

8 June 2020

Solid State plc
("Solid State", the "Group" or the "Company")
**Trading and COVID-19 Update &
Notice of Results**

Solid State plc (AIM: SOLI), the AIM listed manufacturer of computing, power and communications products, and value added distributor of electronic components, announces a trading update and notice of results for the 12 months ended 31 March 2020.

Trading and COVID-19 Update:

The Board is pleased to announce that trading since the update given on 15 April 2020 in respect of the first two months of the new financial year has been ahead of management's expectations, despite the impact of the COVID-19 outbreak.

We are seeing and expecting some slowdown in order intake but the diversification in our sector and product exposure, and strong open order book, is providing some resilience to the effects of the COVID-19 outbreak. Understandably, sectors such as the oil & gas market and commercial aviation have been significantly impacted however, others, notably the medical and food retail sectors, have been far more buoyant and are helping to compensate.

In many instances the Group has found ways to engage with new and existing customers to maintain service levels, notwithstanding the inability to travel and attend face to face meetings. This has included securing new clients through an innovative series of virtual 'hands-on' design and specification meetings, which would in the normal way have been conducted in person. Greater resources have been committed to web site optimisation and digital marketing to take advantage of this opportunity as all businesses continue to operate under the current restrictions.

All of the Group's four manufacturing sites remain operational and compliant with government guidelines. At this point, any evidence of pressure on the Group's supply chain has largely been mitigated by the Group's buffer stocking policies. The open order book at 31 May 2020 was £37.9m (31 May 2019: £35.9m). Solid State continues to be cash generative with net cash at 31 May 2020 standing at £4.5m (as at 31 March 2020: circa £3m). In addition, the Group has an unutilised RCF with its bank of £7.5m.

The outlook remains difficult to predict however the Board is confident that given its niches in sectors currently in demand and those likely to be in receipt of government stimulus packages, for example transportation and medical, it is well placed to navigate these exceptional trading conditions. A further update on trading conditions and the outlook will be given in the announcement of the full year results at the end of this month.

Dividend:

Given the resilience of the Group's business model and strong cash position, the Board intends to recommend a final dividend of 7.25p in the announcement of its full year results. This will, if approved at the AGM, result in a total dividend for the year of 12.5p, equal to the total dividends paid in respect of the prior year.

Notice of Results:

Solid State expects, subject to satisfactory completion of the audit, to announce its results for the 12 months ended 31 March 2020 on Tuesday 30 June 2020.

Investor Results Presentation:

Gary Marsh, Chief Executive, and Peter James, Finance Director, will hold a presentation to cover the results and prospects at 4.30pm on 30 June 2020.

The presentation will be hosted through the digital platform Investor Meet Company. Investors can sign up to Investor Meet Company for free and add to meet Solid State plc via the following link. <https://investormeetcompany.com/solid-state-plc/register-investor?arc=d9e8ece0-bac5-4100-ab1b-fdf0f9178636>. For those investors who have already registered and added to meet the Company, they will automatically be invited.

Questions can be submitted pre-event to solidstate@walbrookpr.com, or in real time during the presentation via the "Ask a Question" function.

This announcement contains inside information for the purposes of Article 7 of EU Regulation 596/2014.

For further information please contact:

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Analyst Research Reports: For further analyst information and research see the Solid State plc website: <https://solidstateplc.com/research/>

Notes to Editors:

Solid State plc (SOLI) is a value added electronics group supplying industrial and military markets with ruggedised/durable components, assemblies and manufactured units for use in harsh environments. The Group's mantra is – 'Trusted technology for demanding applications'. To see an introductory video on the Group - <https://youtu.be/bp4WfLCEc5Y>

Operating through two main divisions: Manufacturing (Steatite) and Value Added Distribution (Solid State Supplies & Pacer); the Group specialises in complex engineering challenges often requiring design-in support and component sourcing for computing, power, communications, electronic and optoelectronic products.

Headquartered in Redditch, Solid State employs over 200 staff across the UK with a branch office in the USA, serving specialist markets in oil & gas production, transportation, medical, construction, security, military and field maintenance.

Solid State was established in 1971 and admitted to AIM in June 1996. The Group has grown organically and by acquisition – having made 10 acquisitions since 2002.