EDISON

QuickView

Netcall

Technology

31 July 2026

FY26 trading statement

Netcall's recently released FY26 trading update should continue to chip away at the negative impact that 'SaaScepticism' had on the share price earlier in the year. The shares still trade below the FY26 EV/EBITDA midpoint of the last 12 months, which seems undemanding now that investors have higher confidence in the FY26 financial outcome.

Financials

On 21 July Netcall published a trading update, stating that it expects to report FY26 results in line with market expectations. Revenue growth for FY26 is expected to be 20%, but even leaving aside the acquisitions made during the year (Jadu, Smart & Easy and Govtech), the group still expects to deliver organic revenue growth of 12%. Most encouraging was that sales of AI-related products almost tripled, accounting for more than 40% of new cloud orders. The sales pipeline was described as being at record levels. Cloud annual contract value (ACV) grew by an impressive 37% to £46.3m (FY25: £33.9m), representing organic growth of 24%. Total ACV grew by 27% to £53.7m (FY25: £42.2m), driven by both new and existing customer demand. Management expects to report FY26 adjusted EBITDA of £12.1m, up 23% (FY25: £9.8m), representing a margin of 21% (FY25: 20%). It noted that c 30% of incremental organic revenue converted to adjusted EBITDA, reflecting operating leverage from the growth in subscription revenues. The group ended FY26 with net cash of £21.0m (FY25: £27.2m), after acquisition-related payments of £13.4m.

Strategy

The AI-powered Liberty platform is clearly resonating with customers, both new and existing. This is proving to be particularly successful in the case of customer engagement and automation workflows. In addition, the integration of Jadu, acquired at the end of 2025, is progressing well, with annualised cost synergies of close to £1.0m having been achieved and cross-selling initiatives producing results.

Valuation

In our view, the FY26 trading statement should continue to erode the negative effect that 'SaaScepticism' had on the share price earlier in the year. We mentioned in our note in March that any continued price weakness could be an attractive entry point, and the shares have since risen by 15%. That said, the current FY26e EV/EBITDA multiple of 15.0x is below the midpoint of the last 12 months (high: 19.3x, low: 12.5x), which seems undemanding now that investors have higher confidence in the FY26 financial outcome.

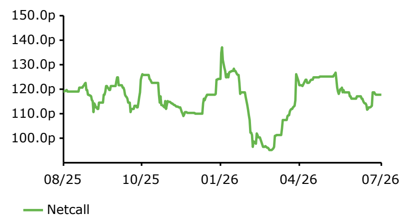
Consensus forecasts

Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	DPS (p)	P/E (x)	Yield (%)	EV/EBITDA (x)
6/25	48.0	9.8	8.3	3.75	0.94	31.5	0.8	18.4
6/26e	57.6	12.0	9.8	4.30	1.10	27.4	0.9	15.0
6/27e	67.2	14.8	12.0	5.20	1.28	22.7	1.1	12.2

Source: LSEG Data & Analytics. Note: EBITDA, PBT and EPS adjusted to exclude the impact of share-based payments, impairment, P&L on disposals/acquisitions, contingent considerations and non-recurring transaction costs.

Price	**118.00p**
Market cap	**£201m**

Share price performance



Share details

Code	NET
Listing	AIM
Shares in issue	170.6m
Net cash/(debt) as at 30 June 2026	£21.0m

Business description

Netcall is a UK enterprise software company that supports organisations in their digital transformation journey. Its Liberty platform provides intelligent process automation and customer engagement tools, helping to improve workflow efficiency with a better customer and employee experience.

Bull points

- High recurring revenues (83% total) and cloud net retention rate (115%).
- Over 700 public- and private-sector customers. Over 50 new clients in 2025.
- Significant upside from 16% penetration of target UK sectors.

Bear points

- Active M&A programme can include execution risk.
- Fast moving markets can lead to constrained development from talent shortages.
- Potential functionality overlap with larger competitor products.

Analysts

Dan Ridsdale	+44 (0)20 3077 5700
Ross Jobber	+44 (0)20 3077 5700

tmt@edisongroup.com

Edison profile page

EDISON QUICKVIEWS ARE NORMALLY ONE-OFF PUBLICATIONS WITH NO COMMITMENT TO WRITING ANY FOLLOW UP. QUICKVIEW NOTES USE CONSENSUS EARNINGS ESTIMATES.

General disclaimer and copyright

Australia

New Zealand

United Kingdom

United States

London | New York | Frankfurt
20 Red Lion Street
London, WC1R 4PS
United Kingdom