



# LINX Finance Update and Budget for 2026



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CFO

19<sup>th</sup> November 2025  
LINX 125



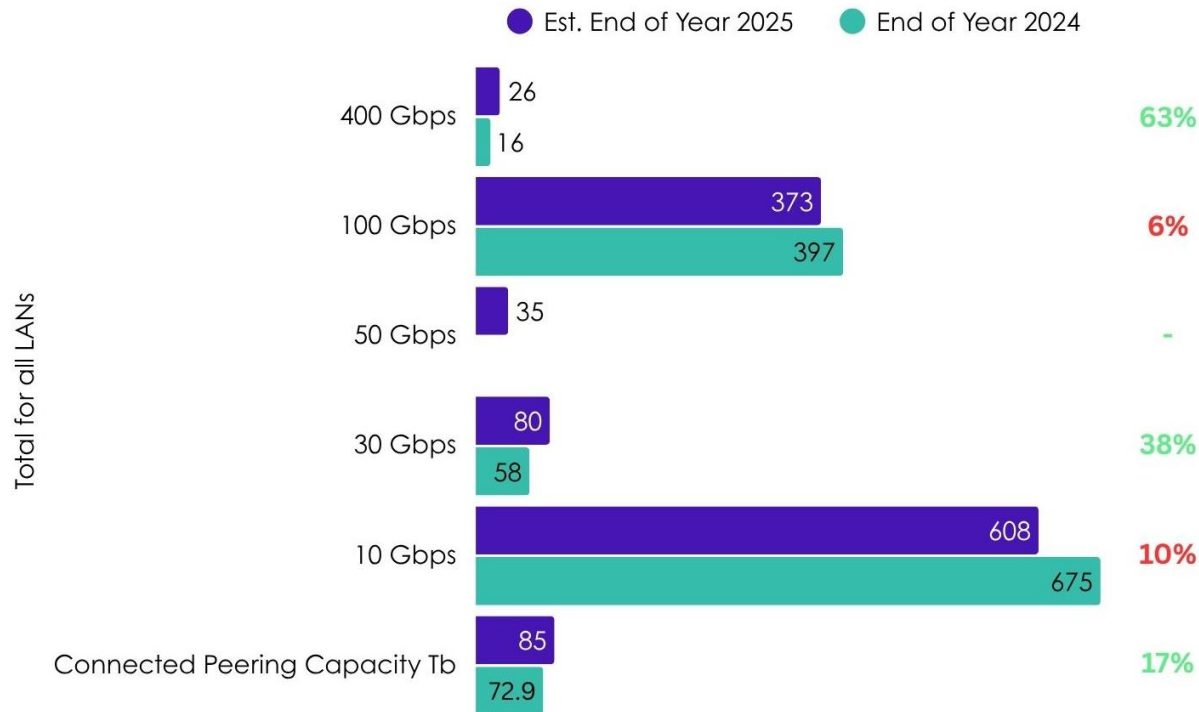
# Agenda

- **Update on Forecast for 2025**
  - Operational results projection
  - Forecast outturn for year
- **Overview of Budget for 2026**
  - Projected operational growth
  - Financial summary
- **Questions**





## Operational Results 2025



- Modest growth in membership numbers budgeted
- Further growth in peering capacity per member
- Strong growth in 400 Gbps peering services
- 17% growth in connected capacity





