

Cordel Group

Pipeline expands by 133% despite H1 delays

While Cordel Group's H126 results reflect the impact of drawn-out procurement cycles, these deals have either closed or are expected to close in Q3 and management is confident of catching up with FY26 consensus in H2. Notably, the company's pipeline has expanded significantly and now totals c £70m, up 133% y-o-y, indicating that Cordel's investment in business development capability, new products and growing market presence is substantially enhancing long-term growth prospects.

Procurement cycles hurt H1, catch-up expected by Q3

H126 revenue fell 24% to £1.7m (-22% cc) due to delayed purchase orders from new engagements, particularly in the US and UK. The combination of operational leverage and higher operating expenses (partly due to new commercial hires) meant the EBITDA loss widened to £0.89m (H125: £0.16m loss), with loss before tax increasing to £1.00m (H125: £0.25m). Management's visibility on Q3 deal closure and a growing pipeline give confidence this is largely timing-related and prospects remain good. Cordel expects revenues to exceed FY25's £4.8m level by Q326, broadly in line with the run rate implied by the £6.2m consensus forecast (which management is confident of achieving). Cash stood at £1.0m at 31 December 2025 (30 June: £1.5m) but a stronger second half should improve H2 cash performance.

Step change in pipeline to £70m

The company's pipeline has expanded to £70m from £30m in FY25, reflecting the progress over the past 12 months and reinforcing Cordel's platform for accelerated growth. With its product set and commercial capability in place, management is prioritising larger multi-year contracts over near-term revenue. Investment in the positive train control product and the US sales team are likely to yield significant returns, with advanced discussions under way with several Class 1 railroads and meaningful FY26 revenue expected. In the UK, prospects are supported by increased track-data capture and strong delivery of the railway gauging data solution for Network Rail, while proof-of-concept work with TfL and a similar trial with Amtrak could enable expansion into metro and underground environments.

Valuation: Strategic and growth upside potential

Cordel's strategic positioning within the global rail infrastructure industry continues to strengthen. While decision cycles are protracted, investment in digitisation and safety will remain a priority, and the company's base of reference clients and deployments continues to grow. We believe Cordel's FY26 EV/sales multiple of 2.0x does not fully 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)	4.2
6/24	4.4	(1.1)	(1.2)	(0.60)	2.8
6/25	4.8	(0.2)	(0.4)	(0.17)	2.6
6/26e	6.2	0.2	0.0	0.02	2.0

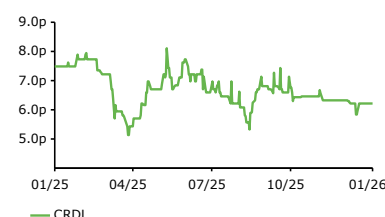
Source: Cordel Group, LSEG Data & Analytics

Software and comp services

28 January 2026

Price 6.25p
Market cap £14m

Share price performance



Share details

Code	CRDL
Listing	AIM
Shares in issue	216.9m
Net cash/(debt) 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.
- 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.

Analyst

Dan Ridsdale +44 (0)20 3077 5700

tmt@edisongroup.com

[Edison profile page](#)

Cordel Group is a research client of Edison Investment Research Limited

General disclaimer and copyright

This report has been commissioned by Cordel Group and prepared and issued by Edison, in consideration of a fee payable by Cordel Group. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2026 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
