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CML Microsystems PLC
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CML Microsystems Plc

("CML", the "Company" or the "Group")

Trading Update

Second half sees revenue momentum and an improved loss from operations

CML, which develops mixed-signal, RF and microwave semiconductors for global communications markets, today announces a trading update for the year ended 31 March 2026.

As outlined in November in the Company's half-year results statement, we anticipated material sequential revenue growth in the second half and a return to pre-exceptional operating profitability driven by an improving order intake momentum. We were pleased that in the second half, revenue grew by circa 18% compared to H1 FY26 and was also ahead of H2 FY25. Full-year revenues are therefore expected to exceed £20m.

Although encouraging, the phasing of this order intake momentum has been more extended than first anticipated. The resulting revenue mix has reduced our second half operating margin due to a greater share of lower margin non-recurring engineering (NRE) income, predominantly associated with the GNSS contract announced in July 2025. As planned, the Group continued to invest in its Silicon Valley operations, delivering tangible improvements in our capacity and efficiency. These investments, taken alongside the timing and revenue mix effects, are expected to result in an operating loss for the second half, albeit at an improved level compared to the first half (H1 FY26 operating loss pre-exceptional gain on sale of land: £0.98m).

Despite the H2 operating loss, we expect to report a statutory profit before tax of approximately £1.8m for FY26, a significant improvement on the statutory loss before tax of £0.7m reported in FY25. The disposal of the final plot of land at our UK headquarters, Oval Park, completed on 27 March 2026. Following the conclusion of this process, which commenced in FY22, the remaining Group property at Oval Park has been revalued, resulting in a revaluation gain alongside the profit on disposal for the excess land. These gains have been partially offset by an impairment of previously capitalised development costs.

Year-end net cash balances are predicted to be c.£11m which includes a £3m balancing payment relating to the Oval Park land disposal.

Looking ahead to FY27, we expect that the timing effects seen in H2 FY26 will unwind. The shipments of a key product, previously affected by supply-chain issues, were restored in the closing months of FY26 and will contribute more fully in FY27. More broadly, a number of industry issues, particularly around elevated inventory levels and supply chain constraints, are expected to show further progress. Recent internal initiatives around R&D optimisation and target market verticals have been completed, laying the ground for further improvements in both our productivity and commercial efficiency.

The Group will publish preliminary full year results on Tuesday, 16 June 2026.

CML Microsystems Plc

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About CML Microsystems Plc

CML develops mixed-signal, RF and microwave semiconductors for global communications markets. The Group utilises a combination of outsourced manufacturing and in-house testing with trading operations in the UK, Asia and USA. CML targets sub-segments within Communication markets with strong growth profiles and high barriers to entry. It has secured a diverse, blue chip customer base, including some of the world's leading commercial and industrial product manufacturers.

Growth in its end markets is being driven by factors such as the appetite for data to be transmitted faster and more securely, the upgrading of telecoms infrastructure around the world and the growing prevalence of private commercial wireless networks for voice and/or data communications linked to the industrial internet of things (IIoT).

The Group is cash-generative, has no debt and is dividend paying.

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