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sorting the bulls from the bears

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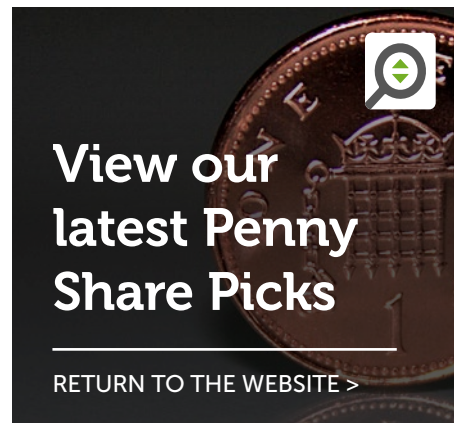
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Keep an eye on these shares!

We are somewhat surprised to see that shares in the security and surveillance group **Synectics (265p)** have fallen back over the last couple of months, having been as high as 342.5p on 11 September. As regular readers will know, we have been followers of the shares for many years, and the shares have done well for us as the company has grown. There does not appear to be any particular reason for the share price fall, as the most recent announcement from the company in mid-October confirmed that trading was in line with expectations.

The group is a leader in advanced security and surveillance solutions that help protect people, property and assets around the world. The company supplies software, hardware and

cameras to its customers to enable staff to detect and react to any security event instantly. The company operates in a number of sectors including oil and gas installations, casinos and rail transport systems. It also provides security and surveillance to over 100 town and city centres in the UK. However, it also has significant overseas operations.

Last month the group issued a trading statement covering the year to 30 November 2025 and this revealed that revenues for the year were expected to be approximately £67m (2024: £55.8m) with adjusted pre-tax profits likely to have risen to £5.7m (2024: £4.7m). The group has made positive progress during the financial year, winning orders from both new and existing customers and it has also

delivered a significant, non-recurring contract in South East Asia during the year.

If the company can achieve the figures projected, then earnings per share could emerge at around 26.8p putting the shares on a p/e ratio of just 9.9x. At the end of the first half of the financial year, on 31 May, the company had net cash of £12.1m.

The company is optimistic that it can continue to make further progress with many orders received for the new financial year. The company is expecting to increase investment in 2026 into product development and commercial and operational capabilities as this will help future growth. We believe that the recent share price fall has presented a useful buying opportunity. **BUY.**



Building up to the Autumn Statement!

As we have highlighted on the website on a number of occasions, there has been considerable uncertainty in financial markets ahead of the Autumn Statement and this has had a negative impact on some equities. A number of sectors have been affected including banks, with some commentators expecting a windfall bank tax, and gambling, with higher gambling levies also on the cards.

However, one of the Government's main priorities is to increase the number of houses built and so we feel that there could be some measures put in place to help the housing market. These may include incentives to buyers as well as changes to the planning system. We would expect these to be of benefit to all housebuilders, but **Barratt Redrow (374.4p)** as

the country's largest housebuilder would be a major beneficiary.

As readers may be aware, the company has three separate brands outside London - Barratt, Redrow and David Wilson Homes. These provide consumers with different product ranges at different price points. The acquisition of Redrow last year is progressing well and this is expected to deliver £100m of cost synergies. The company confirmed that trading was in line with expectations at its AGM at the start of November, despite challenging market conditions and the increased uncertainty ahead of next week's budget. The company therefore expects to deliver between 17,200 and 17,800 home completions in the current financial year to 28 June 2026.

In terms of valuation, the company is expected to make earnings per share of 30.2p in the current financial year with this figure rising to 36.7p in the year to June 2027. Thus, the shares look good value if these figures can be achieved whilst a prospective dividend yield of 4.3% in the current year also adds to the appeal. The share price has fallen from 485p earlier this year due to the uncertainties caused by the late budget and any positive news in this could see a strong rebound in the price. Clearly, any investment ahead of the statement is risky, but the share price is close to a three-year low and has not been much lower than this since 2014. Overall, we therefore rate the shares a **BUY.**



ME GROUP INTERNATIONAL – 156.4P

SECTOR - LEISURE GOODS

RECOMMENDATION - BUY

When the company issued a statement on 18 June in response to press speculation and the sharp rise in its share price, the shares stood at 230p. The statement was the standard confirmation that the company was reviewing its strategic options to enhance shareholder value which may include seeking a buyer for the business. Since then, there has been no further news on the subject apart from a comment in the recent trading statement to the effect that the process is still ongoing! In the meantime, the share price has fallen back to its lowest point since April 2024, despite the fact that the financial year to 31 October 2025 is expected to see record profits. The shares now stand on a modest p/e ratio and attractive dividend yield and had net cash of £36.2m at the end of April. We therefore rate the shares as a buy on fundamentals and any takeover bid, if one should emerge, would have to be at a significant premium to be successful.

