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10 Small Caps to Buy October 2025

Report written by Clear Capital research

10 Small Caps to Buy – October 2025

UK small-cap equities in late 2025 present one of the more asymmetric risk/reward opportunities in global markets. The FTSE Small Cap index is trading at marked discounts relative to historical norms and to peer markets, with some estimates putting that discount at over 50–60%. As large-cap and US equities become richly valued, small caps offer a contrarian entry point [1].

Fundamental outlook is supportive. Analysts expect small and mid-caps to deliver stronger EPS growth in the next 12 months than their larger peers. Moreover, UK small caps' forward P/E multiples are trading well below long-term averages and relative to large caps, suggesting significant valuation upside [2].

Sentiment is beginning to shift as M&A has been increasingly active in the small-cap space, and share repurchases are rising, pointing to growing confidence from corporate and private equity buyers. Also, as investor allocations broaden and active managers hunt for mispriced names, small caps benefit from under coverage and inefficiencies that large caps do not [3].

Macro tailwinds provide further runway. Inflation pressures appear to be easing, raising expectations of interest rate cuts, which would alleviate cost burdens on more rate-sensitive small firms. Global small-cap strategies also expect to capture broader earnings expansion outside mega-cap concentration [4].

In sum, with deeply discounted valuations, projected earnings outperformance, rising corporate and investor interest, and macro conditions tilting favorably, UK small caps stand out as a compelling long-term opportunity for investors seeking high upside with diversification away from crowded large-cap markets.

The FTSE AIM All-Share Index is showing strong technical momentum following a decisive breakout above a long-term downtrend line. After a powerful rally, the index has formed a tight consolidation. As prices continue to move sideways it shows that prices are being accepted in this range. The stalling in short term momentum could suggest the index is ready for a renewed upside move in the coming months. The expectation is for the index to reach 812, which was the highs last seen in May 2024



Source: [1] ii.co.uk – Why this part of the market is where the value is – 16 June 2025, [2] axa-im.com – Why it's time to reconsider small caps – 20 March 2025, [3] franklintempleton.co.uk - M&A surge: Highlighting the UK's valuation opportunity – 30 June 2025, [4] jpmorgan.com - Mid-year market outlook 2025: A broad spectrum of potential outcomes – 1 July 2025

Chart: Tradingview.com, Data as of September 26th, 2025

ANGLO ASIA MINING (AAZ)

Anglo Asian Mining is a copper-gold producer in Azerbaijan's Gedabek district. 2025 marked first production from Gilar, with a strategy pivot toward copper via new mines including Demirli, Zafar/Kharkhar and Garadagh. The company targets a transition to mid-tier scale as additional assets ramp up.

Fundamentals

Fresh production at Gilar and the restart of Demirli add near-term volumes while diversifying away from single-asset risk [5]. The project pipeline (Zafar/Kharkhar, Garadagh) underpins multi-year copper growth, aligned with strong energy-transition demand. Execution progress in 2025 reduced operational uncertainty and supports a re-rating toward mid-tier copper producer metrics as new mines come online [6].

Market Capitalisation: £228.48Million

Sector: Mining

12 Month Price Range: 78 – 220p

5 Year Price Range: 36 – 220p

Technical Analysis

The long-term trend remains firmly intact, with the share price climbing in a consistent sequence of higher highs and higher lows. Momentum indicators show no signs of reversal, reinforcing the bullish structure. The uptrend line continues to provide reliable support, and any pullbacks toward this long-term support zone should be seen as potential buying opportunities. Provided the trend holds, the technical outlook favors further upside with a medium-term target north of 300p.

Verdict: BUY

Buy between 160 – 180p

Stop: 120p

Target: 310p



Sources: [5] [mining.com](https://www.mining.com) – Anglo Asian begins production at Gilar mine in Azerbaijan – 19 May 2025. [6] [minedocs.com](https://www.minedocs.com) – Anglo Asian Mining PLC Annual report and accounts 2024 – 29 May 2025

Chart: Tradingview.com, Data as of September 26th, 2025

ATLANTIC LITHIUM (ALL)

Atlantic Lithium is advancing the Ewoyaa Lithium Project in Ghana, poised to be the country's first lithium mine. The spodumene project benefits from established infrastructure and a co-development/marketing partnership with Piedmont Lithium. Recent filings highlight regulatory progress and project economics.

