RNS Number : 0813T
SDI Group PLC
30 July 2025

# SDI Group plc

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

**Final Results**

***Resilient performance within rapidly evolving economic environment***

30 July 2025 - 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, announces its final audited results for the year ended 30 April 2025 ("FY25" or the "Period").

**Strategic and Operational Highlights**

- Delivered a resilient performance - in line with market expectations - within a complex and rapidly evolving global economic environment
- Continued to implement the Group's organic and inorganic strategy
- Further investments across the Group into new product development, commercial and operational capabilities
- Fostered greater collaboration and knowledge transfer across the portfolio
- Strong cash generation, allowing continued investment into the portfolio and further acquisitions
- Acquisition of InspecVision Limited ("InspecVision") and Collins Walker Limited ("Collins Walker"), continuing track record of earnings enhancing acquisitions
- Strong track record of revenue and adjusted operating profit* growth - CAGR of 25.3% and 38.2%, respectively, since 2015

**Financial Summary**

- Revenues increased 0.5% to £66.2m* (FY24: £65.8m), with strong contribution from acquired business, including a full year contribution from Peak Sensors, together with contribution from InspecVision and Collins Walker post-acquisition
- Gross margins† increased to 64.9% (FY24: 63.1%)
- Adjusted operating profit* of £10.0m (FY24: £9.6m), with reported operating profit of £6.9m (FY24: £7.3m)
- Adjusted profit before tax* of £8.5m (FY24: £8.0m), with reported profit before tax of £5.5m (FY24: £5.7m)
- Adjusted Diluted EPS* improved to 6.18p (FY24: 5.78p)
- Strong increase in cash generated by operations to £12.9m (FY24: £9.4m)
- Net debt (debt less cash, excluding leases) of £13.8m (FY24: £13.2m), despite £7.3m of acquisition related spend in the period

**Outlook and Post Period-end Highlights**

- The Group enters FY26 with a strong order book and continued clear strategy for growth
- Acquired Severn Thermal Solutions, a designer and manufacturer of high temperature furnace systems and environmental chambers, on 6 June 2025 for a net consideration of £4.75m.
- Expect to deliver FY26 performance in line with current market expectations**

**Stephen Brown, Chief Executive Officer of SDI, said:**

*"Today's results reflect the progress made in driving the business through our organic and inorganic growth strategy. We've delivered a resilient financial performance against a backdrop of increased global economic uncertainty. We are continuing to build on the strong foundations we have in place - both in supporting continued growth of our portfolio businesses through development of new products and technologies, and in identifying and acquiring high-quality businesses that align with our strict investment criteria and further strengthen the overall portfolio.*

*"Whilst we are cognisant of the ongoing macroeconomic uncertainty, we believe SDI is well-positioned with a strong business model and solid long-term growth drivers in our key markets. Furthermore, we continue to have an active pipeline of acquisition opportunities and the financial strength to continue to execute our inorganic strategy.*

*"We look forward to supporting and adding to our portfolio businesses as we move into the future and to delivering sustainable, long-term value for all our stakeholders."*

A copy of the shareholder presentation regarding the financial results for the year ended 30 April 2025 will be available on the Company's website [www.sdigroup.com/investors/reports-presentations/](www.sdigroup.com/investors/reports-presentations/) later today.

* *Before share based payments, acquisition costs, reorganisation costs, loss on disposal of subsidiary undertakings (FY24 only) and amortisation of acquired intangible assets.*

** *Analysts from our Broker, Cavendish Capital Markets Limited, and from Progressive Equity Research regularly provide research on the Company, accessible from our website, and the Group considers the average of their forecasts to represent market expectations, being for FY26; Revenues of £75.2m, Adjusted Operating Profit of £11.5m and Adjusted Profit Before Tax of £9.8m.*

† *Materials only*

**Investor Presentation**

Stephen Brown, Chief Executive Officer, and Ami Sharma, Chief Financial Officer, will provide a presentation and Q&A for investors via the Investor Meet Company platform on Wednesday, 30 July at 2.00 p.m. BST. The Investor Meet Company presentation is open to all existing and potential shareholders.

Investors can register for the presentation via the following link: https://www.investormeetcompany.com/sdi-group-plc/register-investor.

**Enquiries**


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|---|---|
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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

**Audited Report and Financial Statements**

The results have been extracted from the audited financial statements of the Group for the year ended 30 April 2025. The results do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. Whilst the financial information included in this announcement has been prepared in accordance with UK adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, this announcement does not itself contain sufficient information to comply with IFRS. The Group will publish full financial statements that comply with IFRS. The audited financial statements incorporate an unqualified audit report. The Auditor's report on these accounts did not draw attention to any matters by way of emphasis and did not contain statements under S498(2) or (3) Companies Act 2006.

Statutory accounts for the year ended 30 April 2024, which incorporated an unqualified auditor's report, have been filed with the Registrar of Companies. The Auditor's report on these accounts did not draw attention to any matters by way of emphasis and did not contain statements under S498(2) or (3) Companies Act 2006.

The Group's Annual Report for the year ended 30 April 2025 will, on 18 August 2025, be available to view on the Company's website: www.sdigroup.com/investors/reports-presentations/, and be sent to shareholders together with a notice of AGM which will also be available on the Company's website.

**Notice of AGM**

The Company's Annual General Meeting will be held at the offices of Cavendish Capital Markets Ltd, One Bartholomew Close, London, EC1A 7BL on Wednesday, 24 September 2025 at 11.00am.

**Chairman's Statement for the Year Ended 30 April 2025**

***A year of resilience and strategic confidence***

This has been a year in which the Group has demonstrated the fundamental strengths of its decentralised business model and its clear strategic focus. In a complex and rapidly evolving global economic environment, SDI has delivered a resilient performance, making excellent progress against our long-term objectives.

This performance is a direct result of our clear strategy, the dedication of our talented colleagues across the Group and the entrepreneurial spirit that sits at the heart of each of our businesses. The Board is confident that we are well positioned to deliver sustainable, long-term value for our shareholders.

**Delivering on Our Strategy**

SDI's successful buy and build strategy continued with the earnings-enhancing acquisition of InspecVision Limited in October 2024, Collins Walker Limited in April 2025 and, subsequent to the period end, Severn Thermal Solutions Limited. The Group's policy is to acquire small to medium-sized manufacturing companies, operating within the science and technology sectors, with a manufacturing bias. We target businesses in growth markets with niche, high-quality products, strong management teams, and a proven record of sustainable profits and cash flows.

Future acquisitions will be funded by earnings and cash flows from our existing businesses where possible. To ensure we maintain the right level of operating capital and funding available for acquisitions, the Board has again decided not to pay a dividend this financial year but will keep this under review. A small dividend was paid as part of our cash management processes to a non-controlling interest within the Group.

The Group's strategy to drive growth continues to make good progress with several businesses within the portfolio delivering strong performances alongside good demand and potential for our portfolio companies' offerings.

These financial results have been driven by continuous improvement and investment across the Group together with the benefit of recent acquisitions, delivering Group revenue of £66.2m and adjusted operating profit of £10.0m in the period. This profitability, combined with strong cash conversion, allows us to reinvest for future growth.

**Market Opportunity**

SDI is a successful Group of UK engineering companies, bringing together highly specialised and innovative businesses and helping them to grow, whilst offering investors exposure to a wide range of technologies and end markets. We are seeing a solid pipeline of interesting businesses as potential acquisitions. Whilst we will consider overseas acquisitions where they are value enhancing, the UK remains a fertile hunting ground and the quality of UK innovation continues to be strong.

**Board**

There have been no changes to the Board in the year. We continue to have the right skills and experience to support the business as it continues to grow.

In common with our wider team and other stakeholders, the Board is determined that the Group plays its part in addressing climate change and plays a role in being part of the solution. We continue to evaluate our environmental, social and governance ('ESG') position, further details of which can be found in the ESG section of the Annual Report.

**Team**

All members of the Board visit a selection of our subsidiary companies every year. When I meet our colleagues, I am always impressed by their commitment to the businesses they represent and the skill with which they conduct their day-to-day work. The progress that we have made in the year would not have been possible without their continued efforts. They are key to the long-term success of our businesses. I would like to thank them all, on behalf of the Board, for their contributions.

**Outlook**

The Board remains confident in the Group's strategy and its ability to capitalise on the opportunities and navigate the challenges ahead. Despite macro-economic concerns facing the manufacturing industry, the diversity of our end markets, our strong financial position and our proven ability to identify and integrate value-enhancing acquisitions provide a firm foundation for future growth for SDI.

We entered the new financial year with positive momentum and are confident in our ability to deliver further progress for all our stakeholders.

