

BEEKS FINANCIAL CLOUD GROUP

SOFTWARE AND COMPUTER SERVICES

8 December 2025

BKS.L

230p

Market Cap: £154.8m

SHARE PRICE (p)



12m high/low

323p/186p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£7.0m (at 30/06/25)
Enterprise value	£147.8m
Index/market	AIM
Next news	Trading Update, February
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.

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BEEKS FINANCIAL CLOUD GROUP IS A RESEARCH CLIENT OF PROGRESSIVE

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Four contract wins underscore momentum

Today's brace of contracts (£1.9m and £2m) trail two contract wins last week (\$1.5m and £2m) – all underscoring the 'strong start to the financial year'. The contracts are for Proximity Cloud and Private Cloud, so illustrate momentum across the portfolio and the upside potential afforded by each Exchange Cloud installation. With revenue recognition commencing in H2 FY26, the contracts underpin FY26 estimates, which we leave unchanged. 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. We see Beeks as a long-term secular growth investment play, with a 'best of breed' financial model and a pedestrian 9x EV/EBITDA valuation.

- The latest contracts: (i) Five-year Proximity Cloud contract with a major South African bank** for an initial aggregate value of c.£1.9m over five years with potential for further expansion. The bank is a major user of the JSE's Colo 2.0 service, delivered through Exchange Cloud, and is additionally deploying Proximity Cloud outside of South Africa in two London locations. Onboarding is underway.
- (ii) FX broker expands Proximity Cloud use.** Further to the extension announced on 3 December 2025, Beeks has signed an additional £2m extension to the Proximity Cloud contract with the same large FX broker, bringing the total contract to £6m over five years.
- The earlier (3 Dec) contracts: (i) A three-year Private Cloud contract with a major Canadian bank;** total contract value \$1.5m. **(ii) A £2m Proximity Cloud extension to a contract recently won with a large FX broker.**
- Decoding CEO Gordon McArthur comments: (i) Growing momentum:** "We continue to see strong sales momentum as financial services organisations accelerate their cloud strategies." **(ii) Upselling sales:** "The South African bank win demonstrates the major upsell potential of our Exchange Cloud engagements". **(iii) Expansion deals:** "Meanwhile, the rate at which we have expanded with the FX broker, and the considerable total contract value, demonstrates the size of expansion opportunity when dealing with major organisations." **(iv) Strong pipeline:** "We continue to look to the future with confidence, supported by a strong pipeline across each of our offerings."

FYE JUN (£M)	2023	2024	2025	2026E	2027E
Revenue	22.4	28.5	35.9	39.5	44.5
Adj EBITDA	8.4	10.7	13.6	15.6	17.6
Fully Adj PBT	2.3	3.9	5.5	6.4	7.4
Fully Adj EPS (p)	4.0	6.4	7.6	8.2	10.0
EV/Sales (x)	6.6	5.2	4.1	3.7	3.3
EV/EBITDA (x)	17.6	13.8	10.9	9.5	8.4
PER (x)	58.1	36.2	30.3	28.1	22.9

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)

