

SOFTCAT plc
('Softcat', the 'Group')
Preliminary results for the year ended 31 July 2026
Another year of exceptional growth and consistent strategic execution

Softcat plc (LSE: SCT.L), a leading UK provider of IT infrastructure products and services, today announces its full year results for the twelve months to 31 July 2026. These results reflect another outstanding performance and further significant strategic progress underpinned by continued investment to support future growth. The Group delivered strong growth in gross invoiced income, gross profit and underlying operating profit, along with excellent cash generation. Post year-end we announced the acquisition of GDT, which will add significant capability in the US, strengthening our ability to serve customers with international requirements and provide a global platform for long-term growth.

Financial Summary

	Year ended		Change
	31 July 2026	31 July 2025	
	£m	£m	
Gross invoiced income^[1]	4,719.7	3,617.0	30.5%
Gross profit	616.3	494.3	24.7%
Underlying operating profit¹	215.1	180.1	19.4%
Underlying cash conversion (%)¹	93.6%	95.6%	(2.0)ppts
Underlying basic earnings per share (p)¹	83.2p	69.5p	19.7%
Total ordinary dividend (p)*	31.5p	29.3p	7.5%
Final ordinary dividend (p)	21.6p	20.4p	5.9%
Special dividend (p)	-	16.1p	
Statutory measures			
Revenue^[2]	1,975.1	1,458.4	35.4%
Operating profit	196.4	172.9	13.6%
Basic earnings per share (p)	75.8	66.6p	13.8%

Highlights for the year ended 31 July 2026

- Gross invoiced income¹ growth of 30.5% driven by very strong, broad-based performance together with the contribution from larger solutions projects.
- Gross profit growth of 24.7%, with strong underlying progress across all technology areas and customer groups and exceptional performance in corporate.
- Underlying operating profit¹ growth of 19.4%, with significant investment during the year in our people, capabilities, systems, data and office network to support future growth.
- Statutory operating profit of £196.4m, up 13.6% year-on-year, after £18.7m of non-underlying costs recognised during the year, mainly relating to the new sales system investment.
- Underlying cash conversion¹ of 93.6%, with closing net cash and cash equivalents of £199.9m (FY2025: £182.3m).
- A final ordinary dividend of 21.6p, resulting in a full year dividend of 31.5p*, up 7.5%, together with a £45m share buyback completed in February 2026, bringing the total cash returned to shareholders in the year to £137.5m.
- Outlook: Looking ahead, and excluding the contribution from GDT, business momentum remains strong and the Board expects to deliver high single-digit underlying operating profit growth in FY2027, slightly ahead of gross profit growth following very strong two-year growth across FY2025 and FY2026.

Graham Charlton, Softcat CEO, commented,

"Softcat delivered outstanding performance in FY2026, continuing the momentum established in the first half. Growth in gross profit and underlying operating profit came in significantly ahead of our expectations at the start of the year, reflecting the strength of our culture, the quality of our customer relationships and the benefits of the sustained investment we have made over many years in our people, capabilities, systems and data. The trusted advice, technical capability and exceptional service we provide continue to differentiate our offering and build long-term credibility and loyalty with customers.

AI is one of several factors making IT infrastructure more critical, complex and strategically important for our customers' operations. While applications evolve and embed AI functionality, infrastructure foundations are being developed to cope with the rise in demand for compute, storage, faster and more resilient networks, better data architecture, greater security and stronger governance. At the same time, memory chip supply constraints have added complexity to pricing, availability and planning. This is exactly the sort of environment in which Softcat's strengths shine brightest. Customers remain disciplined with their investments, but they continue

to spend on technology, and they need our advice, technical capability, vendor reach and proven execution capabilities more than ever.

Post year-end, we announced the acquisition of GDT^[3], a leading US-based multi-vendor IT solutions provider. This is a significant strategic step for Softcat, giving us enhanced capability in the US and strengthening our ability to serve customers with international requirements. GDT will strengthen our foundations for long-term growth, alongside and in combination with, our existing UK and Ireland business. We are very encouraged by how well received the transaction has been by customers, vendors and employees alike.

The opportunity for Softcat is as exciting as ever. With our special culture, broad proposition, deep customer relationships and growing international capability, we remain very well positioned to deliver sustainable growth and further market share gains."

Outlook

Softcat operates in a significant and growing market and continues to invest to drive further market share gains. Looking ahead, and excluding the contribution from GDT, business momentum remains strong and the Board expects to deliver high single-digit underlying operating profit growth in FY2027, slightly ahead of gross profit growth, following very-strong two-year growth across FY2025 and FY2026.

Analyst and investor call

The management team will host an investor and analyst conference call at 9.30am UK time, on Wednesday, 14 October 2026. To join the conference call, please use the following webcast link:

https://brmedia.news/SCT_FY26

Please register approximately 10 minutes prior to the start of the call.

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Forward-looking statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements.' By their nature, such statements involve risk and uncertainty since they relate to future events and circumstances. Actual results may, and often do, differ materially from any forward-looking statements.

Any forward-looking statements in this announcement reflect management's view with respect to future events as at the date of this announcement. Save as required by law or by the UK Listing Rules of the Financial Conduct Authority, the Group undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations or to reflect subsequent events or circumstances following the date of this announcement.

Chief Executive Officer's Review

Performance and market conditions

Our outstanding performance in FY2026 significantly exceeded our expectations at the beginning of the year. Softcat's continued success reflects the strength of our special culture, the depth of our customer relationships and the benefits of sustained investment in our people, capabilities, systems, data and office network. Our proposition spans the full stack of modern infrastructure and is increasingly aligned to the technologies customers need most as they prepare for AI adoption at scale. We remain focused on enhancing our offering within a disciplined strategic framework, while continuing to invest in the capabilities, tools and operating model required to capture the significant long-term opportunity ahead.

During the year, customer numbers grew by 3.4%, with growth across all segments, while gross profit per customer increased by 20.6%, reflecting further progress in selling more to existing customers across our technology portfolio.

AI is manifesting in very positive ways across our business. As it becomes more deeply embedded in the applications used by organisations every day, it is placing greater demands on the infrastructure layer where our offering is focused. Customers need more powerful and versatile compute, faster and lower-latency storage, more resilient networking and connectivity, stronger cyber security, and data architecture and governance capable of supporting AI safely and at scale. The market remains in the early stages of this adoption cycle, and we are very well positioned to benefit given the breadth and depth of our offering, the scale and diversity of our customer base, and our trusted adviser status with both customers and vendors.

Our market continues to be influenced by geopolitical uncertainty and industry-wide supply

challenges for memory and storage products, driven by unprecedented AI infrastructure investment. Against this backdrop, customers remain disciplined and selective, with greater scrutiny of discretionary projects and a continued focus on demonstrable business outcomes and return on investment. However, IT infrastructure is becoming ever more foundational to organisational resilience and growth, and demand remains strong in areas that are difficult to defer, including security, hybrid infrastructure, networking, cloud optimisation, data platforms, AI enablement and managed services. While uncertainty around memory pricing persists, our close relationships with a range of key vendors help us advise customers, identify alternatives and provide flexible solutions.

We have also been modernising our own systems, data and digital platforms for several years with investments in data architecture, automation and AI-enabled tools beginning to enhance the way our people work. Alongside this, we are developing in-house agents across key processes and adopting AI functionality within our enterprise systems. These investments are improving customer and employee experience, increasing the effectiveness of our go-to-market activity, and strengthening the scalability of our business as we continue to grow.

Customer technology priorities and industry trends

AI and other factors continue to stimulate demand across our entire technology proposition, and there is broad recognition from customers that their infrastructure estates must evolve at pace. These environments are often highly complex, built over many years across a large number of different vendor's technologies, which makes trusted, independent advice and support increasingly important. Softcat is very well placed in this environment, combining access to leading vendor innovation with a deep understanding of customer environments to help organisations plan, implement and integrate technology fit for the age of AI.

