

SDI designs and manufactures scientific and technology products for use in digital imaging and sensing and control applications including life sciences, healthcare, astronomy, manufacturing, precision optics and art conservation. SDI operates through its company divisions: Atik Cameras, Synoptics, Graticules Optics, Sentek, Astles Control Systems, Applied Thermal Control, MPB Industries, Chell Instruments and Monmouth Scientific.

SDI continues to grow by developing its own technology advancements and by improving its global sales channels, as well as through pursuing strategic, complementary acquisitions.

[www.thesdigroup.net](http://www.thesdigroup.net)

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#### Revenue

↑  
**+23%**

#### Profit before tax

↑  
**+56%**

#### Cash generated

↑  
**+130%**

\* before reorganisation costs, acquisition costs, amortisation of acquired intangibles and share based payment costs.

\*\* bank finance less cash and cash equivalents.

## Financial

- **Revenue increased 23% to £14.13m** (2019: £11.45m) including 7.7% organic growth
  - Strong contribution from products designed into equipment used in testing for and treating COVID-19, offset by impact of the pandemic on the broader economy
- **Adjusted operating profit\* for the period increased 52% to £3.20m** (2019: £2.10m)
  - Reported operating profit increased 56% to £2.53m (2019: £1.62m)
- **Adjusted profit before tax\* increased 52% to £3.03m** (2019: £2.00m)
  - Reported profit before tax increased 56% to £2.37m (2019: £1.52m)
- **Adjusted diluted EPS\* increased 45% to 2.47p** (2019: 1.70p)
  - Reported diluted EPS increased 48% to 1.95p (2019: 1.32p)
- **Cash generated from operations increased 130% to £4.72m** (2019: £2.05m)
- **Net debt\*\* at 31 October 2020 is £0.34m** (30 April 2020: net debt of £4.04m)

## Operational

- While maintaining safe working conditions, the Group has adapted to changing patterns of demand and has dramatically increased capacity and output in areas where its products could contribute to the global response to the COVID-19 pandemic
- Post period end, acquisition of Monmouth Scientific Limited

**"We are pleased to report another strong set of financial results. I would like to thank all our staff for their hard work and ability to rapidly adapt to changing working environments. Our business model has shown resilience in the period and despite the ongoing uncertainties, the Board remains confident that SDI will deliver a full year financial performance in line with market expectations."**

Despite the coronavirus pandemic, for the six month period ended October 2020, the SDI Group plc is pleased to report revenues, adjusted profit before tax and profits before tax, all significantly higher than the equivalent six month period ended 31 October 2019. Although trading conditions remain challenging, the need for digital imaging and sensing and control products in the life science and medical industries has been robust and during this pandemic, some of our companies have been awarded large one-off contracts to supply equipment to help test for, or treat, COVID-19. These contracts have ensured that the Group is trading broadly in line with forecasts set prior to the pandemic.

During the period the Group put in place measures for a safe working environment for our staff to continue to manufacture products which are essential in the fight against the COVID-19 pandemic. Changes to our working practices and reorganising our work force to keep our staff safe allowed us to keep all operation open throughout the period.

### Trading

Across the Group, orders were negatively impacted at the beginning of the half year, in May 2020, but began to steadily increase as the global lockdown eased and demand returned. By September 2020 order intake had returned to near pre-pandemic expectations with many of our businesses fulfilling order to supply OEM products for contracts which had previously been put on hold by our major industrial and life science equipment customers.

### Revenues

Group revenues for the period ended October Group revenues for the period ended October 2020 increased by 23% to £14.13m (2019: £11.45m) including 7.7% organic growth.

Sales in our digital imaging reporting segment grew by 23% to £6.94m (2019: £5.64m). The increase in turnover has come from a one-off contract related to the supply of equipment to test for COVID-19 awarded to Atik and from sales of systems being manufactured at the Synoptics site. Synoptics has posted good revenues with its Synbiosis division having a record month for turnover in October 2020.

The sensing and control reporting segment showed overall positive turnover growth of 24%, due to the contribution from MPB of a one-off contract completed during the period to supply 40,000 flowmeters for production of Rapidly Manufactured Ventilator Systems to treat COVID-19 patients, and to the revenues generated by Chell Instruments acquired after the October 2019 period end.



