



Final Results

for the year ended 30 April 2021

Agenda

- Board of Directors
- Group Overview
- 6-Year Track Record
- FY2020/21 Financials
- Operational Highlights & Outlook
- Appendix

Board of Directors

Ken Ford
Chairman



Ken joined the Board in 2010, and became Chairman in 2012. He was previously Chief Executive of Teather & Greenwood, the investment bank, and brings over 36 years of City experience to the Company, including a strong understanding of shareholder value, strategic planning and corporate transactions. His previous roles include Aberdeen Asset Management, Morgan Grenfell and Wedd Durlacher. Ken is currently non-executive chairman of Gear4music and CMO Group plc, both of which are AIM-listed. He is a Fellow of the Chartered Securities Institute.

Mike Creedon
Chief Executive Officer



Mike joined the Board in 2010 as Finance Director, and was appointed CEO in 2012, maintaining also the Finance Director role until July 2018. A Chartered Certified Accountant with an MBA from Henley Management College, Mike brings to SDI considerable experience of working within quoted companies and technology businesses, and fundraising, mergers and acquisitions. In particular, he has recent experience of AIM-listed technology companies.

Previous Finance Director posts include Ninth Floor plc and Ideal Shopping Direct Limited.

Jon Abell
Chief Financial Officer



Jon joined the Board in July 2018 and has over 35 years of business experience. Prior to joining SDI he was Divisional VP of Finance, Electronic Instruments Group at Ametek, Inc. where his principal duties include performance management, M&A, business controls and accounting for several scientific and industrial instrument businesses.

Jon started his career with industrial companies in the UK and in Italy, before obtaining his MBA at Columbia Business School in New York. He subsequently went on to senior financial management roles in Germany, the Netherlands, USA and UK including at Philips Electronics and Broadcom Inc.

Isabel Napper
Non-Executive Director



Isabel joined the Board in February 2017 and has more than 25 years' experience in advising clients in the technology and healthcare/life science areas, both public and private sector, leading on business development and managing regulatory issues, governance risk and strategic change. Isabel was previously a Partner at the law firm Mills & Reeve where she acted as legal adviser and company secretary to a number of boards. Her extensive business development and marketing skills are invaluable to the Board. Isabel is also a non-executive director at Tristel plc and Keystone Law group plc.

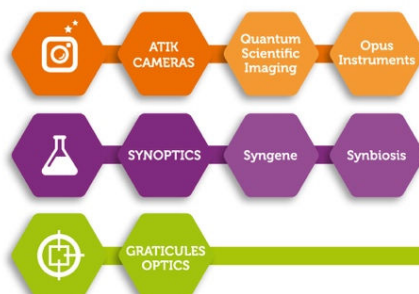
David Tilston
Non-Executive Director



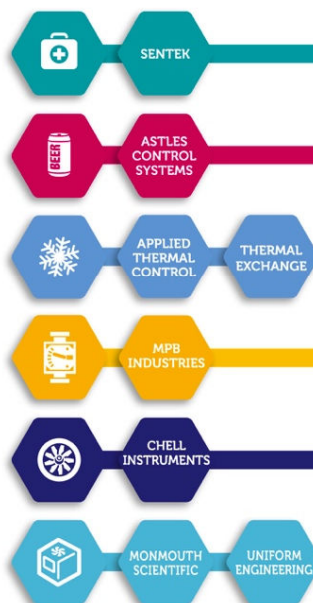
David joined the Board in July 2017. He has over 30 years' experience in finance functions within public companies, and is a Fellow of the Institute of Chartered Accountants in England and Wales. Most recently, David held the role of Interim Group CFO of Northgate plc, and before that Interim Group CFO at Consort Medical plc. Previously, David held senior finance roles at Innovia Group, Mouchel Group plc, Findel plc, SABMiller plc and SThree plc. He has 9 years' experience as Audit Committee chairman at two companies. David is also Treasurer and Trustee at British Exploring Society, a youth development charity.

Group Overview

Digital Imaging



Sensors & Control

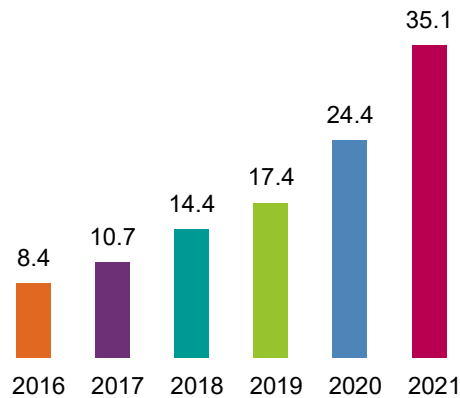


The strength of our business model:

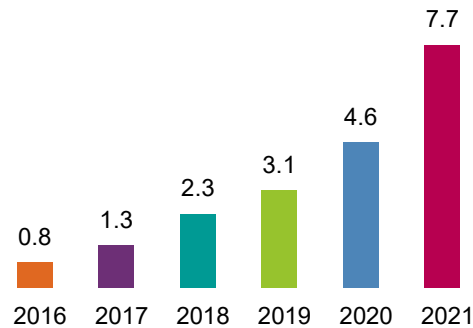
- **Federated structure** for rapid but nuanced response
- **Profitable & cash-generative** businesses able to withstand external shocks
- **Diverse portfolio of companies** not relying on a single sector or region
- **Exposure to future-proofed sectors**
- **Resources to invest** for organic and acquired growth as opportunities arise