Fundamentals

Ewoyaa's 36.8Mt @ 1.24% Li₂O resource, coastal access, and Piedmont partnership enable expedited development and funding flexibility. With West Africa-focused policy support and proximity to Atlantic shipping routes, Ewoyaa can slot into the EV supply chain at competitive costs, offering torque to lithium prices as Ghana's first producer scales [7].

Market Capitalisation: £61.84Million

Sector: Mining

12 Month Price Range: 5.32 – 19.5p

5 Year Price Range: 5.32 – 68p

Technical Analysis

After an extended period of downward pressure, where multiple reversal attempts failed and the trend continued lower, recent price action suggests a potential shift. Selling pressure has stalled, and a basing pattern has developed over recent months. The decisive move above resistance at 9.28p confirms this bottoming formation and signals improving momentum. This breakout is bullish for the short- to medium-term outlook and could pave the way for the early stages of a new uptrend in the coming months, provided support levels hold.

Verdict: BUY

Buy between 7.5 – 9p

Stop: 5.8p

Target: 18p



Source: [7] atlanticlithium.com.au – Company website – 26 September 2025

Chart: Tradingview.com, Data as of September 26th, 2025

ACCSYS TECHNOLOGIES (AXS)

Accsys manufactures acetylated wood products—Accoya® solid wood and Tricoya® elements—offering durability, stability and sustainability versus traditional materials.

Fundamentals

Structural demand for low-carbon building materials plus Accsys's proprietary acetylation IP create defensible margins and pricing power. FY25 beat, improved profitability, and expanded capacity support continued share gains as renovation/new-build activity normalizes. Accoya's performance credentials and warranties drive specification wins, underpinning multi-year growth and operating leverage [8].

Market Capitalisation: £167.16Million

Sector: Process Industries

12 Month Price Range: 38 – 70p

5 Year Price Range: 38 – 194p

Technical Analysis

After reaching a decade low of 38p in early 2025, buyer interest has steadily returned. From March onwards, the share price has trended higher, culminating in a break above key resistance at 62p. This breakout confirms a clear bottoming formation and shifts the medium-term outlook to bullish. As long as the 62p level now acts as support, the path of least resistance points higher, with scope for a continued recovery toward previous trading ranges.

Verdict: BUY

Buy between 60 – 66p

Stop: 46p

Target: 104p



Source: [8] markets.ft.com – Preliminary results for the year end 31 March 2025 – 2 June 2025

Chart: Tradingview.com, Data as of September 26th, 2025

FLOWTECH FLUIDPOWER (FLO)

Flowtech is a distributor and solutions provider for hydraulics, pneumatics and related fluid power products across the UK, Ireland and Benelux, serving MRO and OEM customers.

Fundamentals

Scale distribution, technical know-how, and multi-brand breadth position Flowtech to benefit from industrial capex/MRO cycles. Recent contract wins and disciplined cost focus support margin recovery, while a formal refinancing process targets more flexible funding for growth and consolidation [9]. Cash-generative distribution models typically command resilient multiples through cycles [10].

Market Capitalisation: £47.47Million

Sector: Wholesale Distribution

12 Month Price Range: 46 – 117p

5 Year Price Range: 46 – 148p

Technical Analysis

2025 has been a mixed year, with shares bottoming in April at 46p, their lowest since 2020. A rebound followed, carrying the price toward resistance at 67p before a brief correction. Recent action has seen that 67p barrier decisively broken, completing a bullish double-bottom formation. A successful retest of this level as support has since confirmed the breakout, and the price is once again moving higher. The medium-term outlook is now positive, with scope for further upside as momentum builds.

