

BEEKS FINANCIAL CLOUD GROUP

SOFTWARE AND COMPUTER SERVICES

10 June 2026

BKS.L

191p

Market Cap: £128.9m

SHARE PRICE (p)



12m high/low

269p/150p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£3.3m (at 31/12/25)
Enterprise value	£125.6m
Index/market	AIM
Next news	Finals, October 2026
Shares in issue (m)	67.5
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

ANALYSTS

George O'Connor

+44 (0) 20 7710 7694

goconnor@progressive-research.com



Gareth Evans

gevans@progressive-research.com



www.progressive-research.com

The leader of the pack: Beeks' £5.3m payday

Beeks has announced three contract wins across its Analytics, Proximity Cloud and Private Cloud offerings, with a combined total value of c.£1.7m. This sits alongside the Market Edge Intelligence contract win earlier this week, a banner five-year contract with a US\$4.8m (£3.6m) price tag at an unnamed 'major global bank'. These contracts offer 'expansion potential' across the customers' operations and Beeks' customer base, and given the deployment model, Market Edge Intelligence smacks of a 'land and expand' bridgehead for new logos. The brace of contracts signals a structural move into a higher gross profit margin world. Recall at interim results CEO Gordon McArthur stated that Beeks entered H2 'with strong momentum' – here is the £5.3m proof point. We trace the core software functionality back to the £4.2m Velocimetrics acquisition (April 2020), a price tag now dwarfed by these contracts. We make no changes to our forecasts as the contracts support FY26 estimates. Our view: Beeks is a long-term secular growth investment play, 'best of breed' financial model, with a strengthening moat and is executing on a global TAM. This is not reflected in the pedestrian 8.0x FY26E EV/EBITDA vs 13x for the peer group.

- The contracts.** Beeks has secured three contract wins across its Analytics, Proximity Cloud and Private Cloud offerings. These follow the first Market Edge Intelligence contract win announced earlier this week: a five-year agreement valued at US\$4.8m with 'one of the world's largest banks for deployment of the software in one area of its trading infrastructure'. Revenue recognition commences immediately. The contract comes with 'significant expansion' potential across the customer's broader trading operations and creates upsell opportunities within its existing client base.
- Own IP = Higher gross margin.** Market Edge Intelligence is Beeks' own AI-powered analytics solution, designed for passive monitoring of capital markets data at the network edge. The initial contract is at just one area of the bank's trading infrastructure and brings hefty software gross margins.
- Forecasts.** We make no changes to our estimates. The contracts offer strong expansion potential, thereby nudging forecast risk to the upside.
- Investment case precis.** The contracts tell us that Beeks is gaining from industry tailwinds in cloud, compliance, data sovereignty, cybersecurity, sustainability, analytics, payment modernisation, and AI in risk management.

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)	5.6	4.4	3.5	3.2	2.8
EV/EBITDA (x)	14.9	11.7	9.2	8.1	7.1
PER (x)	48.2	30.0	25.1	23.3	19.0

Source: Company Information and Progressive Equity Research estimates.

This publication should not be seen as an inducement under MiFID II regulations.

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

The latest trio of contracts are:

- A 34-month software contract for Beeks Analytics and Market Edge Intelligence with an existing global financial services customer. The second Market Edge Intelligence win this week is to be deployed in London. The initial contract value is c.£0.5m, with ‘opportunities for further expansion’.
- A three-year £0.6m Proximity Cloud contract. This is with a new global technology customer and brings opportunities for future expansion.
- An additional three-year Private Cloud contract with a longstanding strategic partner, with a total contract value of c.US\$0.8m.

In more detail – a banner first Market Edge Intelligence contract

- **The offer:** Targeted at Tier 1 and 2 financial institutions, Market Edge Intelligence is believed to be the world's first AI/Machine learning solution for passive monitoring of capital markets data directly at the network edge. It turns raw, complex, market and network data into actionable intelligence so customers can spot issues, predict problems, and find hidden trading opportunities that traditional monitoring cannot detect.
- **Deployment model.** Market Edge Intelligence can be deployed as part of Beeks Analytics, as a standalone solution, or alongside existing customer systems. This user-friendly model means that TAM expands alongside upsell opportunities within the existing customer base and new users do not have to be existing Beeks clients

Decoding CEO Gordon McArthur commentary

“Securing our first Market Edge Intelligence contract with one of the world's largest banks is an important early validation of the offering.” Our read: The product is now validated by a Tier 1 customer and that referenceability assists with pipeline closure.