6-Year Track Record

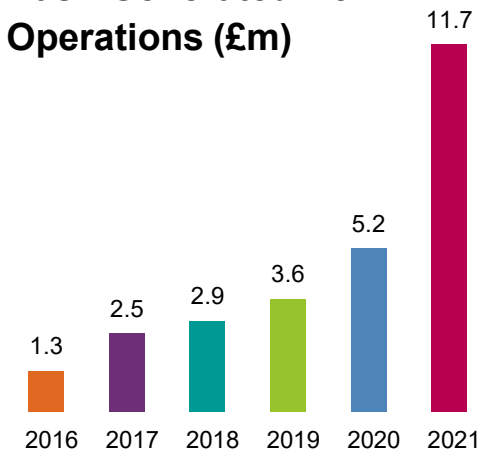
Revenue (£m)



Adjusted Operating Profit (£m)



Cash Generated from Operations (£m)



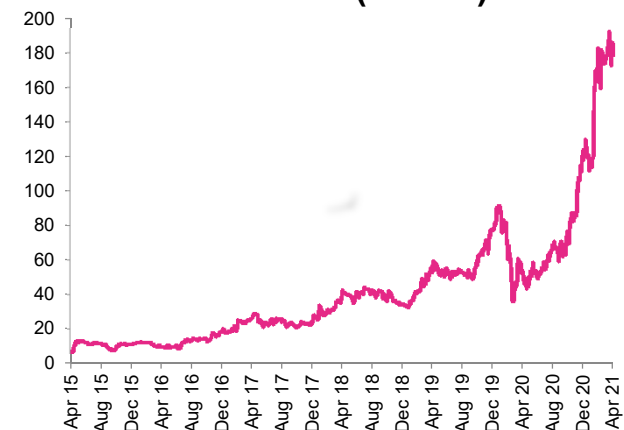
Strong financial growth

Metric	2016-2021 CAGR	2020-2021 growth
Revenues	33%	43%
Adjusted Op. Profit	57%	67%
Op.Profit	62%	69%
Cash gen. from Ops.	55%	127%
Adjusted diluted EPS	30%	74%

13 acquisitions made since 2014

- 6 combined with existing units
- 7 new stand-alone operating units

Share Price (Pence)





FY2020/21 Financials

Financial Highlights

Revenue



43.2%

To £35.1m (2020:£24.5m)
including 19% organic growth

Adjusted operating profit*



67.3%

To £7.7m (2020:£4.65m)

Adjusted profit before tax*



70.5%

To £7.4m (2020:£4.3m)

Basic earnings per share



80.8%

To 4.81p (2020:2.66p)
& diluted earnings per share
4.58p (2020:2.56p)

Adjusted diluted EPS*



74.0%

To 5.97p (2020:3.43p)

Cash generated from operations



125.0%

To £11.7m (2020:£5.2m)

*Before reorganisation costs, share-based payments, acquisition costs and amortisation of acquired intangible assets

Segment Financial Highlights

Digital Imaging

- Turnover increased to **£15.8m** (45% of Group revenue) from £11.1m, an increase of 43%
- Adjusted Operating Profit* increased to **£5.2m** (2020: £2.4m)
- The segment benefitted from Atik's orders of cameras from a global OEM for use in PCR DNA amplifiers
- Growth also in Synoptics sales, modest decline at Graticules Optics

Sensors & Control

- Turnover increased to **£19.3m** (55% of Group revenue) from £13.4m, also an increase of 43%
- Organic growth was -1.4%
- Adjusted Operating Profit* increased to **£4.4m** (2020: £3.0m)
- Growth at MPB due to sales of flowmeters for ventilators, modest sales declines at Sentek, ATC, Chell, and larger reduction at Astles due to restrictions on service visits
- Acquired Monmouth Scientific in December 2020 and Uniform Engineering in January 2021

