



# Interim Results

Six months ended 30 June 2024

David Cicurel, CEO

Brad Ormsby, CFO

Mark Lavelle, COO

Tim Prestidge, GBDD

19<sup>th</sup> September 2024

# Judges Scientific: a buy and build group in the scientific instrument market

## Three pillars of shareholder value

Long term drivers

Low capital use

Large deal pool



## Extensive and well diversified customer base globally

### Universities



### Industry

CORNING



L'ORÉAL



## Buy and build strategy

M&A

Organic growth

## Execution of strategy 2005 – 2023

25 acquisitions

FY23 dividend 7.5x  
2005 admission price

21% CAGR  
Total revenue

8% CAGR  
Organic revenue

28% CAGR  
Total EBIT

11% CAGR  
Organic EBIT

## A highly experienced management team



**David Cicurel**  
*Chief Executive*

**Brad Ormsby**  
*Chief Financial  
Officer*



**Mark Lavelle**  
*Chief Operating Officer*

**Tim Prestidge**  
*Group Business  
Development Director*



**Ian Wilcock**  
*Group Commercial Director*

# Acquisition criteria

- Strict acquisition discipline
- Acquisition attributes:
  - Strong exporters in their global niche markets; solid EBIT margins
  - Generate sustainable profits and cashflows
  - Pay 3 to 7 times EBIT according to size
  - Borrow up to 3 times EBITDA @ 3 to 8%

