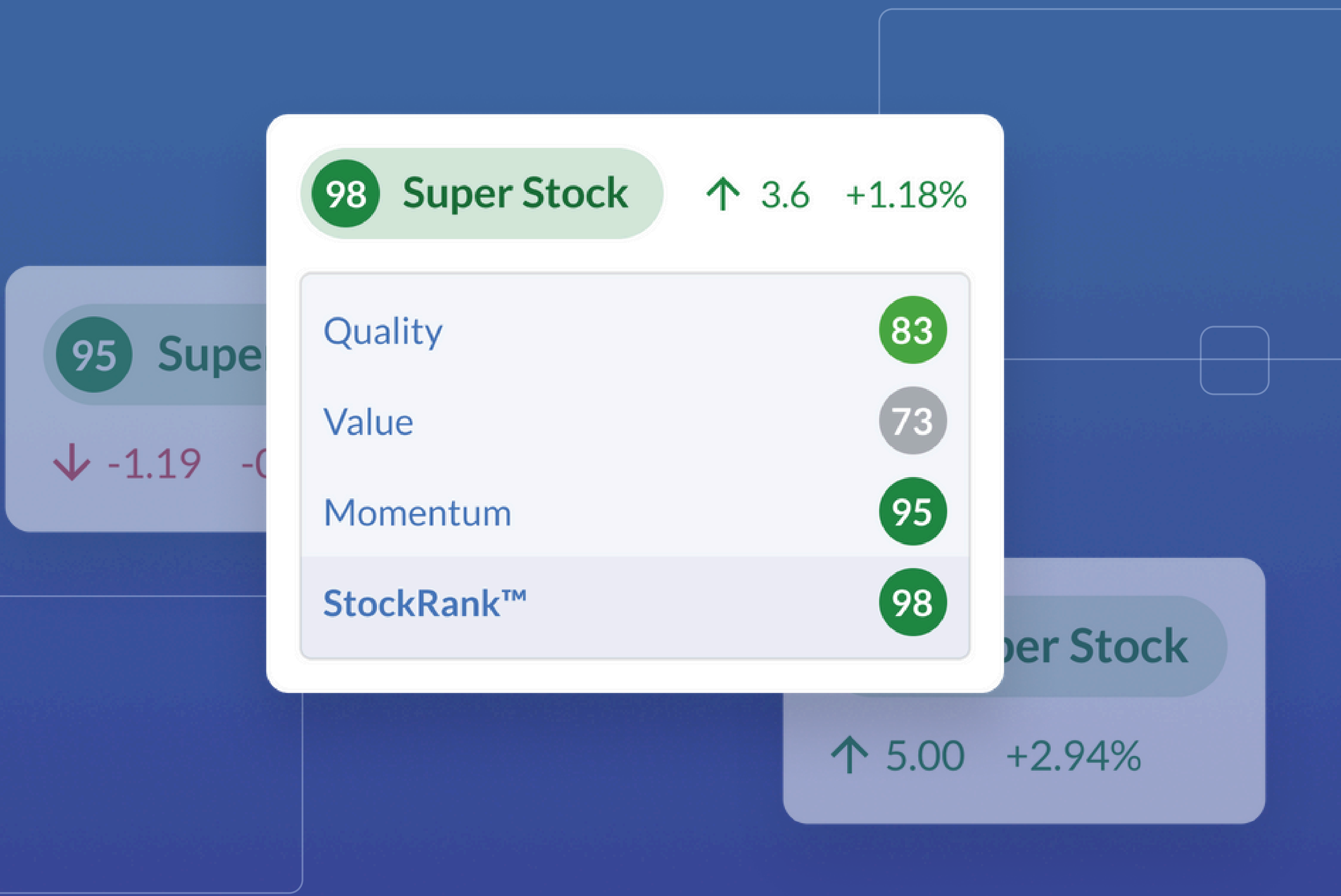
Exclusive Stockopedia report for UK investors

Top Stocks - July 2025

Ten UK stocks with strong earnings momentum



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- The value of shares and investments and the income derived from them can go down as well as up.
- Investors may not get back the amount they invested.
- Past performance is not a guide to future performance.

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Dear Investor,

After a long bear market in small caps, the UK equity landscape is showing signs of a turnaround. Momentum has been building, and breadth is returning across the indices. There's opportunity for investors prepared to invest in beaten down UK recovery shares.

In this context, we're excited to present Stockopedia's Top Stocks for July 2025 - a set of ten UK shares, drawn from all the market sectors using Stockopedia's rigorous StockRanks system, filtered further for those shares showing positive trading momentum.

