

SOFTCAT plc
(‘Softcat’, the ‘Group’)

Half year results for the six months to 31 January 2026

Exceptional first half performance resulting in full year guidance upgrade

Softcat plc (LSE: SCT.L), a leading UK provider of IT infrastructure products and services, today announces its half year results for the six months to 31 January 2026 (‘the period’). These results reflect another period of successful execution and strategic progress, delivering exceptional growth in gross profit and underlying operating profit alongside robust cash generation and investments to drive future growth. This first half performance was driven by broad-based growth and enables us to upgrade underlying operating profit guidance for the full year.

Financial Summary

	Six months ended		Change
	31 January 2026	31 January 2025	
	£m	£m	
Gross invoiced income^a	2,008.6	1,507.1	33.3%
Gross profit	269.9	220.2	22.6%
Underlying operating profit^a	93.8	73.7	27.3%
Underlying cash conversion (%)^a	147.6%	110.9%	36.7ppts
Underlying basic earnings per share (p)^a	36.1p	28.7p	25.8%
Interim dividend (p)	9.9p	8.9p	11.2%
Statutory measures			
Revenue^b	837.5	545.6	53.5%
Operating profit	85.2	73.7	15.6%
Basic earnings per share (p)	32.8p	28.7p	14.3%

Highlights for the six months to 31 January 2026

- Gross invoiced income growth of 33.3% reflects strong, broad-based performance and the contribution from larger solutions projects, together with a pull forward of some customer orders due to memory shortages.
- Strong double-digit gross profit growth of 22.6%, delivered by good progress across all technologies and customer groups, with exceptional performance from the corporate segment.
- The performance was underpinned by our investments over the last few years in headcount, capabilities, systems and data, and we continue to further modernise our operations, with a current focus on data and digital projects, new sales and HR systems, and investment in our people and office network.
- Outstanding underlying operating profit^a growth of 27.3% reflects the gross profit over-delivery coupled with further investment into the business.
- Statutory operating profit of £85.2m, up 15.6% vs. PY, including £8.5m of non-underlying costs recognised during the period, mainly relating to systems investment.
- Underlying cash conversion^a of 147.6%, with closing net cash and cash equivalents of £206.0m (H1 FY2025: £141.0m).
- Interim ordinary dividend of 9.9p, up 11.2% in line with progressive policy, alongside a £45m share buyback programme, which completed in February.
- Outlook: We now expect high single-digit growth in underlying operating profit in FY2026, up from low single-digit previously.

^a See page 12 for full definitions and further reconciliations of Alternative Performance Measures (APMs).

^b Revenue is reported under IFRS 15, the international accounting standard for revenue. IFRS 15 requires judgements be made to determine whether Softcat acts as principal or agent in certain trading transactions. These judgements, coupled with slight variations of business model and contractual arrangements between IT Solutions Providers, means the impact of IFRS 15 across the peer group is not uniform. Income prior to the IFRS 15 adjustment is referred to as gross invoiced income, which is an APM.

Graham Charlton, Softcat CEO, commented,

“Softcat delivered terrific progress in the first half, with growth in gross profit and underlying operating profit well ahead of expectations alongside excellent cash generation. This reflects the benefits of ongoing investment in our offering over the past few years, as well as sharp execution during the current period, and the benefits we are seeing on customer demand for AI enabled infrastructure and our own operational transformation. The trusted advice and exceptional customer service we provide, underpinned by the broadest and deepest technical skills and capabilities in our market, have never been more relevant and I’m delighted with the momentum we’re carrying into the second half.

AI is reshaping customer priorities at pace, and organisations of all sizes are now prioritising the building of the data, infrastructure and security foundations needed to deploy it effectively and at scale. Given the breadth of our offering, these trends play directly to our strengths, with AI increasing customer demand across storage and compute, through the network and onto devices, as well as creating the need for greater security and governance. We are further benefitting from the acquisition of Oakland which has improved our capability in data, automation and AI consulting, enabling us to engage earlier in customers’ transformation journeys.

The strength of our performance enables us to invest in our own systems, data and digital platforms. This is a journey we began several years ago to transform our operations, putting us in prime position as advances in data analytics and AI open up significant business model transformation opportunities.

The market is still only in the early stages of the AI adoption cycle, creating significant long-term opportunities for Softcat. With a compelling proposition aligned to the technologies that matter to our customers, and with the skills and capabilities demanded by our vendors, we remain in the very best position to deliver sustainable growth and further market share gains.”

Outlook

Underlying operating profit growth in the first six months of the financial year is ahead of the Board’s expectations, reflecting strong underlying business performance augmented by pull forward of some customer orders due to memory shortages.

While we enter the next half of our financial year with good momentum, we face a tougher comparative due to the contribution from larger solutions projects in the second half of FY2025. In addition, the net impact of ongoing memory shortages in this next period remains uncertain.

As a result, our expectations are now for high single-digit growth in underlying operating profit in FY2026, up from low single-digit previously.

Analyst and investor call

The management team will host an investor and analyst conference call at 9.30am UK time, on Wednesday, 18 March 2026. To join the conference call, please use the following webcast link:

https://brrmedia.news/SCT_HY26

Please register approximately 10 minutes prior to the start of the call.

For further information, please contact:

Softcat plc:

+44 (0)1628 403 403

Graham Charlton, Chief Executive Officer
Katy Mecklenburgh, Chief Financial Officer
Michael Watts, Head of Investor Relations

FTI Consulting LLP:

+44 (0)20 3727 1000

Ed Bridges
Matt Dixon

Forward-looking statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements.' By their nature, such statements involve risk and uncertainty since they relate to future events and circumstances. Actual results may, and often do, differ materially from any forward-looking statements.

Any forward-looking statements in this announcement reflect management's view with respect to future events as at the date of this announcement. Save as required by law or by the UK Listing Rules of the Financial Conduct Authority, the Group undertakes no obligation to publicly revise any forward-looking statements in this announcement following any change in its expectations or to reflect subsequent events or circumstances following the date of this announcement.

Chief Executive Officer's Review

Performance and market conditions

Our strong performance in the period is significantly ahead of our expectations at the beginning of the year. Softcat's continued success reflects the strength of our special culture and depth of our customer relationships supported by the investments we have made in the business over the last few years, developing broad capabilities across the full stack of modern infrastructure. We remain focused on further enhancing our portfolio, within a tight strategic framework to seize upon the full opportunity that the age of AI offers us.

Our market has stabilised over the past 12 months as interest rates and inflation have moderated and pent-up IT investment has slowly started to be released. While customers remain judicious with their spending, AI readiness and the industry-wide supply challenges for memory and related hardware products are stimulating demand. Uncertainty about how the component shortages will impact lead times and pricing over the next 12-18 months persists, but we remain best-placed to support customers with valuable technical advice, breadth of vendor reach and flexible financial solutions.

During the period customer numbers grew 3.5%, reflecting an acceleration across all segments. We also increased gross profit per customer by 19.0% from progress across all of our different technology towers.

AI use cases are developing at pace and are creating exciting innovations within the application layer of technology. This in turn is placing ever greater demands on the infrastructure layer where our offering is focused. Data centres, whether they sit on premises or in the cloud, now need greater and more versatile compute power than ever before, lower latency storage, more sophisticated and secure networking and connectivity, more powerful devices, and data architecture and governance fit for purpose and protected against a greater range of attack methods. Softcat is at the epicentre of this expanding opportunity and our trusted adviser status with both customers and vendors will be central to the market share gains we will continue to make in the coming years.

In addition to this, we are also investing in the transformation of our own operating model, implementing the systems, data and tools to make us more effective and efficient than ever before. We've been laying the foundation for this evolution for several years and are now making strides in customer and employee experience as a result, positively affecting our results in the period.

Customer technology priorities and industry trends

We continue to see demand from customers across the entire breadth of our technology proposition. AI is a direct stimulus to all five of our technology towers, creating new opportunities and challenges for many organisations. This plays directly to Softcat's core strengths as a trusted partner with priority access to all leading vendor innovations, able to help customers implement, refine and integrate technology solutions to deliver measurable outcomes. We are seeing the emphasis shifting from experimentation to enablement, as customers seek to balance innovation and control with automation and human insight.

Customers are continually seeking to maximise the impact of existing technology investments, with increasing complexity resulting in greater focus on integration, governance, security and architectural support, while also harnessing the benefits of AI and automation across hybrid estates. Our annual customer experience survey shows that organisations continue to cite robust data security and the safe adoption of AI among their top priorities. The transition to AI-enabled productivity, through tools such as Microsoft Copilot, and the upgrade of end-user devices are also areas of focus, all of which are already sources of growth for Softcat today.