Long deal  
incubation  
period

Crystallisation  
notoriously  
erratic

Financial  
certainty  
for seller

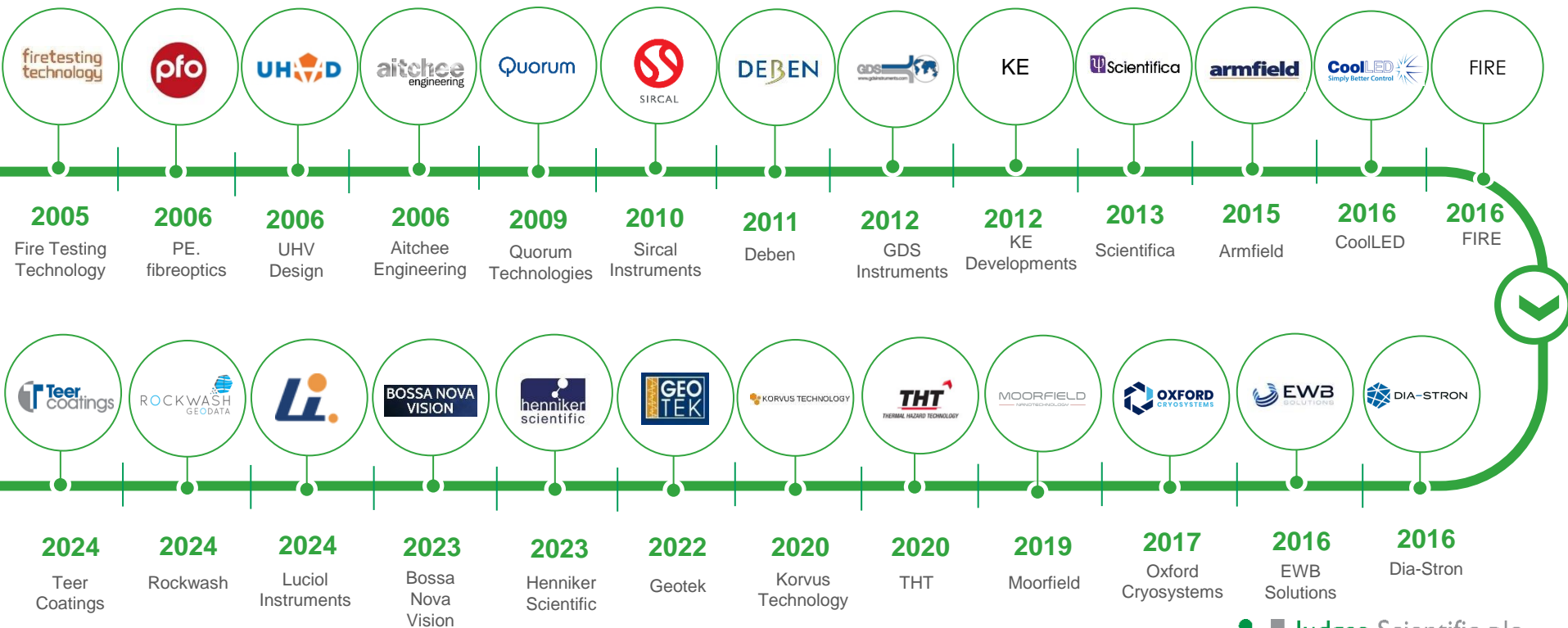
Honourable  
process

Reduce debt  
and reinvest  
in further  
acquisitions

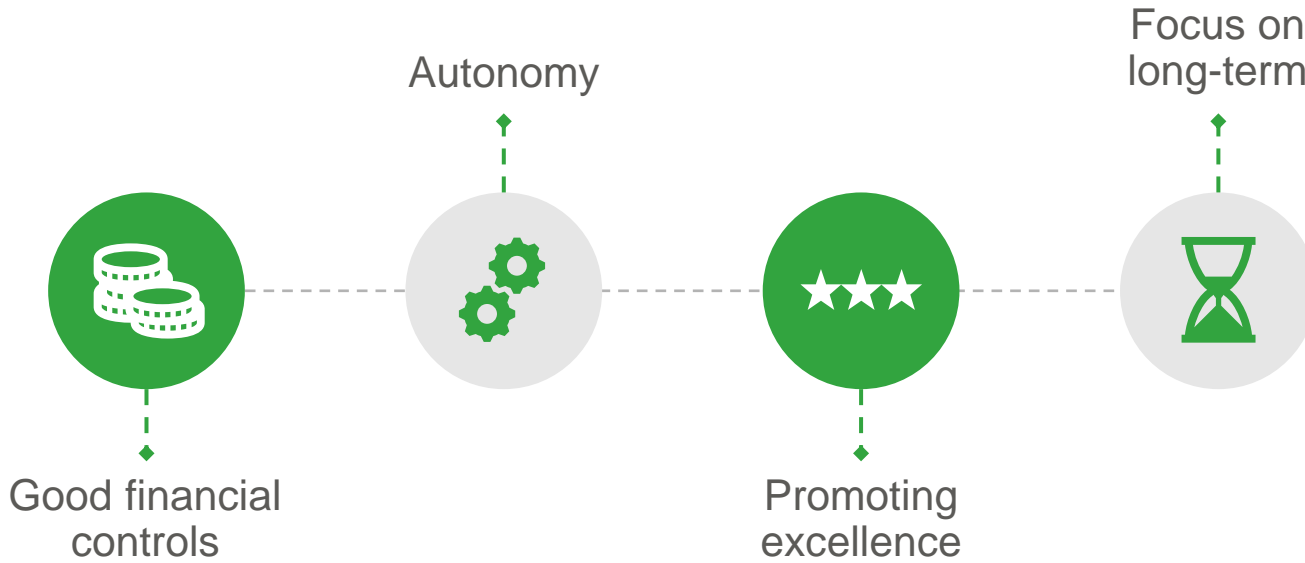
Recent acquisitions:



# The Judges Group



# Post acquisition



# Key messages

## Challenging environment

Volatile geopolitical environment

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China intake

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No 2024 coring contract

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Deferral of projects to H2 and FY25

## Subdued trading

Continued soft order intake

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Weakened cash conversion

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Solid order book maintained

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Market expectations revised down in July

## Ongoing strategic execution

Two acquisitions in H1

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10% increase to interim dividend

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Post-period: acquisition, banking, coring, recruitment

# Performance Review





# Highlights

Organic revenue

**-3%**

Total revenue down 1%

Cash from operations

**£7.8m**

(FY 2023: £11.5m)

Organic order intake

**-4%**

Organic order book 17.2 weeks

Interim dividend

**+10%**

29.7p per share

Adjusted operating profit

**-13%**

£12.3 million

Adjusted net debt

**£52.3m**

(31 December 2023: £45.2m)

Adjusted EPS

**-19%**

123.7p

Cash balances

**£6.9m**

# Performance

	HY 2024 (£m)	HY 2023 (£m)	Variance (£m)	Variance (%)
<b>Revenue</b>	<b>60.8</b>	<b>61.3</b>	<b>(0.5)</b>	<b>(1%)</b>
Operating costs	(48.5)	(47.1)	(1.4)	3%
<b>Adjusted operating profit</b>	<b>12.3</b>	<b>14.2</b>	<b>(1.9)</b>	<b>(13%)</b>
Interest	(1.5)	(1.4)		
<b>Adjusted PBT</b>	<b>10.8</b>	<b>12.8</b>	<b>(2.0)</b>	<b>(16%)</b>
Taxation	(2.5)	(2.8)		
Adjusted PAT	8.3	10.0	(1.7)	(17%)
Adjusting items (post tax)	(4.0)	(8.8)		
Statutory PAT	4.3	1.2	3.1	