Ken Ford
Chairman
30 July 2025

## Chief Executive Officer's Report for the Year Ended 30 April 2025

### Overview

This year has been a period of significant achievement and strategic progress for SDI. We have delivered a solid financial performance and made excellent progress against our strategic objectives, resulting in a stronger foundation for sustained, profitable growth.

Our revenue growth this year is driven by strategic, value accretive acquisitions. The Group targets businesses with strong reputations that design and manufacture niche products and technology, operating in growth markets.

We were delighted to complete two acquisitions in FY25, welcoming high-quality businesses into the Group, enhancing our capabilities and expanding our market reach. InspecVision Limited ('InspecVision') and Collins Walker Limited ('Collins Walker') joined SDI in October 2024 and April 2025, respectively. Post-period end we also successfully completed the acquisition of Severn Thermal Solutions Limited ('Severn').

Our organic growth strategy is focused on driving operational excellence amongst our portfolio companies and leveraging the benefits of being part of the Group to accelerate their growth. We have successfully established a Group-level marketing function, promoting from within the Group to support the portfolio, and have been proactively supporting R&D and innovative new product launches, in addition to improving knowledge sharing across the portfolio leadership.

SDI's decentralised and entrepreneurial business model has once again demonstrated its remarkable resilience, thriving amidst a complex and unstable global economic landscape. I am proud to report on a year of dedicated effort from our talented teams across the Group, which has positioned us to capitalise on the significant opportunities that lie ahead.

### Financial Performance

Our financial results for the year reflect the underlying strength of our business model, with a robust performance in both revenue and profitability. Impressive cash generation in the period also allowed us to continue to invest in our organic growth initiatives and maintain a healthy pipeline of acquisition candidates.

Revenues increased 0.5% to £66.2m (FY24: £65.8m), with new the acquisitions, InspecVision and Collins Walker, contributing £1.6m in the year, demonstrating the success of our strategy of acquiring businesses with strong niche positions, intellectual property and international reach.

Adjusted operating profit increased to £10.0m (FY24: £9.6m), with gross margins (excluding labour costs) improving to 64.9% (FY24: 63.1%), reflecting the Group's ability to manage costs effectively and navigate market headwinds.

A key highlight of the year has been our strong cash generated from operations, which increased to £12.9m (FY24: £9.4m). This financial discipline provides us with the flexibility to pursue our strategic ambitions, including our active acquisition pipeline.

At 30 April 2025, the Group had net debt of £13.8m (excluding lease liabilities and deferred consideration) and £9.9m of undrawn bank facility (excluding the £5.0m accordion option) and a further £0.6m of deferred consideration payable relating to previous acquisitions.

### Operational Review

Our portfolio businesses are grouped into three divisions: Industrial & Scientific Products ('Products'), Industrial & Scientific Sensors ('Sensors'), and Laboratory Equipment ('Laboratory').

### Industrial & Scientific Products

*Fraser Anti-Static Techniques ('FAST'), Atik Cameras ('Atik'), Applied Thermal Control ('ATC'), Graticules Optics, Scientific Vacuum Systems ('SVS'), InspecVision and Collins Walker*

Revenues in the Products division increased 9.9% to £25.1m (FY24: £22.9m).

Following the refocusing of Atik's strategy and the consolidation of all its activities to its site in Portugal, the business has performed very strongly, particularly in the professional astronomy market. We expect to see this momentum continue into FY26.

Atik also expanded its product range during the period, including the launch of the APX Series, its most advanced CMOS camera range to date, and suitable for a range of demanding applications including microscopy, neutron imaging, luminescence and astrophotography. Robust cooling technology and no amp glow also make these cameras ideal for very long exposures.

Graticules Optics increased its market share and delivered a record performance in FY25. FAST saw an uptick in organic growth, as a result of a focus on strengthening product awareness across its end markets together with benefitting from an improvement in geographic market conditions.

**Industrial & Scientific Sensors**

*MPB Industries ('MPB'), Sentek, Peak Sensors, Chell Instruments ('Chell') and Astles Control Systems*

The Sensors division increased revenues by 5.5% to £17.0m (FY24: £16.1m), with notable performances from MPB, Chell and Sentek.

Sentek designs bespoke electrochemical sensors for water-based applications across a diverse range of markets. It has seen strong demand for its products from new customers and significant repeat orders from its existing customer base.

Chell continues to expand its innovative product range, launching the 2416 industrial pressure scanner in March 2025, providing 16 points of measurement for high accuracy and unparalleled performance. This was followed by the April 2025 launch of the Q-DAQ pressure scanner, which ensures low uncertainty measurements and durability for the harshest of environments.

**Laboratory Equipment**

*Monmouth Scientific ('Monmouth'), Safelab Systems ('Safelab'), Synoptics, LTE Scientific ('LTE') and Severn Thermal Solutions*

Our Laboratory division revenues decreased 10.5% to £24.0m (FY24: £26.8m). While the first half of the year presented challenges in the life sciences and biomedical markets, the division demonstrated a recovery in the second half.

Safelab performed exceptionally well in the period, increasing its market share through excellent contract momentum. Monmouth finished the year on a high, securing its largest ever clean room contract in the period, totalling in excess of £0.6m. The business is well positioned to capitalise on further opportunities in FY26.

New product development remains a cornerstone of our business model. Both LTE and Synoptics delivered new products to market, with LTE launching the sustainability-focused Labclave-L Series of autoclaves, and Synoptics launching the G:Box mini XRQ, a compact imaging system for smaller laboratories keen to maintain high level performance.

**Delivering Growth**

SDI Group's growth strategy is clear and consistent: to create compounded shareholder value through a combination of organic growth and disciplined, earnings-enhancing acquisitions. Our decentralised model empowers our individual businesses to innovate and respond nimbly to their specific market dynamics, while the Group provides strategic oversight, financial strength and a collaborative environment that fosters the sharing of best practices.

Our acquisition criteria remain clear. We seek profitable, cash generative manufacturing businesses, within a scientific niche and with strong management teams, trading in multiple sectors and geographies.

The integration of new companies is a core competency and we have a proven ability to unlock further potential in our acquired businesses, helping them to flourish within the SDI Group structure.

**Organic Growth**

SDI has been working with the individual portfolio businesses to help them expand their reach into existing markets and capitalise on new opportunities. A prime example of this is the work the Group has done with Atik. Following the implementation of an improvement plan involving the consolidation of operations into its Portugal site, Atik has substantially exceeded internal expectations, delivering significant growth in FY25. We have also fostered greater collaboration across the portfolio, as demonstrated by Safelab and Monmouth collaborating on a successful tender for a large contract. In October 2024, six businesses came together to present at UK Lab Innovations, the UK's leading laboratory industry show, with the prominent combined stand driving awareness across fellow exhibitors and prospective customers alike.

We continue to drive other initiatives such as establishing a Group-level marketing function, promoting from within the Group to support the portfolio, organising knowledge sharing events for our leadership teams, white labelling products across businesses and sharing successful strategies for geographic market entry.

**Inorganic Growth**

During the year, we continued to deliver on our stated strategy of acquiring businesses developing and manufacturing niche products for a global market audience. We were delighted to welcome InspecVision and Collins Walker to the Group during FY25.

In October 2024, we acquired InspecVision for a net consideration of £6.1m. Established in 2003, InspecVision employs 14 people and is based in a 20,400 sq. ft. site in Newtonabbey, Northern Ireland. It provides precision measurement machinery for smart manufacturing, automated inspection and reverse engineering, bringing the Group exposure to the high value metrology market and a global, blue chip customer base, which includes the US. Performance since acquisition has met our expectations, including the receipt of its first significant order for its new GAV AI and ML product in the period. In May 2025, the business also received the prestigious King's Award for Enterprise in International Trade. This is the second time the business has received that award, a testament to InspecVision's strength and quality.

In April 2025, Collins Walker, a designer and manufacturer of electric boilers, was acquired for a net consideration of £1.9m. Established in 1972, it employs four people and is based in Bedford within an 8,000 sq. ft. site. This acquisition has provided SDI with a strategic entry into the highly regulatory driven electric boiler sector, which is experiencing significant growth due to net zero regulations. Post-acquisition, Collins Walker has been integrated as a bolt-in, providing the platform to drive growth across the combined businesses through expanded manufacturing capacity, strengthened sales capabilities and improved operational efficiencies. We see additional synergies and value-add opportunities with LTE, which utilises electric boilers in its autoclave product line.