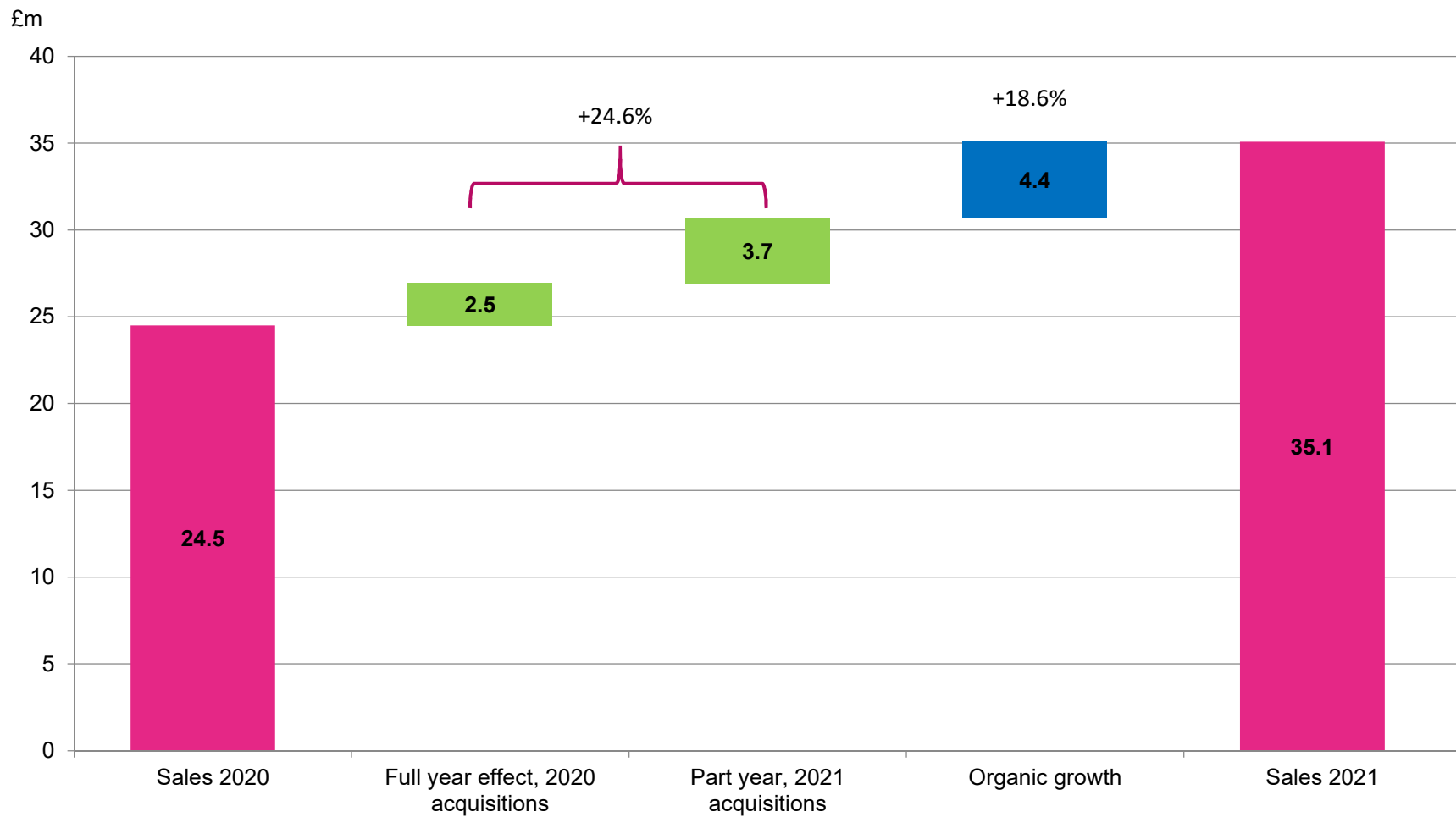
*Before reorganisation costs, share-based payments, acquisition costs and amortisation of acquired intangible assets

Income Statement

£000	Year ended 30 April 2021	Year ended 30 April 2020	Percentage change
Revenues	35,076	24,498	+43.2%
Gross profit	22,870	16,599	
Gross profit %	67.8%	65.2%	
Administrative expenses	15,191	12,016	
Operating profit	7,700	4,602	+68.9%
Financing costs	287	254	
Adjusted profit before tax*	7,413	4,348	+70.5%
Reported profit before tax	5,644	3,257	+73.3%
Reported profit after tax	4,708	2,591	+81.7%
Adjusted diluted EPS*	5.97p	3.43p	+74.1%
Diluted EPS	4.58p	2.56p	+78.9%

*Before reorganisation costs, share based payments, acquisition costs and amortisation of acquired intangible assets

