

SDI Group plc
("SDI", the "Company", or the "Group")

Acquisition of InspecVision

30 October 2024 - [SDI Group plc](#), the buy and build group, focused on companies which design and manufacture specialist lab equipment, industrial & scientific sensors and industrial & scientific products, is pleased to announce the acquisition of InspecVision Ltd ("InspecVision"), a designer and manufacturer of computer vision-based measurement systems for industrial applications, for a net consideration of £6.1m.

Highlights

- Profitable business in the metrology market
- Blue chip customer base, international revenues and strong US market exposure
- Provides intra-group cross selling opportunities
- Delivering against Group's stated acquisition strategy
- InspecVision will join the Group's Industrial & Scientific Products division
- Acquisition is expected to be immediately earnings enhancing¹

InspecVision provides precision measurement machinery for smart manufacturing, automated inspection and reverse engineering and offers the Group an entrance into the high value metrology market and a global, blue chip customer base which includes the US. InspecVision introduces new technological capabilities to the Group, including AI and machine learning, and has strong IP, which can be leveraged.

For the year ended 31 December 2023, InspecVision delivered revenue of £3.2m, adjusted EBIT of £0.84m (adjusted to reflect InspecVision's cost base as part of the Group) and a reported EBIT of £0.95m (all unaudited).

Stephen Brown, CEO of SDI Group, said:

"InspecVision is a high-quality, profitable business which fulfils our key investment criteria of trading in a growth sector, with international exposure and a strong management team. The acquisition presents a rare opportunity to buy such a good business poised to capitalise on future growth in the metrology market."

"Its US market presence also provides a platform to deliver additional value to other Group portfolio companies, particularly through cross-selling synergies and opening up new routes to market. We are excited by the prospects for this acquisition and continue to pursue our acquisitive growth strategy alongside our organic growth programme."

About InspecVision

InspecVision was established in March 2003 to develop a range of precision inspection machines for industrial applications. Founder, Dr. Jan Antonis, carried out advanced research in computer vision systems at Queen's University Belfast and identified a gap in the market for a system which could measure parts quickly and easily. Sales of the Planar inspection system, for quality control and reverse engineering applications, began in 2005. InspecVision products are now sold in over 30 countries worldwide. It employs 14 people and is based in a 20,400 sq ft. site in Newtonabbey, Northern Ireland. The majority shareholders of the business, prior to this acquisition, were Dr Jan Antonis, Mike Antonis and Colette Johnston. Dr Jan Antonis and Colette Johnston will remain with the business in a full-time capacity.

Consideration for the Acquisition

Net consideration is £6.1m. Total consideration is £8.65m and consists of:

- Cash consideration payable shortly following completion of £7.9m, which includes £1.8m of acquired cash; and
- An additional cash consideration of £0.75m in relation to leasehold property owned by InspecVision which will immediately following completion be sold back to the sellers for £0.75m on a sale and leaseback arrangement.

The cash consideration will be funded from the Group's revolving credit facility with HSBC UK Bank. As at 30 September 2024, the Group had cash of approximately £1.1m (unaudited), bank debt of £12.6m (unaudited) and £12.4m of undrawn bank facility (excluding the accordion option).

¹Analysts from SDI's broker Cavendish Capital Markets Limited, and from Progressive Equity Research regularly provide research on the Company, accessible from SDI's website, and the Group considers the average of their forecasts to represent market expectations which for FY25 were, prior to announcement of this acquisition, Sales of £69.0m and Adjusted Profit Before Tax of £8.35m.

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About SDI Group plc

SDI Group plc is a group of small to medium size companies with specialist industrial and scientific products in growth sector niches which help solve customers' key challenges.

It specialises in the acquisition and development of companies that design and manufacture specialist products for use in lab equipment, industrial & scientific sensors and industrial & scientific products.

Its portfolio of businesses supplies the life sciences, healthcare, plastics and packaging, manufacturing, precision optics and measurement instrumentation markets.

SDI aims to continue its growth through driving the organic growth of its portfolio companies and by the acquisition of complementary technology businesses with established reputations in global markets.

For more information, please see: www.SDIGroup.com

No statement in this announcement is intended to be a profit forecast or estimate and no statement in this announcement should be interpreted to mean that earnings per share of the Company for the current or future financial years would necessarily match or exceed the historical published earnings per share of the Company.

The information contained within this announcement is deemed to constitute inside information as stipulated under the retained EU law version of the Market Abuse Regulation (EU) No. 596/2014 (the "UK MAR") which is part of UK law by virtue of the European Union (Withdrawal) Act 2018. The information is disclosed in accordance with the Company's obligations under Article 17 of the UK MAR. Upon the publication of this announcement, this inside information is now considered to be in the public domain.

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