Activities

ME Group International was formerly known as Photo-Me and readers may remember that the company ran photobooths where passport photos could be obtained. The company has now expanded its operations so that it now has over 48,000 unattended vending units across 18 countries. These are located in Continental Europe, the UK and Republic of Ireland and Asia Pacific. The company operates most of its vending equipment and a percentage of the vending revenue or a fixed fee is paid to the site owner.

The company has two core activities which are Photo ME and Wash ME. The former comprises photobooths and integrated biometric identification solutions and this is the largest part of the group. It has over 30,000 units in operation across 16 countries and vending revenue represents 57% of the group's vending revenue. The operations are aimed at the consumer market and the booths are therefore located in convenient high-footfall locations such as supermarkets, shopping centres and travel hubs. All the photobooths conform to the legislation covering photo ID for official documentation including passports. Wash ME operates unattended laundry services and launderettes, operating over 8,500 units. The group's unattended Revolution washing machines, which are located outdoors, provide 24/7 access, and these are located in high footfall areas such as supermarket car parks, general car parks and petrol station forecourts. There are almost 7,000 machines installed and this is the fastest growing part of the business. The machines benefit from having larger capacity than domestic washing machines and so can wash larger items such as duvets. The launderette shops are located in five countries and are typically located near town centres. Laundry revenue accounts for 36% of vending revenues.

The group also has ancillary activities and these include Print ME, a high quality digital printing service and other vending services which comprise Amuse ME (children's rides), Copy ME (photocopying services) and Feed ME (pizza kiosks and fresh orange juice dispensers). In total, these account for just 7% of vending revenues.

Financial

The most recent results from the group are the interim results for the six months to 30 April. Revenue for the period rose by 2.3% to £153.8m (2024: £150.4m), with pre-tax profits increasing by 13.3% to £34.0m (2024: £30.0m). Earnings per share were 13.0% higher at 6.79p (2024: 6.01p) and the interim dividend was raised 11.6% to 3.85p (2024: 3.45p).

The group ended the period with net cash of £36.2m (31 October 2024: £38.2m) and this was after capital expenditure of £28.8m and loan repayments of £11.0m. This shows the strong cash generation at the group.

These were very solid results, with the main driver being the laundry business which saw a 17.7% increase in total revenues to £51.9m (2024: £44.1m). There was strong demand for laundry services during the period which saw another record expansion of the Revolution laundry units. There were 523 installations of these units during the period, and, at the end of the period, the group was operating 6,956 units. Vending revenue from these machines increased by 13.3% to £46.7m, with strong demand for rapid, large capacity laundry services from customers. Total laundry EBITDA increased by 20.4% to £25.4m. Revenue in the photobooth business declined slightly due to a technical issue with the new printers installed in some photobooths although this was resolved in April. Thus, vending revenues from this business fell by 3.7% to £82.7m. Total EBITDA from these operations rose 1% to £29.6m.

Outlook

The company has recently issued a trading update for the financial year to 31 October, with revenues expected to be between £311m and £318m and profit before tax forecast to be between £76m and £79m. You will note that in the table below we have taken the rough mid-point of these figures. The group remains strongly cash-generative and so will end the year with significant net cash. The company is still considering its strategic options.

It seems slightly odd that the company is set to make a record level of profits for the financial year just ended, and yet the share price has drifted lower. This leaves the shares on a very modest p/e ratio and attractive dividend yield. Whether anything will become of the strategic review remains to be seen, although it is worth pointing out that the CEO, Serge Crasnianski, has a stake of around 36% in the company. Thus, he will have a major say in what happens.

The share price has fallen by over 30% since the high point of 230p just a few months ago. We believe that this undervalues the group's prospects as it expands with the introduction of new vending machines, especially in the laundry business. And let's not forget that the group has significant net cash balances. Even an increase in the share price to 200p would represent a gain of some 28% and we therefore rate the shares as a **BUY**.



	Year Ending 31 October	Turnover (£m)	Adjusted Pre-Tax Profit (£m)	Adjusted Earnings Per Share (p)	P/E Ratio	Net Dividend (p)	Net Yield (%)
Share Price: 156.4p	2024	308	73.4	14.4	10.9	7.9	5.1
Market Capitalisation: £591m	2025 (est)	315	77.5	15.3	10.2	8.2	5.2
2024/25 Share Price Range: 230p/120p	2026 (est)	335	81.0	16.0	9.8	8.6	5.5
Website: www.me-group.com							



Aggressive Growth Portfolio IX

It is disappointing to have to report another decline in the value of the portfolio over the last month, as this has fallen by 2.7%. Yet again, it is interesting to note that the portfolio has outperformed the FTSE AIM All-Share Index although it has underperformed the other two benchmark indices. It is perhaps worth pointing out that the FTSE 100 Share Index has enjoyed a very strong run in November so far, closing at record highs on four separate occasions, with the high being 9,911.42. At the time of going to press, the Index had fallen for four consecutive days making its overall rise over the month only 1.3%.