Cybersecurity continues to evolve rapidly, driven by both AI technologies and the resulting proliferation of increasingly large and more complex hybrid cloud environments. Organisations are investing in comprehensive data strategies and consistent security measures across cloud and on-premises environments to mitigate risk and enable innovation. Incident detection and response capabilities are increasingly critical, reflecting the heightened threat environment and the need for operational resilience.

The value we provide ranges from product procurement to deep technical support to the design and integration of complex solutions, with the ability to handle complicated multi-vendor logistics, offer customer financing and provide ongoing support services. We are a key partner for both established and emerging vendors, and as the scale and complexity of infrastructure continues to grow, manufacturers are relying on channel partners more than ever to support their customers.

Strategic developments

The underlying principles of our strategic framework remain unchanged. Our people and culture continue to be the first source of our competitive advantage, delivering the best customer service in the industry, fostering trust and loyalty with our customers. This drives our superior performance, enabling further investment in our proposition, enhancing the value we deliver to customers, and over the years has created what is now the broadest and deepest technical offering in the market - the second source of our advantage.

By continuing to nurture our culture we will perpetuate this positive cycle of performance and reinvestment, and realise our longer-term ambitions through a focus across four key engines of growth:

- **Sales and customer excellence** - ensuring that our sales and support teams continue to lead the industry, through training and operational agility, supplemented by the data and insights surfaced from our new systems and data architecture. This will further sharpen the differentiation we can apply to customer segments, offer more tailored digital interactions, and leverage automation and process efficiency.
- **The broadest offering** - our technology proposition, which comprises five key 'towers', helps customers and our own people navigate the unique breadth and richness of our offering. It also clearly articulates the full range of our portfolio, spanning the entirety of modern infrastructure, to customers and vendors. We have clear development plans in place for each tower, comprising technical skills, services offerings (which in each tower span the full range of advisory, architecture, implementation, management and support services) and adding differentiation by customer segment and vertical. We retain the option to accelerate our proposition development through highly selective and targeted acquisitions, adding either technical and/or service capabilities and capacity, as well as potentially greater international reach.
- **Operational excellence** - we will continue to modernise our business operations, becoming increasingly automated, smarter, and easier to interact with. This will improve our scalability and effectiveness, as well as enhancing customer and employee experiences. Following several years of foundational investment in our own internal processes and technology, across finance, data, and other core systems, we are now entering the next phase of optimisation of these core platforms to benefit from embedded automation and AI tools. Over the coming years, this will transform what we can deliver for customers and how we collaborate with vendors and partners.
- **Our special culture** - culture and authenticity of employee engagement remain the single most important driver of Softcat's success. We devote an enormous amount of time and energy to preserving and developing this ethos. The executive leadership and local office management teams set the tone for our values and behaviours, based on

genuine care for people, a shared purpose and celebration of success as a team. We have also significantly invested in our physical office estate, as part of a company-wide programme of major moves and renovations, strengthening employee, customer, vendor, and partner utilisation and collaboration.

Investment for future growth

During the period, we have made further progress on planned investments in our internal systems, data and processes. We are doing this both through the adoption of AI-functionality as it becomes available within third-party systems and through cultivating a culture of internal innovation to create proprietary tools, such as an intuitive assistant to help our salespeople more effectively navigate the otherwise overwhelming breadth of Softcat's proposition ("CatNav"). We have also continued to develop our online IT procurement platform (eCAT), introducing our own direct integrations with vendor systems to enhance the user experience.

We are executing in line with our plan to implement the new sales and HR systems. The design and build phase of the sales system project is now complete and user acceptance testing is under way. Our new HR system is due to be rolled out to all users shortly. These new systems will complement the existing foundational applications we've implemented across the business in recent years, allowing us to begin adopting AI-enabled and automated operations at scale across the business.

Our Group-wide programme of office upgrades continued during the first half, enabling improved collaboration between our people, vendors and customers. Following the move to three new offices during FY25 (in Birmingham, London and Bristol), we relocated our Manchester office in August 2025 and moved to a more central location in Dublin in December, almost doubling the size of our Irish presence. The interim refresh of our Marlow headquarters was also completed in March, while further upgrades and refurbishments are planned for our remaining UK regional offices.

Our people

Softcat's unique culture continues to be the driving force behind our success. Our evolved strategic framework has this competitive advantage at its heart and preserves our commitment to supporting highly engaged employees to deliver exceptional customer service, while recognising the need to adapt in a world of AI transformation. Our long track record of success has been forged on repeated reinvention as we've scaled in size and reach, and we remain confident that the strength of our culture will endure.

We have now formalised the creation of local office leadership teams and empowered them to make more autonomous decisions to drive the employee experience at the local level. We will ensure that our culture remains transparent, is centred around reward and recognition and promotes a continuous flow of informal and formal feedback that can be acted on appropriately. In our annual employee engagement survey, undertaken in October 2025, we achieved an employee net promoter score of 56 (FY2025: 55), which remains at a market-leading level.

Average headcount grew by 10.5% year-on-year to 2,863 in the first half, including Oakland. We continued to focus our investment in people across our technical, specialist and sales support functions, while also growing our internal IT and back-office functions, as we enhance our capabilities to go deeper with existing customers.

During the period, Softcat was recognised as one of Glassdoor's 'Best Places to Work in the UK 2026', which covers UK companies with more than 1,000 employees. We were placed at number 19 and delighted to be recognised based on our employees' honest and independent feedback. This recognition shows the value of investing in our people and

ensures that we remain a place where our employees feel supported, included and proud to belong.

Sustainability

Sustainability continues to play a pivotal role in the success of Softcat. We know that when we put our people and planet first, we help our customers succeed, which drives us to operate more sustainably. We have continued to make progress on our sustainability journey, working towards achieving our ambitious but challenging '10 in 10' carbon reduction plan. We are looking forward to developing more detailed plans to transition to net zero, which will require further actions from us and the delivery of our vendors' net zero plans. We have also embedded circularity at every stage of our customer offering. In addition, both our relocated and refurbished offices have been designed to be sustainable where possible and meet some of the industry's leading certification standards.

During FY2026, we will be reassessing our material targets to ensure our sustainability actions remain in line with our stakeholders' needs and expectations. We intend to do this by completing a double materiality assessment in line with the Global Reporting Initiative and the European Sustainability Reporting Standards. This assessment will explore both financial materiality (the risks particular sustainability issues present to our business) and impact materiality (the impact Softcat has on sustainability issues). We expect to report back on the findings and implications in our next Sustainability Report.

Chief Financial Officer's Review

Financial Summary	H1 FY2026	H1 FY2025	Change
<u>Gross invoiced income split</u>			
Software	£1,118.4m	£942.8m	18.6%
Hardware	£583.6m	£326.6m	78.7%
Services	£306.7m	£237.7m	29.0%
Total gross invoiced income¹	£2,008.6m	£1,507.1m	33.3%
<u>Revenue split</u>			
Software	£133.0m	£105.9m	25.6%
Hardware	£581.5m	£324.6m	79.1%
Services	£123.0m	£115.1m	6.9%
Total revenue	£837.5m	£545.6m	53.5%
Gross profit	£269.9m	£220.2m	22.6%
Gross profit margin ²	13.4%	14.6%	(1.2%) pts
Underlying operating profit³	£93.8m	£73.7m	27.3%
Underlying operating profit margin ²	4.7%	4.9%	(0.2%) pts
Non-underlying items	£(8.5)m	-	-
Statutory operating profit	£85.2m	£73.7m	15.6%
Gross profit per customer ⁴	£52.2k	£43.9k	19.0%
Customer base ⁴	10.4k	10.1k	3.5%
Underlying cash conversion ⁵	147.6%	110.9%	36.7% pts

1 Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue items. This is an Alternative Performance Measure (APM). For further information on this, please refer to page 12.

2 Gross profit margin and underlying operating profit margin are both calculated as a percentage of gross invoiced income.

3 Underlying operating profit and underlying operating profit margin are APMs. For further information on this, please refer to page 12.

4 Gross profit per customer is defined as gross profit generated over the last twelve-months divided by the customer base. Customer base is defined as the number of customers who have transacted with Softcat in both of the preceding twelve-month periods. During FY2025, we undertook an exercise to improve the quality of our customer data, which included aligning all trading entities with a relevant parent company where necessary, resulting in a small reduction in the overall customer base. For comparability, the customer data and associated average GP per customer in H1 FY2025 has also been amended in line with the revised methodology.

