Cordel Group

Spotlight — flash

Software and comp services

14 April 2026

Surge in contract wins underpins growth

Cordel's expansion of its engagement with Transport for London (TfL) to cover the District Line is the latest in a sequence of encouraging contract wins for the business, spanning the UK, the US and Canada. As a result, the company looks set for a strong H2, supporting FY26 estimates of 29% growth and EBITDA profitability. It also indicates that the company is now benefiting from stronger network effects, as it expands its customer base, distance of track covered and use cases, creating a much strengthened platform for sustainable, profitable growth.

Cordel's extension of its TfL contract to the District Line builds on the earlier proof-of-concept covering overground sections of the Central Line. As part of the initial engagement, the company developed a solution for accurately sensing location in tunnels, expanding the applicability of its solutions to underground track. A key use case is enabling engineers to carry out assessments remotely via the Cordel platform, reducing the need for site visits. While unlikely to be financially material, it expands the company's addressable market across TfL's wider underground network and with other metro operators globally. Cordel and TfL have reiterated their commitment to a long-term, value-driven collaboration.

This win is the latest in a sequence of positive newsflow. In February, the company secured a contract to deliver its PTC and clearance solutions to a new US Class One railroad, expanding its US customer base to three of the top five operators. This was followed by upgrades with existing customer Genesee & Wyoming, extending deployment across US operations and into Canada, covering multiple divisions and more than 1,000 miles of track. A key TfL use case is enabling engineers to carry out pre- and post-works assessments remotely via the Cordel Connect platform, reducing the need for 'boots on track'.

The launch of Cordel Connect V3 represents an evolution of the group's core platform, incorporating capabilities initially developed for its PTC solution, notably automated recognition of a broader range of trackside assets. This expands detectable infrastructure, supporting new use cases and increasing customer value. Other enhancements include improved data processing scalability and a more flexible, user-centric architecture. The company is also leveraging AI within its development processes, accelerating product iteration and innovation.

Cordel's strategic positioning within the global rail infrastructure industry continues to strengthen. While decision cycles have been protracted, investment in digitisation and safety will remain a priority, and the company's base of reference clients and deployments continues to grow. Recent deal flow means that expectations of a strong H2 and support for FY26 estimates are much better underpinned. We believe Cordel's FY26 EV/sales multiple of 1.7x does not adequately reflect its strategic positioning or its growth prospects.

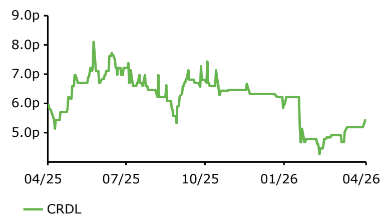
Consensus estimates

Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	EV/sales (x)
6/23	3.0	(0.3)	(0.4)	(0.30)	3.6
6/24	4.4	(1.1)	(1.2)	(0.60)	2.5
6/25	4.8	(0.2)	(0.4)	(0.17)	2.3
6/26e	6.2	0.2	0.0	0.02	1.8

Source: Cordel Group, LSEG Data & Analytics

Price	**5.50p**
Market cap	**£12m**

Share price performance



Share details

Code	CRDL
Listing	AIM
Shares in issue	216.9m
Net cash at 31 December 2025	£1.0m

Business description

Cordel Group is a technology company specialising in the automation of railway infrastructure inspections using AI and big data. Its platform integrates LiDAR, video and positioning data to provide precise, unattended sensing systems and intelligent analysis, enhancing safety, efficiency and sustainability in rail asset management.

Bull points

- Strong product and market fit demonstrated by growing reference customer base across geographies and use cases.
- Breakthrough multimodal AI technology expanding the market opportunity.
- Operational leverage emerging as the business scales.

Bear points

- Limited resources to invest in growth opportunity.
- Large deals are prone to slippage and the economic and political environment is slowing decision-making cycles in some geographies.
- Small in scale.

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