Each of the companies featured in this month's report has been analysed in the accompanying briefs, giving you insights into their background, recent trading, broker sentiment and potential bull and bear points.

From established names like Currys and Morgan Sindall, to more dynamic small caps such as Journeo and Serabi Gold, we've aimed to cover a spectrum of shares to suit different investor styles.

Last year's Top 10 Stocks selected in June 2024 have now returned over 25%. We can't guarantee the same results from this year's list, and they are not recommendations, but hope they provide a valuable starting point for further research.

Edward Croft
CEO, Stockopedia.com

Keelan Cooper
Financial Analyst

Top Stocks

Discover the Power Behind the StockRanks™

If you want to discover high potential stocks with more consistency, that's exactly what the StockRanks were designed for. At Stockopedia, we believe smart investing starts with focusing on what works, and one hundred years of stock market history has shown that three key characteristics consistently drive share price returns:

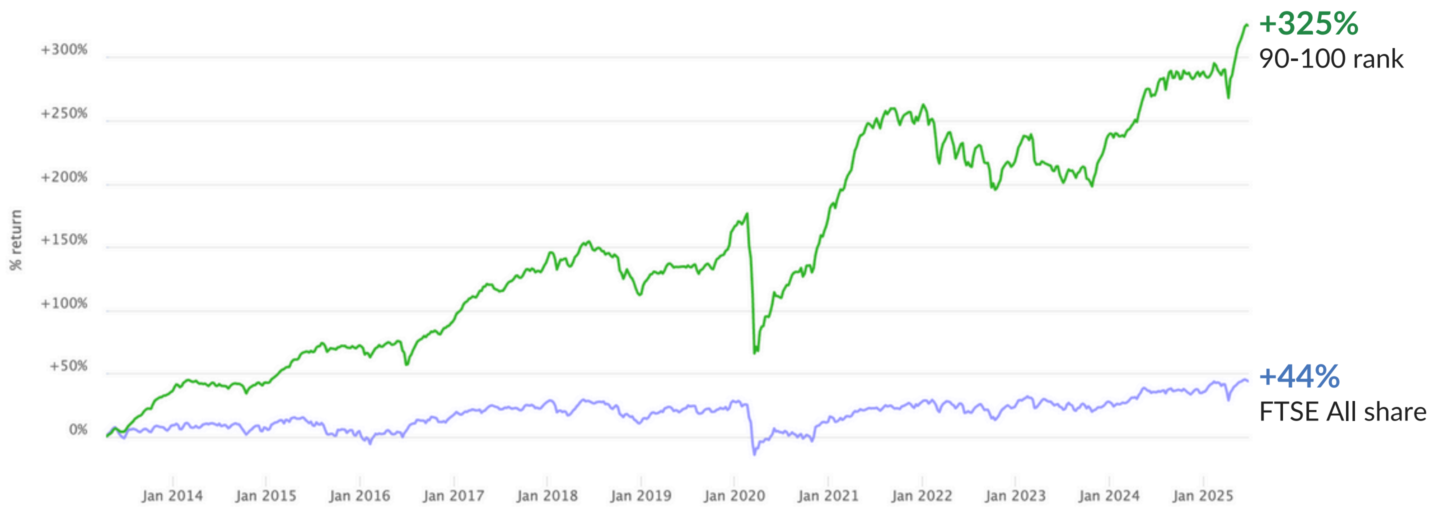
- **Quality** – Is the business strong, profitable and financially sound?
- **Value** – Are the shares underpriced relative to earnings, sales and assets?
- **Momentum** – Is sentiment improving in terms of share price and earnings?

Every day we analyse company financial data to create scores from 0 to 100 that help you instantly judge a stock's potential. Every stock gets separate ranks for Quality, Value, and Momentum, which are then blended into one easy-to-use overall StockRank.

Why It Matters to You

The StockRank gives you a quick snapshot of a stock's overall investment appeal, based on dozens of financial ratios calculated daily. It's a fast, objective way to identify potential winners and helps you move away from guesswork, to a more rules-based process.

The results speak for themselves. Stocks with a StockRank of 90+ have returned over 12% annually before dividends since 2013 – far outpacing the broader market indexes.



** Based on quarterly rebalanced portfolios of UK listed stocks greater than £10m Market Cap*

Do remember that the StockRanks are only intended as a starting point for further research - as always, do your own research before making any investing decision.

