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CAPITAL MARKETS

10 Small Caps to Buy

June 2026

Report written by Clear Capital research

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UK equity markets continue to navigate a challenging macro backdrop, with the Middle East conflict sustaining elevated energy prices and weighing on the growth outlook. The FTSE 100 ended April down 0.75% at 10,379 while the FTSE 250 fell 0.8% to 22,582, as higher energy costs combined with weak consumer confidence to dampen the near-term outlook. [1]

The Bank of England’s Monetary Policy Committee voted 8–1 to hold Bank Rate at 3.75% at its April 2026 meeting, with one member voting for an increase to 4%, as policymakers weighed the inflationary impact of the energy shock against an already loosening labour market and subdued growth. [2] CPI rose to 3.3% in the twelve months to March 2026, up from 3.0% in February, with motor fuels making the largest upward contribution and services inflation rising to 4.5%, while the Bank noted inflation could peak as high as 6.2% in early 2027 under a severe scenario. [3] GDP growth for Q1 2026 came in at 0.5% for the three months to February, a modest rebound from late 2025 weakness, but the IMF and OECD have both marked down the UK’s 2026 growth forecast by 0.5 percentage points — the largest downgrade of any rich country — reflecting Britain’s above-average exposure to gas prices. [4]

AIM has demonstrated notable resilience through this period, outperforming the FTSE 100 since the onset of the Middle East conflict, bouncing from near-record lows as forced selling faded and fundraising activity resumed. [1] With 615 constituents and a total market capitalisation of approximately £68 billion, the junior market remains deeply unloved on a historical basis, which creates a compelling hunting ground for quality names with genuine operational catalysts independent of the macro cycle. Stock selection is consequently critical: the ten names selected this month span healthcare technology, precision engineering, energy transition, software-as-a-service and structural steel, combining constructive technical setups with clear fundamental re-rating potential.

The AIM All-Share has staged a strong recovery from its March 2026 lows around 675, rallying approximately 20% to test resistance in the 810–820 region that has capped the index repeatedly since mid-2024. On the weekly chart this resistance level is clearly defined, with the index now pressing against it for a sustained period following the sharpest recovery of the past two years. A confirmed break and close above this zone would complete what appears to be a substantial base pattern built across 2024 and 2025, and would represent a technically significant development for the broader small-cap market. Against this backdrop, the ten names selected this month combine improving fundamentals with constructive individual technical setups, and a resolution of the index-level resistance would provide a meaningful additional tailwind for the asset class as a whole.



Source: [1] Proactive Investors – Small Cap Movers: AIM Rebound Outperforms FTSE 100 (24 Apr 2026). Proactive Investors, [2] Bank of England – Bank Rate Maintained at 3.75%, April 2026 Monetary Policy Summary (30 Apr 2026). Bank of England, [3] ONS – Consumer Price Inflation, UK: March 2026 (22 Apr 2026). Office for National Statistics, [4] Resolution Foundation – The Macroeconomic Policy Outlook Q2 2026 (May 2026). Resolution Foundation.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

ABINGDON HEALTH (ABDX)

Abingdon Health is a York-based international developer, manufacturer and regulatory services provider for rapid diagnostic tests and med-tech, offering an end-to-end contract development and manufacturing organisation service with operations in the UK and the USA. [5]

Fundamentals

Interim results for H1 FY26 showed total revenues up 45% to £4.5 million, with reported revenue of £4.2 million representing 37% growth, and the board maintaining full year FY26 revenue guidance of £12.6 million in line with market expectations. [5] A significant CDx partnership with 4TEEN4 Pharmaceuticals to develop a companion diagnostic for invobenitug, a first-in-class antibody therapy targeting cardiogenic and septic shock, represents the highest-quality single contract in the company's post-COVID history and validates Abingdon as a partner of choice for well-capitalised European pharmaceutical companies. [6] With the board guiding positive adjusted EBITDA and operating cash flow in H2 FY26 alongside a strengthened balance sheet, the shares have scope to re-rate toward profitability-stage multiples if the second half delivers as guided. [5]

Market Capitalisation: £28.87m

Sector: Healthcare

12 Month Price Range: 5.10 – 13.00p

5 Year Price Range: 3.60 – 84.5p

Technical Analysis

Abingdon Health has recovered from its 52-week lows and built a constructive base in the 8–11p range, supported by a volume ratio among the highest in this month's selection, indicating strong recent participation. The stock trades in a Rising Formation across near and mid-term bands. Provided the 7p support level holds, the technical structure is positive and the H2 profitability milestone provides a clear near-term catalyst.