Our latest customer experience survey reinforces this direction of travel. Customers continue to prioritise maximising the impact of their IT investments, using technology to drive innovation, while strengthening governance and compliance. Cost control, business continuity, sourcing and procurement also remain prominent priorities. Together, these findings show that customers are looking for partners who can help them simplify increasingly complex estates, improve resilience and control, and translate technology investment into measurable outcomes.

We deliver this support through a combination of product procurement, technical advice, solution design, integration, multi-vendor logistics, financing and ongoing support services, aided by the commercial benefits of our vendor accreditations. As vendors build the support and service structures required for a new generation of technology, they are increasingly relying on partners with the reach, skills and customer intimacy to deliver successfully. Softcat brings together decades of know-how and its proprietary data to augment the capabilities of both customers and vendors, reinforcing our position as one of the very best partners for each.

Strategic developments

Our strategic framework remains unchanged, and FY2026 demonstrated the increasing value of consistent execution. Our people and culture remain the primary source of competitive advantage, delivering the customer service, trust and loyalty that underpin our performance. That performance enables continued reinvestment in our proposition, capabilities, systems, data and office network, which in turn strengthens the value we deliver to customers and vendors. Over time, this positive cycle has created what we believe is the broadest and deepest technical offering in our market, and a second source of advantage.

During the year, strong growth in customers, gross profit per customer and profitability was supported by further progress across our four strategic growth engines:

- **Sales and customer excellence** – our account manager model continues to deliver outstanding results, with customer numbers increasing and gross profit per customer growing strongly as we do more with both new and existing customers. We have continued to invest in sales, specialist and support capacity, while the insights now being surfaced from our modernised systems are helping our teams engage customers with greater relevance, speed and precision. Tools such as CatNav are beginning to improve how our people navigate Softcat's broad capabilities, vendor relationships and pricing structures, supporting more effective advice and execution. We are focused on enhancing the differentiation we can bring to the customer groups in which we operate, from the mid-market through to large and complex organisations with international requirements.
- **The broadest offering** – our five technology towers continue to help customers, vendors and our own people navigate the full stack of modern infrastructure. We saw broad-based growth across the portfolio during the year, with particularly strong demand in data centre infrastructure, networking and security, workplace, and services. The 2025 acquisition of Oakland enhanced our capabilities in data, automation and AI consulting, enabling us to engage earlier with customers as they build the foundations required for AI adoption at scale. We will continue to develop technical skills and service capability across each tower to deepen our proposition and extend our reach, in close alignment with our vendor framework.
- **Operational excellence** – we have made significant progress in modernising the systems, data and processes that will support Softcat's next stage of growth. Our developing data architecture and platforms, proprietary tools and in-house agents are beginning to bring cleaner internal data together with external insight on customers, markets and products. We have also continued to enhance eCAT and made good progress expanding it globally. We have completed the rollout of our new HR system, while our new sales system is currently being rolled out in phases across the sales team. Together, these platforms will enable

greater automation, better experiences for customers and employees, and improved scalability across the business.

- **Our special culture** – our culture remains the central foundation of Softcat's success and continues to evolve as the business grows. We have invested in and developed local leadership teams in each of our offices to strengthen employee experience and maintain the transparency, recognition and feedback that underpin engagement and collaboration. Our FY2026 employee net promoter score increased slightly to 56 (FY2025: 55), while our employee engagement score rose to 91% (FY2025: 88%). We also continued our office upgrade programme, creating better environments for collaboration between our people, customers, vendors and partners. During FY2026, we marked the tenth anniversary of our stock market listing, and to recognise their significant contribution to Softcat and its success, all Softcat and Oakland employees were rewarded with a special, one-off, free share award.

Investment for future growth

During the year, we made further progress with our ongoing investments in internal systems, data and processes. We are now moving from foundation-building into deployment, adopting AI functionality as it becomes available within third-party platforms and developing proprietary tools that improve how our people work. This includes CatNav, our intuitive in-house assistant designed to help sales teams navigate the breadth of Softcat's proposition, vendor relationships and pricing structures more quickly and effectively. We have also continued to develop eCAT, our online IT procurement platform, through direct integrations with vendor systems, an enhanced user experience and further international expansion into Germany, Singapore and Australia.

We grew average headcount by 10.8% year-on-year to 2,925 and have continued to focus our investment in people across technical, specialist and sales support roles, while also growing our internal IT and back-office functions, as we enhance our capability to go deeper with existing customers.

We have made good progress with the implementation of our new sales and HR systems. The new HR system has now been rolled out to all users, while the new sales system has completed user acceptance testing and pilot phases and is now live for an initial group of sales colleagues, ahead of a phased wider rollout. Together, these platforms will enable greater automation, better experiences for customers and employees, and more scalable processes across the Group.

Our Group-wide office upgrade programme continued during FY2026, creating better environments for collaboration between our people, customers, vendors and partners. We relocated our Manchester office in August 2025, and we moved to a more central location in Dublin in December, almost doubling the size of our Irish presence. We also completed an interim refresh of our Marlow headquarters in March 2026 and refurbished our Newcastle, South Coast and Leeds offices, to help support our culture, employee engagement and customer experience.

Sustainability

Sustainability remains an important part of how we support customers, manage risk and create long-term value. During FY2026, we undertook a double materiality assessment, informed by the Global Reporting Initiative and European Sustainability Reporting Standards, to identify the sustainability topics that matter most to our business and stakeholders. This work will shape the next phase of our sustainability strategy, helping ensure our priorities, actions and disclosures remain aligned with evolving customer, investor and regulatory expectations. We will provide more detail on the findings and implications in our next Sustainability Report.

We also continued to develop the sustainability solutions and services available to customers, including our circular economy proposition and sustainability reporting capabilities. These services help organisations make more informed technology decisions, extend the useful life of assets and better understand the environmental impact of their IT estates. Customer interest in circular technology solutions continued to grow, and Softcat's progress was recognised externally through our EcoVadis Gold award, inclusion in the Financial Times' Europe Climate Leaders ranking, an improved position in TIME's World's Most Sustainable Companies list, and the CRN Sustainability in Tech Social Impact Award.

Acquisition of GDT (post-balance sheet event)

Post year-end, we announced the 1,050m (£785m) acquisition of GDT, a leading US-based multi-vendor IT solutions provider. This is a significant strategic step for Softcat, increasing our capability in the US and strengthening our ability to support customers with international requirements. GDT is highly complementary to our strategy, with deep technical expertise, strong vendor relationships and a customer-led culture that aligns closely with our own. The acquisition provides a compelling platform for long-term growth alongside our existing UK and Ireland business, while broadening the value we can deliver to customers, vendors and partners. The transaction is expected to close by the end of Q1 CY2027, subject to customary regulatory filings and approvals.

Chief Financial Officer's Review

Financial Summary	FY2026	FY2025	Change

Gross invoiced income split			
Software	£2,598.6m	£2,074.5m	25.3%
Hardware	£1,405.2m	£992.2m	41.6%
Services	£715.9m	£550.3m	30.1%
Total gross invoiced income¹	£4,719.7m	£3,617.0m	30.5%
Revenue split			
Software	£278.5m	£227.2m	22.6%
Hardware	£1,399.4m	£985.7m	42.0%
Services	£297.2m	£245.5m	21.1%
Total revenue	£1,975.1m	£1,458.4m	35.4%
Gross profit	£616.3m	£494.3m	24.7%
Gross profit margin ²	13.1%	13.7%	(0.6)% pts
Underlying operating profit³	£215.1m	£180.1m	19.4%
Underlying operating profit margin ²	4.6%	5.0%	(0.4)% pts
Non-underlying items	£(18.7)m	£(7.2)m	159.7%
Statutory operating profit	£196.4m	£172.9m	13.6%
Gross profit per customer ⁴	£58.5k	£48.5k	20.6%
Customer base ⁴	10.5k	10.2k	3.4%
Underlying cash conversion ⁵	93.6%	95.6%	(2.0)% pts

1 Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue items. This is an Alternative Performance Measure (APM). For further information on this, please refer to page 12.

