

Science Group plc

Interim Results Presentation July 2015

Martyn Ratcliffe
Chairman

Rebecca Hemsted
Finance Director

To be read in conjunction with the Interim Results
announcement released on 23 July 2015

Science Group plc

Science and technology services

- Science, Technology & Product Development
- Technology Advisory

International presence

- Headquarters and laboratories based in Harston, near Cambridge, UK
 - Substantial freehold property
- Other offices: UK – London & Guildford; USA – Boston & Houston; and Dubai

Key corporate metrics

- Market capitalisation (30 June 2015): £56.5m
- Cash less debt plus freehold property (30 June 2015): £26.7m
- H1 Revenue: £14.1m (H1-14: £13.3m)
- H1 Adjusted operating profit: £2.4m (H1-14: £2.4m)

Adjusted operating profit excludes amortisation of acquisition related intangible assets and share-based payment charges

Summary

Operating results

- Revenue of £14.1m (H1-14: £13.3m)
- Adjusted operating profit of £2.4m (H1-14: £2.4m)
 - FX benefit to adjusted operating profit in H1-15 of £0.4m relative to H1-14
 - Increased investment in the business and increased employee profit share accrual
- PBT of £1.9m (H1-14: £1.8m)
 - Cash outflow related to tax materially lower than reported tax charge due to tax losses carried forward
- Basic EPS of 4.0 pence (H1-14: 3.7 pence) and diluted EPS of 3.6 pence (H1-14: 3.4 pence)
- Cash balance of £21.5m (H1-14: £22.8m) and Net Funds of £13.2m (H1-14: £13.5m)
 - After acquisition payment, share buy-back and payment of dividend, totalling £5.1m

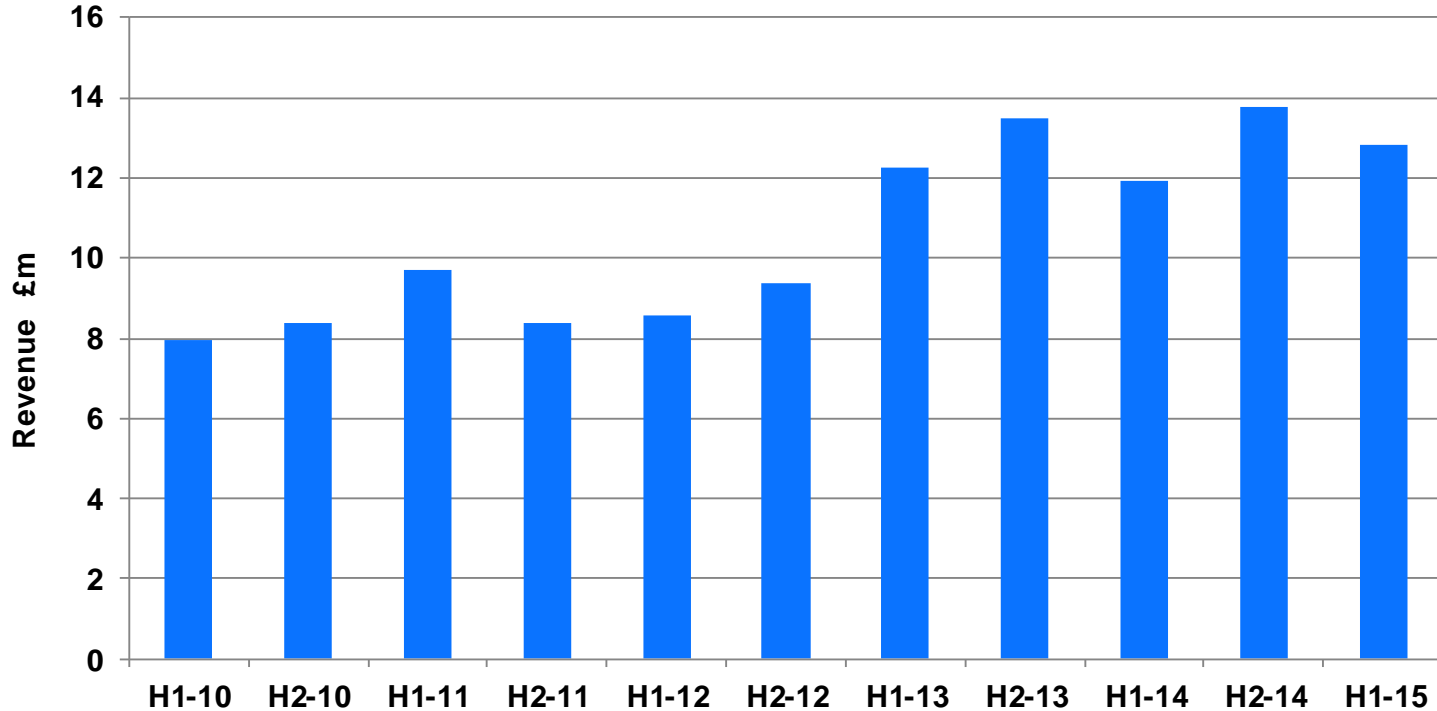
Corporate actions

- Acquisition of Oakland Innovation Limited
- Change of Group name to Science Group plc
 - Sagentia brand used for Technology & Product Development business