Currys (CURY)

Speculative • **Mid Cap** • **Super Stock** [View StockReport™]

Sector	Market cap	StockRank™
Consumer Cyclicals	**£1.36 billion**	**96**

Currys is well known here as an omnichannel retailer of consumer technology, also trading as Elkjop across the Nordics. With a network of over 700 stores and a fast-growing online presence, it sells everything from laptops to washing machines, and supports customers with repairs, recycling and even mobile contracts.

The past year has been an impressive turnaround story. Currys ended FY25 on a strong note, with full-year adjusted profit before tax expected to come in at £162m - up 37% year-on-year ahead of guidance. Group sales grew 2%, but more telling is growing momentum: +4% in the final 17 weeks, with both the UK & Ireland and Nordics showing improving trends.

Cash generation has been very strong. The group closed the year with over £180m in net cash, enabling a planned return to dividends, with 1.3p expected to be declared in July. Broker Panmure Liberum highlights that free cash flow more than doubled their expectations from twelve months ago, thanks to tight cost control and working capital discipline.

Operationally, the UK saw a 4% lift in like-for-like sales, driven by strong performance in computing, gaming, and mobile. Gross margins improved enough to offset cost inflation, with adjusted EBIT hitting £152m. In the Nordics, a region that's been tougher, EBIT grew despite currency headwinds, and margins improved year-on-year.

Analyst sentiment is warming. Panmure Liberum remains bullish, with a buy rating and 180p target price, noting valuation remains "very undemanding" on 11.4x earnings and 9% FCF yield. The shares still look attractively priced if Currys can keep this momentum going.

Latest Stockopedia Analyst View 15th January 2025

"The improved balance sheet, which includes a falling pension deficit, sets it up well for the year ahead... I'll probably maintain my positive view here for as long as cash flow remains healthy."

Graham Neary

Currys (CURY)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **10.8x**
- Dividend Yield (forecast): **1.85%**
- Return on Capital: **4.3%**
- 12m Share Price vs FTSE: **48.5%**

Quality	66
Value	86
Momentum	91

Bull points

- Repeated earnings upgrades and margin recovery
- Strong cash generation and net cash balance
- Valuation remains low on 11x P/E and 9% FCF yield

Bear points

- Cyclical exposure to consumer spending
- Nordic currency translation risk
- Still a low-margin, operationally intensive business model

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Frontier Developments (FDEV)

Highly Speculative • **Small Cap** • **Super Stock** [View StockReport™]

Sector	Market cap	StockRank™
Technology	**£121 million**	98

Frontier Developments is a Cambridge-based video game developer best known for Planet Zoo, Planet Coaster and the Jurassic World Evolution franchise. After a rocky few years, FY25 marks a clear turning point for the company, with a notable return to growth and profitability.

Revenue for FY25 edged up to £90.6m (FY24: £89.3m), with its Creative Management Simulation (CMS) games delivering 77% of group sales, up from 62% last year, reflecting strong performances across its core franchises. Notably, Planet Coaster 2 has sold over 400,000 copies since its November launch, helping franchise revenue to nearly triple year-on-year. Meanwhile, Planet Zoo held steady with a modest 2% rise, and Jurassic World Evolution slipped just 4% ahead of the launch of its next sequel.

Profitability bounced back sharply: adjusted EBITDA jumped to £8–9m (FY24: £0.9m), driven by a better sales mix, lower costs, and a £3.5m gain from the sale of publishing rights. Net cash surged by £13m to £42.5m, paving the way for a proposed £10m share buyback.

Zeus Capital now forecasts FY26 revenue of £94.0m, with underlying EPS lifted to 19.9p, rising to 28.6p in FY27. Analysts at Panmure Liberum, who have a 430p target price, expect Jurassic World Evolution 3 (due 21 October) to be a key growth catalyst.

The company has also revamped its reporting to reflect changes in video game tax credits, switching from adjusted EBITDA to adjusted operating profit, expected to be £11–12m for FY25.

Latest Stockopedia Analyst View 11th June 2025

"The turnaround appears to be in full swing as the company has returned to its original CMS strategy... I think that the risk:reward is positive here now".