“It also underlines our ongoing evolution from a provider of infrastructure to a strategic partner providing clients with actionable insight to support performance and growth in an increasingly complex market landscape.” Our read: Beeks has embarked on a transition to a higher-value gross margin model.

“We remain confident in delivering a full year performance in line with expectations, supported by a growing pipeline across each of our offerings.” Our read: Beeks is confident in the FY outturn and flags the portfolio effect. For us, given where we are in the financial year (June), this comment telegraphs momentum across the wider product portfolio.

The backstory: Velocimetrics is a superb illustration of capital allocation

Beeks acquired network monitoring and trade analytics software firm Velocimetrics Limited in April 2020 for up to £4.2m (initial cash payment and equity plus contingent earn-outs). This enabled Beeks to integrate wire-based trade analytics and network automation into its infrastructure offerings. In so doing, Beeks heightened its moat and competitive differentiation from generic cloud hosting and infrastructure providers.

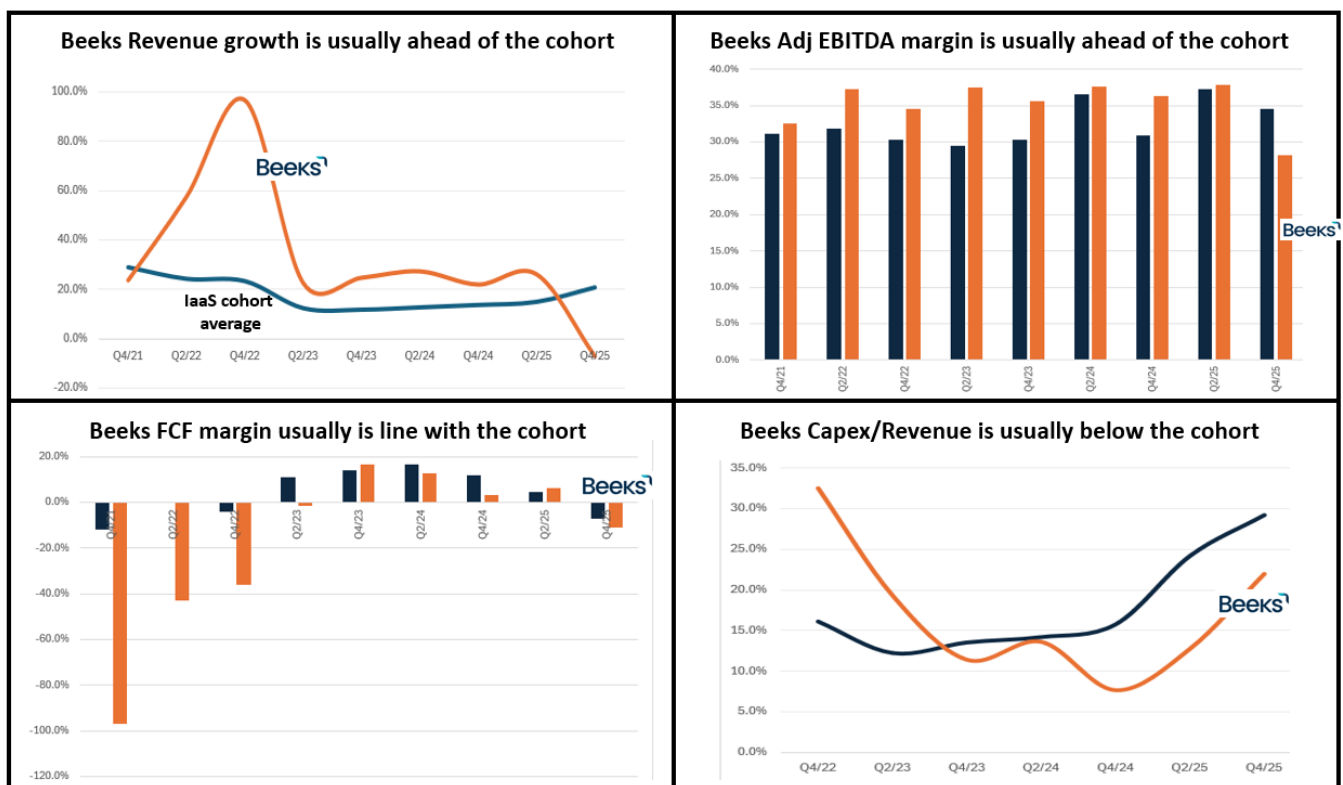
Velocimetrics brought a global client list of financial services businesses, Tier 1 banks, exchanges, brokers, hedge funds and payments providers. Following the transaction, Velocimetrics was rebranded as Beeks Analytics and offered 'Analytics-as-a-Service' across Beeks' global datacentres. The functionality allowed financial institutions to perform end-to-end performance analysis, gap detection, message correlation and network monitoring. Since then, this has developed into the AI-powered Market Edge Intelligence. Now, individual initial contracts look like the entire acquisition price.