## Profits

Group profit before tax increased by 56% to £2.37m (2019: £1.52m). The increase in profitability was driven by organic revenue growth, Chell Instruments (acquired after the period ended October 2019) and reduced overheads. During the reporting period, the Group has been actively reducing its overall costs, with the largest decrease in overheads coming from reduction in salary costs. At our UK and US-based facilities within the Group where orders were negatively impacted by the COVID-19 pandemic we furloughed 19% of our workforce during the period under UK and US Government job retention schemes. Staff are returning to working at pre-pandemic levels to fulfil orders which were largely deferred due to the global lockdown. We continue to monitor our forecasts against the background of second wave lockdowns and potential Brexit disruption and any supply-chain issues these could cause.

In addition to GAAP results, the Group also provides adjusted results in which certain one-time and non-cash charges are excluded, to help shareholders understand the underlying operating performance. Adjusted operating profit increased by 52% to £3.20m (2019: £2.10m).

Basic earnings per share increased by 48% from 1.37p to 2.03p; diluted earnings per share also increased by 48% to 1.95p (2019: 1.32p). Adjusted diluted EPS increased by 45% to 2.47p (2019: 1.70p).

## Cash Flow

Cash generated from operations increased by 130% to £4.72m (2019: £2.05m). Contributing to this was a reduction in average debtor days in both reporting segments and the Group benefitting from a substantial increase in advanced payments at Atik Cameras. These have contributed to a substantial reduction in net debt in the period. Net bank debt, or bank debt less cash, reduced to £0.34m at 31 October 2020 from £4.04m at 30 April 2020.

## Operations and COVID-19

Following UK government guidelines around social distancing and hygiene, SDI has invested during the period to make our manufacturing facilities COVID-19 safe. We operate manufacturing in many sites across the UK and in addition have a manufacturing site in Portugal. We have been able to put protocols in place to keep each facility operational while minimizing risk to our employees. Production staff are now back working full-time in our manufacturing facilities, indeed, many did not stop during lockdown and our sales and administration teams currently operate a shift system, with time working from home and in the office. To date, these measures, alongside our staff's diligence and hard work, has meant we have been minimally impacted by COVID-19 infections among our employees.

Our planned expansion of the Atik production site in Lisbon, Portugal was successfully completed in the first quarter of 2020. Having the site operational with twice the manufacturing capacity has allowed Atik to safely work on a significant one-off contract to manufacture cameras for RT-PCR testing equipment (DNA amplification) to detect the virus which causes COVID-19. Atik expects to complete delivery of the order by February 2021. This date ties in with the timing of Atik's OEM contract with a major life science equipment supplier resuming to similar levels as previously experienced..

## Acquisitions

On 2 December 2020, after the interim period end, SDI acquired Monmouth Scientific Limited ("Monmouth Scientific") for an initial consideration of £2.66m in cash and shares in SDI Group plc. Further payments will be made up to a maximum total consideration of £6.94 million depending on net assets delivered at completion and on profits made by Monmouth Scientific in the 12 months to 31 March 2021, and these will be funded through our existing cash and loan facilities. Monmouth Scientific specialises in the design, manufacture and service of clean air solutions for a variety of scientific, medical and other technical sectors, protecting the purity of the air of both the controlled activity and of the operator. Principal products are bespoke and modular cleanrooms, biological safety cabinets, fume cupboards and laminar flow cabinets. For the year ended 31 March 2020 the Company achieved revenues of £6.2m, and profit before tax of £0.28m. The Acquisition is in line with the Group's strategy of acquiring complementary businesses serving scientific, medical and other technical

sectors with capable management teams in place and with opportunities to grow further under the SDI Group structure. Monmouth Scientific will be part of SDI Group's Sensors and Control reporting segment. The acquisition is in line with our previously announced strategy of organic and acquisitive growth and is expected to be immediately earnings enhancing.

The Group continues to look for complementary acquisitions fitting our criteria, and we would hope to identify at least one that we can complete in 2021.