There have not been too many stand out performances over the month, although the best performing stock in the portfolio has been Smiths News, which has risen by 12.2%. On the other side of the coin, the most disappointing performers have been Rank Group and McBride. These have declined by 12.2% and 11.5% respectively, with the former

declining due to concerns over the Autumn Statement which may see gambling levies increase.

In order to raise some liquidity for the portfolio, we have decided to sell the holding of 3,300 Costain at 146.6p. This has raised £4,790 for a gain of £443. We are only selling these shares to generate some cash as we continue to believe that they are good value.

It has been a relatively quiet month for the portfolio in terms of company announcements with these being made by Luceco, Smiths News, Stelrad Group and Jet2. These are covered in News Highlights or on the website as usual.

Dividends were received during the month from Luceco (£47), Stelrad Group (£76) and Rank Group (£56) and following the investment into the two main features this month there is £1,917 on deposit pending investment.

Performance summary

	18 November 2025	21 October 2025	Gain/(Loss) %
Portfolio Value	£57,253	£58,825	(2.7)
FTSE 100 Share Index	9,552.30	9,426.99	1.3
FTSE All Share Index	5,140.62	5,094.85	0.9
FTSE AIM All Share Index	734.47	765.86	(4.1)

Security	Buying Price (p)	Total Cost (£)	Current Price (p)	Value (£)	Stop-Loss Limit (p)
1,500 Ramsdens Holdings*	190	2,878	339	5,085	300
2,625 Luceco	133	3,543	132	3,465	110
2,250 Tandem Group	185	4,204	170	3,825	140
7,500 Smiths News	54	4,110	68	5,100	48
600 Future	696.5	4,242	596.5	3,579	550
2,500 Stelrad Group	142	3,586	151	3,775	120
5,000 Card Factory	88	4,466	95.4	4,770	68
12,500 Speedy Hire	29.2	3,704	26.5	3,313	22
2,875 Rank Group	132	3,852	109.2	3,140	105
3,075 McBride	123.4	3,852	108.8	3,346	97
1,000 Mears Group	312	3,167	353	3,530	275
5,500 Reach	60.2	3,361	53.5	2,942	48
250 Jet2	1310	3,308	1302	3,255	1100
2,000 ME Group International	156.4p	3,175	156.4	3,128	125
4,500 SDI Group	68.5	3,114	68.5	3,083	54
£1,917 Cash				1,917	
TOTAL				£57,253	

Start date: 9 January 2024 with £50,000. Cash includes dividends received of £2,895. *after part disposal

SDI

SDI GROUP

68.5p

SECTOR - AIM - ELECTRONIC & ELECTRICAL EQUIPMENT
RECOMMENDATION - BUY

Regular readers may recall that we tipped shares in SDI at 71.5p in May last year and since then they have been as high as 103p. Over recent weeks, however, the share price has slipped back and we believe that this has presented investors with another buying opportunity. The latest trading statement in September confirmed that the company was on track to meet market expectations for the year to 30 April, although the results will be second half weighted as last year. Assuming that the company can achieve these figures, the shares stand on an undemanding p/e ratio of just 9.8x.

SDI designs and manufactures scientific and technology products through a number of subsidiary companies. These companies are organised into three segments being laboratory equipment, industrial and scientific sensors and industrial and scientific products. The companies

supply a number of industries including life sciences, healthcare, plastics and packaging, precision optics and measurement instrumentation. The group is highly acquisitive and acquisitions have been a major source of growth over recent years.

In the year to 30 April, revenues rose slightly to £66.2m with adjusted pre-tax profits increasing to £8.5m. Earnings per share on the same basis increased to 6.2p and, as usual, there was no dividend. Net debt at the year end was £13.8m (2024: £13.2m) despite spending £7.3m on acquisitions during the year.

The group issued a trading statement in September at the time of the AGM, which confirmed that the positive momentum seen at the group was continuing, with an improvement in organic growth compared with the previous year. Although revenues and profits will be weighted towards the second half of the financial year, the group expects to achieve market expectations as shown in the table. We therefore rate the shares as a BUY and a move back to the level of 103p seen just over two months ago would represent a gain of over 50%.

