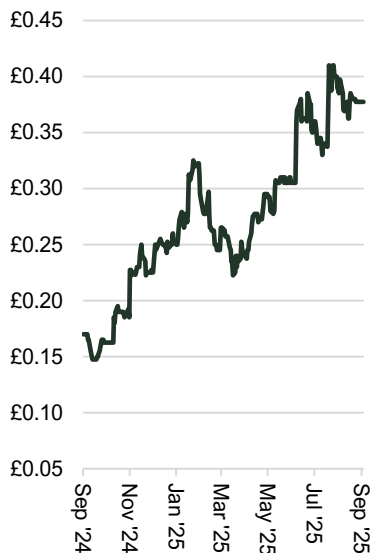


1 Year Chart



24th September 2025

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Made Tech PLC is a research client of H2 Radnor Ltd.

MiFID II – this research is deemed to be a minor, non-monetary benefit.

Made Tech's full year results (May year-end) read well with adjusted EBITDA of £3.5m, 3% higher than the c.£3.4m mentioned in July's trading statement, and the £3.4m which we had forecast. The current trading commentary is reassuring, pointing to a "The Group has traded in line with management's expectations in the first quarter of FY26 delivering robust revenue, Adjusted EBITDA and cash flow performance". We have maintained our forecasts of adjusted EBITDA of £3.9m in FY26 and £4.4m in FY27.

The market commentary is encouraging saying that "The UK Government's emphasis on digital transformation, highlighted in the State of Digital Government report, the UK's Modern Industrial Strategy, and the Strategic Defence Review, continues to underline the scale of the long-term opportunity. With the Spending Review now concluded, the demand for modern digital services is clearer than ever, offering the potential for sustained growth".

Made Tech now trades on a 2% valuation premium to the UK Software Service peer group (based on market consensus) but we believe that a larger premium is merited given its excellent prospects in the UK public sector market, recent trading momentum and strong balance sheet.

- **UK politics;** Made Tech's customers are all UK public sector and we believe that it has a large opportunity as the public sector uses the digital skills of the private sector to improve service levels and reduce costs. Pressure on UK Government spending is likely to spur the need for further efficiencies which do not impact front-line service levels. The recent Spending Review contained a number of reference to digital including "embracing the power of digital technology and AI tools across government including a commitment that 1 in 10 civil servants will be digital professionals by 2030".
- **Valuation;** we have switched our illustrative fair value methodology from multiples based to a DCF, with the result that it increases from 26p to 50p, 30% upside from the current share price.

Y/E May, £m	Revenue	EBITDA	Adj PBT	Adj EPS (p)	Net Cash	PE	EV/EBITDA
FY 2023A	40.2	1.5	1.1	0.3	8.5	112.9	32.8
FY 2024A	38.6	2.4	1.4	0.9	7.6	41.4	21.4
FY 2025A	46.4	3.5	2.9	1.2	10.4	33.8	13.8
FY 2026E	50.1	3.9	3.1	1.4	13.1	26.2	11.6
FY 2027E	55.1	4.4	4.3	2.0	16.1	18.8	9.6

Source: h2Radnor

Other points from the results

- **Revenue** reached a record £46.4m, in line with the c.£46.4m mentioned in the trading statement, representing a 20% increase (14% in H1 and 27% in H2) on the £38.6m of FY24. In FY24 revenue had declined by 4% (a reduction of 7% in H1 and 1% in H2) mainly as contract activity slowed in the run up to an expected General Election. We note that 20% revenue growth is a much better outcome than that reported by Made Tech's main quoted peers, and the statement mentions having "outperformed a challenging market".
- **Sales bookings** (the total value of sales contracts awarded in the year), to be delivered in future financial periods, was £82.1m, representing a 128% increase on the £36.0m of FY24. Sales bookings rose by 233% in H1 and by 71% in H2, with H1 having had the easiest comparable. The Group highlighted wins with its Central government customers including some substantial new wins with the Ministry of Housing, Communities and Local Government and the Department of Education. On the negative side, as mentioned in H1, the Group says that in the NHS "we were disappointed not to secure a place on the Digital Capability for Health 2 framework". Interestingly, Made Tech also saw an increase in revenue generated from its early-stage SaaS product sales, which we note is focussed on Local government customers and we believe that SaaS product sales are especially attractive as they represent recurring revenue.
- **The Contracted Backlog** (the value of contracted revenue that has yet to be recognised) rose by 52% from £60.6m at the end of FY24 to £92.2m at the end of FY25. The sales booking and contracted backlog figures "positions us well for FY26 and beyond with a strong pipeline of committed work".
- **Gross Profit** increased by 13% from £13.2m in FY24 to £14.8m in FY25. The Gross Profit margin declined proportionally by 7% from 34.2% in FY24 to 32.0% in FY25 (2% proportional rise in H1 and a 14% proportional decline in H2). In FY24, the margin declined proportionally by 4% (7% proportional rise in H1 and a 14% proportional decline in H2). As had been mentioned in the trading statement, the two reasons for the margin decline, especially in H2, were firstly the greater proportion of work being delivered by partners, where Made Tech operates as the prime supplier. We think that using partners is the flip side of winning larger contracts, which overall for the Group is a positive. Secondly, there was a greater use of contractors, as "part of a deliberate strategy to mitigate against the risk of volatility in client demand and project timings in the run-up to the UK General Election". The average contractor to employee ratio in FY25 was 19%, up from 9% in FY24 and this peaked at c.20% towards the end of FY25. Since the beginning of 2025 the Group has accelerated recruitment and plans to reduce the ratio of contractors to its target level of c.10% by the end of FY26. We think it interesting that the contractor ratio peaked at year end, sometime after July's General Election, which believe may have been due to further political uncertainty caused by the Budget (October), the Spring Statement (March) and the Spending Review (June). Plus given the high level of contract wins, Made Tech may have kept contractors on for longer than expected to cope with the extra workload. The margin decline offset a "further improvement in consultant utilisation resulting in an increase in like-for-like margins".