3% organic revenue decline partially offset by recent acquisitions

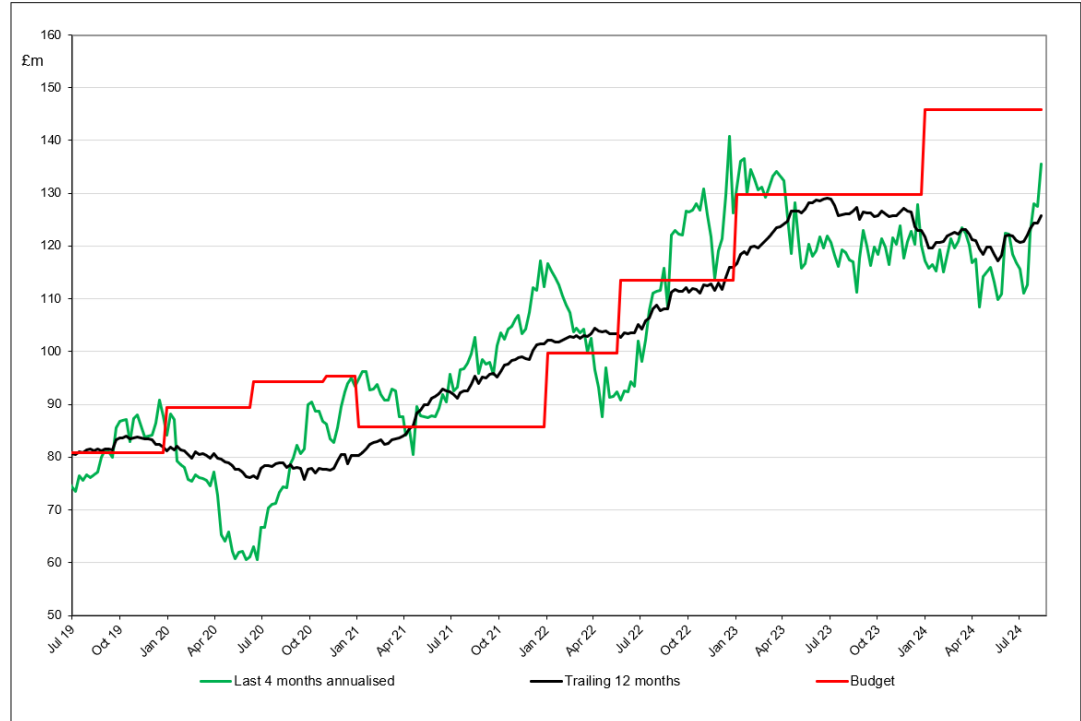
Operating margin reduced to **20.2%** (H1 2023: 23.2%) – impact of operating leverage

Effective tax rate **23.1%** - increase in UK headline tax rate

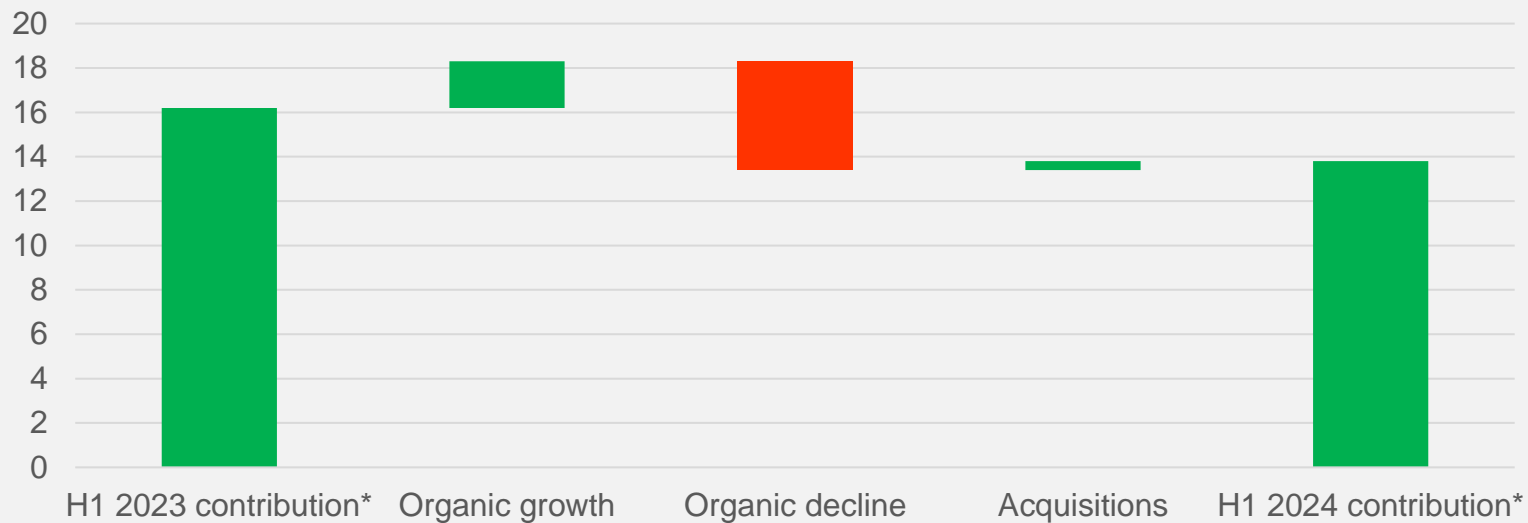
Adjusting items – primarily acquisition amortisation

# Order intake

- **H1 Organic order intake 4% below 2023**
- Geographically:
  - China down 65%
  - North America down 7%
  - Rest of Europe up 2%
  - Rest of the World up 31%
  - UK up 8%
- Organic order book of 17.2 weeks at 30 June 2024 (31 Dec 2023: 17.0 weeks)
- Total order book of 16.8 weeks at 30 June 2024
- Organic orders YTD up 3.4% vs prior year;  
Organic order book of 20.2 weeks at end August



