

SigmaRoc

Industrials
22 May 2025

Lime time

At its capital markets day on 7 May, SigmaRoc set out its ambitions to build 'Europe's leading choice mineral platform' with a focus on lime and limestone. It stated its medium-term (2025–30) targets, including organic revenue growth of 3–5% pa, an EBITDA margin of more than 24% (23.2% achieved in FY23 on a pro forma basis), free cash flow (FCF) conversion of more than 50%, a leverage ratio of 1.5–2.0x and a return on invested capital of more than 15%. Sigmaroc's growth prospects look strong, underpinned by growth in its diverse end markets, increasing demand due to macro trends of sustainability and increased demand for lime and minerals products. Sigmaroc also noted that it will have a heightened focus on predictably generating and growing its FCF.

Strategic acquisitions and synergy realisation

Sigmaroc has a strong track record of growth due to its selective M&A approach, completing 20 acquisitions at a weighted average EBITDA multiple of 6.9x and a weighted average EBIT return on investment of 15% (as of 2024). It completed its c £1bn acquisition of CRH's lime assets towards the end of 2024, doubling its size and positioning it as a leading lime and limestone supplier in Europe. Management anticipates €40–60m in incremental EBITDA through synergies by end 2027, with integration progressing ahead of schedule. Sigmaroc continues to innovate through implementing AI into its operations at its Kaltes Tal kiln, which has reduced energy consumption by 3.2%, created savings of €42k/month and reduced CO₂ emissions.

Diverse end markets provide stability

Sigmaroc serves a wide range of diverse end markets, from industry and construction to environment and food. In many cases, there are no substitutes for its products; where substitutes do exist, they are more dangerous to handle, more expensive or have higher eCO₂. Its future looks well secured, with total reserves and resources of c 2.7bnt, which management believes should last c 114 years. Sigmaroc owns its asset base, spread across Europe, allowing independence from volatile inputs. The company's total resource and owned asset base will therefore enable it to continue to supply an ever-growing market with greater cost certainty in the long run, bolstering profitability and offering stability.

Valuation: Discount to peers

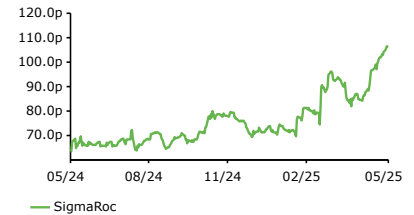
The strong start to 2025 is reflected in Sigmaroc's share price, which has seen continued momentum ytd, rising c 40%. Despite this, it trades at a c 36% discount to the relative peer average on P/E and a c 18% discount on EV/EBITDA in FY25e.

Consensus estimates					
Year end	Revenue (£m)	EBITDA (£m)	PBT (£m)	EPS (p)	P/E (x)
12/23	538.0	116.7	71.2	8.12	13.1
12/24	997.6	224.6	117.6	8.35	12.8
12/25e	1,069.0	251.2	142.3	8.14	13.1
12/26e	1,111.0	266.2	162.5	9.48	11.2

Source: LSEG Data & Analytics. Note: All are underlying results.

Price 106.60p
Market cap £1,188m

Share price performance



Share details

Code SRC
 Listing LSE
 Shares in issue 1,114.9m
 Net cash/(debt) at and FY24 £(509.5)m

Business description

Sigmaroc is a UK-based construction materials group specialising in lime, limestone and aggregates, with operations across the UK and Northern Europe. Lime and limestone are key resources in the transition to a more sustainable economy. The company employs a buy-and-build strategy, acquiring assets in fragmented markets and integrating them into regional platforms to enhance efficiency and value.

Bull points

- Positive outlook for total volume growth with a projected 1.3% CAGR to end 2030 (revenue weighted across lime, limestone and aggregates).
- Structural megatrends are supportive of growth (ie sustainability).
- Commitment to sustainability and ESG initiatives.

Bear points

- Volumes have declined over the past five years.
- Exposure to cyclical markets.
- Integration risks from M&A expansion

Analysts

Andrew Keen +44 (0)20 3077 5700
 Harry Kilby +44 (0)20 3077 5700

industrials@edisongroup.com
[Edison profile page](#)

EDISON QUICKVIEWS ARE NORMALLY ONE-OFF PUBLICATIONS WITH NO COMMITMENT TO WRITING ANY FOLLOW UP. QUICKVIEW NOTES USE CONSENSUS EARNINGS ESTIMATES.

General disclaimer and copyright

This report has been prepared and issued by Edison. Edison Investment Research standard fees are £60,000 pa for the production and broad dissemination of a detailed note (Outlook) following by regular (typically quarterly) update notes. Fees are paid upfront in cash without recourse. Edison may seek additional fees for the provision of roadshows and related IR services for the client but does not get remunerated for any investment banking services. We never take payment in stock, options or warrants for any of our services.