Graham Neary

Frontier Developments (FDEV)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **37.5x**
- Dividend Yield (forecast): **0%**
- Return on Capital: **9.2%**
- 12m Share Price vs FTSE: **13.8%**

Quality	83
Value	73
Momentum	95

Bull points

- Strong bounce back in profit and cash generation
- Flagship franchises are driving recurring revenue, with exciting upcoming releases
- £10m share buyback demonstrates management confidence and supports EPS

Bear points

- Game launches remain hit-driven and add an element of uncertainty
- Recent history of mixed commercial performance
- No dividend, despite a strong cash balance

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Hikma Pharmaceuticals (HIK)

Balanced • **Large Cap** • **High Flyer**   View StockReport™

Sector	Market cap	StockRank™
Healthcare	**£4.58 billion**	89

Hikma Pharmaceuticals quietly plays a major role in global healthcare. It's a UK-listed business with a broad international footprint, supplying hospitals and pharmacies across the U.S., the Middle East and North Africa (MENA), and Europe.

Hikma operates across three divisions: Injectables, Branded, and Generics. Injectables supplies critical care drugs and was recently strengthened by acquiring Xellia's U.S. business, enhancing specialised manufacturing capabilities and expanding its U.S. production footprint.

The Branded business, mainly focused on MENA, doesn't get the headlines but has carved out a strong position in the region, rolling out medicines tailored to local needs, especially in fast-growing areas like diabetes and oncology.

The Generics arm, mostly U.S. retail, faces the most intense competition. Pricing pressure is constant, and Hikma has taken some hits, notably on royalties linked to its sodium oxybate product. But management has diligently been reinvesting in the pipeline and making improvements to manufacturing efficiency.

Now, Hikma looks to be at a turning point. After years of acquisitions, facility upgrades, and R&D investment, the benefits are beginning to show: stronger launches, better margins in Branded, and a more confident management tone.

Financially, it's in solid shape. Cash generation is strong, the dividend was lifted again this year, and net debt is modest. With a U.S.-centric manufacturing base, it's also relatively sheltered from global tariff risks, an advantage highlighted by Panmure Liberum, who reiterated their 2,500p price target, offering a decent uplift from current levels.

Latest Stockopedia Analyst View   1st January 2025

"It has a reasonable track record of revenue growth in recent years, but margins haven't been sustained. Could that now be turning around?"

Ed Croft

Hikma Pharmaceuticals (HIK)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **11.6x**
- Dividend Yield (forecast): **3.1%**
- Return on Capital: **19.3%**
- 12m Share Price vs FTSE: **-1.71%**

Quality	89
Value	40
Momentum	93

Bull points

- Strong U.S. base shields against trade risk and supply chain shocks
- Branded margins improving in MENA with higher-value product mix
- Dividend lifted again; balance sheet healthy with low net debt

Bear points

- Generics under pressure from royalties and pricing erosion
- 2025 guidance relies on H2 delivery and new launches
- Continued U.S. legal and pricing risks linger in the Generics segment

[View StockReport™]

Journeo (JNEO)

Adventurous • **Small Cap** • **Super Stock** [View StockReport™]

Sector	Market cap	StockRank™
Technology	**£64 million**	93

Journeo builds smart technology for buses, trains and public spaces, everything from on-board CCTV to passenger displays and back-end data systems. If you've seen live info screens at a bus stop or train station, chances are Journeo had a hand in it.

The company has now notched up its fifth year of growth. Revenues rose 8% to £49.6m in 2024, with profit before tax climbing 33% to £5.0m. Margins improved too, helped by easing supply chains and more high-margin, software-linked work. Recurring revenue, a key driver of stability, grew 40% to £7.0m. Journeo ended the year with £14.1m in cash on the books and zero net debt.

A big growth engine is its Fleet Systems business, which makes the digital wing mirror kits that TfL is now mandating across London's buses. Orders came in thick and fast last year, including from Metroline and Arriva, and the rail side is starting to gain ground too, with contracts from Porterbrook and Arriva Train Care worth £3m.

Journeo is also expanding internationally. Its Infotec division just landed a $2.7m deal to supply platform displays for the New York Subway, the first time its screen tech is going on US stations, after earlier work on train interiors. Meanwhile, Journeo A/S (formerly MultiQ) is gaining traction in Scandinavia, with new software deployed at Copenhagen airport and a six-year ITS contract with Danish operator Umove.

Brokers at Cavendish remain upbeat, highlighting that the group "looks compelling on an FY25E adjusted P/E of 10.6x (7.3x ex-cash P/E) vs peers on 17.9x" and pointing to a price target of 470p, well above the current price. The company also has more than a third of its market cap held in cash, giving it a range of options for growth, acquisitions, or distributions.

Latest Stockopedia Analyst View 10th June 2025

"Even after recent gains, Journeo's valuation still looks modest to me, given the company's improving profitability and near-term growth outlook."

