GDWN XLON Goodwin PLC

September 2026 Trading Update · RNS 8384W · 30 September 2026

Goodwin's retained businesses grow, but Duvelco's dryer problem caps output at about 20%

Share price	14,064.7p
Market cap	Not available
52-week range	10,820p - 191,191p
Shares in issue	Not available
12-month change	-1.5%

Ticker Data API, as at 2 Oct 2026, 10:18

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SUMMARY

Today's trading update from Goodwin covers the four months to 31 August 2026 for the businesses it will keep after selling most of its Mechanical Engineering Division to a Cerberus affiliate. Overseas refractory profits rose 19% to £3.1 million, and AVD Fire and Dupré Minerals together rose 30% to £1.0 million. Duvelco's loss widened to £1.7 million because a drying fault limits its polyimide plant (polyimide is a high-performance plastic) to about 20% of designed capacity. A replacement dryer has a lead time of about ten months. The sale, worth up to approximately £1.1 billion, is still expected to complete in the first quarter of 2027, subject to regulatory approval. The Board has not yet decided the amount, timing or form of any cash return, so the investment case rests on completion and on how much of the proceeds reaches shareholders.

KEY FIGURES

FIGURE	VALUE	PERIOD	CHANGE
Overseas refractory profits	£3.1 million	Four months to 31 August 2026	+19% year-on-year
AVD Fire and Dupré Minerals combined profits	£1.0 million	Four months to 31 August 2026	+30% year-on-year
Duvelco loss	£1.7 million	Four months to 31 August 2026	from £592,000 in the corresponding period last year
Duvelco production versus designed capacity	approximately 20%		
Headline disposal consideration	up to approximately £1.1 billion		subject to customary closing adjustments
Group trading profit	£77.5m	Year to 30 April 2026	from £35.5m
Net debt	£29.0m	30 April 2026	
Final dividend	330 pence per share	FY2026	from 280 pence

Sources: September 2026 Trading Update RNS, 30 Sep 2026; Preliminary results RNS, 28 Aug 2026; Accounts Posting and Dividend Timetable RNS, 28 Aug 2026

THE ANNOUNCEMENT

- The disposal of a substantial part of the Mechanical Engineering Division to a Cerberus affiliate, for headline cash of up to approximately £1.1 billion, is still expected to complete in the first quarter of calendar 2027, subject to regulatory approvals. The Company expects no UK corporation tax on the gain, but says this is separate from the tax treatment of any return of capital.
- The Board is still considering how to return a significant proportion of the net cash proceeds to shareholders. No decision has been made on the amount, timing or form.
- Overseas refractory profits rose 19% to £3.1 million, and AVD Fire with Dupré Minerals rose 30% to £1.0 million. Demand for AVD Fire's lithium-ion battery fire protection products continues to strengthen.
- Duvelco lost £1.7 million, against £592,000 a year earlier, mainly because of depreciation (the accounting charge for wear on its plant). A drying-stage fault limits output to about 20% of designed capacity, and the proposed replacement dryer has a lead time of about ten months.
- UK powder operations were hit by an 11-week planned calciner shutdown at Hoben International, while high gold and silver prices weighed on demand at Goodwin Refractory Services.
- Recruitment has begun for a Chief Executive Officer and a Finance Director to run the continuing businesses. The polyimide presses meant for Noreva in Germany will move to a UK site near Stoke-on-Trent.

AGAINST GUIDANCE

The update gives no new group profit guidance. Management's record on near-term trading is good: in October 2025 it guided to FY2026 trading profit in excess of £71 million, and it then reported £77.5 million. Its record on new ventures is weaker. In March 2026 Goodwin expected Duvelco's high-technology products to make initial contributions in FY2027. With the plant limited to about 20% of capacity and a replacement dryer about ten months away, that expectation now looks hard to meet. The disposal timetable of the first quarter of calendar 2027 is unchanged.

BULL CASE

- If the sale clears regulators and completes on time, a large, tax-efficient cash return could leave shareholders owning the cash-generative refractory and speciality minerals businesses, plus AVD Fire, for a modest residual value.
- AVD Fire's lithium-ion fire protection business is growing, with combined profits with Dupré up 30%. The Board says capacity can be increased at relatively modest capital cost.
- Goodwin says Duvelco's polyimide is technically competitive with the world market leader. A faster dryer solution, through the alternative dryer trials or a shorter lead time, would bring commercial sales closer.
- The Goodwin family concert party holds a majority of the shares, which gives the controlling holders a strong interest in an efficient return of proceeds.

BEAR CASE

- Press coverage has raised national-security objections to selling submarine-related defence assets to a US private equity buyer. Regulators could impose conditions or delay, and the deal could be repriced or blocked. If it fails, Goodwin keeps Mechanical Engineering, whose record FY2026 followed earlier lost tenders and delayed dispatches.
- The £1.1 billion is a headline 'up to' figure. Net proceeds after adjustments, costs and debt, and any shareholder-level tax, are unknown. The market value is already broadly in line with the headline figure, so the retained businesses are not 'free'.
- The profits disclosed for the continuing businesses are small. Duvelco's losses are widening, UK powder operations were disrupted, and high precious-metal prices are hurting some demand.
- The continuing group has no dedicated CEO or Finance Director yet, just as it relocates polyimide presses and works to fix Duvelco's plant.

WHAT TO WATCH

- Regulatory progress on the disposal: clearance, conditions, any extended review, or repricing ahead of the targeted first-quarter 2027 completion.
- The Board's decision on the amount, form and timing of the cash return, and how much cash it retains for the continuing businesses.
- A dated Duvelco plan: results of the alternative dryer trials and any shortening of the roughly ten-month lead time.
- Disclosure of the continuing group's cash flow, retained debt and central costs, and the CEO and Finance Director appointments.

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