Don't forget: Beeks already has very strong comparative KPIs

Ahead of any future forecast changes that will revisit gross profit margin assumptions, we remind investors that, like the wider IaaS cohort, Beeks' share price has been 'soggy' over the past six months, as the H1 26 result left a large 'gap'. While this is now being addressed, it has made a sceptical investor base nervy.

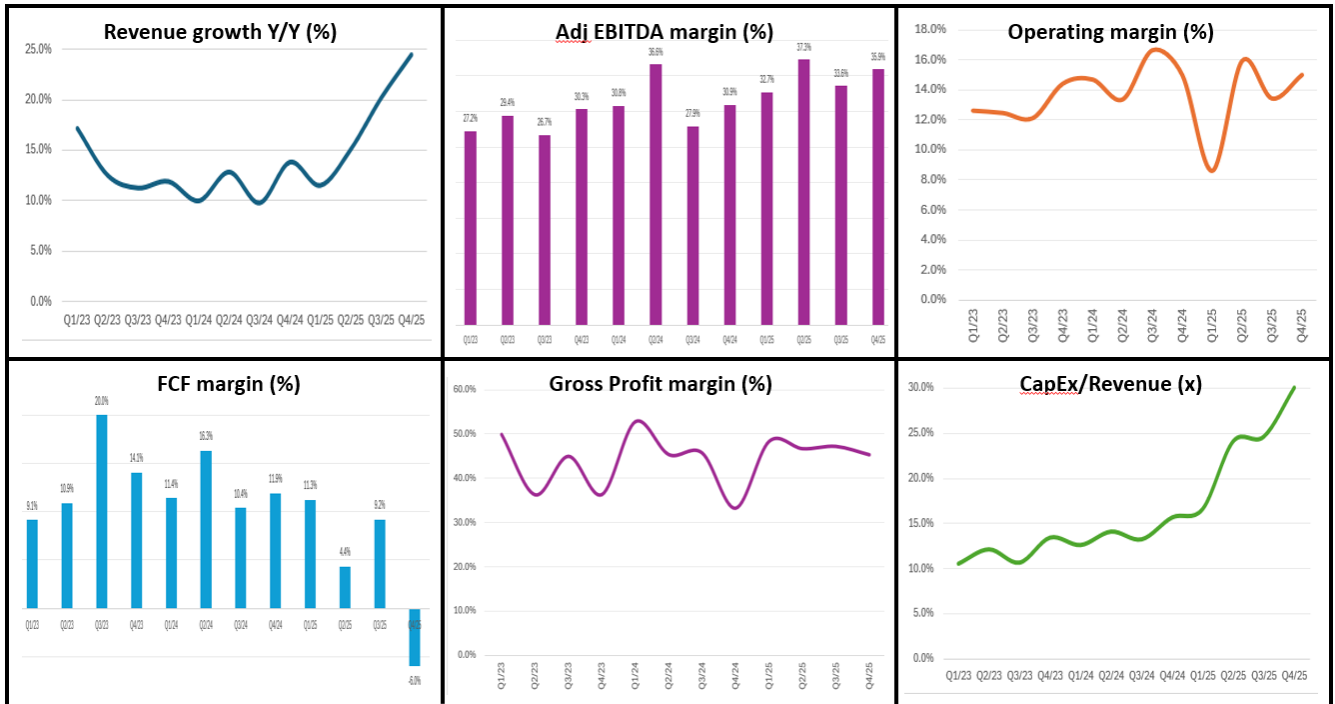
Yet, this is despite Beeks' track record of reporting better operational and financial KPIs than its peer group (see below). We conclude that the baby has been thrown out with the bath water, and so anticipate a re-rating into final results.