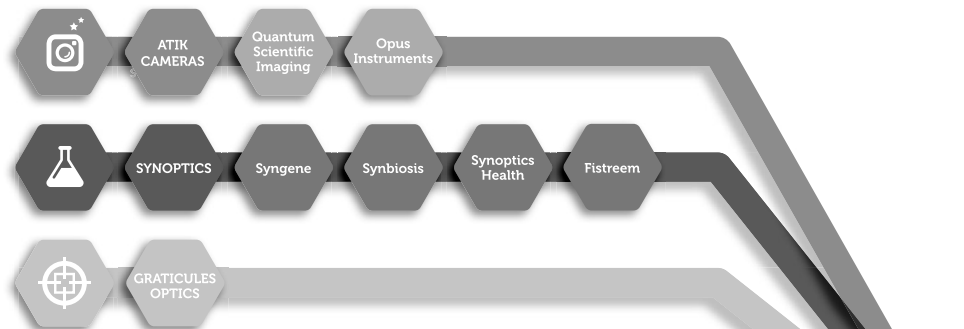
## Outlook

The SDI Group's diversified portfolio of companies has meant that we have been protected against the worst of the commercial downturn caused by the pandemic and some companies in our Group have secured significant one-off contracts because of it. The Board would like to thank all our staff for their hard work and ability to rapidly adapt to changing working environments which have all contributed to help secure SDI's stability and future growth. Due to the resilience of our business model to date, and despite the potential for economic variability, influenced by possible second or third wave global lockdowns, political conditions (including Brexit) and currency fluctuations, the Board is confident that SDI will deliver a full year financial performance in line with market expectations.

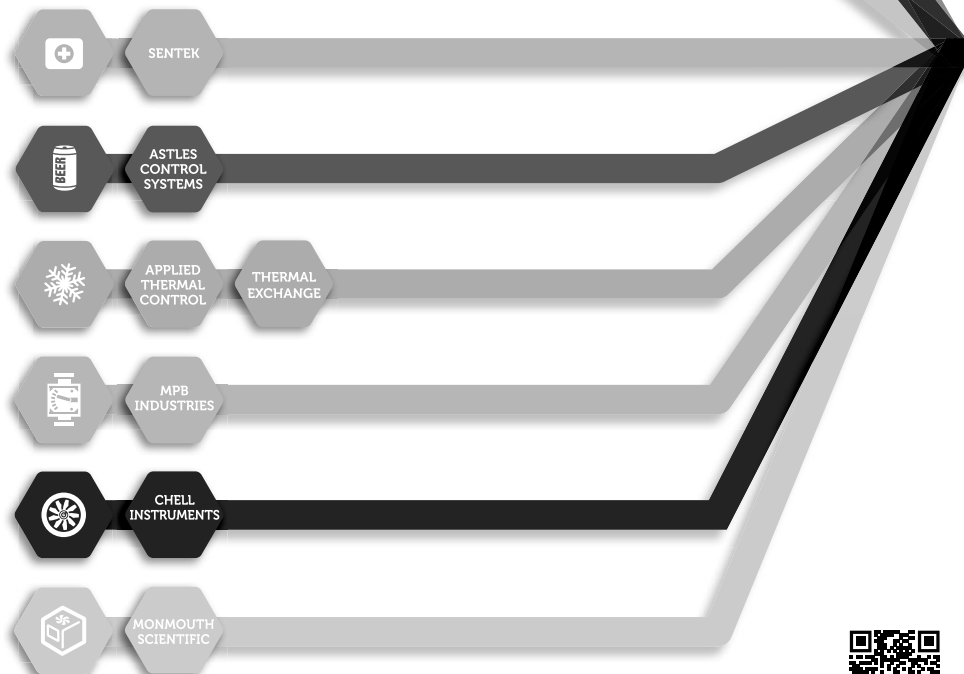


**Ken Ford**  
Chairman  
8 December 2020

**Digital Imaging**



**Sensors & Control**



Acquired  
December 2020



For more information visit: [www.thesdigroup.net](http://www.thesdigroup.net)

**Digital Imaging**

The digital imaging segment consists of three divisions, Atik Cameras, Graticules Optics and Synoptics.