Revenue Bridge



Organic growth includes +£6.1m for specific one-off COVID-19-related contracts

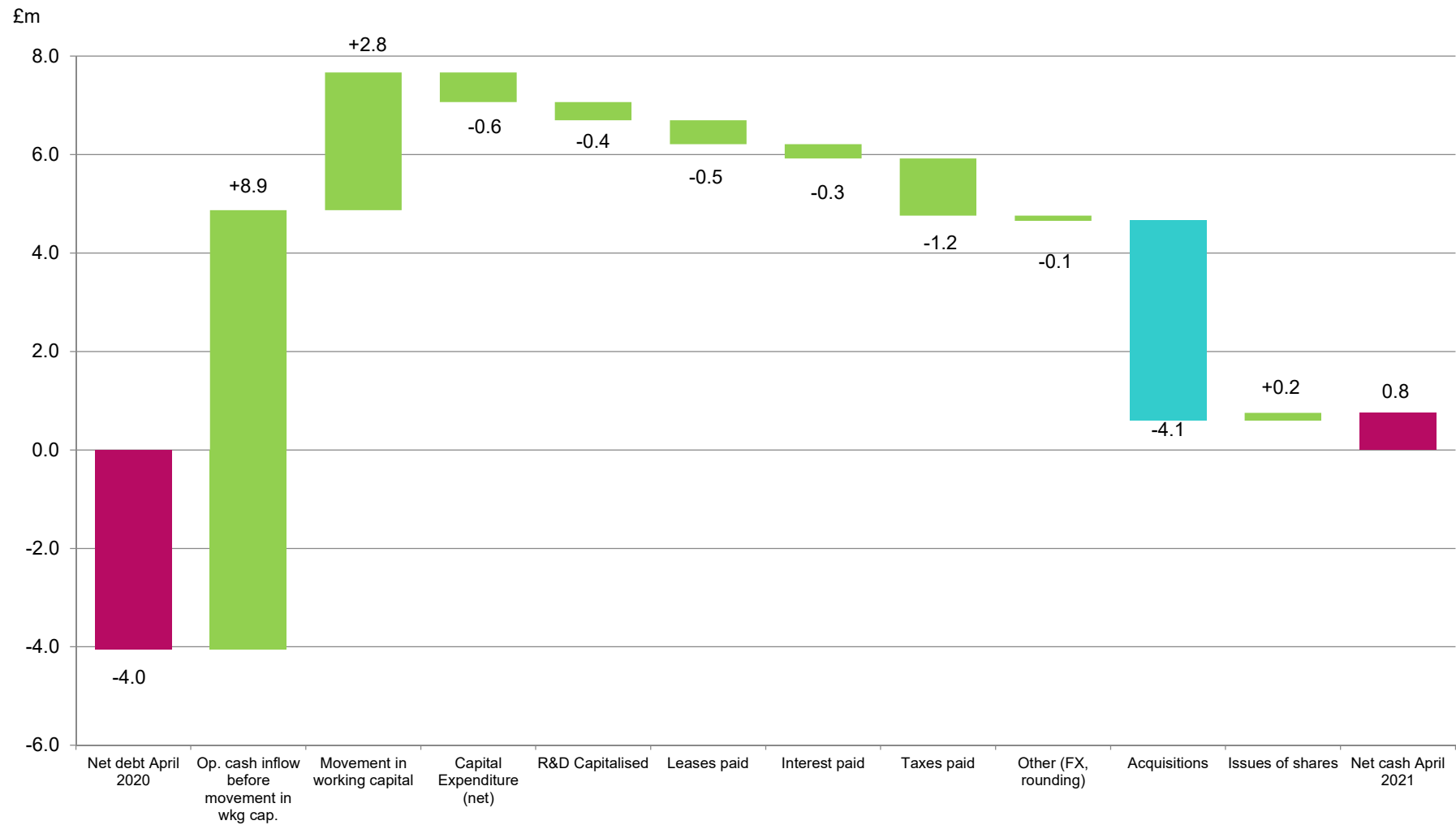
Balance Sheet

£000	As at 30 Apr 2021	As at 30 Apr 2020
Assets		
Non-current assets		
Intangible assets	21,237	21,650
Property, plant and equipment	4,131	3,901
Deferred tax asset	1,697	246
	32,065	25,797
Current assets		
Inventories	6,059	3,728
Trade and other receivables	6,743	3,617
Cash and cash equivalents	3,836	5,290
	16,638	12,635
Total assets	48,703	38,432
Liabilities		
Current liabilities		
Trade and other payables	12,826	3,350
Provisions	230	85
Borrowings	1,880	1,910
Current tax payable	750	513
	15,686	5,858
Non-current liabilities		
Borrowings	3,764	10,376
Deferred tax liability	2,479	2,134
	6,243	12,510
Total liabilities	21,929	18,368
Net assets	26,774	20,064

£000	As at 30 Apr 2021	As at 30 Apr 2020
Cash	3,836	5,290
Loan - amortising	(3,085)	(4,457)
Loan – revolving (£5m facility)	-	(4,876)
Net cash / (bank debt)	751	(4,043)
Contingent consideration (shown within other payables)	(2,350)	-
Net cash / (bank debt) with contingent consideration	(1,599)	(4,043)
Loans committed until	April 2023	April 2023

- £5.0m of unused facility and £3.8m cash available at year end (before £2.35m payment)
- Monmouth and Uniform acquisitions
 - Total cash free debt free consideration £6.6m (including earnout) of which £0.2m paid in shares
- Monmouth earnout payment of £2.35m agreed and settled post period end
- As at 30 June 2021, following Monmouth earnout payment, net debt was £(0.3)m, gross cash was £2.8m and undrawn debt facilities were £5.0m (unaudited)

Net Cash/Debt Bridge



Cash and cash equivalents less bank finance

Cashflow

£000	Year ended 30 April 2021	Year ended 30 April 2020	Percentage change	
Operating cash flows before movement in working capital	8,913	5,903	+51%	• SDI continues to generate strong cashflow
Cash generated from operations	11,710	5,169	+127%	• Strong profits
Cash generated from operating activities	10,257	4,130	+148%	• Benefit of increase of £3.5m in customer down-payments at 30 April 2021
Net cash used in investing activities	(5,024)	(6,270)	-20%	• Monmouth acquisition paid partly in shares (£200k), and £2.35m earnout paid in 2022 year
Net cash from financing	(6,582)	4,922		
Net changes in cash	(1,454)	2,796		
Cash, beginning of year	5,290	2,494		
Cash, end of year	3,836	5,290		



Operational Highlights & Outlook

Atik Cameras

Digital Imaging

While many of our businesses have seen revenues negatively impacted by the COVID-19 pandemic, two (Atik and MPB) secured significant one-time contracts for equipment relating respectively to testing and treatment of COVID-19.

Atik has a follow-on contract with a global OEM until April 2022 to supply customised CCD cameras for use in real time PCR DNA amplifiers that can be used for COVID-19 testing.

Atik has the capacity and expertise to fulfil this large contract safely because SDI has invested in a larger production site in Lisbon, Portugal which is now fully operational and has recruited extra R&D and manufacturing staff.