Verdict: BUY

Buy between 9 – 11.00p

Stop: 6.50p

Target: 20p



Source: [5] LSE RNS – Interim Results H1 to 31 December 2025 (17 Mar 2026). London Stock Exchange, [6] LSE RNS – 4TEEN4 Pharmaceuticals Partnership Update (06 May 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 26th, 2026 the performance is dividend adjusted

XAAR (XAR)

Xaar is a Cambridge-based inkjet printing technology group that designs and manufactures industrial printhead and precision jetting systems for customers in manufacturing sectors worldwide, including ceramics, packaging, textiles and additive manufacturing. [7]

Fundamentals

Full year results for 2025 showed revenue up 12% to £60.1 million, with printhead revenue rising 22% to £43.0 million and the group reporting an adjusted profit before tax of £0.8 million, a meaningful improvement from a £1.0 million loss in 2024, with net cash of £4.9 million. [7] Early trading in 2026 is in line with expectations with a healthy order book, and the board noted a commercial breakthrough in the jewellery wax 3D printing market alongside the opening of a new ink-delivery manufacturing facility in Dongguan to improve supply chain efficiency. [7] With printhead revenue growing at double-digit rates, the group approaching sustained profitability and a strong pipeline of new application opportunities, the shares have scope to re-rate from current levels if management can demonstrate consistent earnings delivery through 2026. [7]

Market Capitalisation: £115.70m

Sector: Technology

12 Month Price Range: 96.4 – 150.00p

5 Year Price Range: 57.6 – 275p

Technical Analysis

Xaar has built a steady recovery over the past twelve months from its 52-week lows, with the trend of higher lows intact and the stock trading above both its 50-day and 200-day moving averages. The volume profile has been constructive through the recovery, confirming accumulation rather than a short-lived bounce. Both the near and mid-term bands are in a Rising Formation. Provided the 110p area holds as support, the technical picture remains positive.

Verdict: BUY

Buy between 130 – 140p

Stop: 115p

Target: 180p



TradingView

Source: [7] LSE RNS – Final Results for the Year Ended 31 December 2025 (25 Mar 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

CAPRICORN ENERGY (CNE)

Capricorn Energy is a cash flow-focused independent oil and gas producer operating onshore in Egypt’s Western Desert, with a portfolio of development and production assets concentrated in the Badr El Din area following the consolidation of multiple legacy concession agreements into a single merged concession. [8]

Fundamentals

Full year 2025 results showed working interest production of 20,024 boepd at the upper end of guidance, revenues of \$134 million, net cash inflows of \$81 million from Egyptian operations post-capex, and a year-end net cash position of approximately \$103 million following the early repayment of the Senior Debt Facility. [8] The merged concession agreement, which received final-stage approval from the Egyptian Cabinet in December 2025 with parliamentary ratification expected in H1 2026, secures access to an additional development lease area and two open exploration areas, supporting a 20.2 mmboe increase in working interest 2P reserves at year end. [8] For 2026 the company is guiding production of 18,000 to 22,000 boepd with capital expenditure of \$85 to \$95 million, and if the merged concession is formally ratified as expected, the improved fiscal terms should drive higher investment returns across a range of oil prices. [9]

Market Capitalisation: £221.45m

Sector: Energy

12 Month Price Range: 182 – 339p

5 Year Price Range: 85.2 – 342p

Technical Analysis

Capricorn has been rebuilding steadily, with the shares recovering from their 52-week lows and trading around the 260p level above both key moving averages. The stock has maintained a pattern of higher lows over recent months and is showing a Rising Formation across the near and mid-term bands. Provided the 230p support level holds, the technical structure remains constructive and the H1 ratification catalyst could provide the next leg higher.