# Profit bridge



*\*Contribution is EBIT from trading subsidiaries before central costs*

# Balance sheet and cash flow

Balance Sheet summary	Jun 24 (£m)	Dec 23 (£m)
Cash	6.9	13.7
Debt (excl IFRS 16)	(59.2)	(58.9)
<b>Adjusted net debt</b>	<b>(52.3)</b>	<b>(45.2)</b>
Working Capital	32.5	24.5
DB Pension asset (net of tax)	-	1.1
Other assets / liabilities	107.2	102.2
<b>Net assets</b>	<b>87.4</b>	<b>82.6</b>

Two acquisitions in H1; Leverage now 1.5

Working capital **24%** of annual revenue – essential to maintain focus on moving back towards 10%

Cash conversion of **63%** - still impacted due to working capital outflows

Armfield DB pension scheme – buy-out process in progress

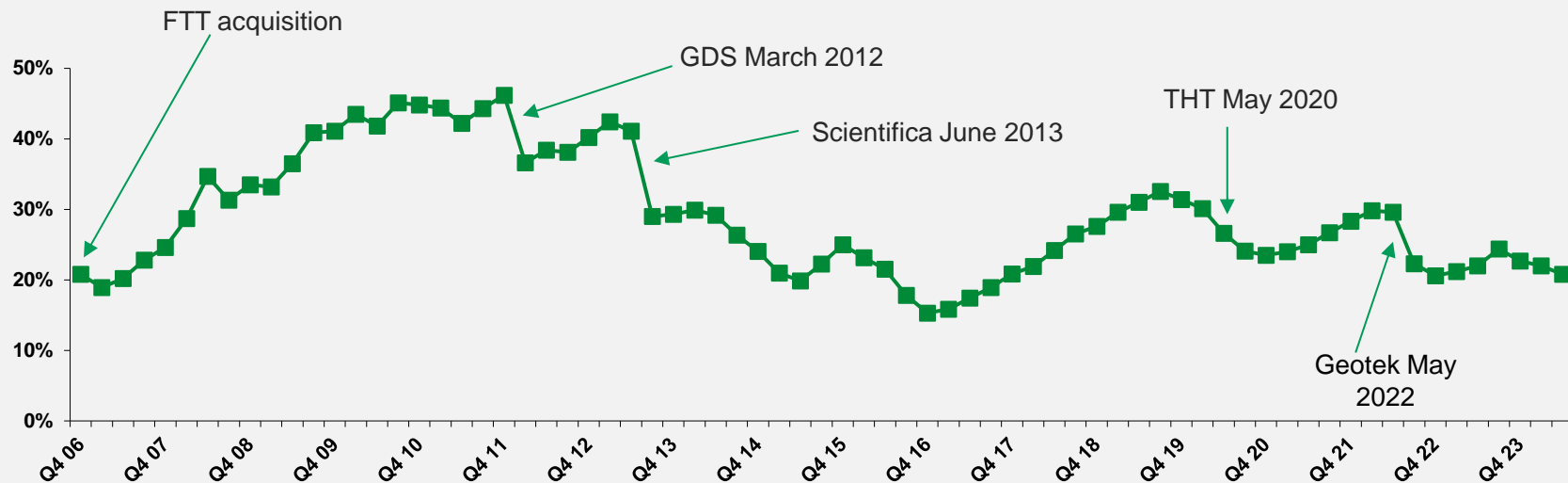
Cashflow summary	H1 2024 (£m)	H1 2023 (£m)
Adjusted EBITDA	14.2	15.6
Working capital movements	(6.2)	(4.0)
Exceptional transaction costs	(0.2)	(0.1)
<b>Cash generated from ops</b>	<b>7.8</b>	<b>11.5</b>
Tax	(3.2)	(1.7)
Net interest paid (exc. IFRS R-o-U)	(1.3)	(1.4)
IFRS 16 lease repayment	(0.9)	(0.6)
Capitalised development costs	(0.6)	(0.6)
Capex (non-acquisition)	(3.0)	(1.6)
Capex (acquisition related)	(3.5)	(19.2)
Repayment of borrowings	(3.1)	(3.1)
Drawdown for acquisition	-	10.5
Dividends to non-controlling interest	(0.2)	-
Net equity related proceeds	1.2	-
<b>Movement in cash</b>	<b>(6.8)</b>	<b>(6.2)</b>

# Amendment and extension of banking facilities

- Previous:
  - £100m bank facility maturing 26 May 2026
  - Consisted of £25m term loan, £55m RCF and £20m accordion
- Now:
  - £140m facility consisting £90m RCF and £50m accordion
  - Facility now matures on 1 July 2028
- No change to existing covenants:
  - Gearing no greater than 3x Adjusted EBITDA
  - Interest cover no less than 3 times