	2023	2024	2025	2026E	2027E
PROFIT & LOSS					
Revenue	22.36	28.49	35.92	39.50	44.50
Adj EBITDA	8.42	10.73	13.62	15.57	17.57
Adj EBIT	3.27	3.80	4.16	6.84	7.27
Reported PBT	(0.65)	1.46	2.79	4.31	6.24
Fully Adj PBT	2.33	3.90	5.49	6.44	7.38
NOPAT	3.59	2.20	2.94	7.93	8.55
Reported EPS (p)	(0.13)	3.11	4.12	6.63	9.06
Fully Adj EPS (p)	3.96	6.36	7.60	8.19	10.04
Dividend per share (p)	0.00	0.00	0.00	0.00	0.00
CASH FLOW & BALANCE SHEET					
Operating cash flow	7.12	5.64	3.87	5.76	8.80
Free Cash flow	(0.14)	(0.92)	(2.83)	1.99	3.56
FCF per share (p)	(0.20)	(1.37)	(4.21)	2.95	5.29
Acquisitions	0.00	0.00	0.00	0.00	0.00
Capex	(7.15)	(6.79)	(7.03)	(7.20)	(7.40)
Shares issued	0.00	0.00	0.00	0.00	0.00
Net cash flow	(2.17)	(4.96)	(5.53)	(0.51)	0.93
Overdrafts / borrowings	(3.42)	(1.12)	(0.40)	(0.40)	(0.40)
Cash & equivalents	7.99	7.70	7.36	6.85	7.79
Net (Debt)/Cash	4.56	6.58	6.96	6.45	7.39
NAV AND RETURNS					
Net asset value	32.94	37.50	43.22	48.00	52.90
NAV/share (p)	48.94	55.70	64.20	71.31	78.57
Net Tangible Asset Value	17.95	16.74	19.79	16.70	13.57
NTAV/share (p)	26.67	24.87	29.40	24.81	20.16
Average equity	31.77	35.14	40.36	47.61	56.40
Post-tax ROE (%)	7.3%	11.1%	13.6%	13.5%	13.1%
METRICS					
Revenue growth	N/A	27.4%	26.1%	10.0%	12.7%
Adj EBITDA growth		27.4%	26.9%	14.3%	12.9%
Adj EBIT growth		16.3%	9.5%	64.2%	6.4%
Adj PBT growth		67.5%	40.5%	17.3%	14.7%
Adj EPS growth		60.6%	19.5%	7.7%	22.7%
Dividend growth	N/A	N/A	N/A	N/A	N/A
Adj EBIT margin	14.6%	13.3%	11.6%	17.3%	16.3%
VALUATION					
EV/Sales (x)	6.6	5.2	4.1	3.7	3.3
EV/EBITDA (x)	17.6	13.8	10.9	9.5	8.4
EV/NOPAT (x)	41.1	67.2	50.4	18.6	17.3
PER (x)	58.1	36.2	30.3	28.1	22.9
Dividend yield	N/A	N/A	N/A	N/A	N/A
FCF yield	(0.1%)	(0.6%)	(1.8%)	1.3%	2.3%

Source: Company information and Progressive Equity Research estimates

Disclaimers and Disclosures

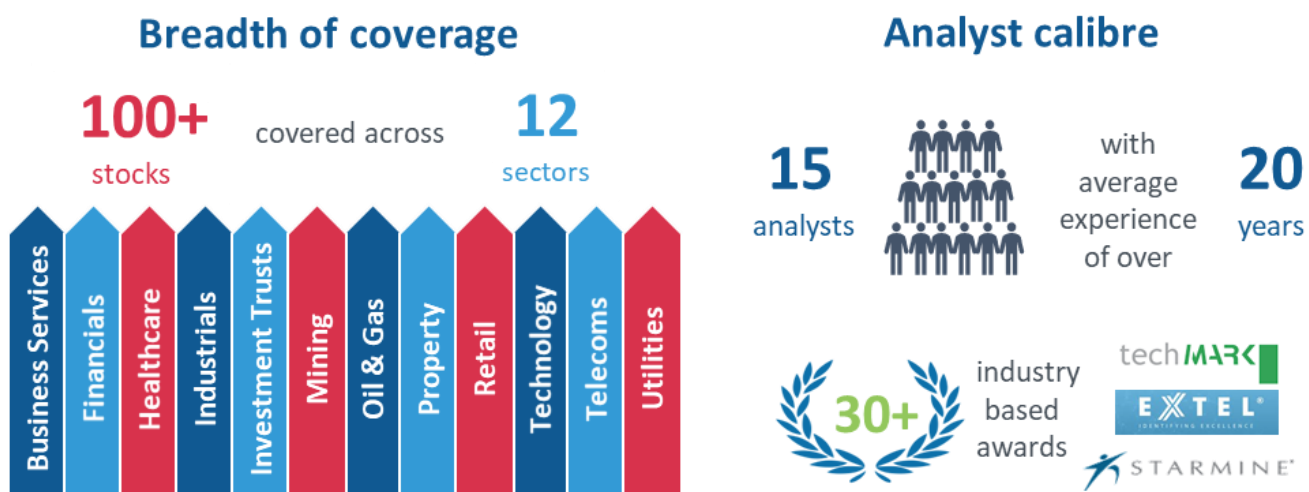
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