

BEEKS FINANCIAL CLOUD GROUP

SOFTWARE AND COMPUTER SERVICES

27 May 2025

BKS.L

214p

Market Cap: £144.1m

SHARE PRICE (p)



12m high/low

323p/166p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£6.6m (at 31/12/24)
Enterprise value	£137.5m
Index/market	AIM
Next news	Finals, July
Shares in issue (m)	67.3
Chairman	William Meldrum
CEO	Gordon McArthur
CFO	Fraser McDonald

COMPANY DESCRIPTION

Beeks provides low-latency Infrastructure-as-a-Service (IaaS) for automated trading of financial products.

www.beeksgroup.com

BEEKS FINANCIAL CLOUD GROUP IS A RESEARCH CLIENT OF PROGRESSIVE

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Great deal with ASX – good on ya Beeks

Beeks' latest Exchange Cloud deal is with the Australian Securities Exchange (ASX) and forms the basis of the new ASX 'Colo OnDemand' service. By removing the burden and capital costs of managing IT infrastructure, Colo OnDemand expands TAM by enabling underserved buy-side firms, niche and smaller brokers, investment firms and emerging software providers to access Australia's financial markets. This is the second revenue-share contract for Exchange Cloud. While we leave forecasts unchanged, these deals underpin our FY26 estimates. We maintain our view: Beeks is gaining from industry tailwinds (cloud adoption, compliance, data sovereignty, cybersecurity, sustainability, analytics, payment modernisation, AI in risk management), which have enabled it to carve out a moat as market leader in cloud infrastructure for financial markets and payments. In volatile markets, we believe investors are best advised to lean into those companies with a track record of cash generation. We remind that Beeks is a long-term secular growth investment play, and its 'best of breed' financial model provides resilience in these uncertain times.

- The contract.** On 21 May, Beeks announced a multi-year Exchange Cloud contract with the Australian Securities Exchange (ASX). ASX is the world's 11th largest stock market. Exchange Cloud supports ASX's new Colocation on Demand service, a fully managed Infrastructure as a Service solution where customers get access to: (i) scalable and secure on-demand private cloud computing, and (ii) secure high-performance trading infrastructure colocated within the Australian Liquidity Centre, a data centre operating at the heart of ASX, which reduces latency, cost and complexity.
- Another revenue-share contract.** This is a revenue-share deal with revenue recognition expected during 2025. It contributes to FY26 expectations and adds to Beeks contracted, multi-year, recurring revenue. As a reminder, revenue share shortens sales cycles and improves long-term profitability.
- Investment case precis.** Beeks is established, profitable and growing, with a global opportunity, robust moat, improving unit economics and an experienced management team. Beeks IaaS is optimised for low-latency private cloud compute, connectivity and real-time analytics. Continued growth is predicated on customers migrating on-prem to cloud for cloud's cost, agility and security comparative advantages.

FYE JUN (£M)	2022	2023	2024	2025E	2026E
Revenue	18.3	22.4	28.5	36.8	39.5
Adj EBITDA	6.3	8.4	10.7	14.1	15.6
Fully Adj PBT	2.1	2.3	3.9	5.7	6.4
Fully Adj EPS (p)	4.5	4.0	6.4	7.4	8.4
EV/Sales (x)	7.5	6.1	4.8	3.7	3.5
EV/EBITDA (x)	21.8	16.3	12.8	9.7	8.8
PER (x)	47.7	54.0	33.6	29.0	25.5

Source: Company Information and Progressive Equity Research estimates.

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Please refer to important disclosures at the end of the document.