Beeks has an established track record of delivering 'better than' cohort KPIs



Source: Company data, Progressive Equity Research

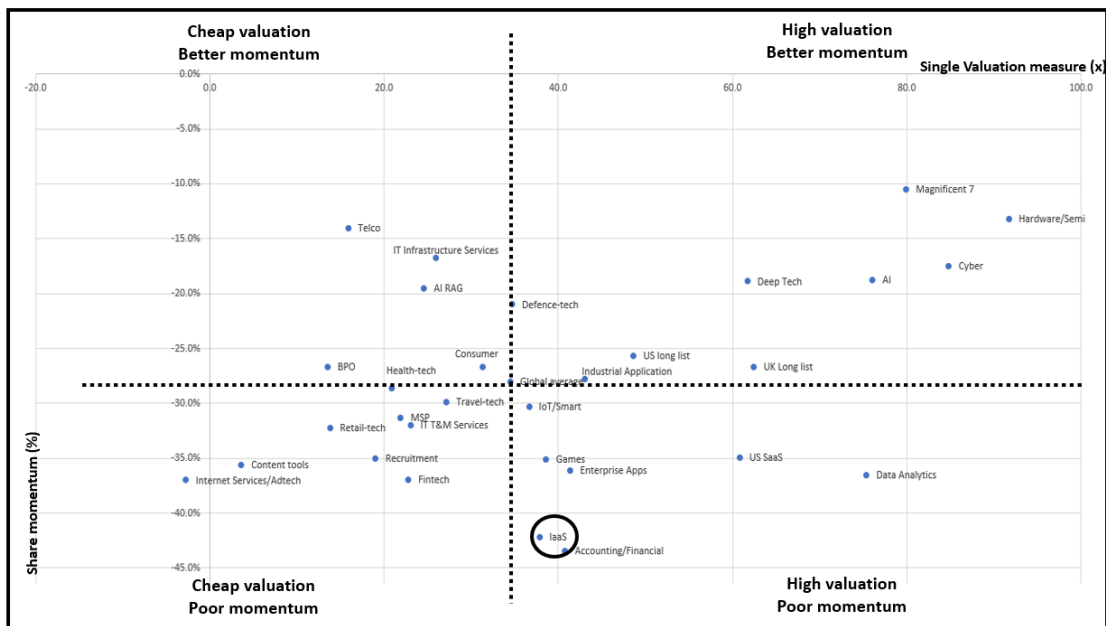
IaaS cohort: KPI dashboard - this is what the chasing pack has been reporting



Source: Alibaba, AWS, Azure, Beeks, Coreweave, Digital Realty, Equinix, Fermi, Google Cloud, IBM, Oracle, Q.beyond AG, Rackspace, Redcentric