5 Underlying cash conversion is defined as net cash generated from operating activities before taxation and any acquisition related cashflows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. This is also an APM. For further information on this, please refer to page 12.

Gross profit, revenue and gross invoiced income

Our H1 FY2026 results reflect the strength of our business model and continued excellent execution as we continue to support the technology solution needs of a diverse range of new and existing customers through our comprehensive breadth of expertise, product offering and services, together with exceptional levels of customer service delivered by our highly engaged employees.

We continue to benefit from the investments, including the acquisition of Oakland, we have made over the last years. Building out our capabilities and improving our internal operations enables us to grow market share and deliver long-term sustainable growth. These investments also position us well to benefit from AI internally and with customers, as more of them seek our advice on their AI transformation journey, which is reflected in an encouraging level of engagement by Oakland with prospective customers.

Gross profit (GP), our primary measure of income, grew by 22.6% to £269.9m reflecting the strength of our underlying business performance, supported by the contribution from

previously disclosed larger solutions projects, and a pull forward of some customer orders due to memory shortages alongside positive vendor rebate mix.

GP growth was broad-based across the entire breadth of our customer segments and technology portfolio. Growth in our corporate sector was particularly strong in the period, led by enterprise and mid-market which grew strong double-digit and supported by public sector which grew high single-digit. By technology area, GP growth continued to be driven by security, reflecting increasing customer focus on cyber investments, alongside growth in data centres and networking, where demand was broad-based and supported by the larger solutions projects. Workplace GP growth was more modest reflecting continued improvement in demand for client devices, but also the impact of Microsoft incentive changes, which we have now annualised.

By product type, software, hardware and services GP all grew double-digit. Hardware growth was driven by datacentre and networking infrastructure, server and compute sales, including the contribution from larger solutions projects. Software GP growth was broad-based with notable strength among security solutions, while services growth was primarily driven by a strong contribution from partner delivered services.

Revenue is reported in accordance with IFRS 15 with some transactions (generally hardware, professional services and internally delivered support and managed services) reported gross (principal) and others (generally software and externally provided support and managed services) reported net (agent) which can make revenue trends hard to understand. We therefore continue to report GII to help provide a clearer view of underlying growth and to support understanding of key balance sheet movements. H1 FY2026 revenue grew overall by 53.5% driven by: (1) hardware revenue growth of 79.1% reflecting strong datacentre, networking, server and compute sales, supported by larger solutions projects. Hardware accounts for a much higher mix of revenue than GII and this is the main reason total revenue growth is higher than GII growth; (2) software revenue growth of 25.6% which was ahead of GII growth of 18.6%, primarily reflecting a shift in mix towards higher margin security licencing; and (3) services revenue growth of 6.9%, reflecting a higher share of externally provided services at lower margin (reported on a net basis).

GII increased 33.3% to £2,008.6m, mainly driven by strong growth in hardware, as discussed above. Software GII grew by 18.6% with strength in cybersecurity licencing software together with Microsoft CSP deals, while services growth of 29.0% was driven by a growing share of partner provided business. GII grew ahead of GP during the period primarily due to the dilutive impact of larger solutions projects at lower margin, resulting in GP as a percentage of GII declining year-on-year to 13.4% (H1 FY2025: 14.6%).

Customer KPIs

During the period, GP per customer grew by 19.0% to £52.2k (H1 FY2025: £43.9k) and the customer base expanded by 3.5% to 10.4k (H1 FY2025: 10.1k). Net new customer numbers grew across all customer segments, led by our mid-market segment, with most of the new additions being customers we've not traded with during the last two years.

As the longevity of the relationship with our customers increases, the GP transacted with them also increases. Over time, customers tend to buy across more technology areas and an increasing range of vendors. Loyalty, as measured by a lower rate of customer churn, also significantly increases. We track this by measuring core KPIs among those customers transacting over £1k of GP with us each year, at which point average churn drops significantly. The number of customers in this more stable cohort, grew by 5.7% to 8.5k during the period, with the average GP delivered from each of those customers expanding by 16.5% to £64.0k.

The long tail of customers with whom we interact less often, along with customers who have not purchased from Softcat in the last 12 months or at all, constitute future growth

opportunities. The balance between winning new customers and doing more with existing customers is integral to our Account Manager model.

Internal analysis, incorporating data from industry sources, indicates that our total addressable market in the UK and Ireland is more than £87bn, growing at an annual average rate of around 10%. We estimate that we serve approximately 20% of the customers in our target market in the UK, based on those who trade with us in two consecutive 12-month periods, with an average 20-25% share of wallet. We therefore continue to see a significant future growth opportunity, which is supportive of our strategy to attract new customers and go deeper with our existing customers.

Operating profitability and investment in future growth

Underlying operating profit of £93.8m (H1 FY2025: £73.7m) increased by 27.3% year-on-year, with underlying operating costs rising by 20.2%, behind GP growth of 22.6%.

Underlying operating cost growth was driven by increased commissions and other variable pay broadly in line with commissionable GP growth and a 15.4% increase in wages and salaries. During the period, average headcount grew by 7.7% year-on-year (10.5% growth including Oakland), while closing headcount grew by 9.4% year-on-year (12.6% growth including Oakland). In addition, the impact of the step up in Employers' National Insurance Contributions is reflected in first half costs, together with the investment in expanding our internal IT team, investment in our data and digital strategy, and increased costs associated with recent office moves to new, larger sites.

As a result of the above, the ratio of underlying operating profit to gross profit has increased to 34.8% (H1 FY2025: 33.5%).

Statutory operating profit of £85.2m (H1 FY2025: £73.7m) increased by 15.6% year-on-year, reflecting the impact of non-underlying costs of £8.5m (H1 FY2025: £Nil).

Non-underlying costs

Non-underlying costs recognised during the period include system development costs of £7.0m relating to the implementation of the new cloud-based sales system and HR system. In addition, there is a £1.5m charge relating to the acquisition of Oakland, consisting of a £1.2m increase in the fair value of contingent consideration, together with the amortisation of acquired intangibles of £0.3m.

Corporation tax charge

The effective tax rate (ETR) for H1 FY2026 was 25.8% (H1 FY2025: 25.2%). The difference between the ETR and the UK statutory rate of 25.0% primarily reflects the disallowable deferred consideration relating to the acquisition of Oakland, together with a small impact from non-deductible expenses. Our tax strategy continues to be focused on paying the right amount of tax in the right jurisdiction, at the right time.

Cash flow and cash conversion

The Group entered the period with £182.3m of cash and cash equivalents before paying an aggregate final ordinary and special dividend of £73.0m in December 2025. In addition, the Group initiated a £45m share buyback programme in January 2026, of which £24.7m had been executed as at the end of the first half. These cash outflows were more than offset by strong cash generation during the period, including a £42.4m upfront customer payment, resulting in cash and cash equivalents at the end of the first half of £206.0m (H1 FY2025: £141.0m).

Underlying cash conversion, representing net cash generated from operating activities (including non-underlying cash costs) before tax and any acquisition related cashflows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit, was 147.6% (H1 FY2025: 110.9%). This strong performance reflects continued good working capital management, offset by investment in offices and IT systems. In addition, there was a beneficial timing impact of £42.4m paid upfront by a single customer. Excluding this advanced customer receipt, cash conversion would have been 102.4%, above our target cash conversion range of 85%-95%. In the prior year, we also experienced an upfront customer payment and excluding this, the comparative cash conversion ratio was 89.2%.

Our capital allocation policy remains unchanged, prioritising long-term investment in organic growth to facilitate further share gains in our expanding addressable market; secondly to maintain a progressive ordinary dividend. Remaining excess capital is then either allocated to compelling strategic investments, which could include bolt-on acquisitions to expand our portfolio offering or international expansion, or is returned to shareholders.

During the period, we have continued to invest in our key priority which is to drive the long-term growth potential of Softcat, by increasing headcount, investing in new office capacity, developing our data and digital platforms, and investing in core systems and IT capability. In addition, the Group's £45m share buyback programme that commenced on 8 January 2026, was subsequently completed on 13 February 2026, enabling us to acquire a total of 3,352,161 ordinary shares for cancellation (equivalent to 1.67% of the issued share capital when the programme commenced), at a volume weighted average price of 1,333p per share.

