

SDI GROUP INDUSTRIALS

24 September 2025

SDI.L

99p

Market Cap: £105m

SHARE PRICE (p)



12m high/low

103p/48p

Source: LSE Data (priced as at prior close)

KEY DATA

Net (debt)/cash	£(13.8)m (at 30/04/25)
Enterprise value	£118.8m
Index/market	AIM
Next news	Interims, December
Shares in issue (m)	106.1
Chairman	Ken Ford
CEO	Stephen Brown
CFO	Amitabh Sharma

COMPANY DESCRIPTION

SDI Group is an acquisitive group, focused on companies that design and manufacture specialist lab equipment, industrial & scientific sensors and industrial & scientific products.

www.sdigroup.com

SDI GROUP IS A RESEARCH CLIENT OF
PROGRESSIVE

ANALYSTS

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Current trading in-line; clear growth trajectory

In a trading update ahead of the group's AGM, SDI reports that it has continued to see positive momentum across its portfolio and an improvement in organic growth compared to last year. The group expects to deliver FY26 results in line with market expectations. Our forecasts for FY26 reflect management's clear focus on both organic and inorganic growth, fostering greater collaboration and synergies across the portfolio of quality, cash-generative businesses. We remain confident long term given SDI's successful 'buy and build' model, particularly given recent delivery on the group's acquisition strategy, gaining complementary businesses with strong niche positions and international reach.

- **Maintaining FY26 forecasts.** FY26 started with a strong order book and good momentum. Profit and revenue are anticipated to be weighted towards H2, similar to last year, reflecting the current order book. We maintain our current estimates with revenue of £75m and adjusted EBIT of £11.3m. This reflects a return to organic growth of 6%.
- **FY25 a reset year.** We see FY25 as a reset year for the business, providing a base on which to build. The underlying portfolio performed well in terms of profitability and cash in FY25, with several businesses delivering a strong H2 and all three segments showing an upward trend. We expect a return to longer-term organic growth of 5%-7% with margins already back to the historical normal of 15%, supported by a FCF yield of 6% on FY26 estimates.
- **Delivering on 'buy and build' and cash generation.** We note the improved strategic initiatives to maximise value from the existing portfolio of quality businesses. The strong cash generation is being successfully deployed to fund value-enhancing acquisitions that are delivering long-term profitable growth and increasing return on capital employed. We have confidence in the resilience of the SDI model and the long-term growth drivers in its key markets. SDI has a solid pipeline of acquisition opportunities.
- **Double bump.** There is sufficient financial headroom, and debt is being repaid. SDI is well placed to continue to grow via its 'buy and build' strategy, with scope to add more meaningful acquisitions than the group has made in the past, focusing on a 'double bump' of driving synergies and geographic expansion of the existing portfolio. We look forward to further positive developments as the year progresses.

FYE APR (£M)	2022	2023	2024	2025	2026E
Revenue	49.7	67.6	65.8	66.2	75.0
Adj EBIT	12.1	12.8	9.6	10.0	11.3
Fully Adj PBT	11.8	11.8	8.0	8.5	9.8
Fully Adj EPS (p)	8.7	9.0	5.8	6.2	7.0
EV/Sales (x)	2.4x	1.8x	1.8x	1.8x	1.6x
EV/EBITDA (x)	8.7x	7.5x	10.0x	9.6x	6.2x
PER (x)	11.4x	11.0x	17.1x	16.0x	13.4x

Source: Company Information and Progressive Equity Research estimates.

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Please refer to important disclosures at the end of the document.