2 Gross profit margin and underlying operating profit margin are both calculated as a percentage of gross invoiced income.

3 Underlying operating profit and underlying operating profit margin are APMs. For further information on this, please refer to page 12.

4 Gross profit per customer is defined as gross profit generated over the last twelve-months divided by the customer base.

Customer base is defined as the number of customers who have transacted with Softcat in both of the preceding twelve-month periods.

5 Underlying cash conversion is defined as net cash generated from operating activities before taxation and any acquisition related cashflows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. This is also an APM. For further information on this, please refer to page 12.

Gross profit, revenue and gross invoiced income

Our outstanding FY2026 performance demonstrates the strength of our business model and the benefits of consistent strategic execution. We continued to support a diverse range of new and existing customers with their IT infrastructure requirements, drawing on our deep expertise, comprehensive product and services offering, and the exceptional service delivered by our highly engaged employees.

We are also benefitting from the recent investments we've made in systems and data, people and our office network. These investments have strengthened our capabilities, improved our internal operations and supported further market share gains and long-term sustainable growth. They also position us well to capture the benefits of AI, both within our own business and for customers, as more organisations move from experimentation to broader deployment.

Gross profit (GP), our primary measure of income, grew by 24.7% to £616.3m reflecting the strength of our underlying business performance. Growth was supported by the contribution from previously disclosed larger solutions projects, the pull-forward of some customer orders due to memory shortages, and a positive vendor rebate contribution.

GP growth was broad-based across customer segments and the technology portfolio. Growth in corporate was particularly strong, led by small and medium together with enterprise, both of which delivered strong double-digit growth, supported by high single-digit growth in public sector. By technology area, GP growth was also broad-based, with strong double-digit growth across data centre infrastructure, networking and security, and workplace, the latter supported by a clear improvement in demand for client devices.

By product type, software, hardware and services GP all grew double-digit. Hardware growth was primarily driven by datacentre and networking infrastructure, including the contribution from larger solutions projects, together with client devices. Software GP growth was broad-based with strength in security solutions and Microsoft CSP, while services growth was primarily driven by the contribution from externally provided partner services.

Revenue is reported in accordance with IFRS 15 with some transactions (generally hardware, professional services and internally delivered support and managed services) reported gross (principal) and others (generally software and externally provided support and managed services) reported net (agent) which can make revenue trends hard to understand. We therefore continue to report GII to help provide a clearer view of underlying growth and to support understanding of key balance sheet movements. FY2026 revenue grew overall by 35.4% driven by: (1) hardware revenue growth of 42.0% reflecting strong datacentre, networking, server and compute sales, supported by larger solutions projects. Hardware accounts for a higher mix of revenue than GII and is the main reason total revenue growth exceeds GII growth during the year; (2) software revenue growth of 22.6% which was slightly behind GII growth of 25.3%, primarily reflecting a mix shift into lower margin products including Microsoft CSP agreements; and (3) services revenue growth of 21.1% which was also behind GII growth, reflecting a higher share of externally provided

services at lower margin (when reported on a net basis).

GII increased 30.5% to £4,719.7m, mainly driven by strong growth in hardware, as discussed above. Software GII grew by 25.3% with strength in cybersecurity licencing software together with Microsoft CSP deals, while services growth of 30.1% was driven by a growing share of partner provided business.

As shown in the table below, GII growth decelerated slightly to 28.5% in H2 compared with 33.3% in H1, primarily reflecting the greater contribution in H1 from larger solutions projects and some customer orders pulled forward due to memory shortages.

During FY26, GII grew ahead of GP with gross margin declining year-on-year to 13.1% (FY2025: 13.7%). The decline was driven by strong performance in lower margin products including client devices and more public sector work going via framework arrangements. In addition, Microsoft grew strongly with margin impacted by the fee structure changes which caused a mix from EAs (Enterprise Agreements) into CSPs (Cloud Solution Providers) and larger solution deals at low margins had a dilutive impact, with these two factors mainly impacting H1.

Gross profit growth accelerated in H2, despite the stronger base comparative and lower contribution from the large solution projects. This acceleration was driven by broad based performance across all technologies and customer segments but with particular strength in small and medium customers and a higher number of deals over £0.5m.

	H1 FY2026	H1 FY2025	Change	H2 FY2026	H2 FY2025	Change
GII	£2,008.6m	£1,507.1m	33.3%	£2,711.1m	£2,109.9m	28.5%
GP	£269.9m	£220.2m	22.6%	£346.4m	£274.1m	26.4%
GP/GII %	13.4%	14.6%	(1.2) pts	12.8%	13.0%	(0.2) pts

Customer KPIs

During the year, GP per customer grew by 20.6% to £58.5k (FY2025: £48.5k) and the customer base expanded by 3.4% to 10.5k (FY2025: 10.2k). Net new customer numbers grew across all customer segments, with the highest growth in our mid-market segment.

As the longevity of the relationship with our customers increases, the GP transacted with them also increases. Over time, customers tend to buy across more technology areas and an increasing range of vendors. Loyalty, as measured by a lower rate of customer churn, also significantly increases. We track this by measuring core KPIs among those customers transacting over £1k of GP with us each year, at which point average churn drops significantly. The number of customers in this more stable cohort grew by 7.1% to 8.8k during the year, with the average GP delivered from each of those customers expanding by 16.5% to £70.0k.

The long tail of customers with whom we interact less often, along with customers who have not purchased from Softcat in the last 12 months or at all, constitute future growth opportunities. The balance between winning new customers and doing more with existing customers is integral to our sales model.

Internal analysis, incorporating data from industry sources, indicates that our total addressable market in the UK and Ireland is more than £99bn, growing at an annual average rate of around 10.5%. We estimate that we serve approximately 20% of the customers in our target market in the UK and Ireland, based on those who trade with us in two consecutive 12-month periods, with an average 20-25% share of wallet. We therefore continue to see a significant future growth opportunity, which is supportive of our strategy to attract new customers and go deeper with our existing customers.

Operating profitability and investment in future growth

Underlying operating profit of £215.1m (FY2025: £180.1m) increased by 19.4% year-on-year. This reflects GP growth of 24.7%, partially offset by a rise of 27.7% in underlying operating costs, which includes both the ongoing and one-off cost investments we have made in the year to drive future growth.

Underlying operating cost growth was driven by increased commissions in line with commissionable GP growth and a 16.0% increase in wages and salaries. During the year, average headcount grew by 10.8% (7.7% year-on-year excluding Oakland), while closing headcount grew by 9.7% year-on-year (8.0% growth excluding Oakland). In addition to the annualised impact of the step up in Employers' National Insurance Contributions, underlying operating costs also include significant investment in expanding our internal IT team and corporate development capability, investment in our data and digital strategy, and office refurbishment costs. In addition, several one-time items were also recognised in underlying operating costs, including the one-off free share award to employees, an overperformance element of variable pay and employee incentives, and advisory costs relating to the acquisition of GDT.

As a result of the above, the ratio of underlying operating profit to gross profit has decreased to 34.9% (FY2025: 36.4%).

Statutory operating profit of £196.4m (FY2025: £172.9m) increased by 13.6% year-on-year, reflecting the impact of non-underlying costs of £18.7m (FY2025: £7.2m).

Non-underlying costs

Non-underlying costs recognised during the year include system development costs of £15.6m relating to the implementation of the new cloud-based sales system and HR system. In addition, there is a £3.1m charge relating to the acquisition of Oakland.

Corporation tax charge

The effective tax rate (ETR) for FY2026 was 25.8% (FY2025: 25.4%). The difference between the ETR and the UK statutory rate of 25.0% primarily reflects the disallowable deferred consideration relating to the acquisition of Oakland and a small impact from non-deductible expenses. Our tax strategy continues to be focused on paying the right amount of tax in the right jurisdiction, at the right time.