Verdict: BUY

Buy between 280 – 300p

Stop: 240p

Target: 380p



Source: [8] Capricorn Energy – Full Year Results 2025 (26 Mar 2026). London Stock Exchange, [9] LSE RNS – Operational and Trading Update (23 Feb 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

SAVANNAH RESOURCES (SAV)

Savannah Resources is the sole developer of the Barroso Lithium Project in northern Portugal, Europe’s largest battery-grade spodumene lithium resource, which has been designated a Strategic Project by the European Commission under the Critical Raw Materials Act. [10]

Fundamentals

The project was approved for a Portuguese State development grant of up to €110 million in January 2026, providing a significant non-dilutive funding contribution toward the Definitive Feasibility Study and early development capital. [10] The European Commission reconfirmed Barroso’s Strategic Project status in December 2025 following an internal review, firmly rejecting attempts to have the project removed from the EU Strategic Projects list and strengthening the regulatory position ahead of the DFS. [11] With AMG Critical Materials remaining the largest shareholder, strategic partner and proposed offtaker, a potential German government loan guarantee of up to \$270 million in discussion, and the DFS expected to complete in H1 2026, the shares have scope to re-rate further as the project de-risks at a time of heightened European focus on critical minerals supply security. [10]

Market Capitalisation: £177.62m

Sector: Basic Materials

12 Month Price Range: 3.10 – 7.70p

5 Year Price Range: 1.50 – 7.70p

Technical Analysis

Savannah Resources has established a clear uptrend over the past twelve months, recovering from multi-year lows as the regulatory and funding milestones for Barroso have accumulated. The stock has built a series of higher lows and is consolidating below the recent high, maintaining a Rising Formation across near and mid-term bands. Provided the 5p support level holds, the technical structure remains positive ahead of the DFS completion.

Verdict: BUY

Buy between 5.50 – 7.00p

Stop: 4.00p

Target: 12p



Source: [10] LSE RNS – Investor Presentation (07 Apr 2026). London Stock Exchange, [11] LSE RNS – Reconfirmation of Strategic Project Status (04 Dec 2025). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

TEN LIFESTYLE GROUP (TENG)

Ten Lifestyle Group is a global concierge technology platform that drives customer loyalty for financial institutions and other premium brands, operating through multi-year platform-as-a-service contracts serving millions of members across lifestyle, travel, dining and entertainment. [12]

Fundamentals

Interim results for H1 2026 showed net revenue up 6% to £33.7 million, up 9% at constant currency, with adjusted EBITDA up 16% to £7.0 million and active members growing 23% to 436,000, driven by higher engagement with the digital platform. [12] The period saw the launch of the Ten Digital Platform with a leading UK bank, the signing of a Medium fully digital contract in Europe and a new Large contract in AMEA, both expected to launch in H2 2026, supporting growing revenue visibility. [12] With no long-term debt, net cash of £9.3 million, and 62% of members citing Ten’s concierge service as a strong or decisive factor in staying with their sponsoring brand, the group has scope to re-rate if digital platform adoption continues to drive operating leverage through H2 2026. [12]

Market Capitalisation: £90.19m

Sector: Technology

12 Month Price Range: 49 – 97p

5 Year Price Range: 41 – 124p

Technical Analysis

Ten Lifestyle has recovered materially from its 52-week lows as improving financial performance and digital transition progress have drawn buyer interest back into the stock. The shares have built a pattern of higher lows and are now consolidating in the 50–60p range with both near and mid-term bands in a Rising Formation. Provided 45p support holds, the technical picture remains positive with H2 contract launches providing a near-term operational catalyst.

Verdict: BUY

Buy between 77 – 90p

Stop: 62p

Target: 135p



TradingView

Source: [12] LSE RNS – Interim Results for Six Months Ended 28 February 2026 (22 Apr 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

BILLINGTON HOLDINGS (BILN)

Billington Holdings is one of the UK’s leading structural steel and construction safety solutions specialists, operating through Billington Structures, Peter Marshall Steel Stairs, Shafton Steel Services and Easi-Edge, serving sectors including energy, defence, data centres and infrastructure. [13]

Fundamentals

Full year 2025 results showed revenue of £95.7 million, with the board noting a secured level of production hours for projects scheduled in 2026 and 2027 providing improved visibility, while the consolidation of structural steel operations in Barnsley is expected to enhance efficiency and improve the cost base going forward. [13] Despite revenue declining 15.4% year-on-year due to a shift toward more complex, labour-intensive contracts with lower steel content, the group maintained a net cash position and strong operational output throughout the period, with productive hours actually increasing 4.2%. [13] With Peter Marshall Steel Stairs carrying a strong order book in the energy, defence and data centre sectors, and the consolidation programme now substantially complete, the group is positioned to convert its forward order visibility into improved financial results through 2026 and 2027. [13]