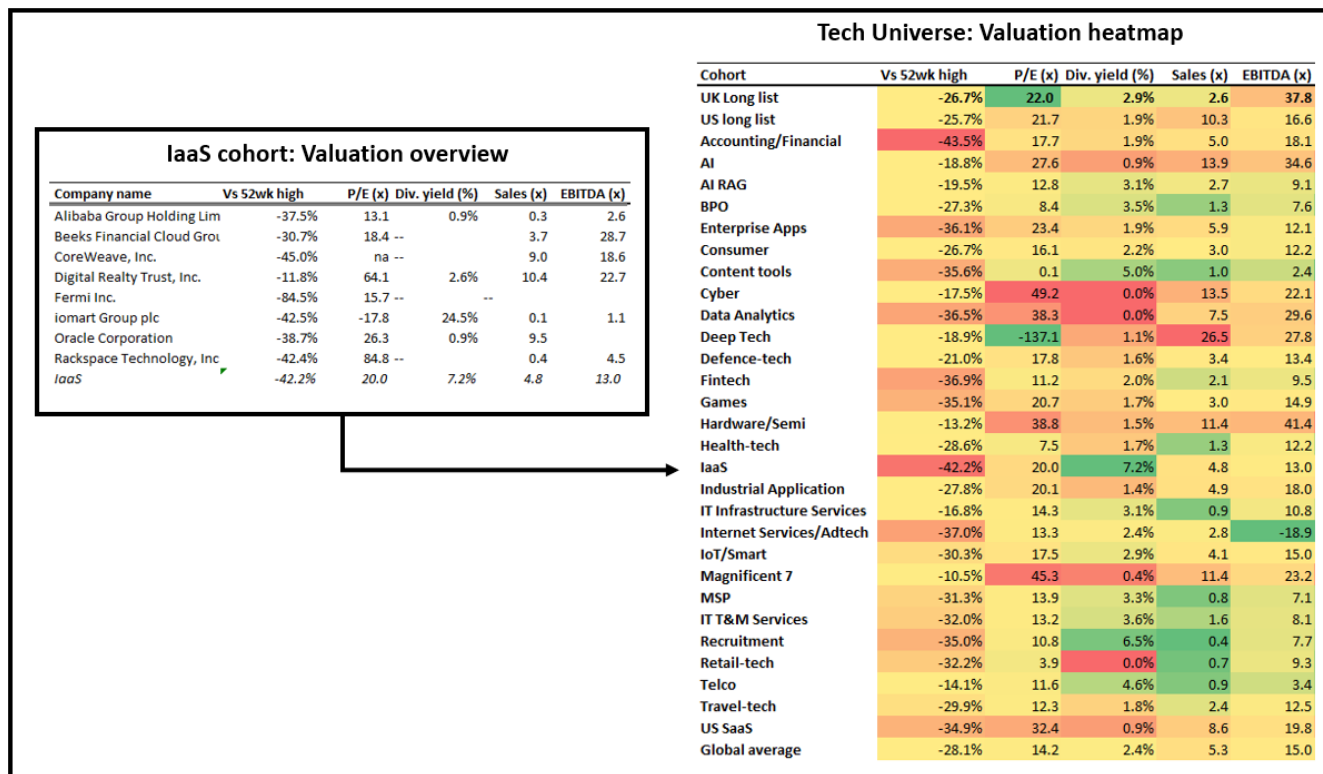
Source: Company data, Progressive Equity Research

But the wider tech pull back has made the IaaS cohort look unattractive



Source: Company data, Yahoo Finance, Progressive Equity Research

...which makes for a very attractive Beeks stock-specific opportunity



Source: Company data, Yahoo Finance, Progressive Equity Research

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	6.58	8.99
Fully Adj EPS (p)	3.96	6.36	7.60	8.18	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)	0.59	3.56
FCF per share (p)	(0.20)	(1.37)	(4.20)	0.87	5.27
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)	(1.91)	0.93
Overdrafts / borrowings	(3.42)	(1.12)	(0.40)	(0.40)	(0.40)
Cash & equivalents	7.99	7.70	7.36	5.45	6.39
Net (Debt)/Cash	4.56	6.58	6.96	5.05	5.99
NAV AND RETURNS					
Net asset value	32.94	37.50	43.22	46.60	51.50
NAV/share (p)	48.83	55.57	64.05	69.07	76.32
Net Tangible Asset Value	17.95	16.74	19.79	16.70	13.57
NTAV/share (p)	26.61	24.81	29.33	24.76	20.11
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)	5.6	4.4	3.5	3.2	2.8
EV/EBITDA (x)	14.9	11.7	9.2	8.1	7.1
EV/NOPAT (x)	34.9	57.1	42.8	15.8	14.7
PER (x)	48.2	30.0	25.1	23.3	19.0
Dividend yield	N/A	N/A	N/A	N/A	N/A
FCF yield	(0.1%)	(0.7%)	(2.2%)	0.5%	2.8%