- **Adjusted EBITDA** rose by 47% from £2.4m in FY24 to £3.5m, 3% higher than the c.£3.4m mentioned in the trading statement. The adjusted EBITDA margin rose proportionally by 22% from 6.2% in FY24 to 7.5% in FY25 (a proportional rise of 13% in H1 and 33% in H2). In FY24, the margin rose proportionally by 63% (a proportional rise of 195% in H1 and flat in H2). The margin benefitted from “improved productivity resulting from reduced costs in certain support functions, offsetting the year-on-year reduction in gross margins”. We note that an adjusted EBITDA margin of 7.5% is still a fifth below the peak of 9.0% of FY22 suggesting further upside.
- **Made Tech has no debt and gross cash** rose by 36% from £7.6m in FY24 to £10.4m in FY25, in line with the figure mentioned in the trading statement. The statement reiterated that “the Board anticipates that during FY26, as in FY25, the Group will generate positive free cash flow”. We think net cash positions the company well for investments and bolt-on acquisitions and may also be a competitive advantage when bidding for public sector contracts.
- **Our initiation note** on Made Tech is available on request, or can be accessed from this [link](#).

Relative valuation

In Figure 2 below, we show the key valuation metrics across Made Tech's main comparative peer groups according to the latest FactSet market consensus.

Following a re-rating this year, Made Tech now trades on an EV/EBITDA premium to all of the key Software Service and Software Product peer groups.

Figure 2: Made Tech's peer groups

	Price, local	Market Cap, local	FY1 Net Cash, local	EV, local	FY1 EV / Sales, x	FY1 EV / EBITDA, x
Made Tech Group PLC	38	58.4	13.1	45.3	1.1	11.6
<i>Rel to UK Software Service Peers</i>					<i>-44%</i>	<i>2%</i>
<i>Rel to Overseas Software Service Peers</i>					<i>-25%</i>	<i>48%</i>
<i>Rel to UK Software Product Peers</i>					<i>-51%</i>	<i>63%</i>
<i>Rel to UK Business Process Outsourcing Peers</i>					<i>159%</i>	<i>121%</i>
Software Service Peers - UK						
Kainos Group PLC	869	1,043.0	103.9	939.1	2.4	14.0
TPXimpact Holdings PLC	17	15.5	-7.6	23.1	0.3	3.6
					1.9	11.4
Software Service Peers - Overseas						
Netcompany Group A/S	250	11,250.0	-2,101.3	13,351.3	1.8	10.7
Capgemini SE	122	20,725.5	-2,151.1	22,876.6	1.0	6.4
CGI Inc. Class A	129	28,512.2	-2,921.1	31,433.3	2.0	9.8
Reply S.p.A.	122	4,540.5	532.6	4,007.9	1.6	8.7
Globant SA	57	2,532.2	-235.5	2,767.7	1.1	5.5
					1.4	7.8
Software Product Peers - UK						
Big Technologies PLC	88	255.6	105.5	150.2	2.9	5.5
Idox PLC	53	241.7	-8.5	250.2	2.7	9.3
Tracsis plc	428	127.1	23.1	104.1	1.3	8.3
					2.1	7.1
Business Process Outsourcing Peers - UK						
Capita plc	263	299.2	-365.5	664.7	0.3	3.5
MITIE Group PLC	139	1,693.0	-418.3	2,111.3	0.4	6.2
Serco Group plc	223	2,249.3	-418.9	2,668.2	0.5	6.7
					0.4	5.3

Source: FactSet, h2Radnor

DCF Valuation

Given the defensive profile and cash generative nature of Made Tech we believe that a DCF is the most appropriate valuation tool (Figure 3).