# Return on Total Invested Capital

## ROTIC (Trailing 12 months)\*



\*excludes central costs and properties, and the effect of R&D capitalisation

# Well diversified across the business

Group revenue



- FTT
- PFO
- Armfield
- Quorum
- EWB
- CoolLED
- Oxford
- THT
- Geotek
- Sircal
- GDS
- Dia-Stron
- UHV
- Scientifica
- Deben
- Moorfield
- Korvus
- Henniker

Group organic revenue by geography



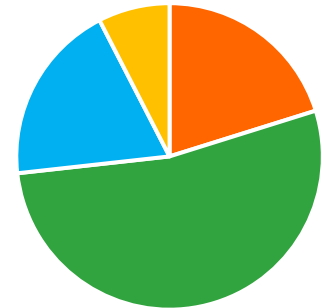
- UK
- Rest of Europe
- North America
- China/Hong Kong

Group organic orders by geography



- UK
- Rest of Europe
- North America
- China/Hong Kong
- Rest of World

Group revenue by end market



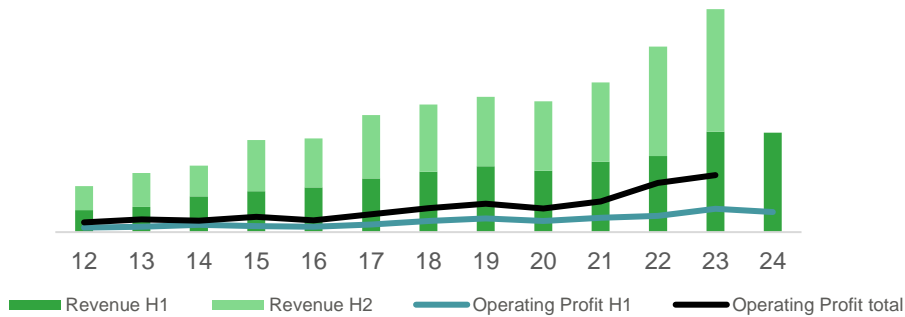
- Geotechnical
- Life science/semicon
- Industry optimisation
- Other

>85% of revenue exported

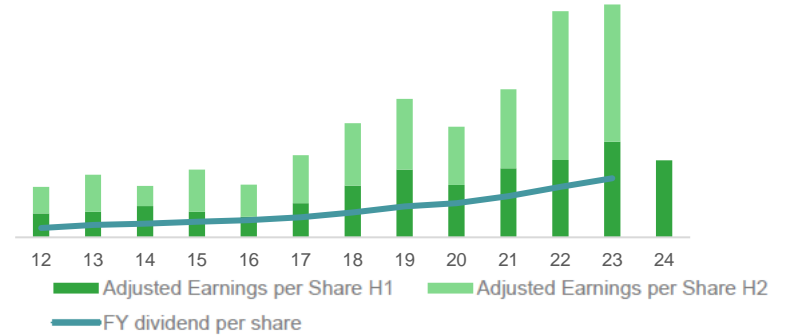


# Financial history

## Revenue and profit

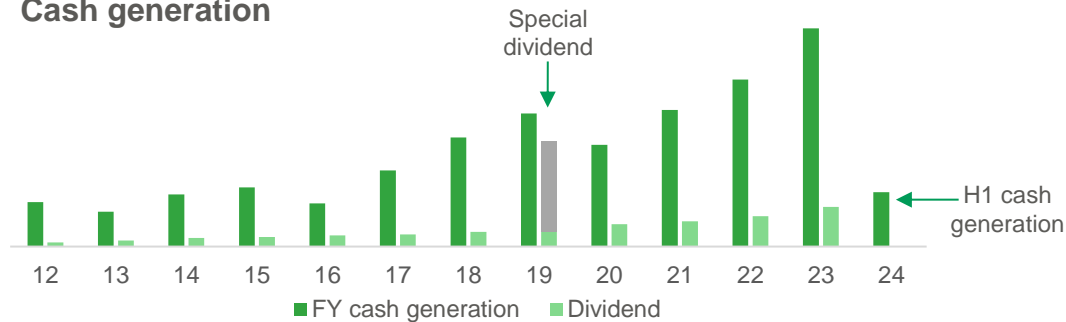


## EPS and Dividends (Excluding special dividends)



Organic Revenue CAGR 8% for past 17 full years

## Cash generation



Focus on cash generation

# Growth Strategy



## Growth drivers

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M&A

Organic  
growth

# Acquisitions



# Acquisition of Luciol Instruments SA

- Manufacturer and seller of instruments to measure properties of optic fibre
- Based in Mies, Vd, Switzerland
- Cash consideration of CHF2.0m + earn-out payment equal to 4x average adjusted EBIT for 4 yrs ended 31 December 2023
- Complementary to P.E. Fibreoptics



# Acquisition of Rockwash Geodata

- Specialises in rock cuttings and chippings digitalisation
- Based in Llandudno, Wales
- Cash consideration of £2.25m
- Total consideration, cash plus earn-out, is capped at £6m if EBIT reaches £1m in 2024 or 2025
- Strongly synergistic with Geotek