Cash flow and cash conversion

Cash and cash equivalents at the FY2026 balance sheet date increased by £17.6m to £199.9m (FY2025: £182.3m). Strong cash generation during the year more than offset the cash outflows relating to total dividend payments of £92.5m and a £45.0m share buyback programme.

Underlying cash conversion represents net cash generated from operating activities (including non-underlying capex-like cash costs), before tax and any acquisition-related cashflows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. Underlying cash conversion for the year was 93.6% (FY2025: 95.6%), reflecting continued good working capital management, offset by investment in IT systems and offices.

During the year, we have continued to invest in Softcat's future growth by increasing headcount and building new capabilities, developing our data and digital platforms, investing in core systems, IT capability, and our office network. In addition, the Group completed its first ever share buyback programme totalling £45.0m in February 2026. A total of 3,352,161 ordinary shares were purchased at a volume weighted average price of 1,333p per share and subsequently cancelled. In the second half of the year, we established a £50m revolving credit facility which remained undrawn at the year-end date.

After the balance sheet date, on 17 September 2026, Softcat announced the 1,050m (£785m) acquisition of GDT, a leading US-based multi-vendor IT solutions provider. The acquisition is aligned with our existing strategy, increasing the Group's scale and capability in the US and strengthening our ability to serve the international needs of multinational customers. The consideration will be funded through a combination of cash, new debt facilities comprising a term loan and revolving credit facility, and net proceeds of £346m from the issuance of new ordinary shares. Following completion of the acquisition, estimated net debt leverage is forecast to be c.1.3x, and expected to be below 1.0x by July 2028. Moving forward, outside of temporary requirements to support material strategic investments, the group will target a net debt to EBITDA ratio of 0.5x to 1.0x.

Our capital allocation policy continues to prioritise investment in long-term organic growth to facilitate further share gains in our expanding addressable market; secondly to maintain a progressive ordinary dividend. Remaining excess capital is then either allocated to compelling strategic investments or is returned to shareholders, subject to net debt leverage being within our target range.

Finance net income

During the year, net interest income totalled £6.4m (FY2025: £5.3m). The increase year-on-year was driven by higher interest income earned on cash and cash equivalents.

Dividend and share buyback

A final ordinary dividend of 21.6p per share (FY2025: 20.4p), amounting to £46.6m (FY2025: £40.8m), has been recommended by the Board of Directors. This brings the total ordinary dividend for the year to 31.5p per share (FY2025: 29.3p), amounting to £66.1m (FY2025: £53.9m). If approved by shareholders, the final ordinary dividend will be payable on 21 December 2026, to shareholders whose names are on the register at the close of business on 13 November 2026. Shares in the Group will be quoted ex-dividend on 12 November 2026. The last day for dividend reinvestment plan ('DRIP') elections is 30 November 2026.

Including the £45m share buyback that was completed in February 2026, the total cash returned to shareholders during the year is £137.5m. Following payment of the final ordinary dividend, the total amount returned to shareholders since becoming a public company will be £753.5m.

Alternative Performance Measures

The Group uses several non-Generally Accepted Accounting Practice ('non-GAAP') financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures which are set out below, assist in providing additional useful information on the underlying trends, sales performance and position of the Group.

Consequently, non-GAAP measures are used by the Directors and management for performance analysis, planning and reporting. These non-GAAP measures comprise gross invoiced income (or 'GII'), underlying operating profit, underlying cash conversion and underlying basic EPS.

1. **Gross invoiced income** is a measure which correlates closely to the cash received by the business and therefore aids the user's understanding of working capital movements in the statement of financial position and the relationship to sales performance and the mix

of products sold. Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue as reported in the IFRS measure. A reconciliation of IFRS Revenue to gross invoiced income is provided within Note 2 of the financial statements.

2. **Underlying operating profit** reflects statutory operating profit, adding back non-underlying costs. Non-underlying costs comprise items which, in the opinion of management, should be identified and excluded to provide a consistent and comparable view of the underlying performance of the Group's ongoing business. They are unusual because of their size, nature (one-off, non-trading costs) or incidence.

When evaluating the nature of an item, management considers the following factors, both individually and in combination:

- whether the item is related to activities outside the Group's primary business activities;
- the specific circumstances that led to the recognition of the item;
- the likelihood that the item will recur; and
- whether an item is cash or non-cash

Non underlying costs	2026 £m	2025 £m
Oakland acquisition costs	3.1	1.9
Major system development costs	15.6	5.3
	18.7	7.2

3. **Underlying cash conversion ratio** comprises net cash generated from operating activities before taxation and any acquisition related cashflows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. Underlying cash conversion is an indicator of the Group's ability to convert profits into available cash. A reconciliation to the adjusted measure for cash conversion is provided below.

	2026 £m	2025 £m
Net cash generated from operating activities	157.5	140.7
Income taxes paid	50.5	46.8
Cash generated from operations	208.0	187.5
Purchase of property, plant and equipment	(6.0)	(11.8)
Purchase of intangible assets	(0.6)	(3.4)
Cash generated from operations, net of capital expenditure	201.4	172.3
Underlying operating profit	215.1	180.1
Underlying cash conversion ratio	93.6%	95.6%

Net cash generated from operating activities includes £15.6m (2025: £5.3m) of non-underlying costs. Acquisition related cashflows not included in the underlying cash conversion ratio are the acquisition of subsidiaries net of cash acquired of £Nil (2025: £7.4m) and acquisition costs of £Nil (2025: £0.7m), both of which are included in investing activities.

4. **Underlying basic earnings per ordinary share** reflect statutory basic earnings per ordinary share, adjusted for the profit after tax impact of non-underlying costs.

	2026 Pence	2025 Pence
Underlying earnings per share - Basic	83.2	69.5

The calculation of the basic earnings per share is based on the following data:

	2026 £m	2025 £m
Earnings		
Earnings for the purposes of earnings per share being profit for the year	150.3	133.0
Non-underlying costs	18.7	7.2
Tax effect of non-underlying costs	(4.1)	(1.4)
Underlying earnings for the purposes of earnings per share, being profit for the year	164.9	138.8

The tax effect of non-underlying costs varies depending on the nature of the costs.

The weighted average number of shares is given below:

	2026 #m	2025 #m
Number of shares used for basic earnings per share	198.3	199.7

Principal risks and uncertainties

The principal and emerging risks facing the Group have been identified and evaluated by the Board. In summary, principal risks include:

Risk	Potential impacts	Management and mitigation
BUSINESS STRATEGY		
Failure to respond to market changes including technology offering, channel disintermediation, competitor landscape and customer needs. (slight increase in net risk)	• Loss of competitive advantage • Reduced number of customers and profit per customer	• Insight from ongoing industry analysis and subscriptions input into annual strategy process • Regular insights into customer priorities including climate-related through the annual customer experience survey results and 'Voice of the Customer' surveys. Multi-layered relationship with strategic vendors and executive sponsor alignment • Regular quarterly business reviews with vendors • Regular meetings between senior representatives from sales, technology and vendor management teams to review technology and market trends and customer propositions • Continued investment in digital capabilities, technology development and strategic partnerships to address AI-driven customer and market shifts
Multinational, expansion, acquisition and integration (New principal risk)	• Failure to successfully integrate acquisitions • Delays in realising expected synergies and value creation opportunities • Increased operational complexity across multiple geographies • Failure to comply with local regulatory and legal requirements • Loss of key talent and customer relationships following acquisition activity	• Established Multinational strategy, governance framework and transformation roadmap to support scalable international growth • Enhanced cross-functional governance and oversight of multinational operations • Comprehensive financial, legal, commercial and operational due diligence undertaken prior to acquisitions • Formal integration plan and governance arrangements, including Board oversight and regular progress reporting • Employee retention, change management and value creation initiatives to support successful integration and benefits realisation
OPERATIONAL		
Customer dissatisfaction (slight increase in net risk)	• Reputational damage • Loss of customers • Financial penalties • Failure to meet contractual obligations • Reduced customer satisfaction and loyalty	• Dedicated Customer experience team supported by annual customer surveys and Voice of the Customer feedback mechanisms • ISO 20000-1 IT Service Management and ISO 9001 Quality Management certified • Ongoing customer service excellence training • 'Big-deal review' process • Investment in customer-supporting internal IT systems • Continued strengthening of deal governance and Contract Lifecycle Management (CLM) capabilities to improve oversight of complex customer engagements and contractual obligation

