

10 February 2022

**Solid State plc**  
("Solid State", the "Group" or the "Company")  
**Trading Update**

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 year ending 31 March 2022 ('the Period').

Following a continuation of the strong trading performance reported in the Interim Results in December, Solid State now expects to report revenues for the Period slightly ahead of current consensus expectations<sup>1</sup> of at least £80.0m (2021: £66.3m) with adjusted profit before tax well ahead of current consensus expectations<sup>1</sup>.

This trading momentum is reflected across both the Systems and Components divisions, with highlights being the continued good margin mix from projects delivered across the Group and very strong trading at the recently acquired Active Silicon business. As a result of the strong performance at Active Silicon, the Group expects to further increase the earn out provision by ~£0.5m which will be included in net debt at year end. Forecast year end fair value of deferred contingent consideration is now £5.75m (Active Silicon + Willow Technologies).

Order intake remains strong, with a record open order book at 31 January 2022 standing at £74.1m (30 November 2021: £70.3m).

The global supply chain continues to present challenges for both Solid State and its customers. In many instances the risks are being mitigated through collaboration with the client and supplier, and through order management; complemented by continued strong Group cash generation to support investment in working capital to manage the potential shortages.

The Group had net cash with banks of £0.4m at 31 January 2022 and has retained its £3.0m overdraft and £7.5m Revolving Credit Facility which is committed until November 2022.

**Commenting on trading, Gary Marsh, Chief Executive at Solid State, said:**

"The year continues to be busy and challenging, with widely reported supply chain disruption, however the team is working very hard to collaborate with both customers and suppliers to ensure timely supply of both components and systems. The depth of our relationships and our balance sheet strength is helping greatly in being able to ensure consistent supply.

"The record open order book gives the Board confidence in the prospects for Solid State."

*<sup>1</sup>Analysts from brokers WH Ireland Limited, finnCap Limited, and Edison Investment Research Limited, provide equity research on Solid State, and the Company considers the average of their research forecasts to represent market expectations, being, for Solid State's 2021/22 financial year, revenue of £78.4m, and adjusted profit before tax\* of £5.9m.*

*\* The adjustments relate to IFRS 3 acquisition amortisation, share based payments charges, and non-recurring charges in respect of redundancies and acquisition costs and fair value adjustments.*

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

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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: Systems (Steatite & Active Silicon) and Components (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.