

30 April 2019

Solid State plc
("Solid State", the "Company" or the "Group")
Trading Update, Notice of Results
& Investor Relations Events

Solid State plc (AIM: SOLI), the AIM listed manufacturer of computing, power and communications products, and value added distributor of electronic components, is pleased to announce a trading update for the year ended 31 March 2019 and notice of the announcement of these results.

The Board is pleased to announce that the Group profit for the financial year ended 31 March 2019 will be slightly ahead of recently upgraded market consensus forecasts which are £3.5 million adjusted profit before tax. This result is particularly pleasing as market forecasts were upgraded twice in the second half of the 2018/19 financial year.

Year-on-year Group revenue is expected to be ahead of expectations at circa £56 million, representing growth of over 20% on a reported basis (2018: £46.3m) and reflecting close to 10% organic growth (excluding the Pacer Technologies Ltd ("Pacer") acquisition). The Group benefitted from particularly strong Value Added Distribution sales in Q4.

In the Manufacturing division, progress in enhancing operating margins noted in the interim results has been maintained and efficiencies in the Power business unit are being delivered as a result of the capital investment in plant and equipment.

The integration of Pacer into the Value Added Distribution division is progressing as planned. The brand new facility in Weymouth began production in March 2019 and this facility, together with the Solid State Supplies value added capability in Redditch, gives the Group class leading operations in electronics distribution.

Cash generation in the last quarter has been much stronger than expected. Some of this strength is due to timing benefits resulting from *pro forma* payments from customers, however the underlying cash generation was also very pleasing. As a result, in April 2019, the Group made an early repayment of £2.0m of the highest price element of the term loan taken out in respect of the acquisition of Pacer. Having done this, the Group has been able to extend the undrawn revolving credit facility and therefore maintain the Group's overall funding flexibility.

The open order book at the 31 March 2019 of £35.9m (31 March 2018: £25.6m – restated to include Pacer, acquired in November 2018, on a like for like basis) places us in a good position as we commence our new financial year.

The Board is confident that its long-term strategy will continue to deliver organic growth and that this can be complemented by further targeted acquisitions. The success of the organic growth strategy is now in evidence and the Board also continues to actively engage with potential acquisition targets that offer a complementary fit to the Group's product offering, client base and structure.

Notice of Results:

Solid State plc will announce its results for the year ended 31 March 2019 on Tuesday 2 July 2019.

Capital Markets Lunch:

A presentation of the results and an update on prospects will be held on Monday 8 July 2019 in the City. Those keen to attend should contact Tom Cooper on tom.cooper@walbrookpr.com or 0797 122 1972.

Investor Site Visits:

Solid State conducts site visits for investors at its Redditch head office where operations for both the value added distribution and manufacturing operations can be seen. Those interested in attending should contact Tom Cooper on tom.cooper@walbrookpr.com or 0797 122 1972.

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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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'.

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 niche 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.