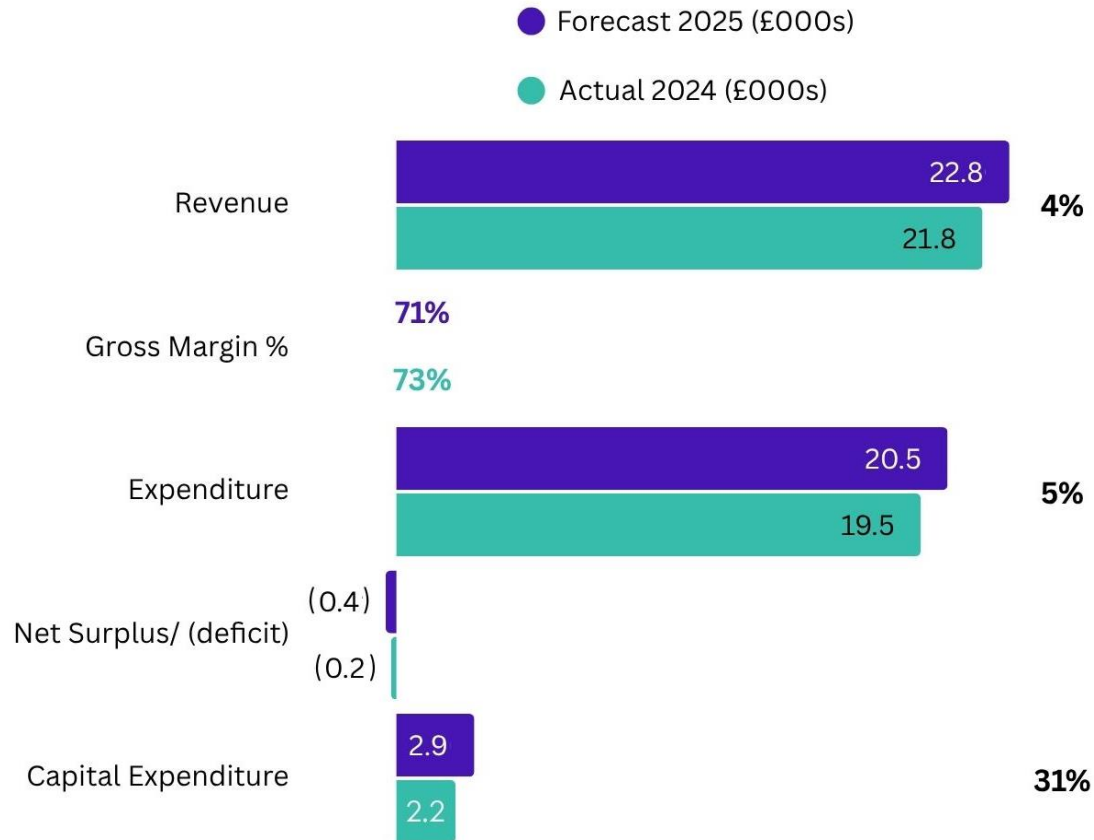
## Latest Forecast 2025 – Key Points

- Good progress against **strategic objectives in 2025**
- Revenue growth of 4% (underlying c7%) to **£22.8m**
- Lower than budget due to:
  - Shortfall on **peering revenue**
  - Strategic switch to **400 Gbps** from 100 Gbps
  - Port access revenue drop due to **12% price cut**
- Good growth in **Managed IXP** revenue, although some delayed deployment
- Lower gross margin than prior year of **71%** (2024: 73%)
- Continued investment in UK and overseas with capex c **£2.9m**
- Deficit of c **£0.4m** expected
- Operating cash flow expected to be **£2.7m** (up from £1.6m in 2024)





## Financial Projection 2025



- Revenue growing
- Peering revenue flat but growth in many markets (e.g. Kenya, NoVA, Manchester)
- Revenue growth in Colocation services and overseas revenue
- Expected result is small deficit
- Capex higher than 2024 but expected to be below budget





## Budget 2026 - Summary

- Budget has been built with new **three-year strategy** objectives in mind
- Planned revenue growth of **8%** to c **£24.5m**
- Background economic conditions continue to be **challenging**
- Outlook for **inflation is lower** than last year
- Interest **rates reducing**
- Budgeting a small surplus of **£0.1m**