# Acquisition of Magsputter/Teer Coatings

- Teer Coatings manufactures specialised coating instruments and provides coating services
- Based in Droitwich Spa, England
- Consideration of £12.3m including £1.9m property
- £1.74m EBIT at 6x multiple



# Organic Growth





# Organic model

## Finance and Governance

- Implement robust financial controls
- Culture and processes for governance and compliance
- Improve business information, data, and analytics

## Talent Development

- Focus on senior leadership teams
- Leadership Development Programme
- Peer networking and collaboration
- Succession planning

Within an  
autonomous  
management  
structure

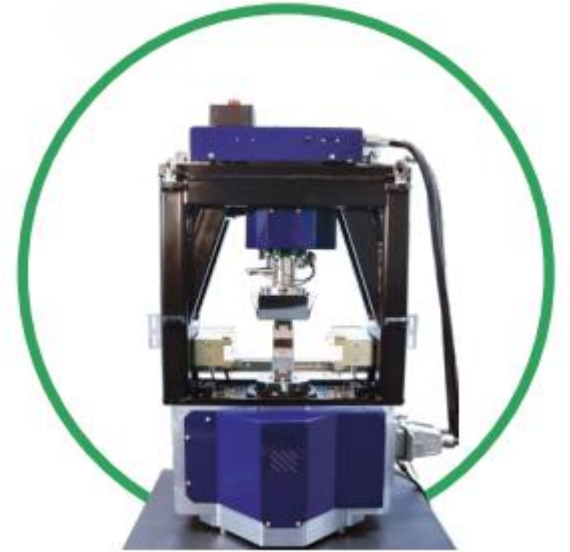
## Operational Excellence

- Require excellent monthly forecasting and delivery performance
- Operational and performance KPIs
- Groupwide functional benchmarking driving continuous improvement mindset

## Strategy and Ambition

- Ambition for sustained organic growth
- Structured strategy process identifying growth drivers to hone tactics and actions
- Encourage investment in new products (c. 6% of sales), geographies, other initiatives

# Outlook and Investment Case



# Outlook

## Business model proven robust

Healthy financial position

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Positive long-term fundamentals

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Focused on shareholder value

## Post balance sheet events

Amended and extended bank facility

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Acquisition of Magsputter/Teer Coatings

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Coring contract signed

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Strengthened executive team

## Current trading

Expecting improved H2

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Order intake now 3.4% ahead of prior year, including coring

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No change to current guidance, but short-term vulnerability to timing of orders and revenues

# Investment Case



- Robust business model; pursued with discipline
- Large pool of targets, every acquisition is earnings enhancing
- Strong long-term growth drivers in higher education and process optimization
- Well diversified by geography and by scientific application
- Management focused on shareholder value – profitability, cash generation, debt reduction, dividend growth and return on capital
- Dividend growth of 10+% for past 17 years, CAGR 23%
- Inheritance tax free shareholding after two years (future?)

Q&A

## Major shareholders – as at Sept 2024

David Cicurel (including SIPP, SIP and 67,000 non-beneficial)	671,337	10.1%
Odin Global	455,926	6.9%
Capital Group	395,543	6.0%
Broadcrest	276,982	4.2%
Liontrust Asset Management	223,256	3.4%
Hargreaves Lansdown	217,911	3.3%
Interactive Investor	215,472	3.2%
Stephen Upton	187,050	2.8%
EFG Harris Allday	179,646	2.7%
Rathbones	162,541	2.5%
JP Morgan Asset Management	173,658	2.6%
Cannacord Genuity	161,102	2.4%
Blackrock	160,051	2.4%

# Environment, Social & Governance

## Environment

- Nature of our business is not capital intensive manufacturing and environmental impact is limited.
- Aim to minimise environmental impact across all aspects of business, including consideration for energy consumption and packaging of instruments.

## Our culture

- Respect, openness, honesty and integrity in all of our actions and engagement with our business owners, staff and all stakeholders.
- Encourage all employees to be entrepreneurial. 40% of team are shareholders through our Share Incentive Plan.

## Health & safety

- A key priority for the Group and subsidiary management teams is that all employees must be and feel safe.
- Implemented Group-wide annual independent health and safety review which evaluates compliance and provides management with feedback for continuous improvement.

## Social

- Supporting equal opportunities to build a meritocratic work environment for all.
- Built a good reputation in the local community dealing fairly with staff, customer and suppliers.
- Active supporter of local community causes.

## Governance

- Adopted the principal provisions of the QCA Governance Code.
- Commitment to stakeholder engagement with active engagement throughout the calendar year.

# Our businesses

1

**firetesting  
technology**

FTT is internationally recognised as the world's leading supplier of fire testing instrumentation and has supplied the majority of leading fire research groups and testing laboratories around the world. Our directors and senior researchers participate in UK, ISO, CEN and ASTM standardisation committees to ensure that our instruments are always compliant.

These include committees dealing with construction products, electro-technical products, furnishing products and transport applications for instruments such as the Cone Calorimeter, NBS Smoke Density Chamber, EN 50399 and SBI.