Our camera-based systems for gel analytics are great alternatives to scanners. They dramatically reduce the imaging time, especially in large gel formats (2D gels). The **ORCA Analyzer** from German company **NH DyeAGNOSTICS** is a novel system for stain-free, fully automated gel imaging and rapid, user-independent gel-based protein analytics.

Since the system has been launched, more than 30,000 patient samples have been successfully analysed, adding further support to the use of **Atik's** cameras in thousands of procedures across the world that help to maintain the health and wellbeing of countless individuals.



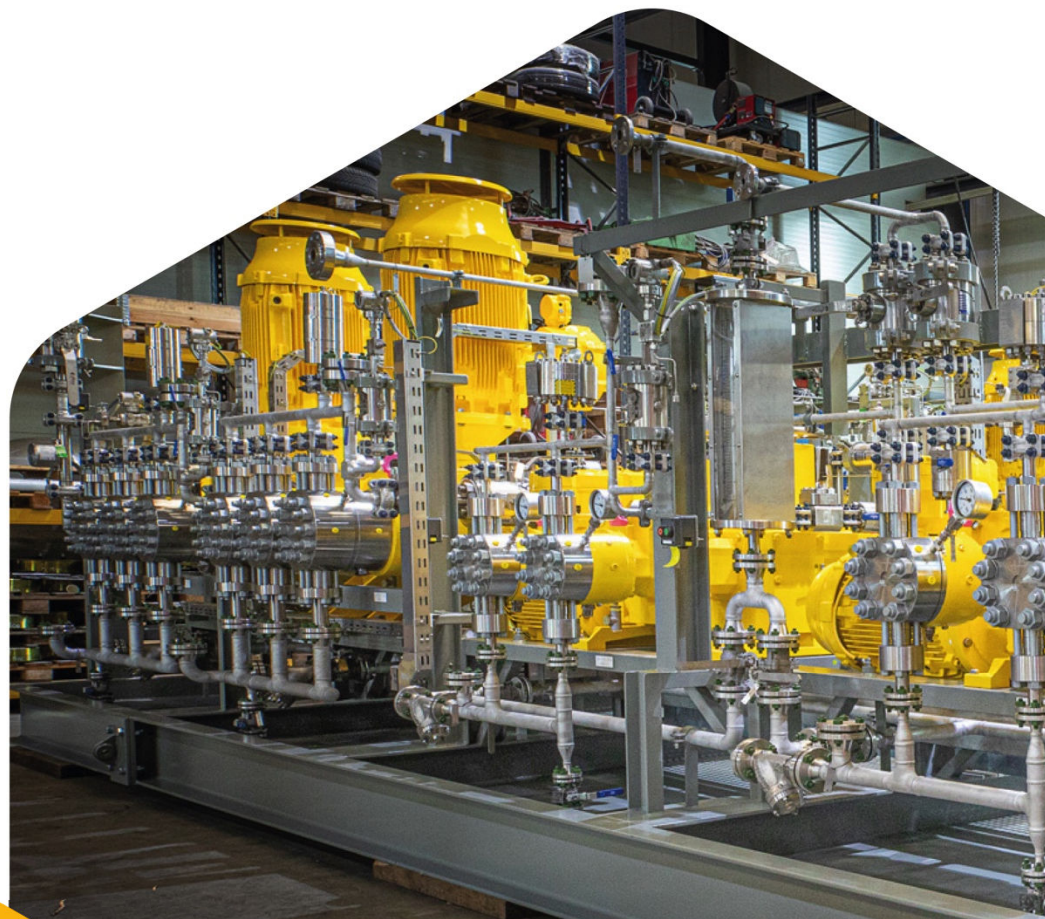
MPB Industries

Sensors and Controls

In this financial year, MPB completed a major contract from a medical devices company Penlon to supply 40,000 human anaesthetic variable area flowmeters for ventilator systems to help treat patients suffering with COVID-19.

Fulfilling this contract was made possible due to the additional investment SDI made in state-of-the-art tube washing plant, laser engraving equipment and IT infrastructure.

MPB is now in a stronger manufacturing position and has a solid order book for veterinary gas anaesthesia flowmeters, making their business secure going into the new financial year.



MPB Industries supplies process control instrumentation throughout the world.

This is an example of a collaborative project with Dutch company Geveke WTB. MPB control systems are used in this FPSO Project (floating production storage and offloading vessel) used in the petro chemical industry.

Other major clients include Siemens, Rolls-Royce, BAE Systems, Edwards, BP and Shell.

Monmouth Scientific

Sensors and Controls

In December 2020, the Group acquired Monmouth Scientific for a total consideration of £6.1m, including an earnout cash payment of £2.35m paid after the year end, funded from existing cash resources and our revolving credit facility with HSBC UK Bank.

Monmouth manufactures biological safety cabinets, fume cupboards, laminar flow cabinets and cleanrooms. Its biological safety cabinets sales have increased six-fold in 2020 and 80% of production was dedicated to these product lines as they were in high demand globally for ensuring operator safety at COVID-19 testing sites. But we are seeing the product mix moving back to historic levels.

We are investing in a new facility to enable the company to increase capacity levels in future years. We anticipate a move into the new site in calendar year 2022.



