

Corero Network Security

Trading update

Momentum in orders continues into Q326

Corero's Q326 update provides further evidence that the investments in its product portfolio and sales channels are delivering. Orders increased 50% y-o-y to \$11.1m, a sharp acceleration from 14% growth in H126, achieved against a robust comparative quarter. The update strengthens our confidence in the growth outlook following September's substantial forecast upgrades, and help underpin for our FY26 and FY27 forecasts (unchanged). The update provides good support for our valuation analysis which suggests share price upside of 50–105% or 12.5–17.0p/share.

Year end	Revenue (\$m)	EBITDA (\$m)	PBT (\$m)	EPS (¢)	P/E (x)	EV/sales (x)	EV/EBITDA (x)
12/25	25.5	1.8	(0.3)	(0.05)	N/A	3.0	41.5
12/26e	31.8	5.5	3.0	0.46	34.4	2.4	13.7
12/27e	36.7	7.9	5.1	0.76	20.9	2.1	9.6
12/28e	42.1	10.9	7.9	1.15	13.8	1.8	6.9

Note: EBITDA, PBT and EPS are normalised, excluding amortisation of acquired intangibles, exceptional items and stock-based payments.

Nine-month orders increased 28% to \$25.4m, with Q3 contributing \$3.7m of the \$5.5m increase. This is particularly encouraging given that Q325 orders grew 23% y-o-y. Orders are now 85% above Q324 levels, demonstrating sustained commercial progress rather than simply recovery from a weak quarter. Last year's major cloud customer renewal and expansion fell principally in Q4, so the year-end comparison will be more demanding.

Three major contracts contributed \$5.3m, almost half of quarterly orders: a UK tier-1 telecommunications provider (\$3.4m over five years), a leading US wireless carrier (\$1.4m over three years) and a US specialist AI cloud infrastructure provider (\$0.5m over three years). These wins demonstrate how the six products introduced in 2025 have broadened Corero's relevance to larger customers, with differing infrastructure and deployment requirements. The remaining \$5.8m of orders also represents a substantial contribution. Management highlights the renewed channel programme as a driver of growth, with all but one of the additional contracts described originating through partners. First customers in Mexico, Costa Rica and Slovenia illustrate the wider reach enabled by investment in this programme. Growing requirements for network resilience, alongside investment in AI and cloud infrastructure, provide a supportive demand backdrop.

The three major contracts equate to c \$1.3m of annual contract value, around 5% of June's \$24.1m annualised recurring revenue (ARR). This gives some perspective on their contribution, although the actual ARR impact will depend on contract structure and deployment timing. Bookings growth should therefore support revenues over several years.

Our [H126 note](#) highlighted Corero's operational leverage, with 42% revenue growth and just a 5% increase in operating costs delivering adjusted EBITDA of \$2.7m. Q3's stronger order intake supports that investment case. The next step is to see this commercial progress reflected in year-end ARR, earnings and cash generation. Following the recent share price recovery, we continue to see attractive value in Corero's growth potential and capacity for further margin expansion.

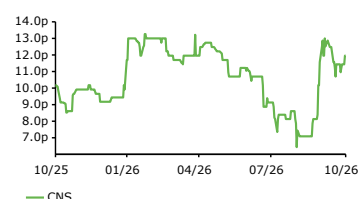
Software and comp services

14 October 2026

Price 12.00p
Market cap £59m

Net cash/(debt) at H126 \$2.1m
Shares in issue 512.2m
Free float 32.0%
Code CNS
Primary exchange AIM
Secondary exchange OTCQX

Share price performance



Business description

Corero Network Security is a leading provider of DDoS attack detection and mitigation solutions, protecting organisations against external and internal threats and ensuring the ability to continually operate web-based services.

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