**Atik Cameras**

Atik Cameras offers three brands of camera:

- **Atik** – highly sensitive cameras for life science and industrial applications, as well as deep-sky astronomy;
- **Quantum Scientific Imaging (QSI)** – high performance cameras with applications in astronomy, life science and flat panel display inspection; and
- **Opus Instruments** – infrared reflectography cameras for art conservation and restoration.

**Graticules Optics**

Designs and manufactures precision micro pattern products on glass, film and metal foil.

**Synoptics**

Offers a range of instruments under four brands:

- **Syngene** – advanced systems for documentation and analysis of gels for molecular biologists. This brand utilises some of the range from Atik Cameras;
- **Symbiosis** – equipment for microbiologists to automate colony counting and zone measurement;
- **Synoptics Health** – ProReveal, to detect residual proteins on surgical instruments; and
- **Fistream** – water purification products and vacuum ovens.

**Sensors & Control**

The sensors and control segment currently encompass six divisions: Applied Thermal Control and Thermal Exchange, Astles Control Systems, Chell Instruments, MPB Industries, Sentek and Monmouth Scientific.

**Applied Thermal Control and Thermal Exchange**

Applied Thermal Control and Thermal Exchange have been merged into a single division and manufacture and supply chillers, coolers and heat exchangers used within industrial, medical and scientific markets.

**Astles Control Systems**

Astles is a supplier of chemical dosing and control systems to manufacturing customers worldwide.

**Chell Instruments**

Specialises in the design, manufacture and calibration of pressure, vacuum, and gas flow measurement instruments for a variety of sectors including aerospace, vehicle aerodynamics, gas and steam turbine testing and power generation industries.

**MPB Industries**

Designs and manufactures flowmeters and other equipment for measuring liquids and gases for industrial and scientific applications.

**Sentek**

Sentek manufactures and markets off-the-shelf and custom-made, reusable and single-use electrochemical sensors for use in laboratory analysis, food, beverage, pharmaceutical and personal care manufacturing, as well as the leisure industry.

**Monmouth Scientific**

Acquired on 2 December 2020. The company designs, manufactures and services clean air solutions specialising in cleanrooms, biological safety fume cupboards and laminar flow cabinets

### Consolidated Income Statement

Note	6 months to 31 October 2020 Unaudited £'000	6 months to 31 October 2019 Unaudited £'000	12 months to 30 April 2020 Audited £'000
Revenue	14,126	11,445	24,498
Costs of sales	(4,724)	(3,680)	(7,899)
<b>Gross Profit</b>	<b>9,402</b>	<b>7,765</b>	<b>16,599</b>
Other operating income	7	–	19
Operating expenses	(6,874)	(6,144)	(13,107)
<b>Analysed as:</b>			
Reorganisation costs	(129)	(59)	(110)
Share-based payments	(152)	(140)	(276)
Acquisition and fundraising costs	–	–	(58)
Amortisation of acquired intangible assets	(379)	(282)	(647)
Expected credit loss	–	–	(165)
Other operating costs	(6,214)	(5,663)	(11,851)
Operating expenses	(6,874)	(6,144)	(13,107)
<b>Operating profit</b>	<b>2,535</b>	<b>1,621</b>	<b>3,511</b>
Net financing expense	(164)	(104)	(254)
<b>Profit before taxation</b>	<b>2,371</b>	<b>1,517</b>	<b>3,257</b>
Income tax charge	(393)	(189)	(666)
<b>Profit for the period</b>	<b>1,978</b>	<b>1,328</b>	<b>2,591</b>
Earnings per share	5		
Basic earnings per share	2.03p	1.37p	2.66p
Diluted earnings per share	1.95p	1.32p	2.56p

### Consolidated Statement of Comprehensive Income

	6 months to 31 October 2020 Unaudited £'000	6 months to 31 October 2019 Unaudited £'000	12 months to 30 April 2020 Audited £'000
Profit for the period	1,978	1,328	2,591
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations	48	26	41
<b>Total comprehensive profit for the period</b>	<b>2,026</b>	<b>1,354</b>	<b>2,632</b>