2



PE.fiberoptics is a leading manufacturer of test equipment that measures optical and physical properties of optical fibres and cables. Optical fibres are the main medium for long distance transmission of telecommunication data and form the backbone of the world's internet and telecommunications networks. Our products support the leading fibre and cable manufacturing companies around the world during production and in their quality assurance and R&D laboratories, and we export 95% of our products.

3



UHV Design, founded in 1993, specialises in the design, manufacture and supply of high precision motion, manipulation, heating and cooling (cryogenic) of samples for use in the high and ultra-high vacuum environments for materials research. Globally, our products are essential in major big physics experiments including:

- high energy particle accelerators such as CERN and SLAC; and
- synchrotron light sources including PSI (Swiss), Argonne (USA) and the UK's own facility, Diamond.

They are also used routinely in

laboratory-scale R&D instrumentation focused on new state-of-the-art materials in: semiconductors, photovoltaics, catalysis and bio-compatible materials.



# Our businesses

4

**aitchee**  
engineering

Aitchee Engineering is a well established precision engineering company that can offer high end sheet metalwork, laser cutting and CNC machining. We use state of the art software to take customers' drawings and turn them into manufactured goods in steel, aluminium, stainless steel, yellow metals or plastics.

We can supply large batch-work, call off orders and R&D including prototypes; we can also offer manufacturing process assistance and value engineering

5

**Quorum**

East Sussex-based Quorum Technologies manufactures market-leading scientific instruments primarily used for electron microscopy (EM) sample preparation. Electron microscopy is a key research tool in almost every area of scientific endeavour, from the fight against coronavirus and other diseases such as cancer, through to food safety and the development of advanced microelectronics and new materials.

**Key products:**

- Q Series of vacuum coating systems; and
- PP3010T cryo preparation systems for SEM and FIB/SEM.

6

  
SIRCAL

Sircal designs, manufactures and distributes rare gas purifiers typically for use in metal analysis utilising the Arc/Spark spectrometry technique.

This technique provides qualitative and quantitative analysis of a metallic sample for determination of its purity.

The products are sold worldwide to OEM customers (spectrometer manufacturers that use such purifiers in conjunction with their own instruments) or directly to end users such as metal manufacturers and dealers, and test houses.

# Our businesses

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**DEBEN**

Deben is a precision engineering company providing innovative solutions for SEM and  $\mu$ X-Ray CT in-situ tensile testing. Deben also manufactures SEM detectors and a range of SEM accessories including motor control and heating and cooling stages.

**Product groups:**

- in-situ tensile and compression systems;
- accessories for electron beam applications; and
- imaging and detectors for SEM and TEM.

8



GDS designs, develops and manufactures equipment and software used for the computer-controlled testing of soils and rocks. This technology is used to evaluate the mechanical properties that are key in geotechnical and earthquake engineering design.

**Services include:**

- advanced systems for commercial soil and rock testing laboratories; and
- bespoke systems for university research in the engineering properties of soil and rock.

9

**ΨScientifica**

Scientifica is a multi-award winning, globally recognised manufacturer of advanced imaging, micro-positioning, and photomanipulation systems for neuroscience research. We develop cutting-edge equipment designed to enhance discoveries in neuronal electrophysiology, multiphoton imaging and optogenetics. Our world-class equipment enables researchers to conduct ground-breaking investigations of the nervous system and advance understanding of neurological diseases and processes. All equipment is manufactured in the United Kingdom and exported to more than 40 countries worldwide. We have offices in the UK and the USA, with product consultants based in Germany and China.

# Our businesses

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Armfield offers unrivalled experience in the design and provision of teaching equipment aligned to global agricultural, chemical, civil, environmental, geology and geography, marine, mechanical, public health and food technology curriculums from entry-level vocational training through to bespoke research flumes.

The industrial division designs and manufactures complex research and development systems and processing lines, focusing primarily on the food, beverage, dairy, edible oil and pharmaceutical industries for businesses of all sizes from start-up companies to the world's leading brands.

11



CoolLED designs and manufactures cutting-edge illumination systems for microscopy and other applications, pioneering the use of LEDs as controllable and environmentally friendly replacements for mercury-based lamps. Our expertise spans optical engineering and the life sciences, driving the development of our vast product range which includes:

- the award-winning triple-wavelength pE-300 Series for everyday fluorescence microscopy;
- 16-wavelength pE-4000 for high end research;
- pE-340fura for Fura-2 ratiometric calcium imaging;
- and pT-100 for transmitted light imaging techniques.

We continue to push the boundaries with our OEM service and an exciting development plan.

12



Dia-Stron is the leading manufacturer of automated measurement systems for single fibres and filaments, with our expertise globally recognised by the R&D community. Our instrumentation provides a full range of fibre measurement capabilities; dimensional/mechanical properties, interfacial evaluation and fatigue failure analysis. Additionally, Dia-Stron contract testing services are a key offering in building long-term relationships with our customers.

