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Trading Statement



£25.0M REVOLVING CREDIT FACILITY & TRADING UPDATE

[SOFTWARE CIRCLE PLC](#)

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21 May 2026

Software Circle plc

("Software Circle", the "Group" or "Company")

£25.0m Revolving Credit Facility and Trading Update

Software Circle plc (AIM: SFT) is pleased to announce that it has entered into a new committed revolving credit facility (the "Facility") with Santander UK plc ("Santander") and makes the following pre-close statement and trading update for the year ended 31 March 2026 ("FY26"), including financial information which remains subject to audit.

£25.0m Revolving Credit Facility

The Facility comprises a committed £25.0 million revolving credit facility and a £10.0 million uncommitted accordion option, exercisable subject to Santander's credit committee approval. £10.7m of the Facility has been utilised to redeem the Group's pre-existing borrowing facilities with Shawbrook Bank Limited ("Shawbrook"). The Facility has a four-year term with a one-year extension option. Interest is payable on a ratchet of between 2.00% and 3.00% over SONIA depending on the Group's leverage. The Facility is repayable on 20 May 2030 (or 20 May 2031 if extended) and is subject to customary arrangement and non-utilisation fees, financial covenants and security arrangements for facilities of this nature.

The Facility has been used to refinance the Group's pre-existing facilities with Shawbrook, with the balance available to support the continued execution of Software Circle's acquisition strategy.

Gavin Cockerill, Chief Executive Officer of Software Circle, commented: "We are pleased to welcome Santander as Software Circle's new banking partner. I would also like to thank Shawbrook for their strong support over the course of our relationship.

The move to this new facility is a reflection of Software Circle's growth and the successful execution of our strategy to date. With the Group now at greater scale, the time is right to move to a more flexible facility, reducing our cost of capital and providing the headroom to continue our strategy to acquire and operate vertical market software businesses in the UK and Ireland.

Having surpassed our "Gate 4" goal of achieving £5 million of annualised Adjusted EBITDA², the Facility will help fund our journey towards our "Gate 5" goal of achieving £15 million of annualised Adjusted EBITDA."

Jack Buck, Relationship Director, and Sarah Laverty, Director, Structured Finance, Santander, commented:

"Software Circle has a clear and disciplined approach to acquiring and nurturing specialist software businesses. Having taken the time to understand its business model and the ambitions of Gavin, Iain and the wider management team, we are delighted to support the next phase of its growth with a flexible funding structure designed around its long-term strategy."

Trading Update

The Group has delivered another year of strong progress, with revenue growth of 22%, a meaningful step-up in profitability with an 81% growth in Adjusted EBITDA and the continued successful execution of its acquisition strategy. An Adjusted EBITDA margin of 26% exceeds the 25% target previously communicated, and the Group has continued to strengthen its capital base, including the refinancing of its borrowing facilities, announced today.

Revenue

Revenue for FY26, including that from businesses acquired during the year, was approximately £22.3m (FY25: £18.3m), an increase of 22% on the prior year.

Group organic revenue declined slightly by 1% in the year, reflecting a reduction in non-recurring revenue at Netti Systems, the Group's pre-existing operating business. However, the ten software businesses acquired under the Group's buy and build strategy delivered organic revenue growth of 7%, reflecting healthy underlying demand across the acquired portfolio.

Profitability

Group Operating EBITDA¹ measures the profitability of our collective operating units. Despite the small decline in organic revenue noted above, organic Operating EBITDA is expected to grow by 19%, improving Operating EBITDA margin to 34% (FY25: 26%).

Acquisitions are expected to have contributed a further £1.8m of Operating EBITDA, increasing total Operating EBITDA by 58% to £7.6m (FY25: £4.8m).

After central administration costs of approximately £1.8m (FY25: £1.6m), Adjusted EBITDA is expected to have increased by 81% to £5.8m (FY25: £3.2m), resulting in an improved Adjusted EBITDA margin of 26% (FY25: 17%).

Operating Cash Flow Per Share ("OCFPS")

OCFPS is our primary long-term measure because it captures, in a single measure, the cash generated by our businesses and the discipline with which we deploy shareholders' capital. We expect this measure for FY26 to be 1.0p (FY25: 0.5p). The doubling year on year reflects the substantial growth in Adjusted EBITDA being delivered and the Group's strong cash conversion characteristics.

Outlook

On a run-rate basis and before any further M&A, the Group is currently generating annualised revenue of approximately £25.0m at an Adjusted EBITDA margin of 27%. The Group has a current cash balance of approximately £4.6m and, following the refinancing announced today, an undrawn, committed debt facility of £14.3m. With a healthy M&A pipeline, our focus is on Gate 5 and building a Group capable of sustaining its own growth through internally generated cash flow. With strong recurring revenues, healthy underlying operational performance across a growing portfolio of operating businesses, and disciplined capital allocation, we expect to compound shareholder value over the long term.

Artificial Intelligence

AI is reshaping the way software is built and the expectations customers have of the tools they use. We recognise the questions this raises for incumbent software businesses. Often the narrative has ignored the necessary nuance. Vertical software embedded in mission-critical, regulated workflows is a different proposition to horizontal, generic software where features can be easily replaced. Either way, the change AI brings is fast paced and inevitable. What we see is real opportunity and our AI strategy is progressing well.

We are evolving our products from systems of record to systems of action. Software that executes tasks, automates workflows and delivers measurably better outcomes for our customers. Our businesses combine proprietary data, deep vertical specialism and domain expertise with long-standing, trusted customer relationships in mission-critical, regulated workflows, often economically and operationally entangled with the moment value is exchanged. We believe this combination, paired with the thoughtful and disciplined deployment of AI builds durable software businesses. The details of our ongoing AI strategy will be set out in our forthcoming annual report.

Finally, we would like to thank every team member across the Group for their focus and execution. A particular welcome to the new colleagues who have joined Software Circle during the year, and our thanks to them for the professionalism with which they have managed the transition into the Group. Together, their work continues to strengthen the foundations of a resilient, cash-generative and enduring software group.

The Company intends to release its detailed full year results for the period ended 31 March 2026 during July.

For further information:

Software Circle plc

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Notes:

1. Operating EBITDA = Earnings before interest, tax, depreciation and amortisation (EBITDA) before impairments, share option charges, exceptional costs, acquisition related costs, central administration costs and the capitalisation of qualifying development costs
2. Adjusted EBITDA = Operating EBITDA less central administration costs

Notes to editors:

Software Circle plc (AIM: SFT) has a mission: to be a leading serial acquirer and operator of Vertical Market Software businesses in the UK and Ireland - a permanent home for software leaders, teams, and customers. These are mission-critical systems, deeply embedded in the day-to-day workflows of users.

We help founders find the right exit strategy, acquiring businesses at appropriate valuations, supporting their organic growth over time, and reinvesting the free cash flow they generate into further value-accretive opportunities. We are building a group that gives shareholders diversified exposure to these software businesses, with discipline, alignment, and operational know-how.

Software Circle continues operations in an independent, decentralised way, and maintains the entrepreneurial spirit and culture that exists in the businesses acquired, enabling organic growth to be driven. Our goal is to create an environment where motivated teams can do their best work for the benefit of the most important stakeholder: the end customer.

For more information visit www.softwarecircle.com.

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