Market Capitalisation: £52.19m

Sector: Industrials

12 Month Price Range: 233 – 443p

5 Year Price Range: 154 – 534p

Technical Analysis

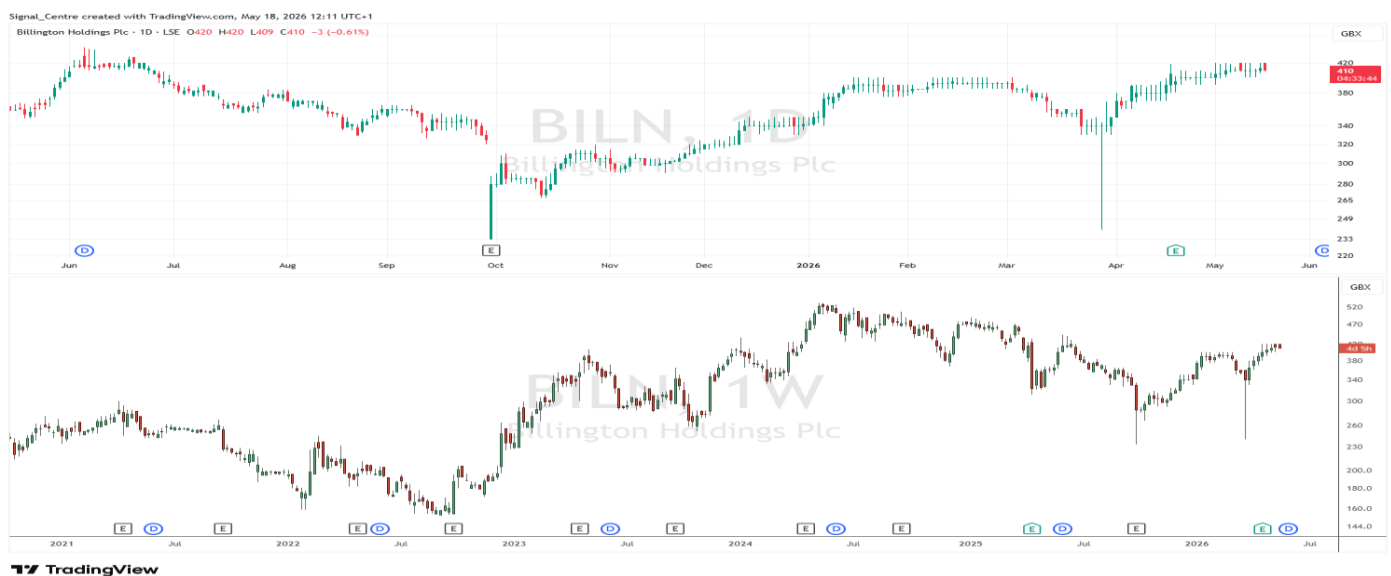
Billington has recovered from its 52-week lows and is rebuilding toward the upper end of its recent range, supported by a forward order book that provides reasonable revenue visibility. The stock has established a higher-low pattern over the past six months and trades above its 50-day moving average. The near-term band is in a Rising Formation. Provided 320p holds as support, the technical structure supports further recovery toward the 430–495p resistance zone.

Verdict: BUY

Buy between 370 – 390p

Stop: 295p

Target: 530p



Source: [13] LSE RNS – Full Year Results for Year Ended 31 December 2025 (15 Apr 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

EAGLE EYE SOLUTIONS (EYE)

Eagle Eye Solutions is a SaaS and AI technology company that powers personalised, real-time marketing at scale through its AIR platform, serving a blue-chip customer base of major retailers and financial institutions across the UK, North America, Europe and Asia-Pacific. [14]

Fundamentals

Full year results for the year ended 30 June 2025 showed group revenue up 1% to £48.2 million, SaaS revenue growing 11% to £40.2 million driven by a 30% increase in EagleAI revenue to £5.7 million, with adjusted EBITDA up 8% to £12.2 million and profit before tax rising 315% to £3.0 million. [14] A global OEM agreement signed in January 2025 with one of the world’s largest enterprise software vendors will see Eagle Eye’s AIR platform embedded in the vendor’s next-generation cloud hosted loyalty management solution, with the board confident this channel will generate substantial additional revenue from FY27 onwards and the potential to double the size of the business in the medium term. [14] With 83% of revenue from the current top ten customers contracted at least through FY27, net cash of £12.3 million and a high-quality global pipeline, the shares have scope to re-rate toward growth SaaS multiples if the OEM channel ramps as anticipated. [14]

Market Capitalisation: £121.77m

Sector: Technology

12 Month Price Range: 190 – 420p

5 Year Price Range: 190 – 676p

Technical Analysis

Eagle Eye has been building a base near its 52-week lows following a period of elevated selling pressure, with the stock showing early signs of stabilisation as the OEM partnership narrative begins to attract renewed buyer interest. The near-term band has recently turned to a Rising Formation for the first time in several months. Provided the 200p support level holds, the technical structure is gradually improving and any further positive OEM channel news could accelerate the recovery.