## Planned Growth in 2026

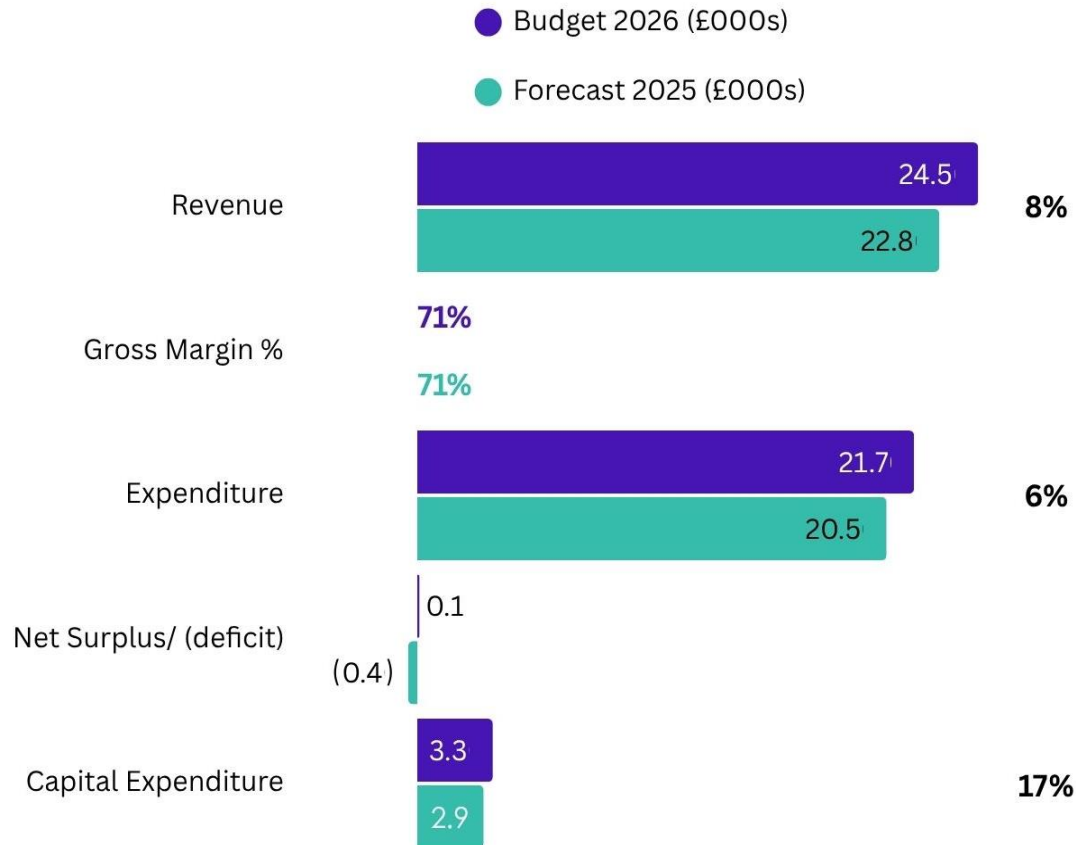
### Planned Growth in Members and Connected Capacity

Total for all LANs	Planned end of year 2026	Est end of year 2025	%
Members	895	885	1%
Connected Capacity	99.0	85.0	16%

- Modest growth in membership numbers assumed in 2026
- 16% growth in connected capacity assumed due to healthy demand across services
- Variety of cost increase assumptions, depending on cost category
- Above inflation cost increases for regulation and security



## Financial Budget 2026



- 400 Gbps, 30 Gbps, 50 Gbps and the new 130 Gbps and 150 Gbps services revenue expected to grow
- Solid demand for reseller services expected
- Further growth in overseas revenue
- Capex higher than 2025
- Continued focus on cash management – year end cash expected to be £9m





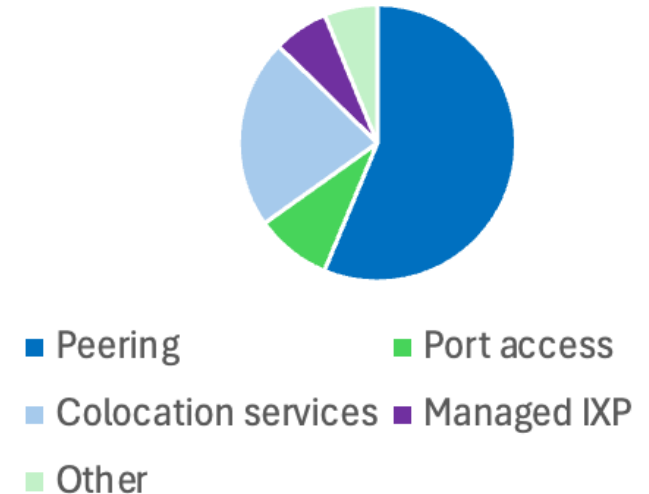


## 2026 Key Points

### Revenue

- Connected capacity **+16%**
  - Continued migration to **400 Gbps** offset by lower 100 Gbps
  - Expected growth in take up of new services
- Growth in revenue to **£24.5m** (2025: £22.8m)
  - Total revenue **+8%**
  - Total peering revenue **+5%**
  - Colocation services **+ 7%**
  - Managed IXP/Fabric **+ 33%**
- High gross margin maintained of **71%**

LINX revenue by type





## 2026 Key Points

- **Operating Costs**
  - SG&A increasing over 2025 by **5%** due to:
    - Inflation
    - Increased costs above inflation for security, compliance, and automation
- **Group Surplus:**
  - before tax is **£0.2m**
  - after tax is **£0.1m**





## 2026 Key Points

- **Capital Expenditure £3.3m**
  - Increase from £2.9m in 2025
- Planned investments include:
  - Manchester refresh
  - LON1 capacity upgrade
  - Overseas expansions
  - Software, systems and automation development
  - Creating more capacity with greater power efficiency



Questions?