LINX127

Finance Update

Andrew Fabian, CFO

18th November 2025

LINX127

Agenda

01

Financial progress in 2026

Operational results projection
Forecast outturn for year

02

LINX budget for 2027

Projected operational growth
Financial summary

03

Finance projects

Audit, overseas operations and systems automation

Followed by **Questions**

linx

HIGH-LEVEL OVERVIEW OF 2026 PROGRESS

Forecast for 2026

linx

FORECAST FOR 2026

Latest Forecast 2026

Steady progress in 2026 against three-year **strategic objectives**

TRAFFIC GROWTH

c14%

expected for the year

REVENUE

c£23m

similar level to 2025

OPERATING CASH FLOW

c£2m

expected for the year

REVENUE LOWER THAN ORIGINAL BUDGET DUE TO:

- Slight shortfall on **peering and managed IXP** revenue
- Further strategic switching to **400 Gbps** from 100 Gbps
- **Discounts and promotions**, including the Metro resilience initiative

Costs have been **managed well below budget**

linx

FORECAST FOR 2026

Financial Projection 2026

FORECAST 2026 VS ACTUAL 2025 (£M)

	FORECAST 2026	ACTUAL 2025	CHANGE
Revenue	**23.0**	**22.7**	**+1%**
Gross margin	68%	71%	
Expenditure	**21.0**	**20.5**	**+2%**
Net surplus / (deficit)	(0.4)	(0.3)	
Capital expenditure	**1.5**	**3.0**	**(50%)**

EXPECTED RESULT

Small deficit, c1.5% of revenue

CAPEX

Half of 2025 spend

- Revenue growth and gross margin impacted by **discounts and promotions**
- **Peering** revenue flat, but growth in some markets (e.g. **Kenya**)
- Modest revenue growth in **colo services** and **overseas** revenue
- **Managed IXP** revenue impacted by new contract / site expansion delays
- Capex kept **significantly lower** than 2025

linx

HIGH-LEVEL OVERVIEW OF 2027 PLANS

Budget for 2027

linx

BUDGET FOR 2027

Planned Growth in 2027

MEMBERS · ALL LANS

+1% growth assumed

Est. end of 2026	**907**
Planned end of 2027	**917**

CONNECTED CAPACITY · ALL LANS

16–18% growth assumed

Est. end of 2026	**101Tb**
Planned end of 2027	**118Tb**

Continued migration to **400 Gbps**, offset by lower 100 Gbps

Use of **AI** expected to lead to future system operational efficiencies

linx

BUDGET FOR 2027

Budget 2027 – Summary

Revenue budgeted **£23m**

Anticipated Deficit **£0.4m**

Strategy

- Developed within the **three-year strategy** framework
- Focus on the **UK market** and **diversification** of revenue

Environment

- Global economic conditions continue to be **challenging**
- Inflation outlook **marginally higher** than 2026
- Interest rates **marginally increased**

Revenue drivers

- Full-year impact of the **Metro resilience** initiative
- **Core peering lower**, offset by growth in **overseas revenue**

linx

BUDGET FOR 2027

Financial Budget 2027

BUDGET 2027 VS FORECAST 2026 (£M)

	BUDGET 2027	FORECAST 2026	CHANGE
Revenue	**23.1**	**23.0**	**0%**
Gross margin	70%	68%	
Expenditure	**21.1**	**21.0**	**0%**
Net surplus / (deficit)	(0.4)	(0.4)	
Capital expenditure	**2.9**	**1.5**	**+93%**

YEAR-END CASH

Expected to be c£9m

GROSS MARGIN

Up to 70% from 68%

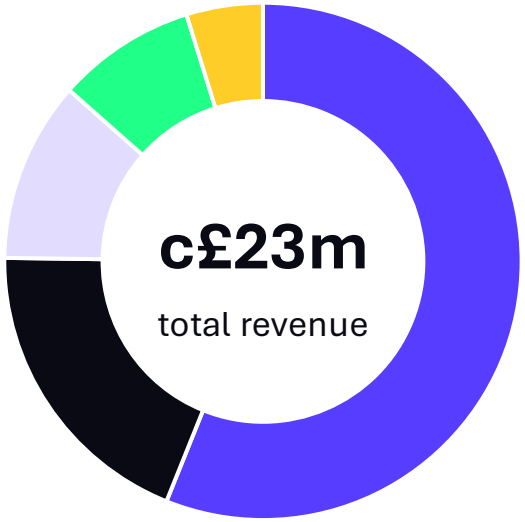
- Limited core revenue growth anticipated due to **discounts and promotions**
- Steady demand for **colo services** expected
- Further growth in **overseas** and **managed IXP** revenue expected
- **Capex higher** than 2026
- Continued focus on **cash management**

linx

2027 KEY POINTS

Revenue and Gross Margin

2027 REVENUE BY TYPE (£M)



Peering	12.9
Colocation services	4.4
Other	2.6
Port access	2.0
Managed IXP	1.1

CORE PEERING

Flat

COLOCATION SERVICES

+5%

MANAGED IXP / FABRIC

+34%

GROSS MARGIN

70%

linx

2027 KEY POINTS

Operating Costs and Net Result

OPERATING COSTS

+4% SG&A increase over 2026



c3% inflationary increases | Other increases

- Increased costs above inflation for **security and compliance**
- More spending on **automation**, expected to lead to benefits in 2028

GROUP NET RESULT

£0.4m

projected deficit after tax

Automation efficiencies from 2028

linx

2027 KEY POINTS

Capital Expenditure

CAPEX 2027

+93%

£2.9m

2026 £1.5m

2027 £2.9m

Some capex spend **deferred from 2026 into 2027**

PLANNED INVESTMENTS

- Manchester refresh / upgrade
- LON1 capacity increase
- Managed IXP upgrades
- Software, systems, AI and product development
- Improving density and power efficiency

linx

LINX127

Finance Projects

linx

LINX127

Finance Projects



Audit

Second year of RSM – another smooth audit process



Overseas Operations

Tax

Banking and FX management



Systems Automation

Fixed asset tracking

linx

LINX127

Questions?