Post-period end, we announced the acquisition of Severn Thermal Solutions ('Severn'), a designer and manufacturer of high temperature furnace systems and environmental chambers for advanced material processing and testing, for a net consideration of £4.8m. Established in 2006 and based in Dursley, Severn employs 11 people at its 4,500 sq. ft. site. With a blue-chip customer base and strong international revenues, Severn offers cross-sell opportunities across the Group.

We are constantly evaluating potential acquisitions, and are confident in our continued pipeline of opportunities, which will only serve to further strengthen the Group and drive SDI's growth profile.

**People**

The success of SDI Group is a direct result of the dedication, expertise and entrepreneurial spirit of our people. Our decentralised culture fosters a sense of ownership and accountability at every level of the organisation. I want to extend my sincere gratitude to all our colleagues for their hard work and commitment throughout the year. It is their contributions that drive our innovation and are fundamental to delivering value to our customers and shareholders.

**Outlook**

The performance we have achieved in FY25 has been driven by continuous improvement and investment across the Group and delivering inorganic growth through the acquisition of high-quality businesses.

Looking forward, our strategy remains consistent. We continue to identify catalysts for growth across the Group, invest in the development of new products and technologies and proactively seek out companies that complement our portfolio and meet our strict investment criteria.

We enter the new financial year with momentum, a strong order book and a clear strategy for growth. While we remain mindful of the ongoing economic uncertainties, we have confidence in the resilience of our business model and the long-term growth drivers in our key markets. We have a robust pipeline of acquisition opportunities and the financial capacity to execute on our plans, and we expect to deliver financial performance for FY26 in line with current market expectations.

The Board and I are excited about the future of SDI Group. We are confident that by continuing to execute our strategy, we will deliver sustainable, long-term value for all our stakeholders.

Stephen Brown
Chief Executive Officer
30 July 2025

**Chief Financial Officer's Report for the year ended 30 April 2025**
***The financial strength to support investment in sustainable growth***

**Revenue and Profits**

SDI Group revenues increased by 0.5% to £66.2m in FY25 (FY24: £65.8m). Peak Sensors, acquired in the middle of FY24, together with the new acquisitions made in FY25, InspecVision and Collins Walker, contributed inorganic revenues of £2.8m (4.3%). Uniform Engineering, which was sold in February 2024, and Synoptics Inc., which transferred to its UK business in May 2024, together comprised £1.3m (1.9%) in revenue in FY24. Excluding these from the comparatives, organic revenues declined 1.6% on a constant currency basis, 1.8% (£1.2m) in absolute terms. Positively, the second half of FY25 saw organic growth.

Gross profit (on materials only) increased to £42.9m (FY24: £41.6m) whilst gross margins improved to 64.9% (FY24: 63.1%). On a like-for-like basis (including prior year acquisitions from the anniversary of the acquisition), gross margins increased to 65.5%, a very strong result. Inflation caused our operating overheads to increase by 3.0% on a like-for-like basis.

We saw a pleasing 4.2% improvement in adjusted operating profit to £10.0m (FY24: £9.6m) being operating profit before share-based payments, acquisition costs, reorganisation costs, loss on disposal of subsidiary undertaking (FY24 only) and amortisation of acquired intangible assets. Net adjusted operating margins improved to 15.0% from 14.5% in FY24.

Looking at divisional performance, on a reported basis, the Industrial & Scientific Products ('Products') division grew by 9.9% to £25.1m (FY24: £22.9m), with momentum increasing over the second half of the year. InspecVision and Collins Walker joined the Products division in October 2024 and April 2025 respectively

InspecVision and Collins Walker joined the Products division in October 2024 and April 2025 respectively. Adjusting for their contribution, organic growth was 2.8%. Graticules experienced significant growth in demand for its reticules and TEM grid products. Atik Cameras performed very strongly with excellent order intake and profit growth, after a full period of trading with its largest OEM customer and growth in the professional astronomy market. Fraser Anti-Static Techniques saw a recovery in its markets whilst Applied Thermal Controls ('ATC') saw a chiller market slow-down largely due to regulatory changes relating to refrigerant gases. These regulatory pressures are expected to reduce over the second half of FY26.

The Industrial & Scientific Sensors ('Sensors') division saw sales increase by 5.5% to £17.0m (FY24: £16.1m). This included a full period of sales for Peak Sensors, acquired in November 2023. Adjusting for this, Sensors saw an organic decline of 1.6%, due to a return to a normalised ordering pattern for Astles Control System's chemical dosing systems. Other businesses within this division had strong trading periods: Chell Instruments had a very good second half for its DAQ range of products; and MPB Industries saw growth in the flowmeter market. Peak Sensors successfully focused on improving its operating margins. Sentek traded in line with expectations.

The Laboratory Equipment division showed an organic decline of 5.8% compared to FY24, primarily due to challenging conditions in the life sciences and biomedical markets in the first half of the year. The entities that were closed or disposed of in FY24 (as noted above) were in this division. Improving markets in the second half of FY25 led to a broadly flat performance compared to H2 FY24 (down 0.6%). Safelab Systems had a record year for sales and profit, as it delivered a large contract over H2 FY25 and Monmouth Scientific delivered a much-improved performance in the second half of the year. LTE Scientific saw reduced environmental test chamber revenues and a slower NHS market. Operational gearing meant segment margins reduced from 12.1% to 11.3% in FY25.

| | **2025 Total £'000** | 2024 Total £'000 |
|---|---|---|
| **Revenue** | | |
| Industrial & Scientific Products | **25,135** | 22,866 |
| Industrial & Scientific Sensors | **17,035** | 16,145 |
| Laboratory Equipment | **24,007** | 26,835 |
| **Group** | **66,177** | 65,846 |
| **Adjusted operating profit** | | |
| Industrial & Scientific Products | **4,950** | 3,853 |
| Industrial & Scientific Sensors | **4,493** | 4,319 |
| Laboratory Equipment | **2,703** | 3,237 |
| Central costs | **(2,189)** | (1,832) |
| **Group** | **9,957** | 9,577 |

Reported operating profit decreased to £6.9m (FY24: £7.3m) due to higher acquisition costs from two aborted acquisitions and an increase in the amortisation of intangible assets due to new acquisitions in the period.

**Re-organisation Costs**

During the period, the Group incurred £0.4m (FY24: £0.3m) in one-off costs relating to the closure of Synoptics Inc. in the US and the consolidation of Atik Cameras to a single site in Portugal.

**Divestment of Subsidiary Undertaking**

The comparatives include the divestment of Uniform Engineering in FY24 which resulted in a loss of £0.2m.

**Intangible Assets (excluding R&D)**

Intangible assets increased by £6.0m from £42.0m to £48.0m at the end of FY25. Gross intangible assets (excluding R&D) grew by £7.3m as a result of the two acquisitions in the year: InspecVision (£5.6m) and Collins Walker (£1.7m). Amortisation of £1.7m was charged in the period (FY24: £1.6m) against customer relationships, trade names and other intangible assets. The £7.3m in increased intangible cost was split as follows: £5.2m goodwill, £0.6m customer relationships and £1.5m other intangible assets.

**Investment in R&D**

Under IFRS we are required to capitalise certain development expenditure, and in the year ended 30 April 2025, £0.6m (FY24: £0.8m) of cost was capitalised. Much of the work of our R&D teams does not qualify for capitalisation and is charged directly to expense. Amortisation for 2025 was £0.3m (FY24: £0.4m). The carrying value of the capitalised development at 30 April 2025 was £1.5m (FY24: £1.2m) to be amortised over three years.

**Interest Payable**

Interest charges for the year reduced to £1.5m (FY24: £1.6m). This reduction was due to the lower levels of debt through the year as well as reducing base rates.

**Taxation**

The taxation charge for the year was £1.4m (FY24: £1.4m) representing an effective tax rate of 26.1% compared to 24.9% in FY24. The effective tax rate on adjusted PBT reduced slightly to 22.7% (FY24: 23.5%). The Group continues to benefit from R&D tax credits.

**Earnings per Share**

Adjusted diluted EPS, an alternative performance measure which excludes certain non-cash and non-recurring expenses, was 6.18p (FY24: 5.78p), an increase of 6.9%. The diluted earnings per share for the Group decreased to 3.81p (FY24: 4.04p).

**Cash Flow and Working Capital**

Cash generated from operations was strong, increasing from £9.4m in FY24 to £12.9m in FY25. This was due to a £1.3m reduction in working capital in FY25, compared to a £2.0m increase the previous financial year. Inventories remained broadly flat, but trade debtors and creditors saw inflows, the former due to a significant effort to reduce overdue debtors and the latter due to a £0.6m increase in customer advances, with the largest advance being received at Atik Cameras.

