

SOLID STATE PLC

3 September 2019

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

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 positive trading update.

As a result of a strong start to the year, the Board is confident that profits for the year ending 31 March 2020 will be significantly ahead of expectations. Revenue for the year is expected to be in line with current consensus forecasts, albeit the Directors consider there may be opportunities to generate further incremental sales later in the year.

Trading in the first four months of the year has been very strong and is well ahead of budget. Generally, revenues across the Group have been in line with management's expectations however there has been an acceleration of certain project work into H1 that had been expected in H2 which will benefit reported revenue and profits in H1.

A number of other factors are having a favourable impact on profits:

- gross margins are stronger than anticipated as a result of a favourable sales mix in the Manufacturing division and also continuing production efficiencies;
- a general operational gearing benefit arising from increased activity;
- Pacer, acquired in November 2018, is continuing to perform strongly and ahead of expectations; and
- positive exchange rate gains are expected in the first half.

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

"The Board is very pleased with the start to the year, and to be upgrading profit expectations for the year, notwithstanding the heightened macroeconomic and political uncertainties of recent months. We look forward to updating further on trading and prospects in our trading update for the first half which will be released in late October."

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 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.