Cyber security risk & business interruption risk (slight increase in net risk)	• Inability to deliver managed customer services • Prolonged system outage may result in lost sales opportunities and failure to deliver on key business objectives • Reputational damage • Financial loss • Customer dissatisfaction	• ISO 27001 accredited processes. Group-wide information security policy and mandatory security-related training • Regular updates at a Board level on the evolving cyber threat landscape, ensuring that cyber security is treated as an enterprise-wide risk • Regular cyber security tabletop exercises • Established a 'lifeboat' capability, providing access to critical business information from a separate environment during a major disruption • Ongoing enhancement of crisis management and business resilience capabilities. • Utilisation of the National Cyber Security Centre Early Warning Service • Established and documented processes for incident management, change of control, etc. • Access controls aligned with zero trust principles • Training and awareness including regular phishing tests • Key software used is from large multinational companies which have a 99.9% SLA and which also provide us with SOC 2 reports that provide assurance on their processes and controls • Annual penetration test by a third party • Adoption of NIST 2.0 framework, a recognised cyber maturity framework
FINANCIAL		
Macro-economic factors, including geo-political conditions, impact on customer sentiment, inflationary pressures, interest and foreign currency volatility (no change in net risk)	• Short-term supply chain disruption • Reduced customer demand • Reduced profit per customer • Customer insolvencies and cash collection challenges	• Customer base is well diversified in terms of both revenue concentration but also public and commercial sector exposure • Market conditions are factored in our annual budgeting process • Operating costs are budgeted and reviewed regularly • Going concern and viability statements are underpinned by robust analysis of scenarios • Policies and procedures to manage foreign exchange exposures
Ineffective working capital management, including customer credit risk relating to both in-year and multi-year deals (no change in net risk)	• Increased bad debts • Increased cost of operations	• Robust credit assessment process including use of trade credit insurance • Clear delegation of authority ensuring decisions are escalated appropriately including to the Board, where relevant • Group-wide maximum credit exposure per customer (across invoiced and orders yet to be fulfilled inclusive of multi-year deals) of £75m where specific criteria are met • Support from vendors for multi-year credit risk for unfulfilled orders is regularly sought • Regular review of the aged debt position by management • Defined treasury policy covering liquidity management processes and thresholds • Regular cash forecasting, actual reporting and variance analysis to highlight any adverse trends and allow sufficient time to respond

Failure to retain competitive terms with our suppliers and/or right-size our cost base compared to gross profit generated. (no change in net risk)	• Higher operating costs • Uncompetitive pricing leading to loss of business • Reduced profitability/margins	• Budgeting process and regular reviews ensure costs are managed appropriately and in consideration of gross profit growth. Any out of budget spend needs management level or Board approval • Close dialogue with supply chain partners • Rebates form an important, but only minority, element of total operating profit. In addition, Rebate programmes tend to be industry standard and not specific to the Group, while vendor aligned teams ensure we optimise available rebate structures • Ongoing training to sales and operations teams to keep pace with new vendor programmes
PEOPLE		
Loss of culture (no change in net risk)	• Reduced staff engagement • Negative impact on customer service • Loss of talent	• Culture sits at the heart of all changes that are made in Softcat. There is regular communication from Senior Leadership Team members to employees at 'Kick Off' and 'all hands' calls about the importance of culture • Regional offices with empowered local management • Quarterly management satisfaction survey and annual all-employee survey with feedback acted upon. Our engagement and employee net promoter results which are industry-leading, are regularly reviewed • Regular staff events and incentives • Enhanced internal communication processes and events
Talent, capability & leadership risk (no change in net risk)	• Lack of strategic direction • Reduced staff engagement • Loss of talent • Loss of competitive advantage	• Succession planning process in place • Experienced and broad senior management team • Investment in robust recruitment and selection processes • Attrition tracked and action taken as necessary
REGULATORY AND COMPLIANCE		
Compliance with existing regulation/legislation and being prepared for emerging regulation/legislation (no change in net risk)	• Financial penalties • Reputational damage • Loss of customers	• Significant investment in a second line of defence function (Risk Assurance and Process Improvement, Information Security, Legal and Company Secretarial teams) • Management committee in place to review second line progress and report to the Audit and Risk Committee • Ongoing engagement with specialist third parties where required

Climate change

Climate change is already a part of the compliance with existing regulation/legislation and being prepared for emerging regulation/legislation risk. Our current analysis concluded that no other climate change-related risk is a principal risk which needs to be incorporated into the list of principal risks shown above.

Going concern

Please refer to note 2.1 under 'Basis of preparation'.

Cautionary statement

This preliminary announcement has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The preliminary announcement should not be relied on by any other party or for any other purpose.

In making this preliminary announcement, the Group is not seeking to encourage any investor to either buy or sell shares in the Company. Any investor in any doubt about what action to take is recommended to seek financial advice from an independent financial advisor authorised by the Financial Services and Markets Act 2000.

Statement of Directors' responsibilities in relation to the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group's financial statements in accordance with UK-adopted international accounting standards ('IFRS').

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period.

In preparing these financial statements the Directors are required to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's financial position and financial performance;
- state that UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the Group financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a strategic report, directors' report, directors' remuneration report and corporate governance statement that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Fair and balanced reporting

Having taken advice from the Audit and Risk Committee, the Board considers the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Responsibility statement pursuant to FCA's Disclosure Guidance and Transparency Rule 4 (DTR 4)

Each Director of Softcat Plc confirms that (solely for the purpose of DTR 4) to the best of his or her knowledge:

- the financial statements, prepared in accordance with UK-adopted international accounting standards give a true and fair view of the assets, liabilities, financial position and profit of the Group;
- the Annual Report, including the Strategic Report, includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that they face; and
- they consider the Annual Report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position, performance, business model and strategy.

Group Statement of Profit or Loss and Other Comprehensive Income For the year ended 31 July 2026

		2026	2025
		£m	£m
	Note		
Revenue	3	1,975.1	1,458.4
Cost of sales		<u>(1,358.8)</u>	<u>(964.1)</u>
Gross profit		616.3	494.3
Administrative expenses		<u>(401.2)</u>	<u>(314.2)</u>
Underlying operating profit		215.1	180.1
Non-underlying costs		<u>(18.7)</u>	<u>(7.2)</u>
Operating profit		<u>196.4</u>	<u>172.9</u>

Finance income		8.5	7.3
Finance cost		<u>(2.1)</u>	<u>(2.0)</u>
Profit before taxation		202.8	178.2
Income tax expense	4	<u>(52.5)</u>	<u>(45.2)</u>
Profit for the year		150.3	133.0
Foreign exchange differences on translation of foreign branches and subsidiaries		(2.1)	(0.9)
Net gain on cash flow hedge		<u>0.3</u>	<u>-</u>
		<u>(1.8)</u>	<u>(0.9)</u>
Total comprehensive income for the year		148.5	132.1
Profit attributable to:			
Owners of the Parent Company		150.3	133.0
Total comprehensive income attributable to:			
Owners of the Parent Company		148.5	132.1
Basic earnings per ordinary share (pence)	11	75.8	66.6
Diluted earnings per ordinary share (pence)	11	75.3	66.2

All results are derived from continuing operations.