## Consolidated Balance Sheet

	Note	31 October 2020 Unaudited £'000	31 October 2019 Unaudited £'000	30 April 2020 Audited £'000
<b>Assets</b>				
<b>Non-current assets</b>				
Intangible assets		21,110	16,900	21,650
Property, plant and equipment		3,584	3,281	3,901
Deferred tax asset		219	182	246
		24,913	20,363	25,797
<b>Current assets</b>				
Inventories		4,087	2,785	3,728
Trade and other receivables		4,456	3,425	3,617
Cash and cash equivalents		3,436	2,727	5,290
		11,979	8,937	12,635
<b>Total assets</b>		36,892	29,300	38,432
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Borrowings	6	2,400	3,300	7,962
Lease liabilities	6	2,211	2,058	2,414
Deferred tax liability		2,037	1,356	2,134
		6,648	6,714	12,510
<b>Current liabilities</b>				
Trade and other payables		5,412	2,927	3,350
Provisions for warranty		85	16	85
Borrowings	6	1,371	–	1,371
Lease liabilities	6	562	449	539
Current tax payable		510	597	513
		7,940	3,989	5,858
<b>Total liabilities</b>		14,588	10,703	18,368
<b>Net assets</b>		22,304	18,597	20,064
<b>Equity</b>				
Share capital		978	972	975
Merger reserve		3,030	3,030	3,030
Share premium account		8,805	8,696	8,746
Share-based payment reserve		619	424	467
Foreign exchange reserve		229	166	181
Retained earnings		8,643	5,309	6,665
<b>Total equity</b>		22,304	18,597	20,064

## Consolidated Statement of Cash Flows

	6 months to 31 October 2020 Unaudited £'000	6 months to 31 October 2019 Unaudited £'000	12 months to 30 April 2020 Audited £'000
<b>Operating activities</b>			
Profit for the period	1,978	1,328	2,591
Depreciation, amortisation and impairment	1,096	919	2,020
Finance costs and income	164	104	254
Impairment of intangibles	18	–	22
Changes in provisions	–	5	74
Taxation expense in the income statement	393	189	666
Employee share-based payments	152	140	276
<b>Operating cash flow before movement in working capital</b>	3,801	2,685	5,903
Changes in inventories	(400)	(201)	(539)
Changes in trade and other receivables	(745)	(94)	726
Changes in trade and other payables	2,059	(339)	(921)
<b>Cash generated from operations</b>	4,715	2,051	5,169
Interest paid	(164)	(104)	(253)
Income taxes paid	(493)	(312)	(786)
<b>Cash generated from operating activities</b>	4,058	1,635	4,130
<b>Cash flows from investing activities</b>			
Capital expenditure on fixed assets	(109)	(226)	(506)
Sale of property plant and equipment	–	3	–
Expenditure on development and other intangibles	(116)	(257)	(582)
Acquisition of subsidiaries, net of cash	–	–	(5,182)
<b>Net cash used in investing activities</b>	(225)	(480)	(6,270)
<b>Cash flows from financing activities</b>			
Payments of lease liabilities	(224)	(225)	(511)
Foreign exchange movements	107	–	–
Proceeds from bank borrowings	–	–	6,496
Repayment of borrowings	(5,562)	(700)	(1,143)
Issues of shares	–	–	80
<b>Net cash (used in)/from financing activities</b>	(5,679)	(925)	4,922
<b>Net (decrease)/increase in cash and cash equivalents</b>	(1,846)	230	2,782
Cash and cash equivalents, beginning of period	5,290	2,494	2,494
Foreign currency movements on cash balances	(8)	3	14
<b>Cash and cash equivalents, end of period</b>	3,436	2,727	5,290



