

21 October 2021

Solid State plc
("Solid State", the "Group" or the "Company")
**Trading Update, Notice of Results, Analyst Briefing
& Investor Presentation**

Solid State plc (AIM: SOLI), the specialist value added component supplier and design-in manufacturer of computing, power, and communications products, announces a trading update for the six months to 30 September 2021 ("the Period").

Trading Update:

Solid State expects to announce revenues for the Period of approximately £39.0m (2020: £33.1m) and adjusted profit before tax for the Period of approximately £3.25m (2020: £2.55m), reflecting strong underlying trading and the contributions from the Willow and Active Silicon acquisitions made in March 2021, which have exceeded management's expectations. The Board is confident that the Company will meet adjusted profit before tax consensus expectations for the year. There is potential upside in the second half of the year, delivery of which is dependent upon careful management of the constraints imposed by supply chain challenges.

Reported revenue growth was slightly reduced as a result of a weaker US dollar, although the profit effect was mitigated by a natural hedge from component purchases also denominated in US dollars, resulting in an enhanced gross margin percentage. The Company has benefitted from a good project mix, Group-wide initiatives to develop own brand products, value-added lines of business, and careful cost management, all of which have contributed to improving operating margins in the Period.

The Group has seen very strong growth in its open order book primarily due to customers placing longer order schedules to help manage and mitigate supply chain challenges, and stronger demand in markets which had previously shown some weakness during the Pandemic, specifically the energy and aerospace sectors. The open order book on 30 September 2021 stood at a record level of £61.5m (31 May 2021: £51.0m), an increase of 48% on the financial year end (31 March 2021: £41.5m). The lengthening order coverage means that scheduled orders now span three financial years; FY22 (63%), FY23 (32%) and into FY24 (5%).

The Company is working hard with customers and suppliers to manage supply chain challenges. This has resulted in some stocking at Solid State, requiring investment in working capital, and some commitments to longer order schedules by both Solid State and its customers.

Net cash at 30 September 2021 stood at £3.3m and the Group retains banking facilities of £7.5m to support capital investment and future growth.

Solid State continues to pursue its acquisition strategy, with a healthy acquisition pipeline currently being reviewed.

The Board is pleased with progress in the Period and optimistic for the prospects for the year as a whole, however mindful of the broader economic, supply chain and global challenges.

Notice of Results:

Solid State expects to announce its results for the six months ended 30 September 2021 on Tuesday 7 December 2021.

Analyst Briefing: 9.30 a.m. on Tuesday 7 December 2021

An online briefing for Analysts will be hosted by Gary Marsh, Chief Executive, and Peter James, Group Finance Director, at 9.30 a.m. on Tuesday 7 December 2021 to review the results and prospects. Analysts wishing to attend should contact Walbrook PR on solidstate@walbrookpr.com or on 020 7933 8780.

Investor Results Presentation: 4 p.m. on Thursday 9 December 2021

Gary Marsh, Chief Executive, and Peter James, Group Finance Director, will hold a presentation to cover the results and prospects at 4 p.m. on 9 December 2021. 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://www.investormeetcompany.com/solid-state-plc/register-investor>. Investors who have already registered and added to meet the Company 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.

For further information please contact:

Solid State plc

Gary Marsh – Chief Executive
Peter James – Group Finance Director

Via Walbrook

WH Ireland (Nominated Adviser & Joint Broker)

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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 commercial, industrial and military markets with durable components, assemblies and manufactured units for use in specialist and harsh environments. The Group's mantra is - 'Trusted technology for demanding applications'. To see an introductory video on the Group - <https://bit.ly/3kzddx7>

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

Headquartered in Redditch, UK, Solid State employs approximately 300 staff across UK and US, serving specialist markets in industrial, defence and security, transportation, medical and energy.

Solid State was established in 1971 and admitted to AIM in June 1996. The Group has grown organically and by acquisition - having made 12 acquisitions since 2002.