Group Statement of Financial Position
As at 31 July 2026

		2026	2025
		£m	£m
	Note		
Non-current assets			
Property, plant and equipment		18.4	16.9
Right-of-use-assets		33.2	31.8
Intangible assets and goodwill		16.8	20.6
Investments		0.1	0.1
Deferred tax asset		<u>4.4</u>	<u>0.8</u>
		72.9	70.2
Current assets			
Inventories	6	12.2	151.9
Trade and other receivables	7	894.3	713.1
Contract fulfilment assets	8	-	72.6
Derivative financial assets		1.2	-
Income tax receivable		-	1.8
Cash and cash equivalents		<u>199.9</u>	<u>182.3</u>
		1,107.6	1,121.7
Total assets		1,180.5	1,191.9
Current liabilities			
Trade and other payables	9	(688.3)	(471.4)
Contract liabilities	10	(59.4)	(333.2)
Provisions		(10.9)	-
Derivative financial liabilities		(1.1)	-
Lease liabilities		(5.6)	(4.3)
Income tax payable		<u>(3.1)</u>	<u>-</u>
		(768.4)	(808.9)
Non-current liabilities			
Contract liabilities	10	(15.8)	(13.3)
Lease liabilities		<u>(32.3)</u>	<u>(30.9)</u>

		(48.1)	(44.2)
Total liabilities		(816.5)	(853.1)
Net assets		364.0	338.8
Equity			
Issued share capital	13	0.1	0.1
Share premium account		5.0	5.0
Capital redemption reserve		-	-
Cash flow hedge reserve		-	(0.3)
Foreign exchange translation reserve		(0.3)	1.8
Retained earnings		359.2	332.2
Total equity		364.0	338.8

Group Statement of Changes in Equity
For the year ended 31 July 2026

	Share capital £m	Share premium £m	Capital redemption reserve £m	Trans- lation reserve £m	Cash flow hedge reserve £m	Retained earnings £m	Total equity £m
Balance at 1 August 2024	0.1	5.0	-	2.7	(0.3)	290.5	298.0
Profit for the year	-	-	-	-	-	133.0	133.0
Impact of foreign exchange on reserves	-	-	-	(0.9)	-	-	(0.9)
Total comprehensive (expense)/income for the year	-	-	-	(0.9)	-	133.0	132.1
Share-based payment transactions	-	-	-	-	-	4.2	4.2
Dividends paid	-	-	-	-	-	(95.7)	(95.7)
Dividend equivalents paid	-	-	-	-	-	(0.1)	(0.1)
Tax adjustments	-	-	-	-	-	0.3	0.3
Balance at 31 July 2025	0.1	5.0	-	1.8	(0.3)	332.2	338.8
Balance at 1 August 2025	0.1	5.0	-	1.8	(0.3)	332.2	338.8
Profit for the year	-	-	-	-	-	150.3	150.3
Impact of foreign exchange on reserves	-	-	-	(2.1)	-	-	(2.1)
Net gain on cash flow hedge	-	-	-	-	0.3	-	0.3
Total comprehensive (expense)/income for the year	-	-	-	(2.1)	0.3	150.3	148.5
Share-based payment transactions	-	-	-	-	-	13.6	13.6
Dividends paid	-	-	-	-	-	(92.5)	(92.5)
Share buyback	-	-	-	-	-	(45.0)	(45.0)
Dividend equivalents paid	-	-	-	-	-	(0.1)	(0.1)
Tax adjustments	-	-	-	-	-	0.7	0.7
Balance at 31 July 2026	0.1	5.0	-	(0.3)	-	359.2	364.0

Group Statement of Cash Flows

		2026 £m	2025 £m
	Note		
Net cash generated from operating activities	12	157.5	140.7
Cash flows from investing activities			
Finance income		8.5	7.3
Acquisition of subsidiaries, net of cash acquired		-	(7.4)
Acquisition associated costs		-	(0.7)
Purchase of property, plant and equipment		(6.0)	(11.8)
Purchase of intangible assets		(0.6)	(3.4)
Net cash generated from/(used in) investing activities		1.9	(16.0)
Cash flows from financing activities			
Issue of share capital		-	-
Purchase of own shares		(45.0)	-
Dividends paid	5	(92.5)	(95.7)
Payment of principal portion of lease liabilities		(2.7)	(0.4)
Payment of interest portion of lease liabilities		(2.1)	(2.0)
Net cash used in financing activities		(142.3)	(98.1)
Net increase in cash and cash equivalents		17.1	26.6
Exchange gains/(losses) on cash and cash equivalents		0.5	(2.7)
Cash and cash equivalents at beginning of year		182.3	158.4
Cash and cash equivalents at end of year		199.9	182.3

Notes to the Consolidated Financial Information

1. General information

Softcat plc (the 'Group') is a public limited company, incorporated and domiciled in England and Wales. Its registered address is Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1LW.

The annual financial information presented in this preliminary announcement does not constitute the Group's statutory accounts for the years ended 31 July 2026 or 2025 but is based on, and consistent with, that in the audited financial statements for the year ended 31 July 2026, and those financial statements will be delivered to the Registrar of Companies following the Group's Annual General Meeting. The auditor's report on those financial statements was unmodified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with UK-adopted international accounting standards (IFRS) in accordance with the requirements of the Companies Act 2006. IFRS includes the application of International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') and the IFRS Interpretations Committee ('IFRIC') interpretations.

These financial statements have been prepared under the historical cost convention and are presented in the Group's presentational and functional currency of Pounds Sterling and all values are rounded to the nearest million ('£m'), except when otherwise stated.

The Group applied all standards and interpretations issued by the IASB that were effective as at 1 August 2025. The accounting policies set out below have, unless otherwise stated (see below), been applied consistently to all periods presented in these financial statements.

The potential climate change-related risks and opportunities to which the Group is exposed, as

identified by management, are disclosed in the Group's Climate-related Financial Disclosures ('CFD') in the Annual Report. Management has assessed the potential financial impacts relating to the identified risks and exercised judgement in concluding that there are no material financial impacts of the Group's climate related risks and opportunities on the financial statements. These judgements will be kept under review by management as the future impacts of climate change depend on environmental, regulatory and other factors outside of the Group's control which are not all currently known.

Going Concern

Overview

These financial statements have been prepared on a going concern basis covering at least the twelve month period from the date of signing the financial statements.

In considering the going concern basis for preparing the financial statements, the Directors consider the Group and Company's objectives and strategy, its principal risks and uncertainties in achieving its objectives and its review of business performance and financial position, which are all set out in the Strategic Report (see pages 14 to 17) and Chief Financial Officer's review sections (see pages 20 to 23 of the Annual Report). The Directors have undertaken a fully comprehensive going concern review.

The Group has modelled four scenarios in its assessment of going concern. These are:

- The base case;
- A severe but plausible downside scenario;
- Reverse stress testing; and
- A scenario incorporating the proposed acquisition of GDT.

Further details, including the analysis performed and conclusion reached, are set out below.

The Directors have reviewed detailed financial forecasts for a twelve-month period from the date of this report to October 2027. The modelling has been extended beyond this period to provide visibility over the 31 January 2028 £50m Revolving Credit Facility ('RCF') covenant reporting date and to provide a robust basis for the downside analysis.

Liquidity and financing position

At 31 July 2026, the Group held instantly accessible cash and cash equivalents of £199.9m, with net current assets of £339.2m. Note 1 to the financial statements in the Annual Report includes the Group's objectives, policies and processes for managing its capital, its financial risk management and its exposures to credit risk and liquidity risk.

Operational cash flow forecasts for the going concern period are sufficient to support the Group in maintaining its target liquidity headroom throughout the going concern assessment period with the existing RCF remaining undrawn.

