

24 October 2019

Solid State plc
("Solid State", the "Company" or the "Group")
Trading Statement &
Notice of Results

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 six months ended 30 September 2019.

The record trading performance achieved last financial year has continued in the first half of this year. The Group is on track to deliver the recently upgraded full year earnings in line with the Board's expectations.

Group sales for the first half are expected to show organic growth of circa 7.5% on a proforma basis*, giving revenue in excess of £33m, despite the heightened macroeconomic and political uncertainties of recent months.

Gross margins have benefitted from circa £0.3m of FX tailwinds in H1 with underlying Group margins having seen a slight improvement over the prior period. This margin improvement has been achieved notwithstanding the expected dilutive effect on Group margins of the enlarged Value Added Distribution division post the Pacer acquisition.

As a consequence of favourable operational gearing, revenue growth and gross margin improvement, adjusted PBT for the period is expected to be approximately £2.5m.

The Board is particularly pleased with the cash generation in the first half. This has enabled the continued early repayment of the Pacer acquisition loans and resulted in a return to a net cash position of circa £0.25m at 30 September 2019.

The open order book at 30 September 2019 stood at £36.5m, at the comparative point of 30 September 2018, the open order book stood at £36.2m on a proforma basis*.

* "on a proforma basis" reflects the restatement of the comparative to include Pacer as if it had been part of the Value Added Distribution division in the prior year.

Notice of Results:

Interim Results for the six months ended 30 September 2019 are expected to be released on Tuesday 3 December 2019.

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 divisions 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.