Verdict: BUY

Buy between 67 – 74p

Stop: 57p

Target: 120p



Source: [9] investormeeetcompany.com – New Contract wins & Partnerships – 22 July 2025, [10] assets.lsegissuerservices.com - 2025 HALF-YEAR REPORT –9 September 2025

Chart: Tradingview.com, Data as of September 26th, 2025

INVINITY ENERGY SYSTEMS (IES)

Invinity designs and manufactures vanadium flow batteries (VFBs) for grid-scale, long-duration energy storage. 2025 updates show multi-MWh projects advancing in the UK/EU, >6GWh discharged lifetime, and industry positioning as LDES gains traction.

Fundamentals

VFBs' non-flammability, high cycling, and long lifetimes suit 4–8-hour LDES needs as renewables penetration rises. Project wins and operational metrics validate bankability; policy tailwinds and utility interest are growing. As deployments scale, unit economics should improve, narrowing cost gaps with lithium while offering superior longevity—supporting revenue growth and margin expansion [11].

Market Capitalisation: £103.53Million

Sector: Electrical Products

12 Month Price Range: 7.76 – 29p

5 Year Price Range: 7.76 – 233.25p

Technical Analysis

Invinity's share price has been under sustained pressure since 2021, falling from 233.35p to lows of 7.76p by March 2025. Recently, however, there are signs of improvement. On 19 June 2025, the stock staged a powerful breakout move, pushing through both the long-term downtrend line and horizontal resistance at 19.4p. This breakout also confirmed a double-bottom formation on the long-term charts — a pattern often regarded as a strong bullish reversal signal. Following this move, the price advanced to 29p by mid-July, before correcting back towards the 19.4p breakout zone. This level now represents key support, and the current pullback could be an attractive entry point for investors anticipating a continuation higher in line with the newly established bullish outlook.

Verdict: BUY

Buy between 19 – 24p

Stop: 14p

Target: 47p



Source: [11] energy-storage.news – 'Flow battery cost reductions and limitations of lithium' – 22 July 2025,
Chart: Tradingview.com, Data as of September 26th, 2025

STRIX GROUP (KETL)

Strix designs and manufactures kettle safety controls, heating/temperature components, and complementary water appliances/filtration. It is a global leader in kettle controls, with recent updates on trading, investor presentations and refinancing process progress.

Fundamentals

Dominant share in kettle controls gives Strix scale, IP and OEM relationships, while diversification into water filtration and appliances broadens TAM. Operational recovery, cost discipline and refinancing should de-risk the balance sheet. As consumer electronics channels normalize, Strix's market leadership and innovation pipeline can restore earnings momentum and cash generation [12].

Market Capitalisation: £108.49Million

Sector: Electronic Technology

12 Month Price Range: 38.65 – 86.5p

5 Year Price Range: 38.65 – 351p

Technical Analysis

Strix shares have recently broken above long-standing downtrend resistance, signalling the potential start of a trend reversal. The decisive move through horizontal resistance at 45.70p has confirmed a bottoming formation, strengthening the bullish case. The price is currently retesting this level, which now acts as support. If 45.70p continues to hold, it could present an attractive entry point, with scope for a sustained move higher in the coming months.

Verdict: BUY

Buy between 43 – 48p

Stop: 38p

Target: 90p



TradingView

Source: [12] [strix.com](https://www.strix.com) – Company website – 26 September 2025

Chart: Tradingview.com, Data as of September 26th, 2025

GEORGINA ENERGY (GEX)

Georgina Energy is developing helium, hydrogen and natural gas resources in Australia. Independently certified prospective resources total c.300 Bcf helium, 300 Bcf hydrogen and 2.5 Tcf gas (P50/2U), with 2025 seismic reprocessing indicating resource upgrades.

Fundamentals

Helium's structural supply tightness and critical end-uses (MRI, semiconductors) make large, onshore Australian resources valuable. Added upside from natural hydrogen exploration and associated gas enhances optionality. Recent resource upgrades and permitting steps progress commercialization, offering asymmetric returns if appraisal confirms volumes and midstream solutions [13].