Challenging economic environment

The Directors have, in all four scenarios, considered the principal challenges to short term business performance which are expected to be;

- a deterioration in economic conditions across the markets in which the Group and its customers operate, including the effects of inflation and interest rates; and
- higher risk of credit losses.

Despite the challenging economic environment, the Group and Company have traded well, delivering double-digit year-on-year growth in gross profit and operating profit growth ahead of expectations. The Board continue to monitor the economic environment and organise operations accordingly.

Base case

The base case takes into account the FY2027 Budget and three-year plan, including estimated growth and increased costs across the going concern period. The key inputs and assumptions in the base case include:

- continued GII growth;
- working capital assumptions reflecting recent historical experience and trends;
- employee commissions incurred in line with gross margin;
- increased levels of cost reflecting continued investment in our people and the business; and
- ordinary dividends paid in accordance with the Group's dividend policy with additional distribution of excess cash, either through special dividends or buybacks, based on historical trends.
- The base case also reflects the net proceeds from the equity issue completed in September 2026, which are not contingent on completion of the proposed acquisition.

The Group has taken a measured approach to the base case and has balanced expected trading conditions with the opportunities available to the business. The Group remains highly cash generative and maintains significant liquidity throughout the going concern period, with the existing RCF remaining undrawn.

Year to date trading to the end of September 2026 is consistent with the base case forecast.

Severe but plausible case

Given the potential economic challenges facing the Group's customer base and supply chain, the Directors have also modelled a severe but plausible scenario. This scenario considers the combined impact of lower sales and margins, slower customer payments and increased credit losses.

The key inputs and assumptions, compared to the base case, include:

- a 5% reduction in GII/revenue;
- a 0.5% reduction in gross margin;
- extending debtor days by an additional three days;
- additional bad debt or other material profit and loss write-offs of £5m per annum;
- a reduction in commission costs in line with gross margin; and
- ordinary dividends continuing to be paid in accordance with the Group's dividend policy.

The purpose of this scenario was to consider if there was a significant risk that the Group and Company would not meet its target liquidity headroom or breach the Group's debt covenants in any of the months in the going concern period. Even at these lower levels of activity, which the Directors believe is a highly unlikely outcome, the Group continues to be profitable and maintains a positive cash balance at all times, with no breach of the Group's debt covenants. The Directors therefore did not consider it necessary to assume further mitigating actions in assessing this scenario.

Reverse stress test

The Directors have performed reverse stress testing to understand the level of deterioration that would be required to threaten the going concern status of the Group.

Given the Group's significant cash resources and liquidity under the base case, the reverse stress testing considered the level of deterioration that would be required to result in a breach of the Group's financing covenants.

The analysis indicates that an exceptionally significant reduction in profitability, together with a substantial deterioration in the Group's forecast liquidity position, would be required before a covenant breach occurs.

The Board considers the assumptions required to result in such an outcome, and the events that could lead to them, to be remote.

Proposed GDT acquisition

As part of the going concern assessment, the Directors have also considered the potential impact of the proposed acquisition of GDT, announced on 17 September 2026. A separate scenario was prepared incorporating GDT's forecast financial performance, the anticipated acquisition consideration and financing structure including covenants, associated financing costs and the expected post-acquisition liquidity requirements and the desired group leverage. Under this scenario, the combined Group retains sufficient liquidity and remains compliant with the expected financing covenants throughout the assessment period.

The Directors also performed additional stress testing of the expected financing covenants, including a scenario assuming materially all available external debt facilities were drawn, which is materially worse than the base GDT acquisition scenario. The testing demonstrated significant headroom against the covenants. The Directors consider the circumstances necessary to result in a covenant breach under these scenarios to be remote. Accordingly, the analysis performed in respect of the proposed acquisition does not change the Directors' conclusion regarding the appropriateness of the going concern basis of preparation.

Going concern conclusion

Based on the forecasts and scenarios modelled, together with the performance and financial position of the Group and Company to date, the Directors consider that the Group and Company have sufficient liquidity headroom to continue in operational existence throughout the going concern assessment period to October 2027.

Accordingly, at the October 2026 Board meeting, the Directors concluded from this analysis it was appropriate to continue to adopt the going concern basis in preparing the consolidated financial statements. Should the impact of these conditions be even more prolonged or severe than currently forecast by the Directors under the severe but plausible case scenario, the Group and Company would need to implement additional operational or financial measures.

In relation to the identified potential climate change-related risks and opportunities, the Directors do not believe there would be a material impact on cash flows in the going concern period.

Accounting policies

The preliminary announcement for the year ended 31 July 2026 has been prepared in accordance with the accounting policies as disclosed in Softcat plc's Annual Report and Accounts 2026, as updated to take effect of any new accounting standards applicable for the year.

3. Segmental information

The information reported to the Group's Chief Executive Officer, who is considered to be the chief operating decision maker for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8, which is that of "value-added IT reseller and IT infrastructure solutions provider". The Group's revenue, results and assets for this one reportable segment can be determined by reference to the statement of profit or loss and other

comprehensive income and statement of financial position. An analysis of revenues and gross invoiced income by product, which form one reportable segment, is set out below:

Revenue by type

	2026 £m	2025 £m
Software	278.5	227.2
Hardware	1,399.4	985.7
Services	297.2	245.5
	1,975.1	1,458.4

Gross invoiced income by type

	2026 £m	2025 £m
Software	2,598.6	2,074.5
Hardware	1,405.2	992.2
Services	715.9	550.3
	4,719.7	3,617.0

Revenue and gross invoiced income can also be disaggregated by type of business:

Revenue by type of business

	2026 £m	2025 £m
Small and medium	1,409.5	914.2
Enterprise	352.0	318.4
Public sector	213.6	225.8
	1,975.1	1,458.4

Gross invoiced income by type of business

	2026 £m	2025 £m
Small and medium	2,479.3	1,730.3
Enterprise	898.8	675.6
Public sector	1,341.6	1,211.1
	4,719.7	3,617.0

Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue items. Softcat continues to report gross invoiced income as an alternative financial KPI as this measure allows a consistent, year-on-year understanding of gross income billed, business performance and position and correlates closely to working capital movements. The impact of IFRS 15 and principal versus agent consideration is an equal reduction to both revenue and cost of sales.

Reconciliation of gross invoiced income to revenue

	2026 £m	2025 £m
Gross invoiced income	4,719.7	3,617.0
Income to be recognised as agent under IFRS 15	(2,744.6)	(2,158.6)
	1,975.1	1,458.4

The total revenue for the Group has been derived from its principal activity as an IT reseller and IT infrastructure solutions provider.

During the year there was one direct customer that individually accounted for greater than 10% of the Group's total revenue, and a considerably lower proportion of gross profit. Revenue generated from this customer in FY2026 was £502.2m, predominantly derived from the UK subsidiary. (2025: one direct customer that accounted for £326.7m of revenue, predominantly derived within the US subsidiary and representing substantially all the Group's FY2025 non-UK business).

Overall revenue derived from the US subsidiary in FY2026 was £231.5m with substantially all of the remaining revenue relating to trading undertaken in the UK.

4. Taxation

	2026 £m	2025 £m
Current tax		
Current income tax charge in the year	54.9	44.1
Adjustment in respect of current income tax in previous years	0.7	(0.3)
Foreign tax effects	(0.1)	-
Deferred tax		
Temporary differences	(3.0)	1.4
Total tax charge for the year	52.5	45.2

5. Dividends

	2026 £m	2025 £m
Declared and paid during the year:		
Special dividend on ordinary shares (16.1p per share (2025: 20.9p))	32.2	41.8
Final dividend on ordinary shares (20.4p per share (2025: 18.1p))	40.8	36.1
Interim dividend on ordinary shares (9.9p per share (2025: 8.9p))	19.5	17.8
	92.5	95.7

A final dividend of 21.6p per share has been recommended by the Directors and if approved by shareholders will be paid on 21 December 2026. The final ordinary dividend will be payable to shareholders whose names are on the register at the close of business on 13 November 2026. Shares in the Company will be quoted ex-dividend on 12 November 2026. The last day for dividend reinvestment plan ("DRIP") elections is 30 November 2026.