Taxes paid increased slightly to £2.1m (FY24: £1.9m).

Our investment in fixed assets (excluding for acquisitions) increased to £1.2m (FY24: £1.0m), remaining at circa 2% of revenues.

Acquisition of new businesses remains our largest cash outlay, with £7.3m deployed on a cash-free basis (FY24: £2.4m). Of this, £5.6m related to InspecVision and £1.7m to Collins Walker. Deferred consideration of £0.6m (FY24: £nil) was outstanding at the end of FY25, relating to the acquisitions of Collins Walker (£0.1m) and InspecVision (£0.5m).

**Funding**

The Group acquired two businesses over the period, funded through additional debt.

Net debt (excluding lease liabilities and deferred consideration), or bank debt less cash, was £13.8m at the end of the year, slightly higher than the beginning of the period (£13.2m). This represents a net debt: EBITDA ratio of c1.1x, which is well within the ceiling provided by our bank facility. In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. At the end of the financial year the Group had drawn down £15.1m of its revolving credit facility (FY24: £14.6m), leaving £9.9m in headroom excluding an additional £5.0m accordion option, which is available subject to HSBC's discretion.

The Group has an unstretched balance sheet and has sufficient access to funds, alongside its steady cash flow, to acquire new companies and invest in its current portfolio of businesses.

**Post-Balance Sheet Event**

On 6 June 2025, SDI acquired Severn Thermal Solutions Limited for a net consideration of £4.8m. This was funded through additional debt.

Amitabh Sharma
Chief Financial Officer
30 July 2025

**Key Performance Indicators**

A range of financial key performance indicators are monitored for each business and for the Group monthly against budget and over time by the Board and by management, including order pipeline, revenue, gross profit (on materials only), costs, adjusted operating profit and free cashflow.

In support of our acquisition strategy as outlined above, we monitor our acquisition pipeline, including any prospects that fail to progress. Post-acquisition, the Board discusses integration progress and monitors financial performance against our initial plans. Over a longer period, we monitor the return on total invested capital of all of our businesses.

Additionally, the Board reserves specific agenda items for discussion of environment, social and governance

Additionally, the Board reserves specific agenda items for discussion of environment, social and governance matters, health and safety and other employee welfare-related issues.

**Consolidated income statement and statement of comprehensive income**
**for the year ended 30 April 2025**

| | Note | 2025 £'000 | 2024 £'000 |
|---|---|---|---|
| **Revenue** | 4 | **66,177** | 65,846 |
| Other income | | **577** | 104 |
| Operating costs | 5 | **(59,822)** | (58,660) |
| **Operating profit** | | **6,932** | 7,290 |
| Net financing expenses | | **(1,470)** | (1,627) |
| **Profit before tax** | | **5,462** | 5,663 |
| Income tax | 6 | **(1,424)** | (1,409) |
| **Profit for the year** | | **4,038** | 4,254 |
| *Attributable to:* | | | |
| Equity holders of the parent company | | **3,984** | 4,231 |
| Non-controlling interest | | **54** | 23 |
| **Profit for the year** | | **4,038** | 4,254 |

| **Statement of Comprehensive Income** | 2025 £'000 | 2024 £'000 |
|---|---|---|
| **Profit for the year** | **4,038** | 4,254 |
| **Other comprehensive income** | | |
| *Items that will not be reclassified subsequently to profit and loss:* | | |
| Remeasurement of net defined benefit liability | **-** | - |
| *Items that will be reclassified subsequently to profit and loss:* | | |
| Exchange differences on translating foreign operations | **(141)** | (38) |
| **Total comprehensive income for the year** | **3,897** | 4,216 |
| *Attributable to:* | | |
| Equity holders of the parent company | **3,843** | 4,193 |
| Non-controlling interest | **54** | 23 |
| **Total comprehensive income for the year** | **3,897** | 4,216 |

| **Earnings per share** | Note | 2025 £'000 | 2024 £'000 |
|---|---|---|---|
| Basic earnings per share | 10 | **3.86p** | 4.09p |
| Diluted earnings per share | 10 | **3.81p** | 4.04p |

**Consolidated balance sheet**
As at 30 April 2025

| **Company registration number: 06385396** | Note | 30 April 2025 £'000 | 30 April 2024 £'000 |
|---|---|---|---|
| **Non-current assets** | | | |
| Intangible assets | 11 | **48,027** | 42,040 |
| Property, plant and equipment | | **8,151** | 8,219 |
| Right-of-use leased assets | | **6,243** | 6,488 |
| Deferred tax asset | | **86** | 144 |
| | | **62,507** | 56,891 |
| **Current assets** | | | |
| Inventories | | **11,079** | 10,577 |
| Trade and other receivables | | **13,116** | 12,677 |
| Corporation tax asset | | **216** | 87 |
| Cash and cash equivalents | | **1,313** | 1,430 |
| | | **25,724** | 24,771 |
| **Total assets** | | **88,231** | 81,662 |
| **Non-current liabilities** | | | |
| Borrowings | 9 | **(21,070)** | (20,636) |
| Provisions | | **(281)** | (245) |
| Deferred tax liability | | **(4,900)** | (4,841) |
| | | **(26,251)** | (25,722) |
| **Current liabilities** | | | |
| Trade and other payables | | **(11,331)** | (9,647) |
| Provisions | | **(68)** | (22) |
| Borrowings | 9 | **(906)** | (841) |
| | | **(12,305)** | (10,510) |
| **Total liabilities** | | **(38,556)** | (36,232) |
| **Net assets** | | **49,675** | 45,430 |
| **Equity** | | | |

Equity

| | | |
|---|---|---|
| Share capital | **1,046** | 1,046 |
| Merger reserve | **2,606** | 2,606 |
| Merger relief reserve | **424** | 424 |
| Share premium account | **10,858** | 10,858 |
| Share-based payment reserve | **902** | 764 |
| Foreign exchange reserve | **2** | 143 |
| Retained earnings | **33,803** | 29,575 |
| **Total equity due to shareholders** | **49,641** | 45,416 |
| Non-controlling interest | **34** | 14 |
| **Total equity** | **49,675** | 45,430 |

**Consolidated statement of cashflows**
**For the year ended 30 April 2025**

| | Note | 2025 £'000 | 2024 £'000 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit after tax | | **4,038** | 4,254 |
| Depreciation and amortisation on right-of-use assets | | **2,133** | 2,021 |
| Amortisation on intangible assets | **11** | **2,038** | 1,963 |
| Finance costs | | **1,470** | 1,627 |
| Impairment of intangible assets | **11** | **31** | - |
| Increase/(decrease) in provisions | | **82** | (15) |
| Taxation in the income statement | **6** | **1,424** | 1,409 |
| Employee share-based payments | | **338** | 128 |
| **Operating cash flows before movement in working capital** | | **11,554** | 11,387 |
| Decrease in inventories | | **156** | 3,343 |
| Decrease/(increase) in trade and other receivables | | **430** | (92) |
| Increase/(decrease) in trade and other payables | | **719** | (5,252) |
| **Cash generated from operations** | | **12,859** | 9,386 |
| Interest paid | | **(1,470)** | (1,627) |
| Income taxes paid | | **(2,091)** | (1,925) |
| **Net cash generated from operating activities** | | **9,298** | 5,834 |
| **Investing activities** | | | |
| Capital expenditure on fixed assets | | **(1,238)** | (966) |
| Sale of property, plant and equipment | | **187** | 144 |
| Expenditure on development and other intangibles | | **(641)** | (820) |
| Proceeds from loan receivable settlement | | **750** | - |
| Payment of deferred consideration | | **-** | (961) |
| Acquisition of subsidiaries, net of cash | **12** | **(8,090)** | (2,386) |
| **Net cash used in investing activities** | | **(9,032)** | (4,989) |
| **Financing activities** | | | |
| Finance leases repayments | | **(706)** | (796) |
| Dividends paid to non-controlling interests in subsidiaries | | **(34)** | (41) |
| Proceeds from bank borrowing | **9** | **8,895** | 3,700 |
| Repayment of borrowings | **9** | **(8,360)** | (5,100) |
| Issues of shares and proceeds from option exercise | | **-** | 85 |
| **Net cash used in financing activities** | | **(205)** | (2,152) |
| **Net changes in cash and cash equivalents** | | **61** | (1,307) |
| **Cash and cash equivalents, beginning of year** | | **1,430** | 2,711 |
| **Foreign currency movements on cash balances** | | **(178)** | 26 |
| **Cash and cash equivalents, end of year** | | **1,313** | 1,430 |