## Consolidated Statement of Changes in Equity

6 months to 31 October 2020 – unaudited	Share capital £'000	Merger reserve £'000	Foreign exchange £'000	Share premium £'000	Own shares held by EBT £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 May 2020	975	3,030	181	8,746	–	467	6,665	20,064
Shares issued	3	–	–	59	–	–	–	62
Share-based payments	–	–	–	–	–	152	–	152
<b>Transactions with owners</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>59</b>	<b>–</b>	<b>152</b>	<b>–</b>	<b>214</b>
Profit for the period	–	–	–	–	–	–	1,978	1,978
Foreign exchange on consolidation of subsidiaries	–	–	48	–	–	–	–	48
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>48</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,978</b>	<b>2,026</b>
<b>Balance at 31 October 2020</b>	<b>978</b>	<b>3,030</b>	<b>229</b>	<b>8,805</b>	<b>–</b>	<b>619</b>	<b>8,643</b>	<b>22,304</b>

6 months to 31 October 2019 – unaudited	Share capital £'000	Merger reserve £'000	Foreign exchange £'000	Share premium £'000	Own shares held by EBT £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 1 May 2019	972	3,030	140	8,696	(17)	284	3,981	17,086
Share-based payments	–	–	–	–	–	140	–	140
Release of shares on option exercise	–	–	–	–	17	–	–	17
<b>Transactions with owners</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>17</b>	<b>140</b>	<b>–</b>	<b>157</b>
Profit for the period	–	–	–	–	–	–	1,328	1,328
Foreign exchange on consolidation of subsidiaries	–	–	26	–	–	–	–	26
<b>Total comprehensive income for the period</b>	<b>–</b>	<b>–</b>	<b>26</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>1,328</b>	<b>1,354</b>
<b>Balance at 31 October 2019</b>	<b>972</b>	<b>3,030</b>	<b>166</b>	<b>8,696</b>	<b>–</b>	<b>424</b>	<b>5,309</b>	<b>18,597</b>

12 months to 30 April 2020 – audited	Share capital £'000	Merger reserve £'000	Foreign exchange £'000	Share premium £'000	Own shares held by EBT £'000	Share-based payment reserve £'000	Retained earnings £'000	Total £'000
Balance at 30 April 2019	972	3,030	140	8,696	(17)	284	3,981	17,086
Restatement for IFRS16 (“Leases”)	–	–	–	–	–	–	–	–
<b>Adjusted balances at 30 April 2019</b>	<b>972</b>	<b>3,030</b>	<b>140</b>	<b>8,696</b>	<b>(17)</b>	<b>284</b>	<b>3,981</b>	<b>17,086</b>
Shares issued	3	–	–	50	17	–	–	70
Share-based payments transfer	–	–	–	–	–	(93)	93	–
Share-based payments	–	–	–	–	–	276	–	276
<b>Transactions with owners</b>	<b>3</b>	<b>–</b>	<b>–</b>	<b>50</b>	<b>17</b>	<b>183</b>	<b>93</b>	<b>346</b>
Profit for the year	–	–	–	–	–	–	2,591	2,591
Foreign exchange on consolidation of subsidiaries	–	–	41	–	–	–	–	41
<b>Total comprehensive income</b>	<b>–</b>	<b>–</b>	<b>41</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>2,591</b>	<b>2,632</b>
<b>Balance at 30 April 2020</b>	<b>975</b>	<b>3,030</b>	<b>181</b>	<b>8,746</b>	<b>–</b>	<b>467</b>	<b>6,665</b>	<b>20,064</b>



**1 General Information and Basis of Preparation**

SDI Group plc (formerly known as Scientific Digital Imaging plc (the "Company")), a public limited company, is the Group's ultimate parent. It is registered in England and Wales. The consolidated interim financial statements of the Company for the period ended 31 October 2020 comprise the Company and its subsidiaries (together referred to as the "Group").

The unaudited consolidated interim financial statements are for the six months ended 31 October 2020. These interim financial statements have been prepared using the recognition and measurement principles of International Accounting Standards, International Financial Reporting Standards and Interpretations adopted for use in the European Union (collectively EU IFRS). The consolidated interim financial information has been prepared under the historical cost convention, as modified by the recognition of certain financial instruments at fair value. The consolidated interim financial statements are presented in British pounds (£), which is also the functional currency of the ultimate parent company.