Source: Company information and Progressive Equity Research estimates

Disclaimers and Disclosures

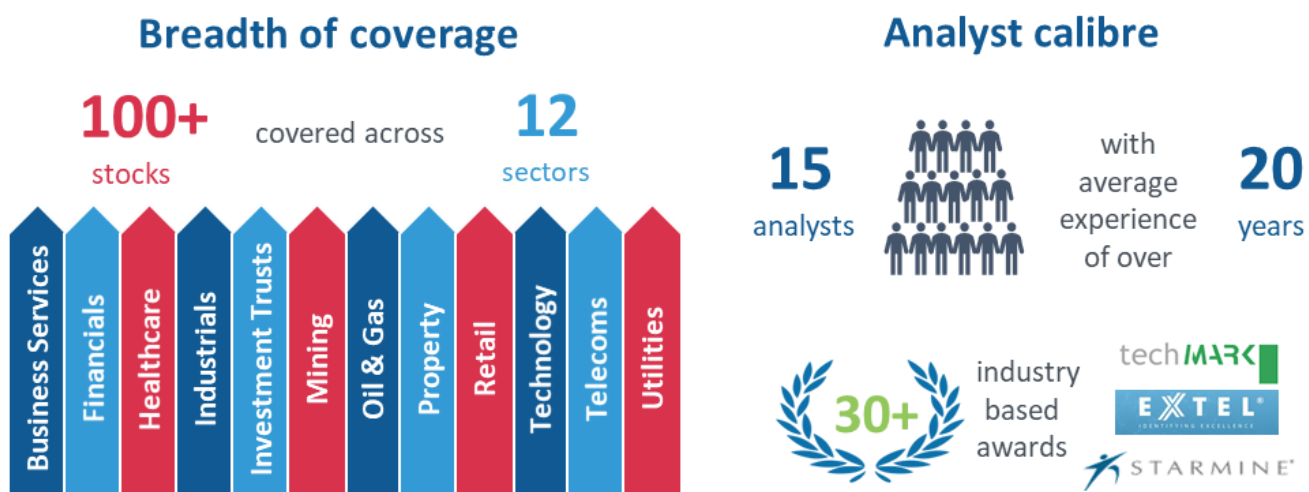
Copyright 2026 Progressive Equity Research Limited (“PERL”). All rights reserved. Progressive’s research is commissioned by the subject company under contract and is freely available to the public and all institutional investors. Progressive does not offer investors the ability to trade securities. Our publications should not, therefore, be considered an inducement under MiFID II regulations. PERL provides professional equity research services, and the companies researched pay a fee in order for this research to be made available. This report has been commissioned by the subject company and prepared and issued by PERL for publication in the United Kingdom only. All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable; however, PERL does not guarantee the accuracy or completeness of this report. Opinions contained in this report represent those of the research department of PERL at the time of publication, and any estimates are those of PERL and not of the companies concerned unless specifically sourced otherwise. PERL is authorised and regulated by the Financial Conduct Authority (FCA) of the United Kingdom (registration number 697355).

This document is provided for information purposes only, and is not a solicitation or inducement to buy, sell, subscribe, or underwrite securities or units. Investors should seek advice from an Independent Financial Adviser or regulated stockbroker before making any investment decisions. PERL does not make investment recommendations. Any valuation given in a research note is the theoretical result of a study of a range of possible outcomes, and not a forecast of a likely share price. PERL does not undertake to provide updates to any opinions or views expressed in this document.

This document has not been approved for the purposes of Section 21(2) of the Financial Services & Markets Act 2000 of the United Kingdom. It has not been prepared in accordance with the legal requirements designed to promote the independence of investment research. It is not subject to any prohibition on dealing ahead of the dissemination of investment research.

PERL does not hold any positions in the securities mentioned in this report. However, PERL’s directors, officers, employees and contractors may have a position in any or related securities mentioned in this report. PERL or its affiliates may perform services or solicit business from any of the companies mentioned in this report.

The value of securities mentioned in this report can fall as well as rise and may be subject to large and sudden swings. In addition, the level of marketability of the shares mentioned in this report may result in significant trading spreads and sometimes may lead to difficulties in opening and/or closing positions. It may be difficult to obtain accurate information about the value of securities mentioned in this report. Past performance is not necessarily a guide to future performance.



To arrange a meeting with the management team, or for further information about Progressive, please contact us at:
+44 (0) 20 7781 5300
info@progressive-research.com