Financial Summary: SDI Group

Year end: April (£m unless shown)

PROFIT & LOSS	2022	2023	2024	2025	2026E
Revenue	49.7	67.6	65.8	66.2	75.0
Adj EBITDA	13.7	15.8	11.9	12.4	13.9
Adj EBIT	12.1	12.8	9.6	10.0	11.3
Reported PBT	9.9	5.8	5.7	5.5	6.4
Fully Adj PBT	11.8	11.8	8.0	8.5	9.8
NOPAT	10.1	9.8	8.4	8.6	9.9
Reported EPS (p)	7.2	3.7	4.0	3.8	4.4
Fully Adj EPS (p)	8.7	9.0	5.8	6.2	7.0
Dividend per share (p)	0.0	0.0	0.0	0.0	0.0
CASH FLOW & BALANCE SHEET	2022	2023	2024	2025	2026E
Operating cash flow	14.7	10.9	9.4	12.5	12.3
Free Cash flow	11.3	6.4	4.2	7.3	6.4
FCF per share (p)	10.9	6.1	4.0	6.9	5.9
Acquisitions	(11.0)	(21.1)	(2.4)	(8.1)	(4.4)
Disposals	0.0	0.0	0.0	0.0	0.0
Shares issued	0.7	0.9	0.1	0.0	0.0
Net cash flow	1.3	(2.5)	(1.3)	(0.3)	(4.9)
Overdrafts / borrowings	(4.0)	0.0	0.0	0.0	0.0
Cash & equivalents	5.1	2.7	1.4	1.3	1.3
Net (Debt)/Cash	(6.3)	(13.3)	(13.2)	(13.7)	(13.1)
NAV AND RETURNS	2022	2023	2024	2025	2026E
Net asset value	35.8	41.3	45.4	49.7	54.9
NAV/share (p)	34.3	39.4	43.2	46.8	51.1
Net Tangible Asset Value	4.1	8.2	8.2	8.2	8.7
NTAV/share (p)	3.9	7.8	7.8	7.7	8.1
Average equity	31.3	38.5	43.4	47.6	52.3
Post-tax ROE (%)	37.6%	30.7%	18.3%	17.8%	18.8%
METRICS	2022	2023	2024	2025	2026E
Revenue growth	41.6%	36.1%	(2.6%)	0.5%	13.3%
Adj EBITDA growth	50.7%	15.0%	(24.5%)	4.0%	12.1%
Adj EBIT growth	56.8%	6.1%	(25.2%)	4.0%	13.2%
Adj PBT growth	58.9%	0.5%	(32.8%)	6.7%	15.6%
Adj EPS growth	45.7%	3.6%	(36.0%)	7.0%	13.9%
Dividend growth	N/A	N/A	N/A	N/A	N/A
Adj EBIT margins	24.3%	19.0%	14.5%	15.0%	15.0%
VALUATION	2022	2023	2024	2025	2026E
EV/Sales (x)	2.4	1.8	1.8	1.8	1.6
EV/EBITDA (x)	8.7	7.5	10.0	9.6	6.2
EV/NOPAT (x)	11.8	12.2	14.2	13.8	8.6
PER (x)	11.4	11.0	17.1	16.0	13.4
Dividend yield	N/A	N/A	N/A	N/A	N/A
FCF yield	11.0%	6.2%	4.0%	6.9%	6.3%

Source: Company information and Progressive Equity Research estimates

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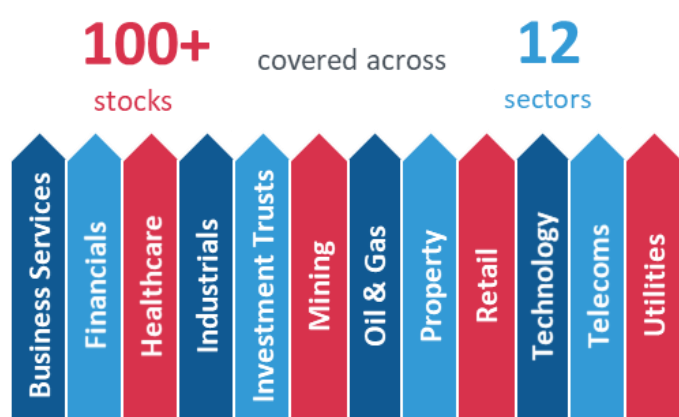
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