The consolidated interim financial information was approved by the Board of Directors on 8 December 2020

The financial information set out in this interim report does not constitute statutory accounts as defined in section 435 of the Companies Act 2006. The figures for the year ended 30 April 2020 have been extracted from the statutory financial statements of SDI Group plc which have been filed with the Registrar of Companies. The auditor's report on those financial statements was unqualified and did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006. The financial information for the six months ended 31 October 2020 and for the six months ended 31 October 2019 has not been audited.

**2 Principal Accounting Policies**

The principal accounting policies adopted in the preparation of the condensed consolidated interim information are consistent with those followed in the preparation of the Group's financial statements for the year ended 30 April 2020.

The accounting policies have been applied consistently throughout the Group for the purposes of preparation of these interim financial statements.

**Alternative Performance Measures****3**

The Group uses Adjusted Operating Profit, Adjusted Profit Before Tax, Adjusted 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 and fundraising costs).

The following table is included to define the term Adjusted Operating Profit:

	6 months to 31 October 2020 Unaudited £'000	6 months to 31 October 2019 Unaudited £'000	12 months to 30 April 2020 Audited £'000
<b>Operating Profit</b> (as reported)	2,535	1,621	3,511
Adjusting items (all costs):			
<b>Non-underlying items</b>			
Share-based payments	152	140	276
Amortisation of acquired intangible assets	379	282	647
<b>Exceptional items</b>			
Reorganisation costs	129	59	110
Acquisition and fundraising costs	–	–	58
<b>Total adjusting items within</b>			
Operating Profit	660	481	1,091
<b>Adjusted Operating Profit</b>	<b>3,195</b>	<b>2,102</b>	<b>4,602</b>

Adjusted Profit Before Tax is defined as follows:

	6 months to 31 October 2020 Unaudited £'000	6 months to 31 October 2019 Unaudited £'000	12 months to 30 April 2020 Audited £'000
<b>Profit before tax</b> (as reported)	2,371	1,517	3,257
Adjusting items (as above)	660	481	1,091
<b>Adjusted Profit Before Tax</b>	<b>3,031</b>	<b>1,998</b>	<b>4,348</b>

## 3 Alternative Performance Measures continued

Adjusted EPS is defined as follows:

	6 months to 31 October 2020 Unaudited £'000	6 months to 31 October 2019 Unaudited £'000	12 months to 30 April 2020 Audited £'000
Profit for the period (as reported)	1,978	1,328	2,591
Adjusting items (as above)	660	481	1,091
Less: taxation on adjusting items calculated at the UK statutory rate	(125)	(91)	(207)
Adjusted net profit	2,513	1,718	3,475
Divided by diluted weighted average number of shares in issue (Note 5)	101,611,426	100,846,707	101,206,148
Adjusted diluted EPS	2.47p	1.70p	3.43p

Net Operating Assets is defined as follows:

	31 October 2020 Unaudited £'000	31 October 2019 Unaudited £'000	30 April 2020 Audited £'000
Net assets	22,304	18,597	20,064
Deferred tax asset	219	182	246
Corporation tax asset	79	–	52
Cash and cash equivalents	3,436	2,727	5,290
Borrowings (current and non-current)	(6,544)	(5,807)	(12,286)
Deferred tax liability	(2,037)	(1,356)	(2,134)
Current tax payable	(510)	(597)	(513)
Total adjusting items within Net assets	(5,357)	(4,851)	(9,345)
Net Operating Assets	27,661	23,448	29,409

## Segmental Analysis

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	6 months to 31 October 2020 Unaudited £'000	6 months to 31 October 2019 Unaudited £'000	12 months to 30 April 2020 Audited £'000
<b>Revenues</b>			
Digital Imaging	6,940	5,639	11,050
Sensors & Control	7,186	5,806	13,448
Other	–	–	–
<b>Group</b>	<b>14,126</b>	<b>11,445</b>	<b>24,498</b>
<b>Adjusted Operating Profit</b>			
Digital Imaging	2,075	1,210	2,382
Sensors & Control	1,569	1,361	3,028
Other	(449)	(469)	(808)
<b>Group</b>	<b>3,195</b>	<b>2,102</b>	<b>4,602</b>
<b>Amortisation of acquired intangible assets</b>			
Digital Imaging	(92)	(90)	(182)
Sensors & Control	(291)	(192)	(465)
Other	–	–	–
<b>Group</b>	<b>(383)</b>	<b>(282)</b>	<b>(647)</b>

A reconciliation of Adjusted Operating Profit to Operating Profit for the Group is provided in Note 3.