**Consolidated statement of changes in equity**

**Consolidated statement of changes in equity**
**As at 30 April 2025**

| | **Share capital** | **Merger reserve** | **Merger relief reserve** | **Foreign exchange** | **Share premium** | **Share-based payment reserve** | **Retained earnings** |
|---|---|---|---|---|---|---|---|
| | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** | **£'000** |
| **At 30 April 2024** | **1,046** | **2,606** | **424** | **143** | **10,858** | **764** | **29,575** |
| Shares issued | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Tax in respect of share options | **-** | **-** | **-** | **-** | **-** | **-** | **44** |
| Share-based payment transfer | **-** | **-** | **-** | **-** | **-** | **(200)** | **200** |
| Share-based payment charge | **-** | **-** | **-** | **-** | **-** | **338** | **-** |
| Dividends paid | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Transactions with owners | **-** | **-** | **-** | **-** | **-** | **138** | **244** |
| Profit for the year | **-** | **-** | **-** | **-** | **-** | **-** | **3,984** |
| Other comprehensive income for the year: | | | | | | | |
| Foreign exchange on consolidation of subsidiaries | **-** | **-** | **-** | **(141)** | **-** | **-** | **-** |
| Total comprehensive income for the period | **-** | **-** | **-** | **(141)** | **-** | **-** | **3,984** |
| **At 30 April 2025** | **1,046** | **2,606** | **424** | **2** | **10,858** | **902** | **33,803** |

**Consolidated statement of changes in equity**
**As at 30 April 2024**

| | Share capital | Merger reserve | Merger relief reserve | Foreign exchange | Share premium | Share-based payment reserve | Retained earnings |
|---|---|---|---|---|---|---|---|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| At 30 April 2023 | 1,041 | 2,606 | 424 | 181 | 10,778 | 557 | 25,673 |
| Shares issued | 5 | - | - | - | 80 | - | - |
| Tax in respect of share options | - | - | - | - | - | - | (249) |
| Share-based payment transfer | - | - | - | - | - | 80 | (80) |
| Share-based payment charge | - | - | - | - | - | 127 | - |
| Dividends paid | - | - | - | - | - | - | - |
| Transactions with owners | 5 | - | - | - | 80 | 207 | (329) |
| Profit for the year | - | - | - | - | - | - | 4,231 |
| Other comprehensive income for the year: | | | | | | | |
| Foreign exchange on consolidation of subsidiaries | - | - | - | (38) | - | - | - |
| Total comprehensive income for the period | - | - | - | (38) | - | - | 4,231 |
| At 30 April 2024 | 1,046 | 2,606 | 424 | 143 | 10,858 | 764 | 29,575 |

**Notes to the financial information for the year ended April 2025**

## 1. GENERAL INFORMATION

SDI Group PLC is a public company incorporated in England and Wales under the Companies Act 2006. The registered office is at Beacon House, Nuffield Road, Cambridge, Cambs, CB4 1TF.

The summary accounts set out above do not constitute statutory accounts as defined by Section 434 of the UK Companies Act 2006. The summarised consolidated income statement and other comprehensive income summarised, the consolidated balance sheet at 30 April 2025, the summarised consolidated cash flow statement and the summarised consolidated statement of changes in equity for the year then ended have been extracted from the Group's 2025 statutory financial statements upon which the auditor's opinion is unqualified and did not contain a statement under either sections 498(2) or 498(3) of the Companies Act 2006. The audit report for the year ended 30 April 2024 did not contain statements under sections 498(2) or 498(3) of the Companies Act 2006. The statutory financial statements for the year ended 30 April 2024 have been delivered to the Registrar of Companies. The 30 April 2025 accounts were approved by the directors on 30 July 2025 but have not yet been delivered to the Registrar of Companies.

## 2 SIGNIFICANT ACCOUNTING POLICIES

**Basis of accounting**
The summary accounts are based on the consolidated financial statements that have been prepared in accordance with UK-adopted international accounting standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

They have been prepared under the assumption that the Group operates on a going concern basis and on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

**Going concern**
The Group ended FY25 with net debt (excluding lease liabilities and deferred consideration) of £13.8m, only 5% up on the last year end (£13.2m), despite spending £7.3m on two acquisitions during the period. The Group generated free cash flow (before acquisition consideration but after lease payments) of £6.9m, which was significantly higher than FY24 (£3.4m). Free cash flow improved due to a working capital reduction of £1.3m largely driven by efforts to reduce overdue debtors and a £0.6m increase in customer advances, the largest being received at Atik Cameras. Inventories were broadly flat. On 30 November 2022, the Group reached agreement with HSBC to exercise £5m of an available £10m accordion option, which increased the committed loan facility from £20m to £25m. £15.1m was drawn down under this facility at the year end (note 9). In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. This provides the Group with greater certainty over long-term liquidity.

The Board has considered the potential of a downturn given the current economic environment. The Group is in a strong financial position with available facilities, sufficient headroom on all covenants associated with the revolving credit facility, good profitability, and a strong future order book, enabling it to face any reasonable likely challenge of the continued uncertain global economic environment. The Board has reviewed forecasts for the period to 30 April 2027, evaluated a severe but plausible downside scenario and performed a sensitivity analysis, all of which the Board considers unlikely. In the event of a more severe scenario (without applying any mitigations), both covenants would come under some (but not severe) stress. However, mitigations would be obviously applied should this unlikely scenario present itself, such as (but not restricted to) further cost cutting, sale and leaseback of freehold property and potential disposal of assets. This would not cause any significant challenges to the Group's continued existence.

The Board therefore has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore continues to adopt the going concern basis in preparing the Annual Report and Accounts.

## 3 ALTERNATIVE PERFORMANCE MEASURES

The Group uses gross profit (on materials only), adjusted operating profit, adjusted profit before tax, adjusted diluted EPS and net operating assets as supplemental measures of the Group's profitability and investment in business-related assets, in addition to measures defined under IFRS. The Group considers these useful due to the exclusion of specific items that are considered to hinder comparison of underlying profitability and investments of the Group's segments and businesses and is aware that shareholders use these measures to evaluate performance over time. The adjusting items for the alternative measures of profit are either recurring but non-cash charges (share-based payments and amortisation of acquired intangible assets) or exceptional items (reorganisation costs and acquisition costs). Some items, e.g. impairment of intangibles, are both non-cash and exceptional.

| APM | Description |
|---|---|
| **Gross profit (on materials only)** | Gross profit excluding any labour costs |
| **Adjusted operating profit**<br>**Adjusted profit before tax** | Reported profit excluding any recurring but non-cash charges or exceptional items |
| **Adjusted diluted EPS** | Total net income divided by the weighted average number of shares outstanding and dilutive shares |
| **Net operating assets** | The total of all assets directly linked to the main operations minus all operational liabilities |

The following table is included to define the term gross profit (on materials only):

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Revenue | **66,177** | 65,846 |
| Cost of purchases | **(23,251)** | (24,297) |
| **Gross profit (on materials only)** | **42,926** | 41,549 |
| **Gross margin (on materials only)** | **64.9%** | 63.1% |

The following table is included to define the term adjusted operating profit:

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Operating profit (as reported)** | **6,932** | 7,290 |
| Adjusting items (all costs): | | |
| **Non-underlying items** | | |
| Share-based payments | **338** | 128 |
| Amortisation of acquired intangible assets | **1,725** | 1,558 |
| **Exceptional items** | | |
| Reorganisation costs | **398** | 447 |
| Acquisition costs | **564** | 155 |
| **Total adjusting items** | **3,025** | 2,288 |
| **Adjusted operating profit** | **9,957** | 9,578 |

Adjusted profit before tax is defined as follows:

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Profit before tax (as reported)** | **5,462** | 5,663 |
| Adjusting items (all costs): | | |
| **Non-underlying items** | | |
| Share-based payments | **338** | 128 |
| Amortisation of acquired intangible assets | **1,725** | 1,558 |
| **Exceptional items** | | |
| Reorganisation costs | **398** | 447 |
| Acquisition costs | **564** | 155 |
| **Total adjusting items** | **3,025** | 2,288 |
| **Adjusted profit before tax** | **8,487** | 7,951 |

Adjusted diluted EPS is defined as follows:

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Profit for the year** | **4,038** | 4,254 |
| Adjusting items (all costs): | | |
| **Non-underlying items** | | |
| Share-based payments | **338** | 128 |
| Amortisation of acquired intangible assets | **1,725** | 1,558 |
| **Exceptional items** | | |
| Reorganisation costs | **398** | 447 |
| Acquisition costs | **564** | 155 |
| **Total adjusting items** | **3,025** | 2,288 |
| Less taxation on adjusting items calculated at the UK statutory rate | **(503)** | (462) |
| Adjusted profit for the year | **6,560** | 6,080 |
| Divided by diluted weighted average number of shares in issue (note 10) | **106,097,371** | 105,253,543 |
| **Adjusted diluted EPS** | **6.18p** | 5.78p |