Our Priorities for FY22

Build

- Return to full output and productivity following the exceptional pandemic period
 - Take the opportunity to “build back better”
 - Take advantage of capacity and efficiency gains especially at Atik and MPB
 - Add face-to-face sales and marketing to the mix
- Manage supply chain issues, labour shortages, inflation
- Monmouth Scientific’s move to new larger facility, for use in calendar year 2022

Buy

- Acquire at least one high quality business
- Secure finance facilities for acquisitions beyond 2023
- Cement our position as the go-to acquirer for owners of profitable SMEs in scientific / technical niche sectors

Acquisition Process

Why join SDI?

- The business will retain its independence, brands and culture
- Focus on growth
- Strong financial support and access to specialist resources within the Group
- Knowledge sharing within the Group

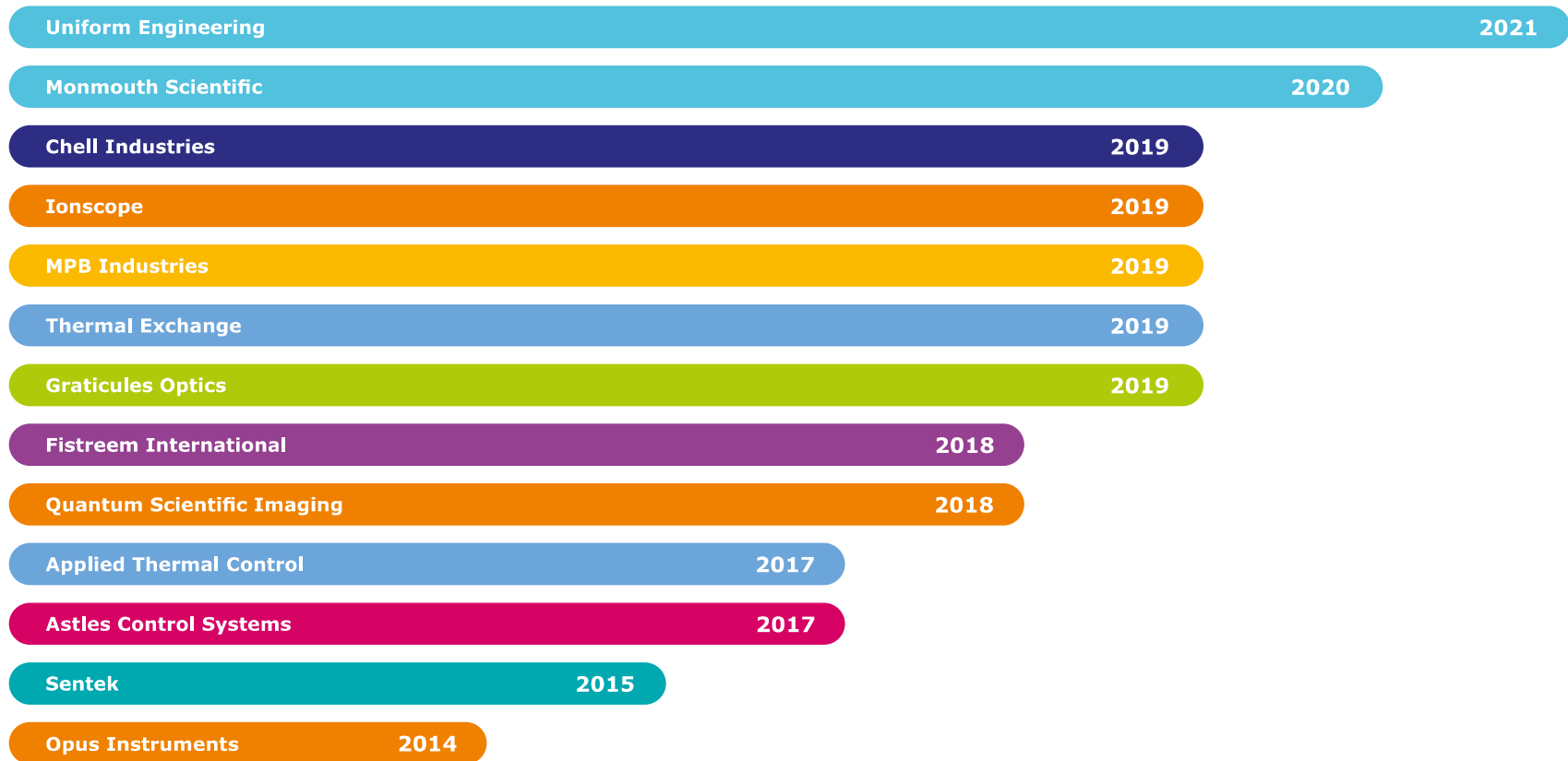
Main Acquisition Criteria

- Scientific / technical instruments / manufacturing sector
- Strong exporters within their niche sector
- Profitable and cash generative
- Strong track record
- Strong local management team
- Available at a fair price – recent acquisitions have been priced at 4–6 times EBIT
- SDI have a reputation of being honourable and never changing the deal terms

Post Acquisition

- Implement strong financial controls
- The business is run autonomously
- Focus on the medium to long term strategy
- Create an environment for the businesses to grow and develop with investment if required