After the period end, and as part of the Group's ongoing optimisation of its balance sheet and capital allocation policy, a new revolving credit facility (RCF) of £50m was established with a syndicate of lenders in March 2026. The RCF provides the Group with further flexibility to maintain our operating cash floor through a combination of cash on hand and available credit lines, as appropriate. The RCF is currently undrawn.

Finance net income

In the period, net interest income totalled £3.0m (H1 FY2025: £3.1m). The slight decline year-on-year was driven by an increase in lease liability interest costs reflecting recent office relocations, partially offset by higher interest income earned on cash and cash equivalents.

Dividend

An interim ordinary dividend of 9.9p per share (H1 FY2025: 8.9p), amounting to £19.5m (H1 FY2025: £17.8m), has been recommended by the Board of Directors. This is in line with our policy of paying one-third of the previous year's total ordinary dividend as an interim dividend in the current year. The interim dividend will be payable on 20 May 2026, to shareholders whose names are on the register at the close of business on 10 April 2026. Shares in the Group will be quoted ex-dividend on 9 April 2026. The last day for dividend reinvestment plan ('DRIP') elections is 28 April 2026.

Statement of Financial Position

Revenue and cost of sales were not recognised for a large specific order in FY2025, in line with revenue recognition criteria under IFRS 15. A proportion of this has been recognised in FY2026. The customer paid Softcat upfront and, in turn, Softcat paid the supplier upfront for the full order value. In FY2025, this contributed to £290.3m of the increase in contract liabilities, reflecting the associated rise in deferred income as revenue cannot yet be recognised. As at the end of H1 FY2026, the remaining contract liability was £151.5m reflecting goods due to be delivered early in H2 FY2026.

Inventory levels as at the end of FY2025 rose primarily due to goods held or in transit related to this order, contributing £149.5m to the overall increase and a contract fulfilment asset of £72.6m was recognised for goods delivered that have not yet met the criteria for revenue recognition. As at the end of H1 FY2026, there was £136.4m within contract fulfilment assets reflecting goods delivered to the customer that have not yet met the revenue recognition criteria under IFRS 15.

Within trade and other receivables, there remains deferred costs relating to this large specific order.

Alternative Performance Measures

The Group uses several non-Generally Accepted Accounting Practice ('non-GAAP') financial measures in addition to those reported in accordance with IFRS. The Directors believe that these non-GAAP measures which are set out below, assist in providing additional useful information on the underlying trends, sales performance and position of the Group.

Consequently, non-GAAP measures are used by the Directors and management for performance analysis, planning and reporting and have remained consistent with the prior year. These non-GAAP measures comprise gross invoiced income (or 'GI') and cash conversion.

1. **Gross invoiced income** is a measure which correlates closely to the cash received by the business and therefore aids the user's understanding of working capital movements in the statement of financial position and the relationship to sales performance and the mix of products sold. Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue as reported in the IFRS measure. A reconciliation of IFRS Revenue to gross invoiced income is provided within Note 3 of the interim financial statements.
2. **Underlying operating profit** reflects statutory operating profit, adding back non-underlying costs. Non-underlying costs comprise items which, in the opinion of management, should be identified and excluded to provide a consistent and comparable view of the underlying performance of the Group's ongoing business. They are unusual because of their size, nature (one-off, non-trading costs) or incidence.

When evaluating the nature of an item, management considers the following factors, both individually and in combination:

- whether the item is related to activities outside the Group's primary business activities;
- the specific circumstances that led to the recognition of the item;
- the likelihood that the item will recur; and
- whether an item is cash or non-cash

Non underlying costs	H1 2026	H1 2025
	£'000	£'000
Acquisition - contingent consideration liability	1,200	-
Acquisition - amortisation of acquired intangibles	320	-
Major system development costs	7,024	-
	8,544	-

3. **Underlying cash conversion ratio** comprises net cash generated from operating activities before taxation and any acquisition related cashflows, including deferred consideration outflows, net of capital expenditure, as a percentage of underlying operating profit. Underlying cash conversion is an indicator of the Group's ability to convert profits into available cash. In the period ended 31 January 2025 the cash conversion ratio did not incorporate underlying costs or acquisition related cashflows however, as these were nil, no prior year restatement is required. A reconciliation to the adjusted measure for cash conversion is provided below:

	H1 2026	H1 2025
	£'000	£'000
Net cash generated from operating activities	120,506	65,329
Income taxes paid	21,884	24,281
Cash generated from operations	142,390	89,610
Purchase of property, plant and equipment	(3,911)	(4,896)
Purchase of intangible assets	(34)	(2,997)
Cash generated from operations, net of capital expenditure	138,445	81,717
Underlying operating profit	93,777	73,662
Underlying cash conversion ratio	147.6%	110.9%

Removing the impact of the large customer deposit, cash conversion will be 102.4%.

Net cash generated from operating activities includes £7.0m of non-underlying costs.

4. **Underlying basic earnings per ordinary share** reflect statutory basic earnings per ordinary share, adjusted for the profit after tax impact of non-underlying costs.

	H1 2026	H1 2025
	Pence	Pence
Underlying earnings per share - Basic	36.1	28.7

The calculation of the basic earnings per share is based on the following data:

	H1 2026	H1 2025
	£'000	£'000
Earnings		
Earnings for the purposes of earnings per share, being profit for the year	65,468	57,387
Non-underlying costs	8,544	-
Tax effect of non-underlying costs	(1,836)	-
Underlying earnings for the purposes of earnings per share, being profit for the year	72,176	57,387

The tax effect of non-underlying costs varies depending on the nature of the costs.

The weighted average number of shares is given below:

	H1 2026	H1 2025
	000's	000's
Number of shares used for basic earnings per share	199,736	199,623

Principal Risks and Uncertainties

The principal and emerging risks facing the Group have been identified and evaluated by the Board.

In assessing the Group's likely financial performance for the second half of the current financial year, these risks and uncertainties should be considered in addition to the comments made under the heading "outlook" in the Chief Executive Officer's Review.

In summary, principal risks include:

Risk	Potential impacts	Management and mitigation
BUSINESS STRATEGY		
Failure to respond to market changes including technology offering, channel disintermediation, competitor landscape and customer needs. (no change in net risk)	<ul style="list-style-type: none"> Loss of competitive advantage Reduced number of customers and profit per customer 	<ul style="list-style-type: none"> Insight from ongoing industry analysis and subscriptions input into annual strategy process Regular insights into customer priorities including climate-related through the annual customer experience survey results and 'voice of the customer' surveys. Multi-layered relationship with strategic vendors and executive sponsor alignment Regular Quarterly Business Reviews with vendors Regular meetings between senior representatives from sales, technology and vendor management teams to review technology and market trends and customer propositions Accelerating digital platforms and advisory capability to address AI-driven customer and market shifts
OPERATIONAL		
Customer dissatisfaction (no change in net risk)	<ul style="list-style-type: none"> Reputational damage Loss of customers Financial penalties 	<ul style="list-style-type: none"> Dedicated customer experience team, who manage and escalate customer dissatisfaction cases ISO20000-1 IT Service Management and ISO-9001 Quality management certified Ongoing customer service excellence training 'Big-deal review' process Investment in customer-supporting internal IT systems
Cyber security risk & business interruption risk (slight increase in gross and net risk)	<ul style="list-style-type: none"> Inability to deliver managed customer services Prolonged system outage may result in lost sales opportunities and failure to deliver on key business objectives Reputational damage Financial loss Customer dissatisfaction 	<ul style="list-style-type: none"> ISO27001 accredited processes. Group-wide information security policy and mandatory security-related training Regular updates at a Board level on the evolving cyber threat landscape, ensuring that cyber security is treated as an enterprise-wide risk Simulation exercises will be conducted in FY2026 Established and documented processes for incident management, change of control, etc. Access controls aligned with zero trust principles Training and awareness including regular phishing tests