We deliver measurement solutions to support:

- the hair care industry with product development/advancing hair fibre science; and
- the technical fibre market with the development of fibre composite materials.

# Our businesses

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EWB Solutions specialises in the design and manufacture of edge-welded metal bellows where a high integrity hermetic seal is required in the presence of an applied movement.

Supplied globally, EWB bellows are produced in a wide range of materials, meeting a variety of life and environmental constraints for applications within a diverse range of industries such as semiconductor processing, particle physics experimentation, material/surface analysis, oncology therapy and petrochemical processing.

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Oxford Cryosystems is a market-leading manufacturer of cryogenic devices. Spun out of Oxford University in the 1980s, the company designs and manufactures a range of nitrogen and helium-based low temperature devices which are exported to leading research institutes worldwide. Oxford Cryosystems products are used in fields as diverse as the characterisation of individual molecules to the mapping of deep space.

15



Moorfield Nanotechnology design and manufactures R&D/pilot-scale laboratory systems to a global customer base in academic and industry. Core ranges are vacuum deposition products (MiniLab and nanoPVD) for production of high quality metal, inorganic and Organic films used throughout various high technology fields. Standalone and benchtop models are available, to match budgets and facilities. More recently, the company has expanded into applications in carbon nanomaterials with its range of nanoCVD and nanoETCH tools. Aside from deposition, the company also supplies portable HEPA-filtered cleanroom solutions through its clean environments division.

# Our businesses

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THT is a world leader in the design, manufacture and supply of specialised calorimeters for use in the chemical and battery industries. Application areas include process development, optimisation and safety of chemical reactions, and determining performance and safety characteristics of batteries. THT has over 25 years' of calorimetry experience and offer a full range of adiabatic, reaction, and isothermal calorimeters. THTs products allow measurement of heats of reaction, derivation of kinetic parameters, assessment of maximum safe temperatures, and pressure generation.

17



Korvus Technology sells and manufactures highly modular thin film deposition systems designed to allow custom-built systems to be assembled from standard parts. The systems are employed in academic and industry settings to advance research into novel thin film materials; most recently with heavy emphasis on Li battery research.

The company is built on over 20 years of experience in the thin film technology market, designing, manufacturing and installing HV and UHV deposition systems. The company's HEX platform offers an unmatched level of user control and customization, designed to incorporate the latest thin film technologies and performance into a bench top PVD system.

18



Geotek Ltd. (UK) specialises in high-resolution, non-destructive analysis of geological cores. Geotek has designed, built, and supplied its range of Multi-Sensor Core Logger (MSCL) systems for over 20 years, using a suite of geophysical and geochemical sensors primarily aimed at non-destructive core analysis. Geotek provides equipment sales and services to science and industry worldwide.

The Geotek Multi-Sensor Core Logger (MSCL) systems enable a suite of geophysical measurements to be obtained rapidly, accurately and automatically on sediment or rock cores. Geotek design and manufacture a full range of cabinet-based digital 2D and 3D X-ray imaging systems for a variety of geoscience markets.

# Our businesses

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Henniker designs and manufactures plasma surface treatment systems and processes for advanced cleaning, surface activation to improve adhesion, and functional nano-scale coatings. The company's technology is relied upon both in critical industrial manufacturing settings and by leading academics involved in biomedical research, life sciences, energy storage, filtration, and many other areas of material science.

20



Founded in 2018 by experts in optics and non-destructive testing, Bossa Nova Vision is specialized in the development of innovative polarization imaging system and cosmetic testing turn-key instruments.

Strong expertise in polarization imaging and image processing have led Bossa Nova Vision to develop sensors for various applications and technologies, ranging from cosmetic testing for the hair care industry to detection of magnetic signature on hard drive.

21



Luciol is active in the field of fiber optic measurement and instrumentation, providing standard or customised innovative optical fiber instrumentation for different fields of application.

Core expertise is photon-counting technology, which enables a new class of high resolution instrument, such as Optical Time Domain Reflectometers. These OTDRs have extremely high spatial resolution, which is impossible to achieve with conventional types of OTDRs.

Luciol has sold hundreds of High Resolution OTDRs for various application and industries.

# Our businesses

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Rockwash Geodata is a geological analysis laboratory and service company founded in 2010 with headquarters in Llandudno Junction, North Wales.

The company specialises in rock cuttings and chippings digitalisation, initially providing the oil and gas industry with an automated rock sample washing process that would feed further analysis. Since then, the company has developed new products and services addressing present-day geological issues in the energy industry.

23



Teer Coatings is a leading provider of advanced surface engineering solutions, specialising in the application of cutting-edge coatings to enhance the performance and durability of diverse materials. Utilising state-of-the-art physical vapor deposition (PVD) Magnetron Sputtering, the company excels in depositing thin films with tailored properties. These coatings exhibit exceptional characteristics like high hardness, wear resistance, and corrosion protection, contributing significantly to various industries, including aerospace, Motorsport, Sensors and industrial sectors.

The company's expertise extends to custom solutions for specific applications, ensuring optimal functionality and extended lifespan of vital equipment