Figure 3: DCF Model

May year end	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	TV
Revenue	50.1	55.2	61.8	69.2	77.5	86.8	95.5	105.0	115.5	127.1	139.8	141.2
Change	8.0%	10.0%	12.0%	12.0%	12.0%	12.0%	10.0%	10.0%	10.0%	10.0%	10.0%	1.0%
EBITDA	3.9	4.4	5.1	5.9	6.8	7.8	8.8	9.8	11.0	12.4	13.9	13.3
Margin	7.8%	8.0%	8.2%	8.5%	8.7%	9.0%	9.2%	9.4%	9.5%	9.7%	9.9%	9.4%
Margin change	4.0%	2.5%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%	(5.0%)
Working capital	(1.3)	(1.5)	(1.2)	(1.4)	(1.6)	(1.7)	(1.0)	(1.1)	(1.2)	(1.3)	(1.4)	(0.3)
Capex	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Subtotal	2.6	2.9	3.8	4.4	5.1	6.0	7.7	8.7	9.8	11.0	12.3	12.9
Tax	(0.7)	(0.7)	(0.9)	(1.1)	(1.3)	(1.5)	(1.9)	(2.2)	(2.4)	(2.7)	(3.1)	(3.2)
Tax rate	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Free cash	2.0	2.1	2.8	3.3	3.9	4.5	5.8	6.5	7.3	8.2	9.3	9.7
Present value	1.8	1.8	2.2	2.4	2.6	2.8	3.3	3.4	3.5	3.6	3.8	3.6

Source: h2Radnor

Our illustrative fair value for the Group is 50p per share (Figure 4).

Figure 4: DCF Valuation

Illustrative fair value	
Total present value of forecast period	31
Terminal value	48
Total	80
Number of shares (diluted) (m)	161
Value per share (E)	50

Cost of equity	
Risk free rate	4.0%
Equity risk premium	4.5%
Beta	1.0
Total	8.5%

Source: h2Radnor

Made Tech PLC

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Price (p): 38 p
Market Cap: 58 m
EV: 45 m

PROFIT & LOSS						
Y/E May	2022	2023	2024	2025E	2026E	2027E
Revenue	29.3	40.2	38.6	46.4	50.1	55.2
Change YoY %		37%	-4%	20%	8%	10%
Gross Profit	11.3	14.4	13.2	14.8	16.2	18.0
Gross Profit Margin %	38.4%	35.8%	34.2%	32.0%	32.3%	32.6%
Operating Costs	(8.6)	(12.9)	(10.8)	(11.4)	(12.3)	(13.6)
EBITDA	2.6	1.5	2.4	3.5	3.9	4.4
Change YoY %		-43%	56%	47%	12%	13%
EBITDA Margin %	9.0%	3.8%	6.2%	7.5%	7.8%	8.0%
Depr & Amort	(0.3)	(0.4)	(1.2)	(0.9)	(1.0)	(0.4)
EBIT - Adjusted	2.3	1.1	1.2	2.6	2.9	4.0
EBIT Margin %	8.0%	2.7%	3.0%	5.6%	5.8%	7.3%
Associates & JV's	-	-	-	-	-	-
Net Interest	(0.0)	0.0	0.2	0.3	0.2	0.3

PBT - Adjusted	2.3	1.1	1.4	2.9	3.1	4.3
Non Operating Items	-	-	-	-	-	-
Other Financial Items	-	-	-	-	-	-
PBT - IFRS	2.3	1.1	1.4	2.9	3.1	4.3

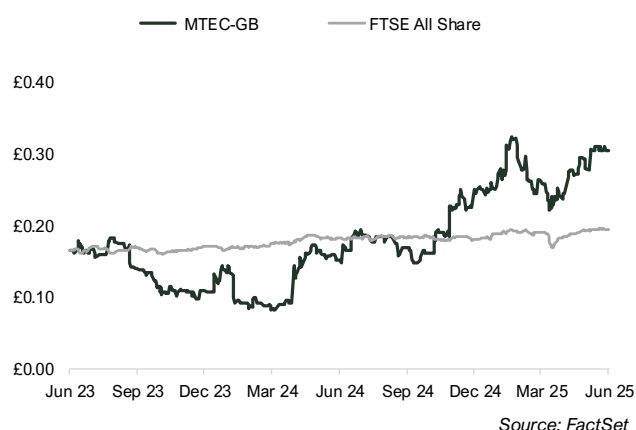
Tax - Adjusted	(0.5)	(0.6)	0.0	(1.1)	(0.8)	(1.1)
Tax rate - Adjusted	22.2%	53.8%	-1.6%	37.4%	25.0%	25.0%
Minority interests	-	-	-	-	-	-
No. shares m, diluted	139.7	153.0	154.7	159.5	160.5	160.5