		<ul style="list-style-type: none"> • Key software used is from large multi-national companies who have a 99.9% SLA and who also provide us with SOC 2 reports that provide assurance on their processes and controls • Annual penetration test by a third party • Adoption of NIST 2.0 framework, a recognised cyber maturity framework
FINANCIAL		
Macro-economic factors, including geo-political conditions, impact on customer sentiment, inflationary pressures, interest and foreign currency volatility (no change in net risk)	<ul style="list-style-type: none"> • Short-term supply chain disruption • Reduced customer demand • Reduced profit per customer • Customer insolvencies and cash collection challenges 	<ul style="list-style-type: none"> • Customer base is well diversified in terms of both revenue concentration but also public and commercial sector exposure • Market conditions are factored in our annual budgeting process • Operating costs are budgeted and reviewed regularly • Going concern and viability statements are underpinned by robust analysis of scenarios • Policies and procedures to manage foreign exchange exposures
Ineffective working capital management, including customer credit risk relating to both in-year and multi-year deals (no change in net risk)	<ul style="list-style-type: none"> • Increased bad debts • Increased cost of operations 	<ul style="list-style-type: none"> • Robust credit assessment process including use of trade credit insurance • Clear delegation of authority ensuring decisions are escalated appropriately including to the Board, where relevant • Group-wide maximum credit exposure per customer (across invoiced and orders yet to be fulfilled inclusive of multi-year deals) of £75m, with some limited time-bound exceptions, where specific criteria are met • Support from vendors for multi-year credit risk for unfulfilled orders is regularly sought • Regular review of the aged debt position by management • Defined treasury policy covering liquidity management processes and thresholds • Regular cash forecasting, actual reporting and variance analysis to highlight any adverse trends and allow sufficient time to respond
Failure to retain competitive terms with our suppliers and/or right-size our cost base compared to gross profit generated. (slight increase in gross and net risk)	<ul style="list-style-type: none"> • Higher operating costs • Uncompetitive pricing leading to loss of business • Reduced profitability/margins 	<ul style="list-style-type: none"> • Budgeting process and regular reviews ensure costs are managed appropriately and in consideration of gross profit growth. Any out of budget spend needs management level or Board approval • Close dialogue with supply chain partners • Rebates form an important, but only minority, element of total operating profit. In addition, Rebate programmes tend to be industry standard and not specific to the Group, while vendor aligned teams ensure we optimise available rebate structures • Ongoing training to sales and operations teams to keep pace with

		new vendor programmes
PEOPLE		
Loss of culture (no change in net risk)	<ul style="list-style-type: none"> • Reduced staff engagement • Negative impact on customer service • Loss of talent 	<ul style="list-style-type: none"> • Culture sits at the heart of all changes that are made in Softcat. There is regular communication from Senior Leadership Team members to employees at 'Kick Off' and 'all hands' calls about the importance of culture • Regional offices with empowered local management • Quarterly management satisfaction survey and annual all-employee survey with feedback acted upon. Our engagement and employee net promoter results, which are industry-leading, are regularly reviewed • Regular staff events and incentives • Enhanced internal communication processes and events
Talent, capability & leadership risk (no change in net risk)	<ul style="list-style-type: none"> • Lack of strategic direction • Reduced staff engagement • Loss of talent • Loss of competitive advantage 	<ul style="list-style-type: none"> • Succession planning process in place • Experienced and broad senior management team • Investment in robust recruitment and selection processes • Attrition tracked and action taken as necessary
REGULATORY AND COMPLIANCE		
Compliance with existing regulation/legislation and being prepared for emerging regulation/legislation (no change in net risk)	<ul style="list-style-type: none"> • Financial penalties • Reputational damage • Loss of customers 	<ul style="list-style-type: none"> • Significant investment in a second line of defence function (Risk Assurance and Process Improvement, Information Security, Legal and Company Secretarial teams) • Management committee in place to review second line progress and report to the Audit and Risk Committee • Ongoing engagement with specialist third parties where required

Climate change

In the prior year, in line with the approach recommended by the Climate-related Financial Disclosures ('CFD'), we conducted a formal assessment of the potential impact of climate change to our business and supply chain. Please see our 2025 Annual Report and Accounts, pages 40 to 58 for more information. Climate change is already a component of the risk of failure to respond to market changes when considering the needs of our customers and how products, services and solutions might be affected by the drive towards carbon neutrality. Our most recent analysis concluded that no other climate change-related risk is a principal risk which needs to be incorporated into the list of principal risks shown.

These risks and uncertainties have not changed significantly since those published in the 2025 Annual Report.

Going Concern

Please refer to note 2 under 'Basis of preparation'.

Cautionary Statement

This preliminary announcement has been prepared solely to provide additional information to shareholders to assess the Group's strategies and the potential for those strategies to succeed. The preliminary announcement should not be relied on by any other party or for any other purpose.

In making this preliminary announcement, the Group is not seeking to encourage any investor to either buy or sell shares in the Company. Any investor in any doubt about what action to take is recommended to seek financial advice from an independent financial advisor authorised by the Financial Services and Markets Act 2000.

Directors' Responsibility Statement

The Directors confirm that, to the best of their knowledge:

- the condensed set of financial statements, which has been prepared in accordance with UK adopted IAS 34 Interim Financial Reporting, has been prepared in accordance with the applicable set of accounting standards, gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Group;
- the Interim Management Report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
- the Interim Management Report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

Neither the Group nor the Directors accept any liability to any person in relation to the half-year financial report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90A and schedule 10A of the Financial Services and Markets Act 2000.

Graham Charlton

Chief Executive Officer

17 March 2026

Katy Mecklenburgh

Chief Financial Officer

17 March 2026

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income
For the six months ended 31 January 2026

	Note	Six months ended 31 January		Year ended
		2026	2025	31 July
		Unaudited	Unaudited	Audited
		£'000	£'000	£'000
Revenue	3	837,544	545,584	1,458,411
Cost of sales		(567,683)	(325,379)	(964,133)
Gross profit		269,861	220,205	494,278
Administrative expenses		(176,084)	(146,543)	(314,147)
Underlying operating profit		93,777	73,662	180,131
Non-underlying costs		(8,544)	-	(7,231)
Operating profit		85,233	73,662	172,900
Finance income		3,961	3,682	7,350
Finance cost		(995)	(629)	(2,048)
Profit before taxation		88,199	76,715	178,202
Income tax expense	4	(22,731)	(19,328)	(45,194)
Profit for the period		65,468	57,387	133,008
Other comprehensive income				
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:				
Net (loss)/gain on cash flow hedge		(497)	1,627	(26)
Foreign exchange differences on translation of foreign branches and subsidiaries		(1,622)	119	(885)
Total other comprehensive (loss)/income		(2,119)	1,746	(911)
Total comprehensive income for the period		63,349	59,133	132,097
Profit attributable to:				
Owners of the Parent Company		65,468	57,387	133,008
Total comprehensive income attributable to:				
Owners of the Parent Company		63,349	59,133	132,097
Basic earnings per ordinary share (pence)	13	32.8	28.7	66.6
Diluted earnings per ordinary share (pence)	13	32.5	28.6	66.2

All results are derived from continuing operations.

**Condensed Consolidated Statement of Financial Position
As at 31 January 2026**

		Six months ended		Year ended
		31 January		31 July
		2026	2025	2025
	Note	Unaudited	Unaudited	Audited
		£'000	£'000	£'000
Non-current assets				
Property, plant and equipment		18,493	13,342	16,898
Right-of-use assets	6	32,487	26,752	31,790
Intangible assets and goodwill		18,656	13,422	20,632
Investments		50	-	50
Deferred tax asset		-	2,497	843
		69,686	56,013	70,213
Current assets				
Inventories	7	14,557	21,335	151,901
Trade and other receivables	8	781,280	609,508	713,149
Contract fulfilment assets	9	131,541	-	72,606
Derivative financial assets		1,461	-	-
Income tax receivable		1,508	3,980	1,776
Cash and cash equivalents		206,011	141,045	182,282
		1,136,358	775,868	1,121,714
Total assets		1,206,044	831,881	1,191,927
Current liabilities				
Trade and other payables	10	(582,431)	(440,812)	(471,465)
Contract liabilities	11	(259,170)	(69,328)	(333,206)
Share buyback liability		(22,577)	-	-
Derivative financial liabilities		(3,947)	-	-
Lease liabilities	6	(5,585)	(3,422)	(4,279)
		(873,710)	(513,562)	(808,950)
Non-current liabilities				
Contract liabilities	11	(14,411)	(12,497)	(13,284)
Lease liabilities	6	(31,818)	(24,913)	(30,911)
Deferred tax liability		(16)	-	-
		(46,245)	(37,410)	(44,195)
Total liabilities		(919,955)	(550,972)	(853,145)
Net assets		286,089	280,909	338,782
Equity				
Issued share capital	15	99	100	100
Share premium account		4,979	4,979	4,979
Capital redemption reserve		1	-	-
Cash flow hedge reserve		(808)	1,342	(311)
Foreign exchange revaluation reserve		231	2,857	1,853
Retained earnings		281,587	271,631	332,161
Total equity		286,089	280,909	338,782