The Board recommends the final dividend for shareholders' approval.

6. Inventories

	2026 £m	2025 £m
Finished goods, goods in transit and goods for resale	12.2	151.9

The decrease in inventories at the year end is predominantly driven by the prior year end consisting of stock held and in transit for a specific customer order yet to be delivered. As control of the goods had not passed to the customer at the period end, the revenue and cost of sale were not recognised.

The amount of any write down of inventory recognised as an expense in the year was £nil in both years.

7. Trade and other receivables

	2026 £m	2025 £m
Trade and other receivables	737.8	547.4
Provision against receivables	(7.8)	(4.5)
Net trade receivables	730.0	542.9
Unbilled receivables	83.8	59.4
Prepayments	11.9	10.3
Accrued income	28.1	17.6
Deferred costs	40.5	82.9
	894.3	713.1

8. Contract assets

	2026 £m	2025 £m
Contract fulfilment assets	-	72.6

The decrease in contract fulfilment assets at the year end is driven by a specific order in the prior

year end where Softcat had delivered goods to the customer but had not yet met the revenue recognition criteria under IFRS 15.

9. Trade and other payables

	2026 £m	2025 £m
Trade payables	476.0	285.9
Other taxes and social security	16.6	20.8
Accruals	195.7	163.9
Other creditors	-	0.8
	688.3	471.4

10. Contract liabilities

Contract liabilities are comprised of:

	2026 £m	2025 £m
Deferred income	75.2	346.5
Deferred income is further broken down as:		
Short term deferred income	59.4	333.2
Long term deferred income	15.8	13.3
	75.2	346.5

The decrease in contract liabilities at the year end is driven by a specific order where Softcat had the obligation at the end of the prior year to transfer goods or services but the obligations have not yet been met. When consideration is paid before goods are transferred, a contract liability is recognised. This occurs infrequently and is usually to support the needs of the customer. This specific order was recognised in full in FY26.

11. Earnings per share

	2026 Pence	2025 Pence
Earnings per share		
Basic	75.8	66.6
Diluted	75.3	66.2

The calculation of the basic earnings per share and diluted earnings per share is based on the following data:

	2026 £m	2025 £m
Earnings		
Earnings for the purposes of earnings per share being profit for the year	150.3	133.0

The weighted average number of shares is given below:

	2026 m	2025 m
Number of shares used for basic earnings per share	198.3	199.7
Number of shares expected to be issued at nil consideration following exercise of share options	1.3	1.2
Number of shares used for diluted earnings per share	199.6	200.9

12. Notes to the cash flow statement

	2026 £m	2025 £m
Cash flow from operating activities		
Operating profit	196.4	172.9
Depreciation of property, plant and equipment	4.2	3.1
Depreciation of right-of-use assets	4.0	3.8
Amortisation of intangibles	4.4	3.6

Dividend equivalents paid	(0.1)	(0.1)
Impairment of property, plant and equipment	-	1.3
Loss on disposal of property, plant and equipment	0.3	0.4
Gain on disposal of right-of-use assets	-	(0.3)
Acquisition associated costs	-	0.7
(Gain)/loss on foreign exchange	(3.1)	2.7
Cost of equity settled employee share schemes	13.6	4.2
Operating cash flow before movements in working capital	219.7	192.3
Decrease/(increase) in inventories	139.7	(149.0)
Increase in trade and other receivables and contract fulfilment assets	(108.6)	(199.3)
(Decrease)/increase in trade and other payables and contract liabilities	(42.8)	343.5
Cash generated from operations	208.0	187.5
Income taxes paid	(50.5)	(46.8)
Net cash generated from operating activities	157.5	140.7

13. Share capital

	2026 £m	2025 £m
Allotted and called up		
Ordinary shares of 0.05p each	0.1	0.1
Deferred shares* of 1p each	-	-
	0.1	0.1

*At 31 July 2026 deferred shares had an aggregate nominal value of £189.33 (2025: £189.33).

Deferred shares do not have rights to dividends and do not carry voting rights.

14. Business combinations

Acquisitions in the prior period

On 4 April 2025, the Group acquired 100% of the share capital of Oakland Group Services Limited, a non-listed company based in the United Kingdom and specialising in the provision of data platform, data strategy, data governance, data analytics and artificial intelligence consultancy. The Group acquired Oakland Group Services Limited because it significantly enhances the Group's capability in providing these services to existing and new customers.

The business was acquired for a total cash consideration of £8.0m with total identifiable net assets of £2.7m, generating goodwill of £6.7m.

The purchase agreement included additional contingent consideration with service conditions and contingent consideration without service conditions. The additional contingent consideration without service conditions of up to £1.6m is payable only if the average profit performance for Oakland's 2026, 2027 and 2028 financial years exceeds targeted levels agreed by both parties. The additional contingent consideration will be payable on 31 March 2027 and 31 March 2028. The additional contingent consideration liability recognised, represents the present value of the Group's probability-weighted estimate of the cash outflow. It reflects management's probability-weighted estimate of achieving the base case, downside case and upside case targets. The liability for additional contingent consideration with service conditions is not classified as consideration transferred under IFRS 3, is disclosed as other employment costs.

As part of the acquisition, the Group obtained a minority equity interest in a private limited company. The investment does not provide the Group with control or significant influence over the investee and has therefore been recognised as a financial asset.

15. Post balance sheet events

GDT acquisition

On 17 September 2026, Softcat signed an agreement to acquire General Datatech, L.P. ('GDT'), a leading US-based, multi-vendor IT solutions provider. The transaction is expected to close no later than the end of Q1 CY2027, subject to customary regulatory filings and approvals. The Group is currently assessing the financial impact of the acquisition.

The consideration will be funded through a combination of cash, new debt facilities comprising a term loan and revolving credit facility, and the gross proceeds from the issuance of 18,730,158 new ordinary shares in the capital of the Company of £354m. The issuance of new ordinary shares took place after the reporting date and therefore has no impact on the amounts recognised at 31 July 2026. The timing and financial effect of the term loan and revolving credit facility cannot be estimated reliably at the date of the approval of these accounts.

Softcat is actively managing the foreign exchange exposure associated with the acquisition and subsequent to the year end, the Group entered into a derivative financial instrument to manage the foreign currency exposure. The instrument was entered into after the reporting date and therefore has no impact on the amounts recognised at 31 July 2026. The ultimate financial effect of the derivative will depend on the completion of the acquisition and movements in foreign exchange rates over the term of the instrument and therefore cannot be estimated reliably at the date of approval of these financial statements.

Dividend

A final dividend of 21.6p per share has been recommended by the Directors and if approved by shareholders will be paid on 21 December 2026. The final ordinary dividend will be payable to shareholders whose names are on the register at the close of business on 13 November 2026. Shares in the Company will be quoted ex-dividend on 12 November 2026. The last day for dividend reinvestment plan ("DRIP") elections is 30 November 2026.

Corporate Information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

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* Reflects an interim ordinary dividend per share of 9.9p and final ordinary dividend per share of 21.6p, based on the respective number of shares outstanding at each dividend announcement date.

⁽¹⁾ See page 12 for full definitions and further reconciliations of Alternative Performance Measures (APMs).

⁽²⁾ Revenue is reported under IFRS 15, the international accounting standard for revenue. IFRS 15 requires judgements to be made to determine whether Softcat acts as principal or agent in certain trading transactions. These judgements, coupled with slight variations of business model and contractual arrangements between IT Solutions Providers, means the impact of IFRS 15 across the peer group is not uniform. Income prior to the IFRS 15 adjustment is referred to as gross invoiced income, which is an APM.

⁽³⁾ The transaction is expected to close by the end of Q1 CY2027, subject to customary regulatory filings and approvals.

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