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 Other category includes costs which cannot be allocated to the other segments, and consists principally of Group HQ costs.

4 **Segmental Analysis** *continued*

	31 October 2020 Unaudited £'000	31 October 2019 Unaudited £'000	30 April 2020 Audited £'000
<b>Operating assets excluding acquired intangible assets</b>			
Digital Imaging	6,942	6,508	6,281
Sensors & Control	5,825	4,110	5,993
Other	331	53	120
<b>Group</b>	<b>13,098</b>	<b>10,671</b>	<b>12,394</b>
<b>Acquired intangible assets</b>			
Digital Imaging	5,282	5,461	5,370
Sensors & Control	14,777	10,260	15,068
Other	–	–	–
<b>Group</b>	<b>20,059</b>	<b>15,721</b>	<b>20,438</b>
<b>Liabilities</b>			
Digital Imaging	(3,051)	(1,185)	(1,190)
Sensors & Control	(2,200)	(1,514)	(2,087)
Other	(245)	(245)	(158)
<b>Group</b>	<b>(5,496)</b>	<b>(2,944)</b>	<b>(3,435)</b>
<b>Net Operating Assets</b>			
Digital Imaging	9,173	10,784	10,550
Sensors & Control	18,402	12,856	19,042
Other	86	(192)	(183)
<b>Group</b>	<b>27,661</b>	<b>23,448</b>	<b>29,409</b>

A reconciliation of Net Operating Assets to net assets for the Group is provided in Note 3.

**Earnings Per Share**

5

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
<b>Basic earnings per share:</b>			
– Period ended 31 October 2020	1,978	97,582,755	2.03
– Period ended 31 October 2019	1,328	97,203,951	1.37
– Year ended 30 April 2020	2,591	97,277,721	2.66
<b>Dilutive effect of share options:</b>			
– Period ended 31 October 2020		4,028,671	
– Period ended 31 October 2019		3,642,756	
– Year ended 30 April 2020		3,928,426	
<b>Diluted earnings per share:</b>			
– Period ended 31 October 2020	1,978	101,611,426	1.95
– Period ended 31 October 2019	1,328	100,846,707	1.32
– Year ended 30 April 2020	2,591	101,206,147	2.56

6 Borrowings

	31 October 2020 £'000	31 October 2019 £'000	30 April 2020 £'000
<b>Within one year:</b>			
– Bank finance	1,371	–	1,371
– Lease liabilities	562	449	539
	<b>1,933</b>	<b>449</b>	<b>1,910</b>
<b>After one year and within five years:</b>			
– Bank finance	2,400	3,300	7,962
– Lease liabilities	1,297	1,103	2,414
	<b>3,697</b>	<b>4,403</b>	<b>10,376</b>
<b>After more than five years:</b>			
– Lease liabilities	914	955	–
<b>Total borrowings</b>	<b>6,544</b>	<b>5,807</b>	<b>12,286</b>

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. The facility consists of a revolving facility of £5m and an amortising facility which reduces in quarterly instalments from £4.8m when it was taken out in November 2019 to zero by April 2023, when the current agreement expires. The facility has covenants relating to leverage (net debt to EBITDA), interest coverage, and cashflow to debt service.

Post Balance Sheet Event

On 2 December 2020 the Group completed the acquisition of Monmouth Scientific Limited ("Monmouth Scientific") for an initial consideration of £2.66m in cash and shares in SDI Group plc plus further payments up to a maximum total consideration of £6.94 million depending on net assets delivered at completion and on profits made by Monmouth Scientific in the 12 months to 31 March 2021. Monmouth Scientific specialises in providing controlled clean air environments for scientific, medical and other technical applications. For the year ended 31 March 2020, Monmouth Scientific achieved revenue of £6.2m and profit before tax of £0.28m. The acquisition is expected to be immediately earnings enhancing.



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