Roland Head

Journeo (JNEO)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **15.3x**
- Dividend Yield (forecast): **0%**
- Return on Capital: **19.1%**
- 12m Share Price vs FTSE: **41.3%**

Quality	90
Value	55
Momentum	87

Bull points

- Recurring revenue up 40%. High-margin, subscription-style income is growing fast
- £14m cash and no debt gives room to invest or acquire
- Trading on attractive valuations relative to peers

Bear points

- US orders resumed, but delays remain
- Complex rollouts and integrations require precise coordination
- Despite strong cash flows, no payout for shareholders

[View StockReport™]

McBride (MCB)

Speculative • **Small Cap** • **Super Stock** [View StockReport™]

Sector	Market cap	StockRank™
Consumer Defensives	**£269 million**	**99**

McBride makes household and professional cleaning products, mostly for retailers' own brands. It's Europe's leading private label manufacturer in this area and has also been growing its contract manufacturing arm, recently signing two multi-year deals with big-name fast-moving consumer goods customers.

The January trading update had already flagged good performance for H1 (to Dec 2024), and the full results have now confirmed it. Volumes rose nearly 6%, revenues were up 3% (at constant currency), and adjusted operating profit came in at £32m, up 7.9%. All five divisions were profitable, with solid momentum in laundry and dishwash categories.

Contract manufacturing volumes surged, now making up over 13% of group revenue. This growth was driven by a 58.5% increase in contract manufacturing revenue, thanks to the launch of a major new long-term customer contract at the end of the last financial year. Margins held up well despite inflationary pressure, and strong cash generation helped cut net debt to £117.6m, down £28m year-on-year. The leverage ratio has fallen to just 0.6x EBITDA, giving the group more breathing room. With its "normalised" debt position,

McBride now plans to reinstate an annual dividend after final results in September.
CEO Chris Smith said the business is delivering "a consistently improved performance" and is on track with medium-term targets. The group's transformation programme, aiming for £50m of net benefits by 2028, continues to underpin these gains.

While analysts note that this year's forecasts imply a slight earnings dip due to cost pressures, the consensus view remains upbeat. With high profitability, low valuation (around 6-7x P/E), and strong sector tailwinds for private label, the recovery narrative appears intact.

Latest Stockopedia Analyst View 25th February 2025

"The 'normalised funding position' is key, as MCB survived a debt scare and is now in a far healthier place, with more options now in terms of how it proceeds from here."

Graham Neary

McBride (MCB)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **6.7x**
- Dividend Yield (forecast): **2.1%**
- Return on Capital: **36.9%**
- 12m Share Price vs FTSE: **6.6%**

Quality	95
Value	87
Momentum	89

Bull points

- Dividend set to return after four-year break, attracting new investors
- Contract manufacturing up 69%, driven by major new deals
- Net debt sharply lower; leverage ratio down to 0.6x

Bear points

- Cost inflation is still a headwind
- Slight earnings dip expected this year
- Execution risk around its ambitious transformation programme

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Morgan Sindall (MGNS)

Balanced • **Mid Cap** • **Super Stock** [View StockReport™]

Sector	Market cap	StockRank™
Industrials	**£2.1 billion**	97

Morgan Sindall is a UK construction and regeneration group with business lines in housing, infrastructure, and commercial office fit-outs. The company has been trading well, reporting record results for 2024, with revenue up 10% to £4.5bn and adjusted pre-tax profit rising 19% above £172m. It ended the year with £492m in net cash and lifted the dividend by 15%.

The Fit Out division did much of the heavy lifting, growing operating profit 38% to £99m and expanding margins to 7.6%. Construction also impressed, hitting a 3% margin at the top end of its target range and securing over £950m in new work. Both divisions have now had their medium-term targets upgraded.

Momentum has carried into 2025. In a June trading update, management said profits are now expected to come in significantly ahead of prior expectations, thanks to continued strength in Fit Out and Construction.

Partnership Housing has held up well despite a slow housing market, with profits up 18% and a solid 7% rise in its order book. Meanwhile, Mixed Use Partnerships saw profits fall sharply due to project phasing, but its secured order book surged 124% to £4.1bn, pointing to strong growth down the line.

Analysts at Panmure Liberum see Morgan Sindall as a clear winner from the government's Spending Review and infrastructure push, with fresh investment earmarked for housing, transport, and defence. The group's broad exposure puts it in a prime spot to benefit.

The shares aren't especially cheap, trading on a forecast P/E of 14x with a 3.2% forecast yield, but the quality shines through.

