Performance



% Change	1m	3m	12m
ENSI.L	+8.8%	-20.0%	+44.5%

Source: Reuters Eikon, Allenby Capital

Share Data

Market Cap (£m) **99.3**

Shares in issue (m) **134.2**

52 weeks (p)	High	Low
	123.0	32.0

Financial year end **MAY**

Source: Company Data, Allenby Capital

Key Shareholders

Esterhuyzen Ltd	16.4%
Ian Lankshear (CEO)	11.9%
Richard Hamer	4.36%
Marc Castells	4.28%
Richard Marley	3.48%

Source: Company Data, Allenby Capital

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EnSilica Plc (ENSI.L)

FY26 – strong results, ahead of guidance

EnSilica has reported strong results for the year to 31 May 2026. Revenue rose 52.9% to £27.8m (FY25: £18.2m), slightly ahead of guidance of £27.5m. Supply revenue was lighter than we expected, but this was more than offset by a stronger contribution from non-recurring engineering (“NRE”) revenue. Underlying EBITDA was £5.9m, against guidance of £4.7m and a loss of £49k in FY25, with the beat driven by a larger than expected R&D tax credit. Year-end cash was £7.6m (net cash £3.1m), further strengthened by the £14.9m placing in July 2026. FY27 guidance is reiterated and in line with our forecasts, which assume revenue growth of 19%. Around 80% of FY27 revenue is already contracted or under negotiation.

- FY26 revenue growth of 52.9%.** Growth was driven mainly by NRE revenue, which rose 155% to £15.0m. EnSilica earns NRE revenue during the ASIC design phase, and supply revenue once those chips enter long term production. Supply revenue rose 16.0% to £6.7m, below our £7.25m forecast because of a cybersecurity issue in a customer's supply chain that has since been resolved. The company expects significant growth in supply revenue in FY27, and we forecast a 50% increase to £10.0m. In our view, evidence of material growth in supply revenue will be a key driver of the share price.
- EBITDA of £5.9m ahead of £4.7m guidance.** This was driven by £1.2m of additional R&D tax credits; other lines were broadly as expected. Gross margin fell to 35% (FY25: 40%), but this mainly reflects how costs are allocated rather than any weakening in the underlying business. Grant funded development costs sit in cost of sales, while the matching grant income is booked in other operating income rather than revenue. Excluding these costs, gross margin would be c.40%.
- FY27 outlook: continued growth expected.** The group is guiding to FY27 revenue of £32m to £34m and EBITDA of £5.5m to £6.5m, in line with our forecasts. Around 80% of expected FY27 revenue is already covered by existing contracts and orders. As noted above, we see a rising contribution from recurring, high margin supply revenue as a key driver of the share price. With five ASICs in volume supply, three more due to enter production across FY27 and FY28, and a further 11 in design, EnSilica is well placed to deliver this over the coming years.
- Year-end cash of £7.6m, further strengthened post year end.** 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 followed by the £14.9m raise in July removed these concerns. The company now has the financial standing to compete for major new contracts, and since the March raise has announced two significant wins with \$125m combined lifetime supply revenue potential. Management remains confident of adding four to five new contracts a year, each of which will join the growing portfolio of chips generating long term supply revenue once design is complete.

Year End: May

(£'000)	2025	2026	2027e	2028e	2029e
Consultancy Design Services	6,551	6,135	7,000	7,000	7,000
NRE Design services	5,891	15,011	16,000	14,500	16,500
Supply of products	5,741	6,661	10,000	16,000	20,000
Total Revenues	18,183	27,807	33,000	37,500	43,500
Growth	-28.0%	52.9%	18.7%	13.6%	16.0%
EBITDA	(49)	5,893	6,035	7,625	9,683
EBITDA Margin	-0.3%	21.2%	18.3%	20.3%	22.3%
Net Debt/(Cash)	3,321	(3,146)	(13,585)	(10,589)	(10,279)
EV/Revenue (x)	4.7	3.1	2.6	2.3	2.0
EV/EBITDA (x)	nm	14.6	14.2	11.2	8.9

Space: Proving to be a major growth opportunity.