Accuracy of content: All information used in the publication of this report has been compiled from publicly available sources that are believed to be reliable, however we do not guarantee the accuracy or completeness of this report and have not sought for this information to be independently verified. Opinions contained in this report represent those of the research department of Edison at the time of publication. Forward-looking information or statements in this report contain information that is based on assumptions, forecasts of future results, estimates of amounts not yet determinable, and therefore involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of their subject matter to be materially different from current expectations.

Exclusion of Liability: To the fullest extent allowed by law, Edison shall not be liable for any direct, indirect or consequential losses, loss of profits, damages, costs or expenses incurred or suffered by you arising out of or in connection with the access to, use of or reliance on any information contained on this note.

No personalised advice: The information that we provide should not be construed in any manner whatsoever as, personalised advice. Also, the information provided by us should not be construed by any subscriber or prospective subscriber as Edison's solicitation to effect, or attempt to effect, any transaction in a security. The securities described in the report may not be eligible for sale in all jurisdictions or to certain categories of investors.

Investment in securities mentioned: Edison has a restrictive policy relating to personal dealing and conflicts of interest. Edison Group does not conduct any investment business and, accordingly, does not itself hold any positions in the securities mentioned in this report. However, the respective directors, officers, employees and contractors of Edison may have a position in any or related securities mentioned in this report, subject to Edison's policies on personal dealing and conflicts of interest.

Copyright 2025 Edison Investment Research Limited (Edison).

Australia

Edison Investment Research Pty Ltd (Edison AU) is the Australian subsidiary of Edison. Edison AU is a Corporate Authorised Representative (1252501) of Crown Wealth Group Pty Ltd who holds an Australian Financial Services Licence (Number: 494274). This research is issued in Australia by Edison AU and any access to it, is intended only for "wholesale clients" within the meaning of the Corporations Act 2001 of Australia. Any advice given by Edison AU is general advice only and does not take into account your personal circumstances, needs or objectives. You should, before acting on this advice, consider the appropriateness of the advice, having regard to your objectives, financial situation and needs. If our advice relates to the acquisition, or possible acquisition, of a particular financial product you should read any relevant Product Disclosure Statement or like instrument.

New Zealand

The research in this document is intended for New Zealand resident professional financial advisers or brokers (for use in their roles as financial advisers or brokers) and habitual investors who are "wholesale clients" for the purpose of the Financial Advisers Act 2008 (FAA) (as described in sections 5(c) (1)(a), (b) and (c) of the FAA). This is not a solicitation or inducement to buy, sell, subscribe, or underwrite any securities mentioned or in the topic of this document. For the purpose of the FAA, the content of this report is of a general nature, is intended as a source of general information only and is not intended to constitute a recommendation or opinion in relation to acquiring or disposing (including refraining from acquiring or disposing) of securities. The distribution of this document is not a "personalised service" and, to the extent that it contains any financial advice, is intended only as a "class service" provided by Edison within the meaning of the FAA (i.e. without taking into account the particular financial situation or goals of any person). As such, it should not be relied upon in making an investment decision.

United Kingdom

This document is prepared and provided by Edison for information purposes only and should not be construed as an offer or solicitation for investment in any securities mentioned or in the topic of this document. A marketing communication under FCA Rules, this document has not been prepared in accordance with the legal requirements designed to promote the independence of investment research and is not subject to any prohibition on dealing ahead of the dissemination of investment research.

This Communication is being distributed in the United Kingdom and is directed only at (i) persons having professional experience in matters relating to investments, i.e. investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "FPO") (ii) high net-worth companies, unincorporated associations or other bodies within the meaning of Article 49 of the FPO and (iii) persons to whom it is otherwise lawful to distribute it. The investment or investment activity to which this document relates is available only to such persons. It is not intended that this document be distributed or passed on, directly or indirectly, to any other class of persons and in any event and under no circumstances should persons of any other description rely on or act upon the contents of this document.

This Communication is being supplied to you solely for your information and may not be reproduced by, further distributed to or published in whole or in part by, any other person.

United States

Edison relies upon the "publishers' exclusion" from the definition of investment adviser under Section 202(a)(11) of the Investment Advisers Act of 1940 and corresponding state securities laws. This report is a bona fide publication of general and regular circulation offering impersonal investment-related advice, not tailored to a specific investment portfolio or the needs of current and/or prospective subscribers. As such, Edison does not offer or provide personal advice and the research provided is for informational purposes only. No mention of a particular security in this report constitutes a recommendation to buy, sell or hold that or any security, or that any particular security, portfolio of securities, transaction or investment strategy is suitable for any specific person.
