

Ceres Power Holdings

Partners scaling as power demand builds

Ceres reiterated c £45m of contracted 2026 revenue alongside H126 results and remains confident of signing a new manufacturing licensee this year, with the pipeline growing across the US, Asia and Europe. Revenue rose 8% to £22.8m, half of guidance, driven by the Weichai licence. A 14% reduction in operating costs narrowed the adjusted EBITDA loss to £6.8m (H125: £11.3m), and the £102.6m gross equity raise lifted cash and investments to £172.0m. First downstream partner orders and a leaner cost base leave Ceres well-placed as time to power becomes a key customer constraint.

Partners moving towards production

Ceres licenses its Endura solid oxide cell and stack platform, which partners manufacture into fuel cells that generate on-site power from natural gas today, or electrolyzers that produce hydrogen. With gas turbine lead times of 5–7 years and grid connections 5–10+ years, Ceres sees a window of c five years to establish solid oxide, and some behind-the-meter (on-site power generation) contracts are switching from conventional generation to solid oxide on permitting advantages. Doosan, Delta and Weichai are all in or nearing production, with Doosan signing its first solid oxide fuel cell (SOFC) export contract (c £60m). Channel partner Centrica has signed with Delta (UK units due end-2026/early 2027). Endura factory blueprints and line-builder relationships have cut partner time to market to under two years.

Leaner, with royalties ahead

Gross margin decreased to 71% (H125: 79%) primarily due to revenue mix R&D fell to £18.3m (H125: £25.6m) following Endura's launch, with the focus now on stack lifetime and scale cost. Until royalties become material, management expects approximate breakeven on profit and cash with one new licensee every 12 months and sees the equity raise as reassurance for partners making 20-year factory investments. Ceres prioritises scale-up and royalties over upfront licence fees and expects royalties to become material from 2028–29 as cumulative partner capacity approaches c 1GW. Hydrogen is a later-decade opportunity: DENSO has received c £165m of government funding, and Shell's demonstrator is outperforming.

Valuation: A licence signing is key

Ceres trades on 12.0x FY26e EV/revenue on consensus estimates, a premium to the peer average of 4.5x, which we believe reflects its asset-light licensing model and high-gross margins. FY26e revenue of £58.4m is c £13m above contracted revenue, implying a new licence is recognised this year, although timing on large contracts is uncertain. Long-term value lies in royalties. Key catalysts include the new licence signing, first partner production and early Centrica deployments.

Consensus estimates

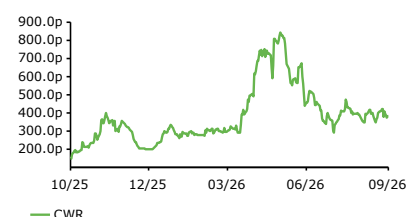
Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (£)	BVPS (£)	EV/EBITDA (x)
12/25	32.6	(32.5)	(46.3)	(0.25)	0.6	N/A
12/26e	58.4	2.7	(7.2)	(0.04)	1.0	272.2
12/27e	65.9	4.3	(1.4)	(0.08)	1.0	168.7

Source: LSEG Data & Analytics

Industrials
30 September 2026

Price 417.80p
Market cap £893m

Share price performance



Share details

Code	CWR
Listing	LSE
Shares in issue	213.8m
Net cash as at 30 June 2026 (including short-term investments)	£172.0m

Business description

Ceres Power is a clean energy technology company that develops and licenses solid oxide fuel cell and electrolyser technology for clean power generation and green hydrogen production. Its asset-light model enables global industrial partners to deploy the technology across applications including AI data centres, industrial power and hard-to-abate sectors.

Bull points

- First downstream orders across the partner network (Doosan's c £60m export contract).
- Standardised Endura factories cut partner time to market to under two years.
- £172m of cash, with breakeven expected on one new licensee a year.

Bear points

- Consensus FY26e revenue relies on a new licence with uncertain timing.
- Material royalties not expected until 2028–29.
- High customer concentration: one customer accounted for 59% of H1 revenue.

Analysts

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