Condensed Consolidated Statement of Changes in Equity (Unaudited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Translation reserve £'000	Cash flow hedge reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 August 2024	100	4,979	-	2,738	(285)	290,505	298,037
Profit for the period	-	-	-	-	-	57,387	57,387
Impact of foreign exchange on reserves	-	-	-	119	-	-	119
Net gain on cash flow hedge	-	-	-	-	1,627	-	1,627
Total comprehensive income for the period	-	-	-	119	1,627	57,387	59,133
Share-based payment transactions	-	-	-	-	-	1,652	1,652
Dividends paid	-	-	-	-	-	(77,907)	(77,907)
Dividend equivalents paid	-	-	-	-	-	(99)	(99)
Tax adjustments	-	-	-	-	-	93	93
Balance at 31 January 2025	100	4,979	-	2,857	1,342	271,631	280,909
Balance at 1 August 2025	100	4,979	-	1,853	(311)	332,161	338,782
Profit for the period	-	-	-	-	-	65,468	65,468
Impact of foreign exchange on reserves	-	-	-	(1,622)	-	-	(1,622)
Net loss on cash flow hedge	-	-	-	-	(497)	-	(497)
Total comprehensive income for the period	-	-	-	(1,622)	(497)	65,468	63,349
Share-based payment transactions	-	-	-	-	-	2,348	2,348
Share buyback	(1)	-	1	-	-	(45,000)	(45,000)
Dividends paid	-	-	-	-	-	(72,981)	(72,981)
Dividend equivalents paid	-	-	-	-	-	(128)	(128)
Tax adjustments	-	-	-	-	-	(281)	(281)
Balance at 31 January 2026	99	4,979	1	231	(808)	281,587	286,089

On 7 January 2026 the Group entered into an irrevocable non-discretionary share buyback programme up to a maximum of £45.0m. As the irrevocable agreement was entered into prior to the balance sheet date, the full value of the programme has been recognised as a liability at 31 January 2026. The share repurchase scheme commenced on 8 January 2026, with 1,711,459 shares repurchased in the period for a total consideration of £24.7m (including stamp duty and commission). As at the balance sheet date, 438,998 shares had been repurchased but not cancelled and were considered treasury shares (with a value of £6.3m including stamp duty and commission). The Group completed the share buyback process on 13 February 2026.

Condensed Consolidated Statement of Cash Flows
For the six months ended 31 January 2026

	Note	Six months ended 31 January		Year ended
		2026	2025	31 July
		Unaudited	Unaudited	Audited
		£'000	£'000	£'000
Net cash generated from operating activities	14	120,506	65,329	140,714
Cash flows from investing activities				
Finance income		3,961	3,682	7,350
Acquisition of subsidiaries, net of cash acquired		-	-	(7,417)
Acquisition associated costs		-	-	(722)
Purchase of property, plant and equipment		(3,911)	(4,896)	(11,783)
Purchase of intangible assets		(34)	(2,997)	(3,444)
Net cash generated from/(used in) investing activities		16	(4,211)	(16,016)
Cash flows from financing activities				
Issue of share capital		-	-	-
Purchase of own shares		(22,423)	-	-
Dividends paid	5	(72,981)	(77,907)	(95,704)
Payment of principal portion of lease liabilities	6	(402)	(110)	(395)
Payment of interest portion of lease liabilities	6	(995)	(629)	(2,048)
Net cash used in financing activities		(96,801)	(78,646)	(98,147)
Net increase/(decrease) in cash and cash equivalents		23,721	(17,528)	26,551
Cash and cash equivalents at beginning of period		182,282	158,454	158,454
Exchange gains/(losses) on cash and cash equivalents		8	119	(2,723)
Cash and cash equivalents at end of period		206,011	141,045	182,282

Notes to the Condensed Consolidated Interim Financial Statements

1. General information

The Directors of Softcat plc (the "Group") present their Interim Report and the unaudited Condensed Consolidated Interim Financial Statements for the six months ended 31 January 2026 ("Condensed Consolidated Interim Financial Statements").

Softcat plc is a public limited company, incorporated and domiciled in England and Wales. Its registered address is Solar House, Fieldhouse Lane, Marlow, Buckinghamshire, SL7 1LW.

The Condensed Consolidated Interim Financial Statements have been reviewed, but not audited, by Ernst & Young LLP and were approved by the Board of Directors on 17 March 2026. The financial information contained in this report does not constitute statutory accounts within the meaning of section 434 of the Companies Act 2006. The Condensed Consolidated Interim Financial Statements should be read in conjunction with the Annual Report and Financial Statements for the year ended 31 July 2025, which have been prepared in accordance with UK-adopted international accounting standards (IFRS) in accordance with the requirements of the Companies Act 2006. The Annual Report and Financial Statements for the year ended 31 July 2025 were approved by the Board of Directors on 21 October 2025 and delivered to the Registrar of Companies. The auditor's report on those financial statements was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 498(2) or (3) of the Companies Act 2006.

2. Accounting policies

Basis of preparation

These Condensed Consolidated Interim Financial Statements have been prepared in accordance with UK adopted International Accounting Standard ("IAS") 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The Condensed Consolidated Interim Financial Statements are presented in Pounds Sterling, rounded to the nearest thousand ('£'000'), unless otherwise stated. They were prepared under the historical cost convention.

The accounting policies adopted in the preparation of the Condensed Consolidated Interim Financial Statements are consistent with those applied in the preparation of the Group's Financial Statements for the year ended 31 July 2025.

Going Concern

The Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period to at least 31 March 2027.

Overview

In considering the going concern basis for preparing this financial information, the Directors consider the Group's objectives and strategy, its principal risks and uncertainties in achieving its objectives and its review of business performance and financial position, which are all set out in the Chief Financial Officer's review.

Given the current geopolitical and economic uncertainty and considering the latest guidance issued by the FRC the Directors have undertaken a comprehensive going concern review.

The Group has modelled three scenarios in its assessment of going concern. These are:

- the base case;
- the severe but plausible case; and
- the reverse stress test cases.

Further details, including the analysis performed and conclusion reached, are set out below.

The Directors have reviewed detailed financial forecasts for a twelve-month period from the date of this report (the going concern period) until 31 March 2027.

Liquidity and financing position

At 31 January 2026 the Group held instantly accessible cash and cash equivalents of £206.0m, with net current assets of £262.4m. Note 1 to the financial statements in the Annual Report includes the Group's objectives, policies and processes for managing its capital, its financial risk management and its exposures to credit risk and liquidity risk. Operational cash flow forecasts for the going concern period are sufficient to support the business with the desired liquidity position set by the Board not being breached.

There is a sufficient level of liquidity headroom post mitigation across the going concern forecast period in base and severe but plausible scenarios considered and outlined in more detail below.

As noted in note 17 on 17 March 2026 the Group has entered into a committed revolving credit facility agreement with a syndicate of banks. The facility has an initial term of four years, with options to extend for up to two additional one year periods, subject to lender approval. The facility is intended to provide liquidity headroom and further financial flexibility to the Group.

Geopolitical and economic uncertainty

Management have, in all three scenarios, considered the principal challenges to short-term business performance which are expected to be;

- industry challenges around component pricing and availability (RAM shortages);
- changes to market dynamics or loss of competitiveness against Softcat competitors; and
- higher risk of credit losses.

Despite the geopolitical and economic uncertainty, the Group has traded strongly, delivering double-digit year-on-year growth in both gross profit and operating profit. The Board continue to monitor the global and national economic environment and organise operations accordingly.

Base case

The base case, which was approved by the Board in March 2026, takes into account the FY2026 budget process which includes estimated growth and increased cost across the going concern period and is consistent with the actual trading experience through to February 2026. The key inputs and assumptions in the base case include:

- continued revenue growth in line with historic rates;
- rebate income continues to be received in proportion to cost of sales as in FY2025;
- employee commission is incurred in line with the gross margin; and
- increased levels of cost to reflect continued investment in our people and the business's IT infrastructure.

The Group has taken a measured approach to the base case and has balanced the expected trading conditions with available opportunities in an increasingly resilient area of customer spend, which is supported by the current financial position. Year to date trading to the end of February 2026 is consistent with the base case forecast.

Severe but plausible case

Given the current geopolitical and economic uncertainty facing our customer base and supply chain, we have modelled a severe but plausible scenario. In this case we have modelled a decline in revenue, versus the base case, which is worse than any historic trend and more severe than experienced during the height of the COVID-19 pandemic. Further impacts of this scenario such as reduced margins and greater credit losses have also been considered.