Acquisition Timeline



Summary & Outlook

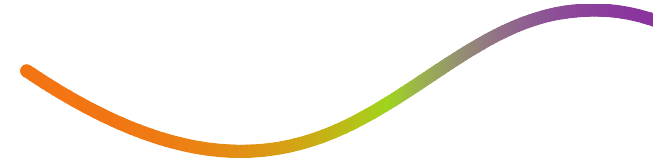
- Robust and scalable buy-and-build business model
- Acquisition of profitable niche businesses providing them with the means to grow
- Diversified group exposed to long term growth drivers (and resilient to COVID-19), with conservative financing stance
- Disciplined execution, leading to exemplary track record of earnings and cash flow growth
- 2021-2022 expected to be another year of strong growth in sales and profits due to:
 - Full year impact of recent acquisitions
 - COVID-19-related follow-on orders
 - Improved trading at COVID-19 affected Group businesses



Appendix

Group Brands
Capital Structure

Digital Imaging



ATIK CAMERAS

The cameras are designed and developed in Norwich, UK with manufacturing based in Lisbon, Portugal. The company has developed and sells a range of cameras under three brands Atik, Quantum Scientific Imaging and Opus Instruments

Atik

Atik Cameras designs and manufactures highly sensitive cameras for life science and industrial applications, as well as deep-sky astronomy imaging. Its life science cameras are in demand for use in real-time PCR DNA amplifiers for detecting COVID-19.

Quantum Scientific Imaging

Quantum Scientific Imaging (QSI) designs and manufactures a range of high-performance cameras that have applications in astronomy, life sciences and flat panel inspection.

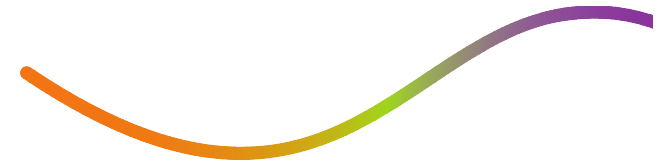
Opus Instruments

Opus Instruments is a world leader in the field of Infrared Reflectography cameras for use in the art conservation. It developed its Osiris camera as a collaboration with the UK's National Gallery and all its cameras including a higher specification version of OSIRIS, named Apollo are manufactured by Atik Cameras.

Graticules Optics

Graticules Optics is a proven world-class designer and manufacturer of precision micropattern products. The firm, based in Tonbridge, Kent is unique in offering photolithographic products on glass, film and in metal foil, with a bonus of coatings, cementing, mounting and small optical assembly.

Digital Imaging



SYNOPTICS

Synoptics based in Cambridge is the headquarters and manufacturing site for Syngene, Synbiosis, Synoptics Health and Fistream International products. It also has a US sale and marketing office based in Frederick USA.

Syngene

Syngene develops and manufactures systems and software for automated gel-based DNA and protein fluorescence/chemiluminescence imaging and includes the popular global **G:BOX** and **NuGenius** brands. These systems can be used for detection of COVID-19 cDNA generated by PCR.

Synbiosis

Synbiosis provides automated and manual systems for microbiological testing in food, water, pharmaceutical and clinical applications. Its **ProtoCOL 3** system is used in all the major pharmaceutical companies for vaccine and antibiotic development and its high-end system, **AutoCOL** is the world's first fully automated colony counter.

Fistream International

Fistream designs and manufactures water purification products and vacuum ovens. The firm's **Cyclon Water Still** and **Gallenkamp vacuum ovens** are recognised as world leading brands and are popular in many life science laboratories.

Sensors & Control

APPLIED THERMAL CONTROL / THERMAL EXCHANGE

Applied Thermal Control (ATC) is based in Coalville and was acquired in August 2017. Thermal Exchange (TE) is based in Leicester and was acquired in February 2019. We took the decision to merge the two businesses in December 2019 in Barrow Upon Soar, UK. Both design, manufacture, and supply a range of chillers, coolers and heat exchangers used within scientific and medical instruments.

ASTLES CONTROL SYSTEMS

Astles Control Systems (Astles) is a supplier of chemical dosing and control systems to different industries including manufacturers of beverage cans, engineering and motor components, white goods, architectural aluminium, and steel. The company located in Princes Risborough, UK supplies equipment as well as repeat revenue from service, repairs and consumables.

CHELL INSTRUMENTS

Chell Instruments (Chell) specialises in the design, manufacture and calibration of pressure, vacuum, and gas flow measurement instruments. Based in Norfolk, UK the company supplies products for sectors including aerospace, vehicle aerodynamics, gas and steam turbine testing, and power generation industries.

MONMOUTH SCIENTIFIC LIMITED

Monmouth Scientific (Monmouth) is one of the UK's leading designers, manufacturers, and suppliers of Clean Air Solutions. The company specialises in Filtration Fume Cupboard and Ducted Fume Cupboard installations alongside Laminar Flow and Class I/Class II Biological Safety Cabinets. Biological Safety Cabinets are in high demand for use in COVID-19 testing laboratories. Located in Bridgwater, Somerset. Monmouth was acquired by SDI in December 2020.