Verdict: BUY

Buy between 350 – 390p

Stop: 290p

Target: 500p



Source: [14] LSE RNS – Final Results for Year Ended 30 June 2025 (16 Sep 2025). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

MEARS GROUP (MER)

Mears Group is the UK’s leading provider of housing repairs, maintenance and management services to the public sector, managing and maintaining approximately 750,000 social homes across the country under long-term contracts with central and local government. [15]

Fundamentals

Preliminary results for 2025 showed solid financial performance against a strong prior year, with the group completing the disposal of Morrison Facilities Services in March 2026 for £18 million in cash and the board approving a new £20 million share buyback programme launched in April 2026. [15] The September 2025 acquisition of Pennington, a provider of building compliance services, enhances the group’s ability to deliver compliance services to its key customer groups, a strategic pillar complementary to its core housing maintenance activities, while the January 2026 Birmingham City Council contract award worth £450 million over ten years underscores the depth of the group’s public sector pipeline. [15][16] With trailing twelve-month revenue of approximately £1.1 billion, a high-quality long-term contract base, a debt-free balance sheet and a consistent dividend, the shares have scope to re-rate if the combination of the Pennington acquisition and housing compliance focus drives incremental margin improvement. [15]

Market Capitalisation: £327.80m

Sector: Industrials

12 Month Price Range: 310 – 409.5p

5 Year Price Range: 144.2 – 409.5p

Technical Analysis

Mears has been consolidating in the 355–410p range following its earlier recovery from 52-week lows, with the shares displaying resilient price action relative to the broader market through the April volatility. The stock trades above both the 50-day and 200-day moving averages with both in a Rising Formation. Provided 340p holds as support, the technical structure remains positive and the share buyback programme provides an additional technical tailwind.

Verdict: BUY

Buy between 365 – 385p

Stop: 318p

Target: 500p



Source: [15] LSE RNS – Preliminary Results for Year Ended 31 December 2025 (26 Mar 2026). London Stock Exchange, [16] LSE RNS – Contract Award: Birmingham City Council (28 Jan 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

ENERGYPATHWAYS (EPP)

EnergyPathways is a UK energy transition company developing the Marram Energy Storage Hub (MESH), a large-scale integrated energy storage facility in the East Irish Sea and onshore at Barrow-in-Furness, designed to supply natural gas, hydrogen and compressed air energy storage to the UK market. [17]

Fundamentals

On 6 May 2026 the North Sea Transition Authority confirmed the award of a Gas Storage Licence to EnergyPathways for the MESH project, covering a substantial offshore area capable of supporting up to 60 large-scale salt caverns with multi-terawatt-hour scale energy storage potential, representing a major milestone in the project’s development. [17] MESH has been designated by the UK Government as a project of national significance, with the gas storage element designed to double Britain’s existing gas storage capacity and provide up to six days of national energy supply, with EnergyPathways and its Tier One partners — Siemens Energy, Costain, Wood and Zenith Energy — targeting a Final Investment Decision in 2028 and start-up by late 2031. [17] With the Middle East conflict having sharpened political focus on UK energy security and both the gas storage and CAES components commercially viable in their own right, the licence award materially de-risks the project and the shares have scope to re-rate further as financing discussions advance. [17]