The key inputs and assumptions, compared to the base case, include:

- an average 5% reduction in revenue;
- reduced gross profit margins of 0.5% in the period;
- additional bad debt write offs of £4.8m per annum, across the forecast period;
- an average 5% reduction in rebates;
- extending the debtor days from historic levels achieved and no change to historic supplier payment days by an additional 3 days;
- paying a reduced final dividend in line with lower profitability but still within the range set out in the dividend policy; and

- commission cost adjusted downwards in line with reduced profitability and cost of sales, but at the same percentage rates as in the base case.

The purpose of this scenario was to consider if there was a significant risk that the Group would move to being cash negative in any of the months in the going concern period. Even at these lower levels of activity, which the Directors believe is a highly unlikely outcome, the Group continues to be profitable and always maintains a positive cash balance. Despite this, management have modelled further cost saving and working capital actions (see mitigating actions) that will enable the Group to mitigate the impact of reduced cash generation further and achieve the Board's desired minimum cash position, should this scenario occur. The Directors are confident that they can implement these actions if required.

Mitigating actions

There are several potential management actions that have not been included in the severe but plausible forecast, including significant cost reduction measures and additional annual working capital savings. The actions which if implemented would include:

- savings in discretionary areas of spend;
- delayed payment to suppliers foregoing early settlement discount; and
- short term supplier payment management.

The mitigations are deemed achievable and reasonable as the Group benefits from a flexible business model with a high proportion of costs linked to performance.

Reverse stress tests

The Directors have performed an analysis of each variable used in the severe but plausible case that would, standalone, trigger a threat to the going concern status of the business. This reverse stress testing goes beyond what is considered in the severe but plausible scenario to understand the limits of the business model.

Before a negative cash balance within the going concern period is likely, the following key inputs and assumptions, compared to the base case, would be required:

- a reduction in sales of 90%;
- reduction in gross margin of 6ppts; and
- extending the debtor days by an additional six days.

The Board considers the forecasts and assumptions used in the reverse stress tests, as well as the events that could lead to it, to be extremely remote.

Going concern conclusion

Based on the forecast and the scenarios modelled, together with the performance of the Group to date, the Directors consider that the Group has sufficient liquidity headroom to continue in operational existence for the twelve-month period from the date of this report (the going concern period) until 31 March 2027. Accordingly, at the March 2026 Board meeting, the Directors concluded from this analysis it was appropriate to continue to adopt the going concern basis in preparing the Condensed Consolidated Interim Financial Statements. Should the impact of these conditions be even more prolonged or severe than currently forecast by the Directors under the severe but plausible case scenario, the Group would need to implement additional operational or financial measures.

In relation to the identified potential climate change-related risks and opportunities, the Directors do not believe there would be a material impact on cash flows in the going concern period.

Critical accounting judgements and key sources of estimation uncertainty

When applying the Group's accounting policies, management must make several key judgements involving estimates and assumptions concerning the future. Key judgements management have made are those which have the most significant effect on the amounts recognised in the financial statements. Key sources of estimation uncertainty are those assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The key judgements and sources of estimation uncertainty reported in the financial statements for the year ended 31 July 2025 are still relevant. There have been no new areas of significant accounting judgement or key sources of estimation uncertainty arising from operations in the first six months of the financial year to 31 July 2026, nor in the months to the date of publication of this interim report.

Changes to accounting standards

No new standards or amendments became effective in the period to 31 January 2026 which have had a material effect on the financial statements.

3. Segmental information

The information reported to the Group's Chief Executive Officer, who is considered to be the chief operating decision maker for the purposes of resource allocation and assessment of performance, is based wholly on the overall activities of the Group. The Group has therefore determined that it has only one reportable segment under IFRS 8, which is that of "value-added IT reseller and IT infrastructure solutions provider". The Group's revenue, results and assets for this one reportable segment can be determined by reference to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income and Condensed Consolidated Statement of Financial Position. An analysis of revenues by product, which form one reportable segment, is set out below:

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Revenue by type			
Software	133,058	105,940	227,242
Hardware	581,517	324,584	985,724
Services	122,969	115,060	245,445
	837,544	545,584	1,458,411
Gross invoiced income by type			
Software	1,118,432	942,784	2,074,532
Hardware	583,561	326,572	992,184
Services	306,651	237,705	550,243
	2,008,644	1,507,061	3,616,959
Revenue by type of business			
	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Small and medium	574,379	336,006	914,190
Enterprise	161,220	127,346	318,380
Public sector	101,945	82,232	225,841
	837,544	545,584	1,458,411
Gross invoiced income by type of business			
Small and medium	1,068,975	736,212	1,730,301
Enterprise	404,424	306,070	675,629
Public sector	535,245	464,779	1,211,029
	2,008,644	1,507,061	3,616,959

Gross invoiced income reflects gross income billed to customers adjusted for deferred and accrued revenue items. Softcat continues to report gross invoiced income as an alternative financial KPI as this measure allows a consistent, year on year, understanding of gross income billed, business performance and position and correlates closely to working capital movements. The impact of IFRS 15 and principal versus agent consideration is an equal reduction to both revenue and cost of sales.

Reconciliation of gross invoiced income to revenue

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Gross invoiced income	2,008,644	1,507,061	3,616,959
Income recognised as agent under IFRS 15	(1,171,100)	(961,477)	(2,158,548)
Revenue	837,544	545,584	1,458,411

The total revenue for the Group has been derived from its principal activity as a value-added IT reseller and IT infrastructure solutions provider. Substantially all this revenue relates to trading undertaken in the United Kingdom.

4. Taxation

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Current Tax			
Current period	22,290	19,205	44,142
Adjustment in respect of current income tax in previous years	-	-	(332)
Foreign tax effects	-	-	55
Deferred Tax			
Temporary differences	441	123	1,329
Total tax charge for the period	22,731	19,328	45,194

The income tax expense was recognised based on management's best estimate of the annual income tax rate expected for the full financial year, applied to the profit before tax for the half year ended 31 January 2026. On this basis, the Group's tax charge was £22.7m (H1 2025: £19.3m). The half year effective tax rate being 25.8% (H1 2025: 25.2%).

5. Dividends

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Declared and paid during the period			
Interim dividend	-	-	17,794
Final dividend	40,789	36,159	36,158
Special dividend	32,192	41,748	41,752
	72,981	77,907	95,704

An interim dividend of 9.9p per share, amounting to a total dividend of £19.5m, was declared post period end and is to be paid on 20 May 2026 to those on the share register at the close of business on 10 April 2026.

6. Right-of-use assets and lease liabilities

Leases - as a lessee

Softcat has lease contracts for various properties and offices across the country, used for its operations. Property leases generally have lease terms of between 3 and 10 years. A number of these contracts include extension and termination options which are discussed below.

Softcat also has lease contracts for electric vehicles to facilitate an employee benefit programme, which generally have lease terms of between two and five years.

Set out below are the carrying amounts of right-of-use assets recognised and movements during the period:

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Opening right-of-use asset	31,790	10,066	10,066
Lease additions and modifications	2,661	18,087	27,607
Acquired through business combinations	-	-	1,133
Disposals	(51)	-	(3,198)
Depreciation	(1,913)	(1,401)	(3,818)
Closing right-of-use asset	32,487	26,752	31,790

Set out below are the carrying amounts of lease liabilities included under current and non-current liabilities and the movements during the period:

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Opening lease liability	35,190	10,358	10,358
Lease additions and modifications	2,661	18,087	27,607
Acquired through business combinations	-	-	1,133
Disposals	(46)	-	(3,513)
Accretion of interest	995	629	2,048
Payments	(1,397)	(739)	(2,443)
Closing lease liability	37,403	28,335	35,190
Current lease liability	5,585	3,422	4,279
Non-current lease liability	31,818	24,913	30,911
	37,403	28,335	35,190

Softcat had no variable lease expenses charged or income from sub-leases credited to the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, nor any sale and leaseback transactions.

Softcat has several lease contracts that include termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio to align to business needs. Management exercises significant judgement in determining whether these options are reasonably certain to be exercised.

As at 31 January 2026, the undiscounted potential future rental payments relating to periods following the exercise date of termination options that are not included in the lease term were £Nil (H1 2025: £Nil).

Lease charges related to low value and short-term leases recognised in the Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income was £327,665 (H1 2025: £38,787).

7. Inventories

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Finished goods and goods for resale	14,557	21,335	151,901

The decrease in stock since year end is predominantly driven by stock in transit for a specific customer having been delivered in the period.