The following table is included to define the term net operating assets:

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Net assets** | **49,675** | 45,430 |
| Deferred tax asset | **(86)** | (144) |
| Corporation tax asset | **(216)** | (87) |
| Cash and cash equivalents | **(1,313)** | (1,430) |
| Borrowings and lease liabilities (current and non-current) | **21,571** | 21,477 |
| Deferred and contingent consideration | **645** | - |
| Deferred tax liability | **4,900** | 4,841 |
| **Total adjusting items within net assets** | **25,501** | 24,657 |

| | | |
|---|---|---|
| **Net operating assets** | **75,176** | 70,087 |

## 4 SEGMENT ANALYSIS

We re-segmented our businesses from the start of the financial year, as follows:

- **Laboratory Equipment**, comprising Safelab Systems, Monmouth Scientific, LTE Scientific and Synoptics;
- **Industrial & Scientific Sensors**, comprising Chell Instruments, Astles Control Systems, Sentek, MPB Industries and Peak Sensors; and
- **Industrial & Scientific Products**, comprising Atik Cameras, Fraser Anti-Static Techniques, Applied Thermal Control, Graticules Optics, Scientific Vacuum Systems, InspecVision and Collins Walker.

The Board of directors reviews operational results of these segments on a monthly basis and decides on resource allocations to the segments and is considered the Group's chief operating decision maker.

| | **2025 Total £'000** | Restated 2024 Total £'000 |
|---|---|---|
| **Revenues** | | |
| Industrial & Scientific Products | **25,135** | 22,866 |
| Industrial & Scientific Sensors | **17,035** | 16,145 |
| Laboratory Equipment | **24,007** | 26,835 |
| **Group** | **66,177** | 65,846 |
| **Adjusted operating profit** | | |
| Industrial & Scientific Products | **4,950** | 3,986 |
| Industrial & Scientific Sensors | **4,493** | 4,319 |
| Laboratory Equipment | **2,703** | 3,103 |
| Central costs | **(2,189)** | (1,830) |
| **Group** | **9,957** | 9,578 |
| **Amortisation of acquired intangible assets** | | |
| Industrial & Scientific Products | **(759)** | (656) |
| Industrial & Scientific Sensors | **(582)** | (514) |
| Laboratory Equipment | **(384)** | (388) |
| **Group** | **(1,725)** | (1,558) |

Analysis of amortisation of acquired intangible assets has been included separately as the Group considers it to be an important component of profit which is directly attributable to the reported segments.

The central costs category includes costs which cannot be allocated to the other segments and consists principally of Group head office costs.

| | **2025 Total £'000** | Restated 2024 Total £'000 |
|---|---|---|
| **Operating assets excluding acquired intangible assets** | | |
| Industrial & Scientific Products | **13,193** | 11,886 |
| Industrial & Scientific Sensors | **6,723** | 6,630 |
| Laboratory Equipment | **18,595** | 19,783 |
| Central costs | **1,132** | 827 |
| **Group** | **39,643** | 39,126 |
| **Acquired intangible assets** | | |
| Industrial & Scientific Products | **25,830** | 19,225 |
| Industrial & Scientific Sensors | **12,444** | 13,000 |
| Laboratory Equipment | **8,294** | 8,654 |
| **Group** | **46,568** | 40,879 |
| **Operating liabilities** | | |
| Industrial & Scientific Products | **(3,442)** | (2,074) |
| Industrial & Scientific Sensors | **(2,466)** | (2,339) |
| Laboratory Equipment | **(4,625)** | (4,610) |
| Central costs | **(502)** | (895) |
| **Group** | **(11,035)** | (9,918) |
| **Net operating assets** | | |

| | 2025 | 2024 |
|---|---|---|
| Industrial & Scientific Products | **35,581** | 29,037 |
| Industrial & Scientific Sensors | **16,701** | 17,291 |
| Laboratory Equipment | **22,264** | 23,827 |
| Central costs | **630** | (68) |
| **Group** | **75,176** | 70,087 |
| **Depreciation and amortisation of right-of-use assets** | | |
| Industrial & Scientific Products | **718** | 573 |
| Industrial & Scientific Sensors | **453** | 406 |
| Laboratory Equipment | **962** | 1,036 |
| Central costs | **-** | 7 |
| **Group** | **2,133** | 2,022 |

The geographical analysis of revenue by destination, analysis of revenue by product or service, and non-current assets by location are set out below:

| Revenue by destination of external customer | **2025 £'000** | 2024 £'000 |
|---|---|---|
| United Kingdom (country of domicile) | **34,791** | 36,809 |
| Europe | **12,749** | 12,127 |
| USA | **6,591** | 5,926 |
| Americas (excl. USA) | **1,441** | 2,416 |
| Asia | **9,165** | 6,976 |
| Rest of World | **1,440** | 1,592 |
| | **66,177** | 65,846 |

| Revenue by product or service | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Instruments and spare parts | **59,823** | 61,046 |
| Services | **6,354** | 4,800 |
| | **66,177** | 65,846 |

There was no customer with more than 10% of the revenue in either period.

| Analysis of revenue by performance obligation | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Sale of goods, recognised at a point in time | **57,483** | 56,534 |
| Sale of services, recognised over time | **6,354** | 4,801 |
| Sale of goods, recognised over time | **2,340** | 4,511 |
| | **66,177** | 65,846 |

| Non-current assets by location | **2025 £'000** | 2024 £'000 |
|---|---|---|
| United Kingdom | **61,517** | 56,432 |
| Portugal | **897** | 581 |
| USA | **90** | 220 |
| China | **3** | - |
| | **62,507** | 57,233 |

## 5 OPERATING COSTS

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| Raw materials and consumables | **23,251** | 24,297 |
| Staff costs | **24,574** | 23,184 |
| Other administrative expenses | **11,997** | 11,179 |
| | **59,822** | 58,660 |

## 6 TAXATION

| | **2025 £'000** | 2024 £'000 |
|---|---|---|
| **Current tax charge** | | |
| Current year | **1,708** | 1,703 |
| Adjustments in respect to prior periods | **146** | 25 |
| **Deferred tax charge** | | |

| | | |
|---|---|---|
| Origination and reversal of temporary differences | **(417)** | (234) |
| Adjustments in respect to prior periods | **(13)** | (85) |
| Total tax charge | **1,424** | 1,409 |

| **Reconciliation of effective tax rate** | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|
| Profit on ordinary activities before tax | **5,462** | 5,663 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2024: 25%) | **1,366** | 1,416 |
| Effects of: | | |
| Expenses not deductible | **(73)** | 204 |
| R&D expenditure credits | **(13)** | (258) |
| Adjustments to tax charge in respect of previous periods - current tax | **146** | 25 |
| Adjustments to tax charge in respect of previous periods - deferred tax | **(13)** | (85) |
| Foreign tax credits | **-** | 15 |
| Movement in tax not recognised | **-** | 120 |
| Difference in overseas tax rate | **11** | (28) |
| | **1,424** | 1,409 |

The Group takes advantage of the enhanced tax deductions for research and development expenditure in the UK and expects to continue to be able to do so.

The UK Finance Act 2021 which was substantively enacted on 24 May 2021 included provisions to increase the corporation tax rate to 25% effective from 1 April 2023.

## 7 TRADE AND OTHER RECEIVABLES

| | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|
| Trade receivables | **10,735** | 10,571 |
| Other receivables | **370** | 325 |
| Prepayments and accrued income | **2,011** | 1,781 |
| | **13,116** | 12,677 |

All amounts are short term. All of the receivables have been reviewed for potential credit losses and expected credit loss has been estimated.

## 8 TRADE AND OTHER PAYABLES

| | **2025**<br>**£'000** | 2024<br>£'000 |
|---|---|---|
| Trade payables | **3,981** | 3,567 |
| Social security and other taxes | **1,442** | 1,250 |
| Deferred consideration | **645** | - |
| Other payables | **635** | 431 |
| Accruals, deferred income and contract liabilities | **4,628** | 4,399 |
| | **11,331** | 9,647 |

Accruals and deferred income includes an amount of £2,638k (FY24: £2,085k) in respect of contract liabilities for revenues relating to performance obligations expected to be satisfied within the next 12 months. The contract liabilities balance has increased during the year as those advanced payments have unwound and additional advance payments received by customers. A significant amount of the contract liabilities were recognised as revenue during the current year.