Space is now EnSilica's lead growth market, with six of its 19 chips space related. The FY26 results confirm satellite communications as the group's leading opportunity stating confidence in FY2027 and beyond due to “a clear focus on the high-margin space and satellite communications market”. Demand is driven by sovereign and resilient connectivity requirements, falling launch costs and the roll out of new LEO constellations. A key opportunity for EnSilica is in user terminals. Management sizes the serviceable addressable market there as growing fivefold, from \$650m in 2025 during initial deployment to over \$3bn with mass adoption in 2030. Accelerating EnSilica's satellite communications products was a key use of proceeds from the March and July 2026 equity raises.

Proven payload credentials

EnSilica designed the AST5000 payload chip for Nasdaq listed AST SpaceMobile's LEO satellites, which provides up to a tenfold improvement in processing bandwidth per satellite. The contract is expected to generate \$28m of royalties and service revenue. Consolidation among payload suppliers has since left EnSilica as a key independent European supplier in this area. That position was reinforced in August, when EnSilica won a €1.7m second phase contract from a leading European satellite manufacturer, following an earlier funded feasibility study, to develop the system architecture, signal processing algorithms and demonstrator device ahead of full ASIC development.

Largest win to date

In April 2026 EnSilica secured a multi-chip payload and user terminal contract with a leading European satellite operator. This is its largest potential supply opportunity to date. The contract brings \$6.8m of NRE fees and unlocks up to \$3m of matched UK Space Agency funding. More significantly, the user terminal elements alone carry estimated lifetime supply revenue of more than \$50m from c.2030, with further upside from the payload chip.

A family of user terminal ASSPs (application specific standard product)

Helped by c.£20m of ESA and UK Space Agency funding, EnSilica can now design all the key chips in a user terminal: mmWave, beamformer and modem. Few European companies can offer the full chipset. Because these are EnSilica owned ASSPs rather than single customer ASICs, each can be sold to multiple terminal makers and constellations. The ENS92040 digital beamformer shows the model working. Developed with €5m of ESA funding, it attracted a €2.5m early access order in August 2023 that included an initial 50,000 units. In July 2026 the same customer added €1.1m of follow-on orders, split between €350,000 for additional samples and €750,000 towards product enhancements, with supply revenue expected to grow significantly from 2029.

Embedded in Europe's sovereign infrastructure

EnSilica is also a partner in the 5G-aNTeNna project, a six member European consortium led by Silicon Austria Labs that is developing a compact user terminal for the EU's IRIS² constellation, with EnSilica supplying the key user terminal ASSPs. IRIS² serves government, defence and enterprise users and is expected to be fully operational by 2030. In the current geopolitical climate, European operators are likely to favour European providers, which plays directly to EnSilica's position. None of these space programmes are yet in our supply forecasts, which only include chips that have reached tape out. As they progress towards production from 2029 to 2030, they represent meaningful upside to our recurring supply revenue forecasts.