Sensors & Control

MPB INDUSTRIES

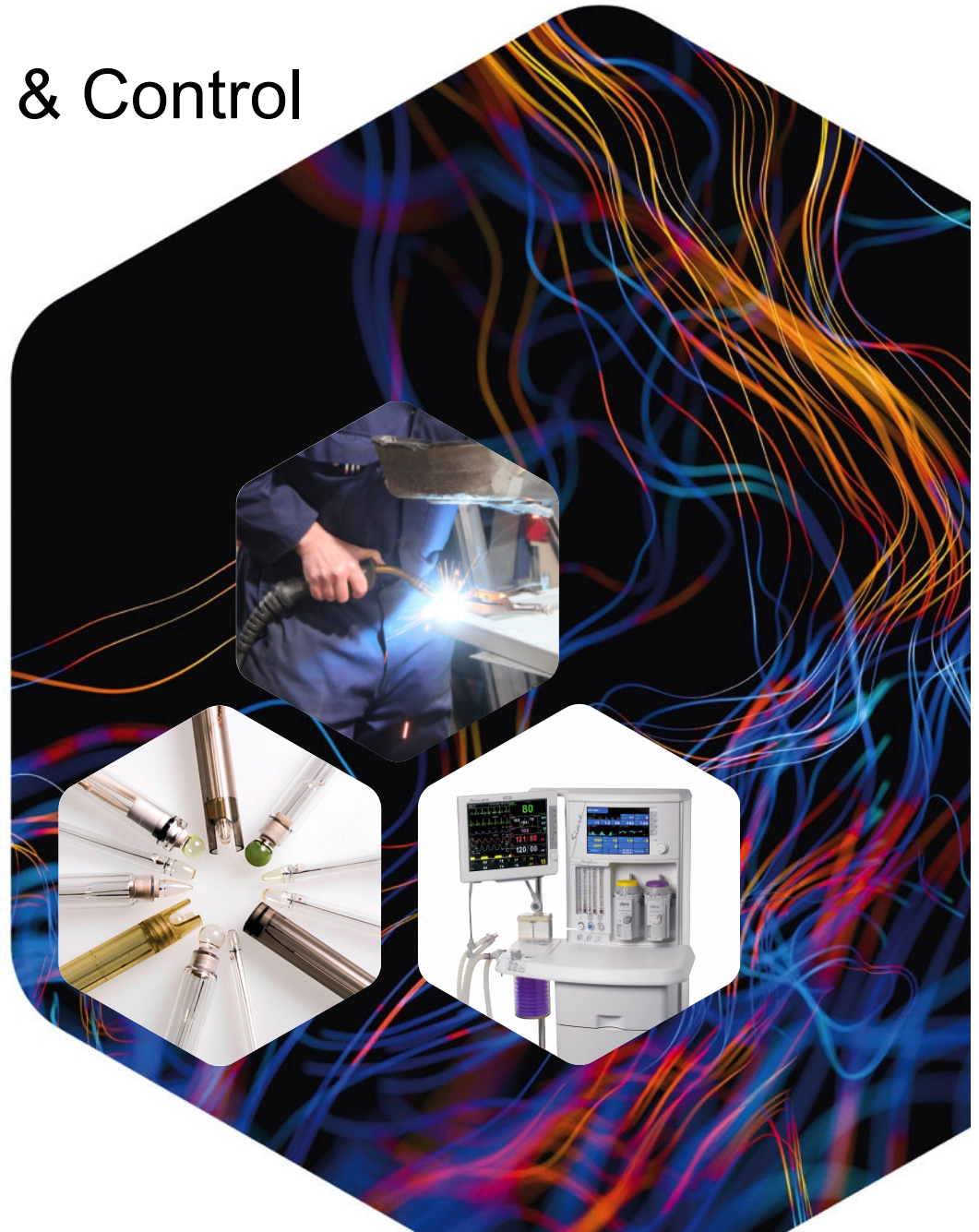
MPB Industries (MPB) designs and manufactures flowmeters, flow alarms, flow indicators, flow switches, calibration cylinders and sight glasses for the measurement of liquids and gases by well-known industrial and scientific users. Based in East Peckham, UK, MPB operates across a broad range of applications including water treatment, oil and gas production, medical ventilators, medical anaesthesia, and scientific analysis. It has been a major contributor to the manufacture of ventilators for the UK at the outbreak of COVID-19.

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. The company, based principally in Braintree, Essex serves global markets and has long-term contracts to supply sensors for use in vaccine and biologics production to two major life science companies.

UNIFORM ENGINEERING

Uniform Engineering (Uniform) is a manufacturer of high-quality bespoke metal enclosures and housings used in a variety of applications including pharmaceutical, laboratory and safety equipment. Uniform, based in Highbridge, Somerset is a major supplier of components to Monmouth Scientific, a fellow-subsidiary of SDI. Uniform was acquired in January 2021.



Capital Structure

Listing	AIM:SDI
Market Capitalisation	~£180m
Ordinary Shares in issue	99,058,164
Options, including LTIP	6,058,569 (6.1% of issued share capital)

Shareholder	Number of Ordinary Shares	Percentage of Issued Share Capital
Berenberg Wealth and Asset Management	9,651,726	9.74%
Herald Investment Management	8,178,149	8.26%
Business Growth Fund	6,336,526	6.40%
JPMorgan Asset Management	5,010,000	5.06%
Tellworth Capital	4,740,329	4.79%
Octopus Investments	3,719,640	3.76%
Hargreaves Lansdown	3,629,335	3.66%
Killik stockbrokers	3,463,534	3.50%
Charles Stanley	3,123,307	3.15%
Danske Bank A/S	3,083,033	3.11%

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