	Year Ending 31 April	Turnover (£m)	Adjusted Pre-tax Profit (£m)	Adjusted Earnings Per Share (p)	P/E Ratio	Net Dividend (p)	Net Yield (%)
Share Price: 68.5p	2024	65.8	8.0	5.8	11.8	-	-
Market Capitalisation: £72m	2025	66.2	8.5	6.2	11.0	-	-
2024/25 Share Price Range: 103p/48p	2026 (est)	75.0	9.8	7.0	9.8	-	-
Website: www.sdigroup.com							

News Highlights



As subscribers will know, we update the website with news that involves the companies that we follow, but we have highlighted what we regard as the most important news here.

Stelrad Group – 151p

The leading specialist manufacturer and distributor of steel panel and other designer radiators has issued a disappointing trading update covering the ten-month period to 31 October. Activity in its end markets has remained subdued, not helped by the late date of the Autumn Statement from Rachel Reeves, which is causing considerable uncertainty and resulting in customers delaying purchases. The company therefore expects adjusted operating profits of between £32m and £33m for the financial year to 31 December. This would lead to adjusted pre-tax profits of £25m for the year for earnings per share of 13.5p. These figures would still be an increase over last year though and the company should benefit significantly from any improvement in trading. The shares closed at 169.5p recently and it seems that investors are taking a very cautious view of 2026 - we believe that the sell-off has been overdone. **BUY**.

Smiths News – 68p

The UK's largest news wholesaler and provider of early morning delivery services has announced its results for the 52 weeks to 30 August. These have proved very respectable with adjusted pre-tax profits coming in at £35.8m (2024: £33.2m), whilst earnings per share on the same basis rose to 11.1p (2024: 10.3p). The core newspaper and magazine delivery business is in long term decline, but revenues at the group only fell by 1.7% on a like for like basis to £1.06bn and this was helped by an increase in revenues from other areas of the business as these rose by 16%. These areas include recycling other products apart from newspaper returns, and the sale of collectables as well as other products including books and home entertainment products. Strong cash flow meant that at the year-end the group had net cash of £3.3m compared with net debt of £11.0m a year earlier. The group increased the annual dividend to 5.55p per share (2024: 5.15p) and it has also declared a special dividend of 3.0p per share (2024: 2.0p). Standing on a very low p/e ratio and boasting an attractive dividend yield of 8.2%, before the special dividend is taken into account, the shares look too cheap. **BUY**.

B&M European Value Retail – 156.55p

The group has announced interim results for the 26 weeks to 27 September and revenues increased by 4% to £2.75bn helped by new store openings and a strong performance from the business in France. However, a fall in margins as the company reduced prices to be more competitive, led to adjusted pre-tax profit reducing to £103m (2024: £192m). Adjusted earnings per share fell to 7.2p (2024: 13.8p) and the interim dividend was reduced to 3.5p (2024: 5.3p) per share. Net debt at the end of the period had risen to £859m from £781m although it is worth pointing out that the group incurred capital expenditure during the period of £74m as well as paying dividends of £97m. The company is taking action to significantly improve its performance, reducing the number of lines it sells and making senior management changes. Adjusted pre-tax profits for the financial year could emerge at around £300m for earnings per share on the same basis of 21p. Clearly this leaves the shares looking cheap, but the credibility of the company is under pressure hence the low share price. It may take some time for this to be restored, but we continue to believe the shares are good value and rate them as a **BUY**.

Luceco – 132p

The designer and manufacturer of electrical products for both residential and commercial applications has announced a positive trading update covering the three months to 30 September. Helped by a strong performance from electric vehicle charging products, revenues in the period rose by 19.5% over the quarter with like-for-like revenues up by 10%. Further growth is expected in the final quarter of the year and the group now expects full year adjusted operating profit to be above market expectations. We are maintaining our forecast for the full year of adjusted pre-tax profits of £25m for earnings per share of 12.7p. However, this puts the shares on a very modest p/e ratio of just 10.4x, which we feel is too low with further growth expected going forward. We last commented on the shares in September when we rated them a buy at 123p and we maintain our recommendation of **BUY**.

Evoke – 36.7p

The betting and gaming company, which includes William Hill and 888, has issued a positive trading update for the three months to 30 September with revenues up 5% over the quarter compared to the same period in 2024. This is the fifth consecutive quarter of year-on-year revenue growth with all three operating divisions growing during the quarter. The retail business saw revenues increase 6% with both sports betting and gaming machines performing well. The profit contribution has grown faster than revenues and the introduction of new and improved products should drive further growth. The group is confident of meeting the adjusted EBITDA forecast for 2025 of £362m, a useful improvement over the £312m reported in 2024. However, the share price has slipped back due to concerns over the Autumn Statement, which may increase gambling levies. Nevertheless, we feel that the company will be able to cope with any increase in levies and, having fallen from 72.8p at the end of July, we feel the shares merit a **SPECULATIVE BUY** recommendation.

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