8. Trade and other receivables

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Trade receivables	645,346	499,267	547,398
Allowance for expected credit losses	(5,485)	(3,672)	(4,450)
Net trade receivables	639,861	495,595	542,948
Unbilled receivables	69,432	67,797	59,412
Prepayments	6,929	5,886	10,336
Accrued income	20,389	11,505	17,579
Deferred costs	44,669	27,384	82,874
Other receivables	-	1,341	-
	781,280	609,508	713,149

9. Contract fulfilment assets

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Contract fulfilment assets	131,541	-	72,606

The increase in contract fulfilment assets at the period end is driven by a specific order where Softcat have delivered goods to the customer but have not yet met the revenue recognition criteria under IFRS 15.

10. Trade and other payables

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Trade payables	406,741	302,293	285,893
Other taxes and social security	19,936	13,580	20,814
Accruals	146,729	122,916	161,363
Provisions	9,025	2,023	2,626
Other payables	-	-	769
	582,431	440,812	471,465

Provisions include onerous contracts, dilapidations, and legal provisions, which have been disclosed separately due to the material balance at the period end. These were included within accruals in the prior period end.

11. Contract liabilities

Contract liabilities are split as:

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Current deferred income	259,170	69,328	333,206
Non-current deferred income	14,411	12,497	13,284
	273,581	81,825	346,490

Contract balances

Deferred income includes goods or services to be delivered to customers by Softcat for which there is a contractual obligation arising from receipt of consideration or amounts due from the customer. Of this balance, £42.7m relates to a single customer advance and £151.5m relates to orders for which goods were in transit at the period end. The remaining balances on these accounts have moved in line with the activity of the business and customer base. As at 31 January 2026, £273.6m remains on the Condensed Consolidated Statement of Financial Position as a contract liability. Softcat expects that £259.2m of the balance as at 31 January 2026 will be released in the following 12 months with the balance released within 2-5 years. Of the £346.5m balance as at 31 July 2025, £178.0m has been recognised in this period.

12. Financial instruments

The Group's principal financial liabilities comprise trade and other payables including lease liabilities, and derivative financial liabilities. The primary purpose of these financial liabilities is to finance the Group's operations. The Group has trade and other receivables, derivative financial assets, and cash that derive directly from its operations.

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Financial assets			
Financial assets held at amortised cost:			
Cash at bank and in hand	206,011	141,045	182,282
Trade receivables, other receivables and accrued income	729,682	576,238	619,939
	935,693	717,283	802,221
Financial assets held at fair value through other comprehensive income:			
Derivative financial assets	1,461	-	-
Financial liabilities			
The financial liabilities of the Group were as follows:			
Trade payables	(406,741)	(302,293)	(285,893)
Accruals	(146,729)	(124,939)	(163,989)
Lease liabilities	(37,403)	(28,335)	(35,190)
Contract liabilities	(42,663)	-	-
	(633,536)	(455,567)	(485,072)
Financial liabilities held at fair value through other comprehensive income:			
Derivative financial liabilities	(2,285)	-	-
Financial liabilities held at fair value through profit and loss:			
Derivative financial liabilities	(1,662)	-	-

The Directors consider that the carrying amounts for all financial assets and liabilities (excluding lease liabilities) approximate to their fair value.

Derivative financial assets and derivative financial liabilities comprise foreign exchange forward contracts to manage exposure to foreign currency exchange rates.

13. Earnings per share (EPS)

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited Pence	Unaudited Pence	Audited Pence
Earnings per share			
Basic	32.8	28.7	66.6
Diluted	32.5	28.6	66.2

The calculation of the earnings per share and diluted earnings per share is based on the following data:

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Earnings			
Earnings for the purposes of EPS, being profit for the period	65,468	57,387	133,008

The weighted average number of shares is given below:

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited 000's	Unaudited 000's	Audited 000's
Number of shares used for basic earnings per share	199,736	199,623	199,690
Number of shares expected to be issued at nil consideration following exercise of share options	1,449	1,227	1,163
Number of shares used for diluted earnings per share	201,185	200,850	200,853

14. Notes to the cash flow statement

Reconciliation of operating profit to net cash inflow from operating activities

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Operating profit	85,233	73,662	172,900
Depreciation of property, plant and equipment	1,998	1,386	3,117
Depreciation of right-of-use assets	1,913	1,401	3,818
Amortisation of intangibles	2,010	1,183	3,551
Impairment of property plant and equipment	-	-	1,300
Loss on disposal of property, plant and equipment	317	-	385
Loss/(gain) on disposal of right-of-use assets	5	-	(314)
Dividend equivalents paid	(128)	(99)	(95)
Acquisition associated costs	-	-	722
(Gain)/loss on foreign exchange	(410)	-	2,723
Cost of equity-settled employee share schemes	2,348	1,652	4,188
Operating cash flow before movements in working capital	93,286	79,185	192,295
Decrease/(increase) in inventories	137,344	(18,419)	(148,985)
Increase in trade and other receivables	(127,066)	(22,865)	(199,324)
Increase in trade and other payables and contract liabilities	38,826	51,709	343,503
Cash generated from operations	142,390	89,610	187,489
Income taxes paid	(21,884)	(24,281)	(46,775)
Net cash generated from operating activities	120,506	65,329	140,714

15. Share capital

	Six months ended 31 January		Year ended 31 July
	2026	2025	2025
	Unaudited £'000	Unaudited £'000	Audited £'000
Ordinary shares of 0.05p each	99	100	100
Deferred shares of 1p each	-	-	-
	99	100	100

On 8 January 2026 the Group announced a Share Repurchase Programme under which it entered into an agreement with its broker, J.P. Morgan Securities plc, to purchase the Group's shares for an aggregate value of up to £45.0m. The broker managed the purchases on a non-discretionary basis, purchasing shares within pre-set parameters on the open market and making their trading decisions independently of the Group. The Group intends to cancel all shares purchased under the Programme.

At 31 January 2026 the Group had repurchased 1,711,459 shares for consideration of £24.5m plus costs of £0.2m. The purchase has been treated as a distribution through retained earnings. Of this amount £22.3m (plus costs of £0.1m) was paid at the period end with the balance of £2.2m (plus costs of £0.1m) accrued and paid on 3 February 2026.

At the reporting date 1,272,461 of these shares had been cancelled and the remainder were cancelled on 3 February 2026.

16. Related party transactions

Dividends to Directors

The following Directors, who served as Directors for either the whole or part of the interim period, were paid the following dividends:

	Six months ended 31 January		Year ended 31 July
	2026 Unaudited £'000	2025 Unaudited £'000	2025 Audited £'000
G Watt	53	53	66
G Charlton	56	46	67
K Mecklenburgh	4	-	6
J Ferguson	1	-	-
V Murria ¹	-	65	79
R Perriss	5	6	7
L Weedall	-	1	1
M Prakash	-	-	-
	119	171	226

¹Vin Murria retired from the Board in December 2024.

Except for the above, there were no other significant related party transactions.

17. Post balance sheet events

Dividend

An interim dividend of 9.9p per share, amounting to a total dividend of £19.5m was declared post period end and is to be paid on 20 May 2026 to those on the share register at the close of business on 10 April 2026.

Share buyback

After the period end, the Group completed the share buyback programme detailed in note 15, repurchasing and cancelling the remaining 1,640,702 shares for a total consideration of £20.2m plus costs of £0.1m.

Debt facility

As part of the Group's ongoing optimisation of its balance sheet and capital allocation policy, a new revolving credit facility (RCF) of £50.0m was established with a syndicate of lenders in March 2026. The RCF provides the Group with further flexibility to maintain the operating cash floor through a combination of cash on hand and available credit lines, as appropriate.

Conclusion

We have been engaged by the Group to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2026 which comprises Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income, Condensed Consolidated Statement of Financial Position, Condensed Consolidated Statement of Changes in Equity, Condensed Consolidated Statement of Cash Flows and Explanatory Notes 1 to 17. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2026 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 1 and 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, "Interim Financial Reporting".

Conclusions Relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP
London
17 March 2026

Corporate Information

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Directors

G Watt
G Charlton
K Mecklenburgh
J Ferguson
R Perriss
L Weedall
M Prakash

Secretary

L Thomas

Company registration number

02174990

Softcat LEI

213800N42YZLR9GLVC42

Registered office

Solar House
Fieldhouse Lane
Marlow
Buckinghamshire
SL7 1LW

Auditor

Ernst & Young LLP
1 More London Place
London
SE1 2AF