During the year, no deferred consideration was paid in relation to any acquisitions made (FY24: £961k) and £645k remains outstanding at the year end (FY24: £nil).

All amounts are short term. The carrying values are considered to be a reasonable approximation of fair value.

## 9 BORROWINGS

Borrowings are repayable as follows:

| | **2025**<br>**£'000** | *Restated<br>2024<br>£'000 |
|---|---|---|
| Within one year | | |
| Finance lease liabilities | **906** | 841 |
| | **906** | 841 |
| After one and within five years | | |
| Bank finance | **15,135** | 14,600 |
| Finance lease liabilities | **2,803** | 2,537 |

| | | |
|---|---|---|
| Finance lease liabilities | [illegible] | [illegible] |
| | **17,938** | 17,137 |
| After more than five years | | |
| Finance lease liabilities | **3,132** | 3,499 |
| | **3,132** | 3,499 |
| | **21,070** | 20,636 |
| Total borrowings | **21,976** | 21,477 |

*The prior year figures were restated to split out the borrowings repayable after more than 5 years.

Bank finance relates to amounts drawn down under the Group's bank facility with HSBC Bank plc, which is secured against all assets of the Group. On 1 November 2021 the Group renewed and expanded its committed loan facility with HSBC to £20m, with an accordion option of an additional £10m and with a termination date of 1 November 2024 extendable for two further years.

On 30 November 2022, the Group reached an agreement with HSBC to exercise £5m of an available £10m accordion option, which increased the committed loan facility from £20m to £25m. The balance of the accordion option (£5m) remains available to the Group (at the discretion of HSBC) for future exercise. In April 2024, HSBC approved an extension of the repayment date by one year to November 2026. At the end of the financial year the Group had drawn down £15.1m of its revolving credit facility (FY24: £14.6m), leaving £9.9m in headroom (excluding the additional £5m accordion option).

## 10 EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the profits attributable to the shareholders of SDI Group plc divided by the weighted average number of shares in issue during the period. All profit per share calculations relate to continuing operations of the Group.

| | Profit attributable to shareholders £'000 | Weighted average number of shares | Earnings per share amount in pence |
|---|---|---|---|
| **Basic earnings per share:** | | | |
| **Year ended 30 April 2025** | **4,038** | **104,551,326** | **3.86** |
| Year ended 30 April 2024 | 4,254 | 104,099,565 | 4.09 |
| **Dilutive effect of share options:** | | | |
| **Year ended 30 April 2025** | | **1,546,045** | |
| Year ended 30 April 2024 | | 1,153,978 | |
| **Diluted earnings per share:** | | | |
| **Year ended 30 April 2025** | **4,038** | **106,097,371** | **3.81** |
| Year ended 30 April 2024 | 4,254 | 105,253,543 | 4.04 |

At the year end, there were 1,546,045 (FY24: 1,421,200) share options which were anti-dilutive but may be dilutive in the future.

## 11 INTANGIBLE ASSETS

The amounts recognised in the balance sheet relate to the following:

| | Customer relationships £'000 | Other intangibles £'000 | Goodwill £'000 | Development costs £'000 | Total £'000 |
|---|---|---|---|---|---|
| **Cost** | | | | | |
| At 30 April 2023 | 21,250 | 2,804 | 25,897 | 2,013 | 51,964 |
| Adjustments to goodwill | - | - | 24 | - | 24 |
| Additions | - | - | - | 820 | 820 |
| Additions on acquisition | 660 | 10 | 1,139 | - | 1,809 |
| Disposals/eliminations | - | - | - | (298) | (298) |
| At 30 April 2024 | 21,910 | 2,814 | 27,060 | 2,535 | 54,319 |
| Additions | - | - | - | 641 | 641 |
| Additions on acquisition | 625 | 1,557 | 5,233 | - | 7,415 |
| Disposals/eliminations | - | - | - | (590) | (590) |
| **At 30 April 2025** | **22,535** | **4,371** | **32,293** | **2,586** | **61,785** |
| **Amortisation and impairment** | | | | | |
| At 30 April 2023 | 4,593 | 1,537 | 3,206 | 1,278 | 10,614 |
| Amortisation for the year | 1,431 | 137 | - | 395 | 1,963 |
| Disposals/eliminations | - | - | - | (298) | (298) |
| At 30 April 2024 | 6,024 | 1,674 | 3,206 | 1,375 | 12,279 |
| Amortisation for the year | 1,485 | 239 | - | 314 | 2,038 |
| Disposals/eliminations | - | - | - | (559) | (559) |
| **At 30 April 2025** | **7,509** | **1,913** | **3,206** | **1,130** | **13,758** |
| **Net book value** | | | | | |
| **At 30 April 2025** | **15,026** | **2,458** | **29,087** | **1,456** | **48,027** |
| At 30 April 2024 | 15,886 | 1,140 | 23,854 | 1,160 | 42,040 |

Capitalised development costs include amounts totalling £915k (FY24: £550k) relating to incomplete projects for which amortisation has not yet begun.

for which amortisation has not yet begun.

On 1 May 2024, the Group implemented a new strategy, with the SDI businesses being re-segmented into three divisions: Laboratory Equipment, Industrial & Scientific Sensors and Industrial & Scientific Products. The new strategy is focussed on both organic and inorganic growth, with SDI looking to generate organic growth across the group as well as acquiring companies (where possible) to provide synergies to the existing portfolio. Business leaders would be appointed to lead the divisions. The new strategy has meant SDI now monitors goodwill, which relates to various acquisitions and is not amortised, at the segment level by aggregating the appropriate goodwill. As a result, Goodwill is tested for impairment in accordance with IAS 36 at the segment/divisional level, taking into account the group of cash-generating units ("CGUs") that are expected to benefit from the synergies. Prior to this approach, goodwill was allocated to each individual business which are considered to be the smallest cash -generating units in the group. There has been no change in the assessment of cash generating units.

The allocation of the carrying value of goodwill is represented below:

| | 2024<br>£'000 | Reclassification<br>£'000 | Acquisitions<br>£'000 | 2025<br>£'000 |
|---|---|---|---|---|
| Synoptics | **453** | **(453)** | **-** | **-** |
| Atik | **1,229** | **(1,229)** | **-** | **-** |
| Graticules | **1,278** | **(1,278)** | **-** | **-** |
| Sentek | **1,282** | **(1,282)** | **-** | **-** |
| Astles Control Systems | **2,503** | **(2,503)** | **-** | **-** |
| Applied Thermal Control | **1,028** | **(1,028)** | **-** | **-** |
| MPB Industries | **630** | **(630)** | **-** | **-** |
| Chell Instruments | **2,492** | **(2,492)** | **-** | **-** |
| Scientific Vacuum Systems | **2,734** | **(2,734)** | **-** | **-** |
| Safelab Systems | **3,561** | **(3,561)** | **-** | **-** |
| LTE Scientific | **676** | **(676)** | **-** | **-** |
| Fraser Anti-Static Techniques | **4,849** | **(4,849)** | **-** | **-** |
| Peak Sensors Limited | **1,139** | **(1,139)** | **-** | **-** |
| Industrial & Scientific Products | **-** | **11,118** | **5,233** | **16,351** |
| Industrial & Scientific Sensors | **-** | **8,046** | **-** | **8,046** |
| Laboratory Equipment | **-** | **4,690** | **-** | **4,690** |
| | **23,854** | **-** | **5,233** | **29,087** |

During the year the group acquired the two Industrial Products businesses, InspecVision and Collins Walker, as detailed in note 12.

The recoverable amount of the Group's goodwill was assessed by reference to the value-in-use ('VIU') calculations derived from three-year forecast cash flows and two years of extrapolated cash flows using appropriate growth rates used for that business. These range from inflationary increases of 2%, to 50% for the scale up of a small business. This is equivalent to a five-year forecast period, which is the maximum period expected unless a longer period is justifiable. Management's key assumption and resulting cash flows is to maintain market share in their markets. Thereafter, the VIU is based on estimated long-term growth ('LTG') rates of 2% (FY24: 2%). These assumptions were applied to each business within the three divisions.

A risk-adjusted, pre-tax discount rate specific to asset light and asset heavy businesses has been calculated and these all ranged between 18.50% and 19.00% (FY24: 16.67% and 20.67%). The laboratory equipment division CGU is largely an asset heavy segment. The other two division CGU's are asset light segments.

The directors have further considered the sensitivity of the key assumptions to changes, including reduced growth rates and operating margins, and increased discount rates. The growth rates are based on economic data for the wider economy and represent a prudent expectation of growth.

Individual business carrying values were assessed if any showed indicators of impairment in accordance with IAS 36.