Adj EPS (p), diluted	1.3	0.3	0.9	1.1	1.5	2.0
Total DPS (p)	-	-	-	-	-	-

CASH FLOW						
Y/E May	2022	2023	2024	2025	2026E	2027E
EBITDA	2.6	1.5	2.4	3.5	3.9	4.4
Working Capital	(0.8)	(1.5)	(2.1)	(0.4)	(1.3)	(1.5)
Exceptionals / Other	-	-	-	-	-	-
Gross Op Cashflow	1.9	0.0	0.3	3.1	2.7	2.9
Cash Tax	-	-	0.5	-	-	-
Cash Interest	(0.0)	0.0	0.2	0.3	0.2	0.3
Net Op Cashflow	1.9	0.1	1.0	3.3	2.9	3.2
Capex	(2.3)	(3.2)	(1.3)	(0.1)	(0.1)	(0.1)
Lease	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Free Cashflow	(0.5)	(3.1)	(0.3)	3.2	2.8	3.2
Issue of equity	13.5	-	-	-	-	-
Repayment of loans	(1.3)	-	-	-	-	-
Lease / EBT	(0.2)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)
Net Cashflow	11.4	(3.9)	(0.8)	2.8	2.7	3.0
Net Cash (Debt)	12.3	8.5	7.6	10.4	13.1	16.1

BALANCE SHEET						
Y/E May	2022	2023	2024	2025	2026E	2027E
Intangibles	1.9	5.0	1.1	0.6	-	-
P,P+E	0.9	0.5	0.2	1.2	1.2	1.2
Tax Asset & Other	-	-	-	-	-	-
Total Fixed Assets	2.8	5.5	1.3	1.8	1.2	1.2
Current Assets	6.1	6.2	6.7	7.0	7.8	9.0
Current Liabilities	(6.2)	(4.9)	(3.1)	(4.2)	(2.9)	(1.7)
Net Current Assets	(0.2)	1.3	3.6	2.8	4.9	7.4
Long Term Liabilities	(0.2)	(0.1)	(0.1)	(0.7)	(0.1)	(0.1)
Net Cash (Debt)	12.3	8.5	7.6	10.4	13.1	16.1
Net Assets	14.8	15.2	12.5	14.3	19.2	24.6

PRICE CHART - 2 YEAR ABSOLUTE vs FTSE ALL SHARE



SHAREHOLDERS

	% of ord. Share capital
Rory MacDonald	28.5%
Chris Blackburn	14.5%
Stonehage Fleming	8.5%
Octopus Investments	6.2%
Interactive Investor	5.5%
	63.3%

Announcements

Date	Event
26 June 2025	FY update
05 February 2025	H125 results
20 November 2024	AGM update
30 September 2024	FY24 final results
16 September 2024	DfE contract win
27 June 2024	FY update
22 April 2024	DLUHC contract win
26 February 2024	H124 results

RATIOS

	2023	2024	2025	2026E	2027E
RoE	3.4%	11.4%	12.5%	12.2%	13.2%
RoCE	16.4%	24.0%	67.5%	47.7%	47.2%
Asset Turnover (x)	0.2x	0.0x	0.0x	0.0x	0.0x
NWC % Revenue	3.3%	9.3%	5.9%	9.8%	13.3%
Op Cash % EBITA	4.0%	23.0%	117.5%	91.4%	72.6%
Net Debt / EBITDA	-5.6x	-3.2x	-3.0x	-3.3x	-3.7x

VALUATION

Fiscal	2023	2024	2025	2026E	2027E
P/E	112.9x	41.4x	33.8x	26.2x	18.8x
EV/EBITDA	32.8x	21.4x	13.8x	11.6x	9.6x
Div Yield	0.0%	0.0%	0.0%	0.0%	0.0%
FCF Yield	-6.9%	-0.8%	7.0%	6.2%	7.0%

YoY growth

Revenue	37.2%	-4.0%	20.4%	8.0%
EBITDA	-42.6%	56.2%	46.5%	12.3%

REGULATORY DISCLOSURES

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