Exhibit 1: Income statement - Y/E 31 May

	2024	2025	2026	2027e	2028e	2029e	Comments
Revenues							
Consultancy Design services	7,112	6,551	6,135	7,000	7,000	7,000	
NRE Design services	15,228	5,891	15,011	16,000	14,500	16,500	Contribution towards cost of designing ASICs
Supply of products	2,926	5,741	6,661	10,000	16,000	20,000	Recurring revenue stream as chips enter production
	25,266	18,183	27,807	33,000	37,500	43,500	
Revenue growth (yoy)	23.4%	-28.0%	52.9%	18.7%	13.6%	16.0%	
Cost of sales	(16,267)	(10,850)	(18,211)	(21,615)	(22,875)	(26,318)	
Gross Profit	8,999	7,333	9,596	11,385	14,625	17,183	
Gross Profit Margin	35.6%	40.3%	34.5%	34.5%	39.0%	39.5%	Margin expansion with move away from Consultancy
Administrative expenses							
(8,165)	(8,893)	(10,747)	(12,750)	(13,400)	(14,900)		
Of which D&A	(817)	(1,671)	(2,887)	(3,400)	(3,900)	(4,900)	As ASICs move to revenue generation R&D amortised
Of which 'other' Admin expenses	(7,348)	(7,222)	(7,860)	(9,350)	(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)	(97)	-	-	-	
Total operating expenses	(8,165)	(11,586)	(10,844)	(12,750)	(13,400)	(14,900)	
Other operating income	38	1,623	4,157	4,000	2,500	2,500	Government grants, R&D tax credit
EBIT (pre exceptionals)	872	(1,720)	3,006	2,635	3,725	4,783	
EBIT Margin (pre exceptionals)	3.5%	-9.5%	10.8%	8.0%	9.9%	11.0%	
Lease liability financing charge	(219)	(329)	(245)	(300)	(300)	(300)	
Net interest on bank and other borrowings	(705)	(578)	(405)	(200)	-	50	
Profit before tax (pre exceptionals)	(52)	(2,627)	2,356	2,135	3,425	4,533	
Tax	(130)	811	(1,021)	(200)	(350)	(349)	
Profit/(loss) for the year (pre exceptionals)	(182)	(1,816)	1,335	1,935	3,075	4,184	
Fully diluted number of shares	80,747	83,512	100,705	132,872	134,235	134,235	
Diluted EPS (p) - pre exceptionals	(0.23)	(2.17)	1.33	1.46	2.29	3.12	
EBITDA (pre exceptionals)	1,689	(49)	5,893	6,035	7,625	9,683	
EBITDA Margin	6.7%	-0.3%	21.2%	18.3%	20.3%	22.3%	

Source: Company data, Allenby Capital forecasts

Exhibit 2: Balance sheet - Y/E 31 May

	2024	2025	2026	2027e	2028e	2029e	Comments
Assets							
Property, plant and equipment	2,997	3,373	3,491	3,041	2,591	2,191	
Intangible assets	18,565	22,828	27,301	32,801	37,801	41,801	Increases with capitalised investment in R&D
Total non-current assets	21,562	26,201	30,792	35,842	40,392	43,992	
Inventories	753	439	1,725	2,250	2,500	2,750	
Trade & other receivables	8,390	10,108	13,866	17,160	19,875	23,925	
Of which trade receivables	1,743	5,868	3,891	4,521	5,137	5,959	
Corporation tax recoverable	1,349	1,363	2,189	2,000	2,000	2,000	
Cash & cash equivalents	5,156	1,963	7,560	16,999	13,003	11,693	
Total current assets	15,648	13,873	25,340	38,409	37,378	40,368	
TOTAL ASSETS	37,210	40,074	56,132	74,251	77,770	84,360	
Borrowings	(1,717)	(3,862)	(3,941)	(3,414)	(2,414)	(1,414)	
Lease liabilities	(199)	(571)	(600)	(600)	(600)	(600)	
Trade and other payables	(7,118)	(10,492)	(16,619)	(19,454)	(20,588)	(23,686)	
Total current liabilities	(9,034)	(14,925)	(21,160)	(23,468)	(23,602)	(25,700)	
Borrowings	(2,298)	(1,422)	(473)	-	-	-	Lloyds' facility paid down
Lease liabilities	(1,904)	(2,126)	(1,845)	(1,545)	(1,245)	(945)	
Provisions	(206)	(235)	(211)	(200)	(200)	(200)	
Deferred tax	(1,365)	(466)	(1,004)	(1,004)	(1,004)	(1,004)	
Total non-current liabilities	(5,773)	(4,249)	(3,533)	(2,749)	(2,449)	(2,149)	
TOTAL LIABILITIES	(14,807)	(19,174)	(24,693)	(26,217)	(26,051)	(27,849)	
Net assets	22,403	20,900	31,439	48,034	51,719	56,512	
Issued share capital	153	156	177	177	177	177	
Share premium	14,957	16,181	25,566	39,766	39,766	39,766	
Currency differences reserve	(117)	(107)	(283)	(283)	(283)	(283)	
Retained earnings	7,410	4,670	5,979	8,374	12,059	16,852	
Total equity	22,403	20,900	31,439	48,034	51,719	56,512	
Balance sheet ratios	FY 2024	FY 2025	FY 2026	FY 2027e	FY 2028e	FY 2029e	
Cash	5,156	1,963	7,560	16,999	13,003	11,693	
ST Debt	(1,717)	(3,862)	(3,941)	(3,414)	(2,414)	(1,414)	
LT debt	(2,298)	(1,422)	(473)	-	-	-	
Net Debt/(Cash)	(1,141)	3,321	(3,146)	(13,585)	(10,589)	(10,279)	

