

# SOLID STATE PLC

30 January 2019

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

Solid State plc (AIM: SOLI), the AIM listed manufacturer of computing, power and communications products, and value added distributor of electronic & optoelectronic components, is pleased to announce a trading update.

The Directors expect that the Company's trading results for the year ending 31 March 2019 will now comfortably exceed current market consensus guidance. Revenues are expected to be above current guidance and adjusted profits significantly ahead.

The strong demand seen in H1 within our Value Added Distribution division has continued into the second half. With increased revenues and the impact of operational gearing, the Division is now expected to deliver results well ahead of management's previous expectations.

As previously reported, sales in the Manufacturing division are second half weighted. Some of the first half shortfall over the prior year is expected to be mitigated in the second half, delivering revenues broadly in line with management's expectations, albeit as expected, slightly lower than last year.

The focus in the Manufacturing division has been on improving the quality and mix of sales. The second half has benefitted from the initial shipments of the new power packs for the industrial smart warehousing contract announced in June 2018, and the resolution of a technically challenging specification on a high value-added contract enabling product shipment. The improvement in gross margins seen in the first half has been maintained in to the second half of the year, as a result a significant improvement ahead of management's expectations in the full year gross margin is now expected.

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

"We are delighted with the Group's strategic progress, delivering significant organic revenue growth within the Value Added Distribution division and increasing the proportion of higher value added projects within the Manufacturing division, which together are driving the improvement in profitability.

"The integration of the Pacer acquisition is progressing well. In addition to current year trading, the order book now gives us confidence in an improved outlook for our financial year ending 31 March 2020."

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

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**Notes to Editors:**

Solid State plc (SOLI) is a leading value added group of companies providing specialist distribution, design-in and manufacturing services to those acquiring computing, power and communications products; and electronic and optoelectronic components; for use in harsh environments.

Serving niche markets in oil & gas production, medical, construction, security, military and field maintenance, Solid State acts as both a component supplier to OEMs and bespoke manufacturer of specialist units to clients with complex requirements.

Headquartered in Redditch, Solid State employs over 200 staff across the UK with a sales office in the USA. Solid State operates through two main divisions: Manufacturing and Value Added Distribution.

Solid State was established in 1971 and admitted to AIM in June 1996.

[www.solidstateplc.com](http://www.solidstateplc.com)