Market Capitalisation: £24.51m

Sector: Energy

12 Month Price Range: 1.45 – 12.80p

5 Year Price Range: 1.42 – 12.80p

Technical Analysis

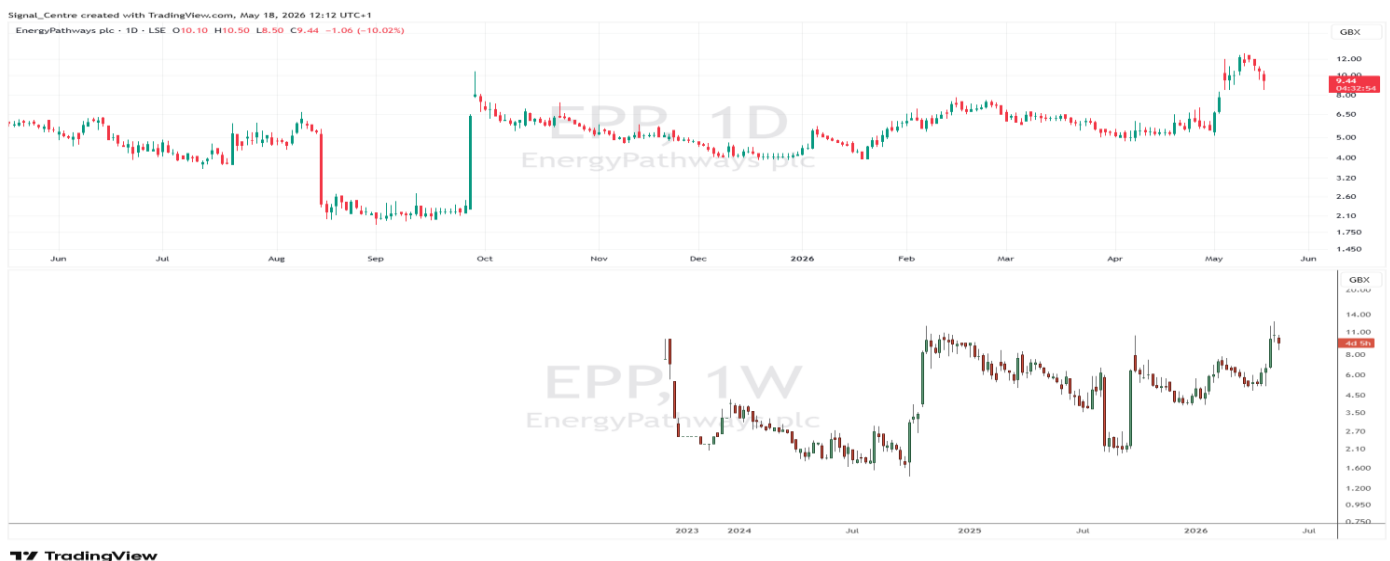
EnergyPathways shares rose sharply on the Gas Storage Licence announcement of 6 May 2026, breaking above near-term resistance on materially elevated volume. The stock is consolidating near the top of its recent range as the market digests the news. Given the pre-development nature of the company, position sizing should reflect the inherent project risk, but the technical momentum is potentially positive near term.

Verdict: BUY

Buy between 6 – 7.8p

Stop: 4.40p

Target: 20p



Source: [17] LSE RNS – NSTA Decision to Offer Gas Storage Licence (06 May 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

AVINGTRANS (AVG)

Avingtrans is an international precision engineering group that designs, manufactures and supplies critical components, systems and aftermarket services to the energy, defence, data centre and medical imaging sectors, operating through its Advanced Engineering Systems and Medical and Industrial Imaging divisions. [18]

Fundamentals

Full year results for the twelve months to 31 May 2025 showed revenue climbing 14.5% to £156.4 million, with the AES division delivering record results driven by demand from nuclear, data centre and energy markets. [18] In April 2026 the company announced that its AES division had secured over £10 million in nuclear orders since the start of the calendar year, including a £3 million contract for a Reactor Water Cleanup Pump for the Iberdrola Cofrentes Nuclear Power Plant and a series of orders for prototype pumps for next-generation nuclear technology projects. [19] With analyst forecasts pointing to revenue of £175 million and adjusted pre-tax profits of £11.8 million for FY26, alongside the medical imaging division building revenue momentum, the shares have scope to re-rate significantly if the nuclear and data centre order pipeline converts as anticipated through FY27. [18]

Market Capitalisation: £219.89m

Sector: Industrials

12 Month Price Range: 372 – 680p

5 Year Price Range: 297 – 680p

Technical Analysis

Avingtrans has been one of the stronger performing AIM industrial names over the past twelve months, reaching a 52-week high of 670p before consolidating in the 520–620p range following the broader market weakness in April 2026. Provided 500p holds as support, the structure supports a resumption of the uptrend.

Verdict: BUY

Buy between 580 – 630p

Stop: 490p

Target: 750p



Source: [18] LSE RNS – Preliminary Results for Year Ended 31 May 2025 (24 Sep 2025). London Stock Exchange, [19] LSE RNS – Strong Nuclear Orders for Avingtrans (16 Apr 2026). London Stock Exchange.

Chart: Tradingview.com, Data as of May 18th, 2026 the performance is dividend adjusted

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