Source: Company data, Allenby Capital forecasts

Exhibit 3: Cashflow statement - Y/E 31 May

	2024	2025	2026	2027e	2028e	2029e	Comments
Profit/(loss) for the year	(182)	(2,726)	1,238	1,935	3,075	4,184	
Adjustments for:							
Depreciation	495	633	908	900	900	900	
Amortisation of intangible assets	322	1,038	1,979	2,500	3,000	4,000	
Share based payments	248	261	71	260	260	260	Non-cash items removed from
Impairment of intangible assets	-	910	97	-	-	-	operating cashflow calculations
Net interest costs	924	908	650	500	300	250	
R&D Expenditure credit	-	(1,278)	(2,488)	(2,000)	(2,000)	(2,000)	
Tax credit	130	(811)	1,021	200	350	349	
Op. cashflow pre movements in working cap.	1,937	(1,065)	3,476	4,295	5,885	7,943	
(Increase)/decrease in inventories	(448)	313	(1,287)	(525)	(250)	(250)	
Dec/(Inc) in trade and other receivables	(997)	(1,718)	(3,754)	(3,105)	(2,715)	(4,050)	
Increase in trade and other payables	1,983	3,374	6,128	2,835	1,134	3,098	
Decrease in provisions	7	29	362	(11)	-	-	
Movements in Working capital	545	1,998	1,449	(807)	(1,831)	(1,202)	
Op. cashflow post movement in working cap.	2,482	933	4,925	3,489	4,054	6,741	
Tax received/(paid)	1,788	1,177	1,278	2,000	2,000	2,000	Tax credits aiding positive operating cashflow
Net cash generated from operating activities	4,270	2,110	6,203	5,489	6,054	8,741	
Purchase of P,P & E	(927)	(681)	(461)	(450)	(450)	(500)	
Additions to intangible assets	(6,425)	(5,797)	(6,454)	(8,000)	(8,000)	(8,000)	Investment in R&D
Interest received	1	-	27	200	200	200	
Net cash used in investing activities	(7,351)	(6,478)	(6,888)	(8,250)	(8,250)	(8,300)	
Interest paid	(925)	(908)	(659)	(700)	(500)	(450)	
Lease liability payments	(172)	(309)	(1,287)	(300)	(300)	(300)	
Receipt of bank loans	713	5,710	-	-	-	-	
Repayment of bank loans	(865)	(4,436)	(967)	(1,000)	(1,000)	(1,000)	
Proceeds from issue of equity	6,480	1,228	9,456	14,200	-	-	
Net cash generated from financing activities	5,231	1,285	6,543	12,200	(1,800)	(1,750)	
Net movement in cash and cash equivalents	2,150	(3,083)	5,858	9,439	(3,996)	(1,309)	
Cash and cash equivalents - beg. of the year	3,095	5,156	1,963	7,560	16,999	13,003	
Foreign exchange losses	(89)	(110)	(261)	-	-	-	
Cash and cash equivalents - end of the year	5,156	1,963	7,560	16,999	13,003	11,693	

Source: Company data, Allenby Capital forecasts

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