

17 October 2018

**Solid State plc**  
("Solid State" 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 statement for the six months ended 30 September 2018.

Group revenues for the period will be ahead of the comparative period at approximately £23.5m (2017: £22.5m) reflecting good trading in both the Value Added Distribution and Manufacturing divisions.

The Value Added Distribution division has had a particularly strong period, delivering growth in revenues and margins. In addition to this, the Division has benefitted from a one off client order of circa £1.0m in the first half. Of the two divisions, Value Added Distribution feels the greater benefit of foreign exchange tailwinds. This significant growth has meant that Value Added Distribution now represents just over half of Group revenues in H1. The securing of the exclusive VPT franchise announced in April 2018 is expected to positively impact the second half.

Whilst revenues in the Manufacturing division are lower than in the prior year, we have seen improvement in the gross margin percentage due to the sales product mix in the period. This margin benefit in Manufacturing has ensured consistent Group margins, relative to the comparative period, despite the change in split between the divisions. Looking forward, the strong open order book in the Power business unit is anticipated to result in an improved Manufacturing revenue performance in the second half. This would return Manufacturing's share of Group revenue to be more than half in the full year.

Entering the second half, the Board considers prospects for the year to be positive and expects the Group to exceed market expectations for the current financial year. The Group continues to pursue margin enhancement initiatives across both divisions and to progress its acquisition strategy, where the Directors continue to review an active acquisition pipeline.

The open order book at 30 September 2018 stood at £29.6m, an increase of 64%, setting a new record for the Group, of which £18.1m is scheduled for delivery in the current financial year. At the comparative point of 30 September 2017, the open order book stood at £18.0m of which £12.4m was scheduled for delivery before 31 March 2018.

**Notice of Results:**

Interim Results for the six months ended 30 September 2018 are expected to be released on Tuesday 20 November 2018.

**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](mailto:tom.cooper@walbrookpr.com) or 0797 122 1972.

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 design-in and manufacturing services to those acquiring computing, power and communications products and electronic component services 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 four locations. Solid State operates through two main divisions: Solid State Supplies and Steatite.

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