Latest Stockopedia Analyst View 17th June 2025

"This isn't cheap for what remains a low-margin business, but Morgan Sindall is extremely well run and has avoided the contract pitfalls and other financial disasters that seem to periodically befall its rivals."

Roland Head

Morgan Sindall (MGNS)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **14x**
- Dividend Yield (forecast): **3.2%**
- Return on Capital: **22.2%**
- 12m Share Price vs FTSE: **58.7%**

Quality	97
Value	51
Momentum	98

Bull points

- Exposure to long-term government infrastructure and housing spend
- Market-leading Fit Out and solid Construction margins
- Very strong cash generation; £492m net cash

Bear points

- Low operating margins limit valuation upside
- Mixed Use profits are volatile due to project timing
- Cyclical risks tied to the public sector and housing spend

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Plus500 (PLUS)

Balanced • **Mid Cap** • **High Flyer** [View StockReport™]

Sector	Market cap	StockRank™
Financials	**£2.4 billion**	95

Plus500 is a FTSE 250-listed trading platform operator offering CFDs, futures, and share dealing products to retail and institutional clients worldwide. The firm has been pushing hard into exchange-traded derivatives, especially in the US and, more recently, India.

In its Q1 2025 trading update, Plus500 posted a solid performance, with revenues up 13% to $206m and EBITDA jumping 23% to $94m. Customer income from spreads, overnight charges and commissions rose 3% to $176m. However, year-on-year comparisons were slightly weaker, with revenue and EBITDA both down around 5-9%.

What's really moving the dial now is the growth in its futures business. This segment made up 12% of Q1 revenue, up from 10% in FY24. Annualised, it's now a $100m business, highlighting Plus500's success in diversifying beyond its core CFD business. A new acquisition in India adds further geographic reach.

There are still some trade-offs. Customer acquisition slowed in Q1, with only 27,000 new accounts added, down 26% on the previous quarter. But Plus500 is deliberately shifting towards higher-value customers. The average deposit per customer doubled from $6,000 to over $12,000, and average revenue per user rose 18% quarter-on-quarter.

Broker Panmure Liberum has upgraded its valuation methodology and lifted its price target from 3,095p to 3,600p, citing the higher-quality, lower-risk earnings profile of the growing futures division. They now see 2025 EPS at $3.70, with a forecast dividend of $0.92 and a 14× P/E multiple applied to the non-OTC stream.

Latest Stockopedia Analyst View 28th April 2025

"I tend to always have one or two concerns... but the big picture from my perspective is that the company remains extremely well capitalised, highly profitable, shareholder-oriented with a mix of buybacks and dividends."

Graham Neary

Plus500 (PLUS)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **12.1x**
- Dividend Yield (forecast): **2.1%**
- Return on Capital: **50.6%**
- 12m Share Price vs FTSE: **42.9%**

Quality	99
Value	40
Momentum	97

Bull points

- Strong cash generation and share buybacks continue
- Futures business is scaling fast in the US and India
- Broker are consistently upgrading their forecasts

Bear points

- High customer churn and falling new sign-ups
- Still reliant on volatile trading activity
- Regulatory scrutiny over OTC practices persists

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Ramsdens (RFX)

Adventurous • **Small Cap** • **Super Stock** [View StockReport™]

Sector **Financials**	Market cap **£112 million**	StockRank™ **99**

Ramsdens is a well-known high street player offering pawnbroking, jewellery retail, foreign currency exchange and gold buying. It's a mix that's clearly working, as first-half profits jumped 54% above £6m, and full-year profit before tax is expected to top £15m.

The big driver has been gold. Precious metals gross profit rose 53% as prices surged to all-time highs, with volumes also up. A new gold-buying website launched in February is already outperforming expectations.

Jewellery retail also impressed, with 18% profit growth. Second-hand sales rose 27%, and premium watches bounced back after a weaker showing last year. Pawnbroking delivered steady growth. Loan book volumes were flat, but repayments improved and gross profit rose 11%. A new pawnbroking website, launched last November, is attracting fresh customers as well. May was a record month for loans issued.

FX was more muted, though Ramsdens continues to build out its offer. The multi-currency card (launched late 2023) now has 25,000 users, and a new international money transfer service has gone live. The company plans to open three new stores in H2, with a return to 6–8 openings a year expected from next year.

The business currently holds over £7m in net cash and recently lifted its interim dividend by 25% to 4.5p. Broker Panmure Liberum has now raised its target price to 385p and forecasts EPS of 34p+ for FY2025, putting the shares on a modest P/E of 9.8x with a yield above 4%. The 44% premium paid for Ramsdens' larger peer H&T in May 2025 suggests buyers are seeing real value in this part of the market.