Financial Summary: Beeks Financial Cloud Group

Year end: June (£m unless shown)

PROFIT & LOSS	2022	2023	2024	2025E	2026E
Revenue	18.29	22.36	28.49	36.80	39.50
Adj EBITDA	6.31	8.42	10.73	14.12	15.57
Adj EBIT	2.36	3.27	3.79	5.99	6.84
Reported PBT	0.07	(0.65)	1.46	3.03	4.31
Fully Adj PBT	2.06	2.33	3.90	5.67	6.44
NOPAT	2.50	3.59	5.53	7.25	7.93
Reported EPS (p)	1.42	(0.13)	3.11	3.64	5.30
Fully Adj EPS (p)	4.49	3.96	6.36	7.38	8.38
Dividend per share (p)	0.00	0.00	0.00	0.00	0.00
CASH FLOW & BALANCE SHEET	2022	2023	2024	2025E	2026E
Operating cash flow	4.61	7.12	9.83	11.95	14.29
Free Cash flow	(7.76)	(0.14)	3.27	2.91	5.38
FCF per share (p)	(11.53)	(0.20)	4.86	4.33	7.99
Acquisitions	0.00	0.00	0.00	0.00	0.00
Capex	(12.09)	(7.15)	(6.79)	(8.10)	(7.70)
Shares issued	14.76	0.00	0.00	0.00	0.00
Net cash flow	6.79	(2.33)	(0.76)	0.57	2.92
Overdrafts / borrowings	(2.30)	(3.42)	(1.12)	(1.12)	(1.12)
Cash & equivalents	10.16	7.84	7.70	8.27	11.20
Net (Debt)/Cash	7.86	4.41	6.58	7.15	10.08
NAV AND RETURNS	2022	2023	2024	2025E	2026E
Net asset value	30.76	32.79	37.50	38.31	46.15
NAV/share (p)	45.69	48.71	55.70	56.91	68.55
Net Tangible Asset Value	16.27	17.95	20.03	18.70	16.70
NTAV/share (p)	24.17	26.67	29.75	27.78	24.81
Average equity	22.26	31.77	35.14	37.90	42.23
Post-tax ROE (%)	9.2%	7.3%	11.1%	15.0%	15.3%
METRICS	2022	2023	2024	2025E	2026E
Revenue growth	N/A	22.2%	27.4%	29.2%	7.3%
Adj EBITDA growth	N/A	33.4%	27.4%	31.7%	10.2%
Adj EBIT growth	N/A	38.6%	16.1%	57.8%	14.2%
Adj PBT growth	N/A	13.3%	67.4%	45.5%	13.6%
Adj EPS growth	N/A	(11.8%)	60.6%	16.1%	13.6%
Dividend growth	N/A	N/A	N/A	N/A	N/A
Adj EBIT margin	12.9%	14.6%	13.3%	16.3%	17.3%
VALUATION	2022	2023	2024	2025E	2026E
EV/Sales (x)	7.5	6.1	4.8	3.7	3.5
EV/EBITDA (x)	21.8	16.3	12.8	9.7	8.8
EV/NOPAT (x)	55.1	38.2	24.9	18.9	17.3
PER (x)	47.7	54.0	33.6	29.0	25.5
Dividend yield	N/A	N/A	N/A	N/A	N/A
FCF yield	(5.4%)	(0.1%)	2.3%	2.0%	3.7%

Source: Company information and Progressive Equity Research estimates

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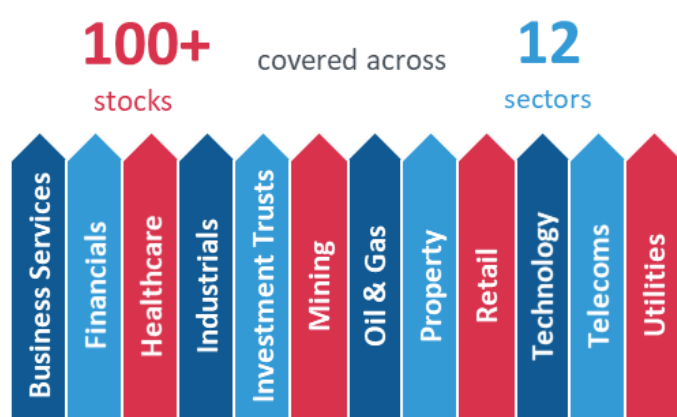
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