Market Capitalisation: £6.55Million

Sector: Process Industries

12 Month Price Range: 3.92 – 12.45p

5 Year Price Range: 3.92 – 82.2p

Technical Analysis

In March 2025, the share price broke higher from a wedge formation, triggering a corrective rally toward 11.50p before retreating. Since then, solid support has emerged around the 5p level, where the price has consolidated in recent months. As long as this support continues to hold, it provides a constructive base for a potential continuation higher. A sustained move could see the price advance toward the 12p area over the coming months.

Verdict: BUY

Buy between 4.5 – 6p

Stop: 3p

Target: 12p



Source: [13] georginaenergy.com – Unlocking Australia's Helium & Hydrogen Potential – August 2025

Chart: Tradingview.com, Data as of September 26th, 2025

MEDPAL AI (MPAL)

MedPal AI aggregates personal health data and applies AI to deliver individualized health insights and care navigation. The company listed on AIM in August 2025; corporate materials outline its platform vision and growth plan.

Fundamentals

Consumerisation of healthcare and wearable proliferation create rich datasets for AI-driven prevention and triage. As a newly listed pure-play, MedPal can iterate quickly, partner with device/app ecosystems, and scale subscription revenues. If execution validates engagement and outcomes, the model offers high gross margins and recurring revenue potential from a large addressable market [14].

Market Capitalisation: £39.24Million

Sector: Health Care

12 Month Price Range: 5.65 – 12.5p

5 Year Price Range: 5.65 – 12.5p

Technical Analysis

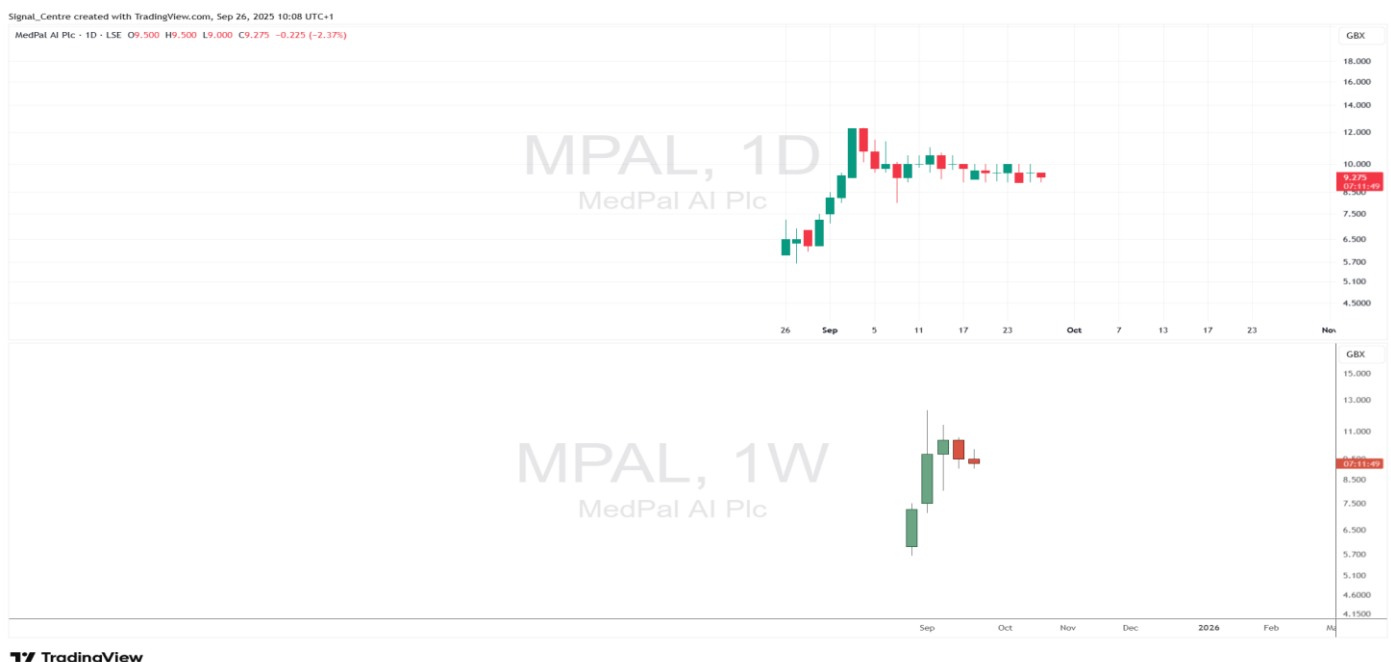
As a newly listed company, the technical picture is still developing. Shares debuted at 5.94p, rallying quickly to highs of 12.25p before early profit-taking triggered a pullback. Selling pressure has since eased, and the price is now consolidating around 9p. This stabilisation suggests continued investor interest and positions the stock for potential further upside should momentum rebuild in the weeks ahead.