Latest Stockopedia Analyst View 8th April 2025

"One characteristic of Ramsdens' business is that it is more heavily exposed to the gold price than its larger rival H&T… As things stand now, I can't see any reason to change our previous positive view on Ramsdens."

Roland Head

Ramsdens (RFX)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **10.6x**
- Dividend Yield (forecast): **4%**
- Return on Capital: **23.1%**
- 12m Share Price vs FTSE: **73.6%**

Quality	99
Value	66
Momentum	99

Bull points

- Profits up significantly on record gold prices
- Strong cash flows, dividend raised and special dividend declared
- New online platforms driving customer growth

Bear points

- Heavily exposed to the volatile gold price
- Rising staff costs from national insurance and wage hikes
- FX margin pressure from fintech rivals

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Seplat Energy (SEPL)

Adventurous • Mid Cap • Super Stock [View StockReport™]

Sector	Market cap	StockRank™
Energy	**£1.46 billion**	94

Seplat Energy is a leading Nigerian oil and gas exploration and production company, dual-listed in both London and Lagos. The business has recently transformed its operational scale following the acquisition of ExxonMobil's Nigerian shallow water assets (SEPNU). This deal significantly boosted Seplat's oil output and reserves, while also shifting its portfolio toward more gas-heavy assets, an increasingly strategic market in Nigeria.

The impact is already evident. In Q1 2025, Seplat delivered a record 131,561 barrels of oil equivalent per day, up 167% year-on-year. Revenues surged 350% to $809 million, with EBITDA reaching $401 million.

More impressively, Seplat reduced gross debt by 21% through early repayment of its revolving credit facility, bringing net debt down to $747 million. Showcasing its financial strength, management raised the latest quarterly dividend by 28%.

Operationally, Seplat is now turning its attention towards its gas business and ramping up drilling across its portfolio. These steps are part of a broader push to end routine gas flaring and meet Nigeria's growing energy demand more cleanly.

The market has taken notice. Seplat was a standout in Stockopedia's 2024 NAPS (No-Admin Portfolio System), gaining 56% during the year, and has been selected again for 2025.

Broker commentary has also highlighted the company's progress. SP Angel flagged the Q1 2025 cash flow as "much higher than expected," while Capital Access described the last quarter as confirmation of the "transformational nature" of the SEPNU acquisition.

Latest Stockopedia Analyst View 1st January 2025

It's one of the clearest trending mid-caps in the UK market at the moment, which shows the business has momentum and investor sentiment is improving."

Ed Croft

Seplat Energy (SEPL)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **15.1x**
- Dividend Yield (forecast): **4.2%**
- Return on Capital: **12.7%**
- 12m Share Price vs FTSE: **24.7%**

Quality	78
Value	82
Momentum	75

Bull points

- Post the SEPNU acquisition, the revenue, production, and reserves profile are transformed
- Gas expansion adds resilience and long-term growth options
- Strong free cash flow generation backs the dividend hike

Bear points

- Gas commercialisation is still exposed to infrastructure delays
- High capex needs may limit near-term free cash flow growth
- Dependence on Nigerian infrastructure and regulation

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Serabi Gold (SRB)

Speculative • **Small Cap** • **Super Stock** [View StockReport™]

Sector	Market cap	StockRank™
Basic Materials	**£136 million**	99

Serabi Gold is a small-cap UK-listed gold miner operating two high-grade underground mines, Palito and Coringa, in northern Brazil. The business has been gaining traction recently, off the back of higher production, falling costs, and the strong rise in gold prices over the past 18 months.

In Q1 2025, Serabi produced just over 10,000 ounces of gold, up 11% on the same period last year. That uptick was driven by stronger grades at both mines, Palito rose 32% and Coringa 8%, with Coringa now benefiting from its new classification plant running for a full quarter. Revenues came in at $28.2 million, while EBITDA nearly tripled to $12.4 million. Margins expanded thanks to a jump in the average gold price to $2,908/oz (up from $2,469/oz in Q1 2024), while all-in sustaining costs (AISC) dropped to $1,636/oz.

The company is now generating substantial cash flows: $10 million in operating cash flow and $4 million in free cash flow this quarter alone. Exploration spend has picked up sharply too, $1.5 million in Q1, as part of a larger $9 million programme targeting up to 2 million ounces of resource, up from the current 1 million. That lays the groundwork for a future ramp-up to 100,000+ ounces of gold production annually.