No impairments have been recognised across either the divisional CGU's or the individual businesses.

The average remaining amortisation period of intangible assets excluding goodwill is 9.3 years (FY24: 9.3 years).

## 12 BUSINESS COMBINATIONS

*Acquisition of InspecVision Limited*
On 29 October 2024, the Company acquired 100% of the share capital of InspecVision Limited, a company incorporated in England and Wales, for a consideration payable in cash.

The assets and liabilities acquired were as follows:

| | Book value<br>£'000 | Fair value adjustment<br>£'000 | Fair value<br>£'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 7 | 2,060 | 2,067 |
| Property, plant and equipment | 89 | - | 89 |
| Right-of-use assets | 405 | - | 405 |
| **Total non-current assets** | 501 | 2,060 | 2,561 |

| | | | |
|---|---|---|---|
| **Total non-current assets** | 501 | 2,060 | 2,561 |
| **Current assets** | | | |
| Inventories | 600 | - | 600 |
| Trade and other receivables | 3,150 | - | 3,150 |
| Cash and cash equivalents | 179 | - | 179 |
| **Liabilities** | | | |
| Trade and other payables | (293) | - | (293) |
| Borrowings - Lease commitments | (405) | - | (405) |
| Corporation tax liability | (98) | - | (98) |
| Deferred tax liability | (16) | (515) | (531) |
| **Net assets acquired** | 3,618 | 1,545 | 5,163 |
| **Goodwill** | | | 3,508 |
| **Consideration and cost of investment** | | | **8,671** |
| **Fair value of consideration transferred** | | | |
| Cash paid | | | 6,565 |
| Less: cash acquired | | | (179) |
| Net cash paid in year (see cash flow) | | | 6,386 |
| Non-cash item: acquired receivable netted on consolidation against SDI loan payable | | | 1,606 |
| Cash acquired | | | 179 |
| Deferred payment | | | 500 |
| | | | **8,671** |

A loan of £750k was repaid immediately post-acquisition taking the net cash paid from £6,386k to £5,636k.

InspecVision Limited contributed £1,557k revenue and approximately £333k to the Group's profit before tax for the period between the date of acquisition and the balance sheet date, not including £136k of acquired intangible asset amortisation.

If the acquisition of InspecVision Limited had been completed on the first day of the financial year, the additional impact on group revenues for the period are estimated to have been £1.6m and the additional impact on group profit before tax is estimated to have been £512k, before an additional £0.1m of amortisation expense.

The goodwill of £3,508k arising from the acquisition relates to the assembled workforce and to expected future profitability, synergy and growth expectations.

A third-party expert performed a detailed review of the acquired intangible assets and recognised acquired customer relationships and technology. The customer relationships intangible asset was valued using a multi-period excess earnings methodology. The estimated fair value of the customer relationships therefore reflects the present value of the projected stream of cash flows that are expected to be generated by existing customers going forward, net of orders on hand at the date of acquisition. Key assumptions are the discount rate and attrition rate. A value of 14.8% was used for the discount rate. Attrition rates vary significantly, with distributors showing around 10% attrition and direct customers around 70%. Given these differences, the valuation of customer relationships has been split into two groups to account for their unique characteristics. After consulting with management to discuss their findings, management agreed with the inputs used and results obtained.

The deferred tax liability has been calculated on the amortisable intangible assets using the current enacted statutory tax rate of 25%.

The last financial year for InspecVision Limited before the acquisition completed was to 31 December 2023 and the current financial year has been extended by four months to April 2025 to align with that of SDI Group plc.

*Acquisition of Collins Walker Limited*

On 3 April 2025, the Company acquired 100% of the share capital of Collins Walker Limited, a company incorporated in England and Wales, for a consideration payable in cash.

The assets and liabilities acquired were as follows:

| | Book value £'000 | Fair value adjustment £'000 | Fair value £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | - | 115 | 115 |
| Property, plant and equipment | 9 | - | 9 |
| **Total non-current assets** | 9 | 115 | 124 |
| **Current assets** | | | |
| Inventories | 57 | - | 57 |
| Trade and other receivables | 41 | - | 41 |
| Cash and cash equivalents | 46 | - | 46 |
| **Liabilities** | | | |
| Trade and other payables | (25) | - | (25) |
| Corporation tax | (44) | - | (44) |
| Deferred tax liability | - | (29) | (29) |
| **Net assets acquired** | 84 | 86 | 170 |
| **Goodwill** | | | 1,725 |
| **Consideration and cost of investment** | | | **1,895** |
| **Fair value of consideration transferred** | | | |
| Cash paid | | | 1,750 |
| Less: cash acquired | | | (46) |

| | |
|---|---|
| Less: cash acquired | (46) |
| Net cash paid in year (see cash flow) | 1,704 |
| Cash acquired | 46 |
| Deferred payment | 145 |
| | **1,895** |

Collins Walker Limited contributed £69k revenue and approximately £18k to the Group's profit before tax for the period between the date of acquisition and the balance sheet date, not including £1k of acquired intangible asset amortisation.

If the acquisition of Collins Walker Limited had been completed on the first day of the financial year, the additional impact on group revenues for the period are estimated to have been £0.7m and the additional impact on group profit before tax is estimated to have been £156k (before exceptional items) or (£436)k (after exceptional items), before an additional £1k of amortisation expense.

The goodwill of £1,725k arising from the acquisition relates to the expected future profitability, synergy and growth expectations.

A third-party expert performed a detailed review of the acquired intangible assets and recognised acquired customer relationships. The customer relationships intangible asset was valued using a multi-period excess earnings methodology. The estimated fair value of the customer relationships therefore reflects the present value of the projected stream of cash flows that are expected to be generated by existing customers going forward, net of orders on hand at the date of acquisition. Key assumptions are the discount rate and attrition rate. Values of 23% and 15% were selected. After consulting with management to discuss their findings, management was in agreement with the inputs used and results obtained.

The deferred tax liability has been calculated on the amortisable intangible assets using the current enacted statutory tax rate of 25%.

The last financial year for Collins Walker Limited before the acquisition completed was to 31 March 2025 and the current financial year has been extended by one month to April 2026 to align with that of SDI Group plc.

## 13 POST BALANCE SHEET EVENTS

*Acquisition of Severn Thermal Solutions Limited*

On 6 June 2025, the Company acquired 100% of the share capital of Severn Thermal Solutions Limited, a company incorporated in England and Wales, for a consideration payable in cash.

The assets and liabilities acquired were as follows:

| | Book value £'000 | Fair value adjustment £'000 | Fair value £'000 |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | - | 2,500 | 2,500 |
| Property, plant and equipment | 167 | - | 167 |
| **Total non-current assets** | 167 | 2,500 | 2,667 |
| **Current assets** | | | |
| Inventories | 289 | - | 289 |
| Trade and other receivables | 2,997 | - | 2,997 |
| Cash and cash equivalents | 853 | - | 853 |
| **Liabilities** | | | |
| Trade and other payables | (435) | - | (435) |
| Corporation tax liability | (274) | - | (274) |
| Deferred tax liability | - | (625) | (625) |
| **Net assets acquired** | 3,597 | 1,875 | 5,472 |
| **Goodwill** | | | 2,825 |
| **Consideration and cost of investment** | | | **8,297** |
| **Fair value of consideration transferred** | | | |
| Cash paid | | | 5,100 |
| Less: cash acquired | | | (853) |
| Net cash paid in year | | | 4,247 |
| Non-cash item: Acquired receivable netted on consolidation against SDI loan payable | | | 2,997 |
| Cash acquired | | | 853 |
| Deferred payment | | | 200 |
| | | | **8,297** |

Severn Thermal Solutions are a designer and manufacturer of high temperature furnace systems and environmental chambers for advanced material processing and testing.

Due to the short period of time since acquisition, fair value adjustments are provisional and will be finalised within twelve months of acquisition date.

Severn Thermal Solutions Limited were acquired post year end on 5 June 2025 and therefore did not contribute any revenue or profit in the year.

The expected goodwill of £2,825k arising from the acquisition relates to the assembled workforce and to expected future profitability, synergy and growth expectations. A customer relationships intangible asset has been recognised and the estimated fair value of this asset reflects the present value of the projected stream been recognised and the estimated fair value of this asset reflects the present value of the projected stream of cash flows that are expected to be generated by existing customers going forwards, net of orders on hand at the date of acquisition.

The last financial year for Severn Thermal Solutions Limited was to 30 September 2024. The current financial year will continue to 30 September 2025. The following financial period will be shortened to 9 months to 30 April 2026 to align with that of SDI Group plc.