Verdict: BUY

Buy between 7.5 – 9.5p

Stop: 5p

Target: 30p



TradingView

Source: [14] medpalplc.com – Investor Centre AIM Rule 26 – 26 August 2025

Chart: Tradingview.com, Data as of September 26th, 2025

POWERHOUSE ENERGY GROUP (PHE)

Powerhouse is commercialising DMG thermal conversion technology that turns unrecyclable waste (e.g., plastics, tyres) into syngas for hydrogen, electricity and heat. 2025 updates include an Australia framework agreement, FTU demonstrations, and plans for a Ballymena commercial unit.

Fundamentals

Policy pressure to divert waste from landfill/incineration plus hydrogen demand creates a compelling niche. Licensing with National Hydrogen (Australia) and a first UK commercial unit de-risk commercialization. Successful trials and FEED progress support scalability; royalties and project participation can drive high-margin growth as projects stack up [15].

Market Capitalisation: £27.28Million

Sector: Utilities

12 Month Price Range: 0.44 – 1.1p

5 Year Price Range: 0.23 – 11.4p

Technical Analysis

In early August, PowerHouse Energy shares broke above resistance at 0.562p, triggering a rally toward 0.730p before retreating. The breakout level at 0.562p has since become key support, with the price now consolidating close to this zone. As long as this support continues to hold, the technical structure remains constructive. The medium-term outlook points to further upside, with scope for a move toward the 2024 highs near 2p in the coming months.

Verdict: BUY

Buy between 0.55 – 0.65p

Stop: 0.45p

Target: 2p



Source: [15] letsrecycle.com – Powerhouse demonstrates waste-to-hydrogen technology – 10 March 2025
Chart: Tradingview.com, Data as of September 26th, 2025

YELLOW CAKE (YCA)

Yellow Cake provides pure exposure to uranium by buying and holding physical U_3O_8 , largely sourced via a long-standing purchase option with Kazatomprom. Recent updates include a proposed placing to fund 2025 purchases and investor materials detailing inventory/storage and market dynamics.

Fundamentals

With no mining/execution risk, Yellow Cake offers leveraged, liquid exposure to tightening uranium fundamentals. A fresh equity raise to exercise 2025 options increases holdings and torque to price upside amid nuclear restarts, new builds and constrained primary supply. Storage in tier-one jurisdictions enhances security of assets [16].

Market Capitalisation: £1.24Billion

Sector: Non-Energy Minerals

12 Month Price Range: 413.6 – 623p

5 Year Price Range: 183.8 – 749.5p

Technical Analysis

The shares are in the process of completing an inverse head and shoulders bottoming pattern, a bullish signal in technical analysis. Today's move higher has established fresh support around 546p, which may serve as a key level to monitor for potential entry opportunities on pullbacks. In the short term, the price is facing resistance at the upper boundary of the longer-term bearish channel. A clear breakout above this resistance would confirm the reversal pattern and strengthen the outlook for a sustained rise over the coming months.

Verdict: BUY

Buy between 530– 570p

Stop: 455p

Target: 750p



Source: [16] qazinform.com – Yellow Cake raises \$175 million to fund uranium purchases from Kazatomprom – 25 September 2025

Chart: Tradingview.com, Data as of September 26th, 2025

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