Importantly, the shareholder base has been reshaped. Greenstone Resources has exited, and Fratelli Investments cut its holding to 10%, with a placing bringing in a broader range of institutional investors.

Zeus Capital has a price target of 216p and expects Serabi to throw off free cash flow yields of 20–33% over the next two years, with net cash projected to hit $79 million by FY26. Tamesis Partners are more bullish still, with a 265p target and yield potential of 5-7% if the company delivers on its capital returns policy.

Latest Stockopedia Analyst View 29th May 2025

"Despite the risks... the valuation here remains compelling... even with a minor production miss or higher cost inflation, as long as the gold price remains strong."

Mark Simpson

Serabi Gold (SRB)

Share price (3yr history)

Key statistics

- P/E Ratio (forecast): **3.5x**
- Dividend Yield (forecast): **4.5%**
- Return on Capital: **30.8%**
- 12m Share Price vs FTSE: **144%**

Quality	98
Value	85
Momentum	98

Bull points

- Strong gold price is driving earnings upgrades
- Production is ramping up at the right time
- Net cash pile continues to grow, with dividend now on the table for FY25

Bear points

- Production issues in the past due to equipment delays
- Profits are heavily reliant on the gold price
- Brazil exposure brings forex, political, and regulatory uncertainty

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James Nelson | 8 year subscriber

Appendix - ratio definitions

The StockRanks™

At Stockopedia, we calculate a set of rankings daily for every share in the market. Using our database of more than 2000 fundamental and technical ratios we rank every stock relative to every other across their Quality, Value and Momentum. These rankings are published for every stock daily from zero (worst) to 100 (best), and then blended into a master, composite ranking of all three - known as the StockRank.

Shares with a rank of 90+ have significantly beaten the market since the StockRanks were launched in April 2013, returning more than 13.8% annualised over that period.

The Quality Rank

With the Quality Rank, you can easily find the highest-quality listed companies. It is based on a blend of measures that include an assessment of company franchise (profitability, cashflow, margins), company risk (bankruptcy, volatility) and fundamental trend (F-Score). These inputs are computed for every company in the market on a daily basis, ranked, blended and then re-ranked as a percentile from 0 (worst) to 100 (best).

The Value Rank

The Value Rank is based on an equally-weighted blend of traditional value ratios including the P/B, P/E, P/S, P/FCF, Earnings Yield and Dividend Yield. These inputs are computed for every company in the market on a daily basis, ranked, blended and then re-ranked as a percentile from 0 (worst) to 100 (best).

The Momentum Rank

The Momentum Rank is a ranking system based on a blend of price momentum (52 week highs, relative strength) and earnings momentum (recommendation upgrades, earnings upgrades and earnings surprise) factors. These inputs are computed for every company in the market on a daily basis, ranked, blended and then re-ranked as a percentile from 0 (worst) to 100 (best).

Appendix - ratio definitions

Price to Earnings Ratio

The PE Ratio, is the primary valuation ratio used by most equity investors. It is the price per share divided by earnings per share. We quote a 1 year forecast and earnings are diluted and normalised. A high PE ratio means that investors are paying more for each unit of Earnings, so the stock is more expensive compared to one with a lower PE ratio. The PE ratio can be seen as being expressed in years, in the sense that it shows the number of years of earnings which would be required to pay back the purchase price, ignoring inflation.

Dividend Yield

The Dividend Yield shows how much a company pays out in dividends each year relative to its share price. In the absence of any capital gains, the dividend yield is the return on investment for a stock. It is calculated as the Dividend per Share divided by the Share Price. As well as it being a way of gauging the yield on the stock, it can also be a way of identifying undervalued stocks. A company with a dividend yield significantly above current interest rates might be considered cheap though the precise figure changes over time, though many factors come in to play here.

Return on Capital Employed

The Return on Capital Employed, or ROCE, measures how effectively a company uses its total capital employed to generate income. It is calculated as the Operating Income divided by the Capital Employed. This is measured on a trailing twelve month basis. The ROCE is the best measure of the rate at which excess profits can be reinvested back into a business. It can be compared against the cost of borrowing or equity. Great companies can reinvest at far higher rates of return than the cost of their capital.

12-month Relative Strength

The 12-month Relative Strength measures a stock's price change over the last year relative to the price change of a market index. It shows the relative outperformance or underperformance of the stock in that timeframe. Research indicates that relative strength is a negative signal in the near-term but generally a positive indicator in the medium (6-24 months).

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