Adjusted operating profit excludes amortisation of acquisition related intangible assets and share-based payment charges

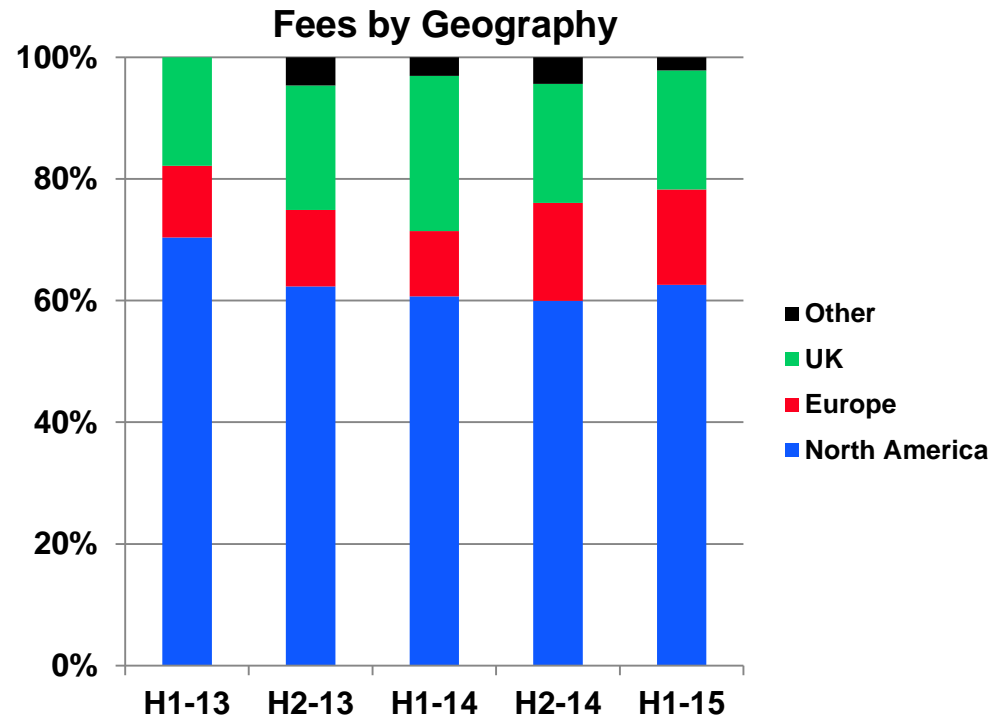
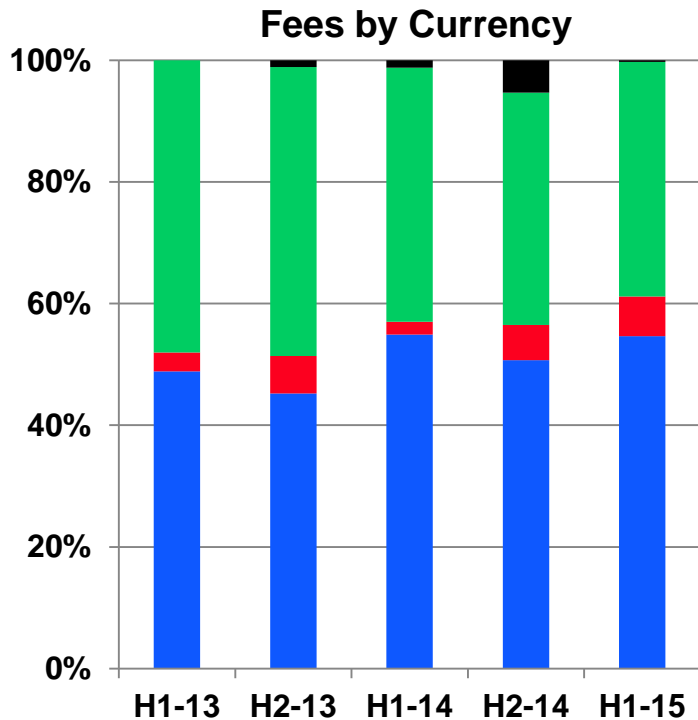
Consultancy Fees

- Satisfactory in-line performance
- Oakland acquisition in February 2015 added £1.0m of consultancy revenue
- Net positive impact of FX in H1-15 compared to 2014 (US\$ positive; € negative)



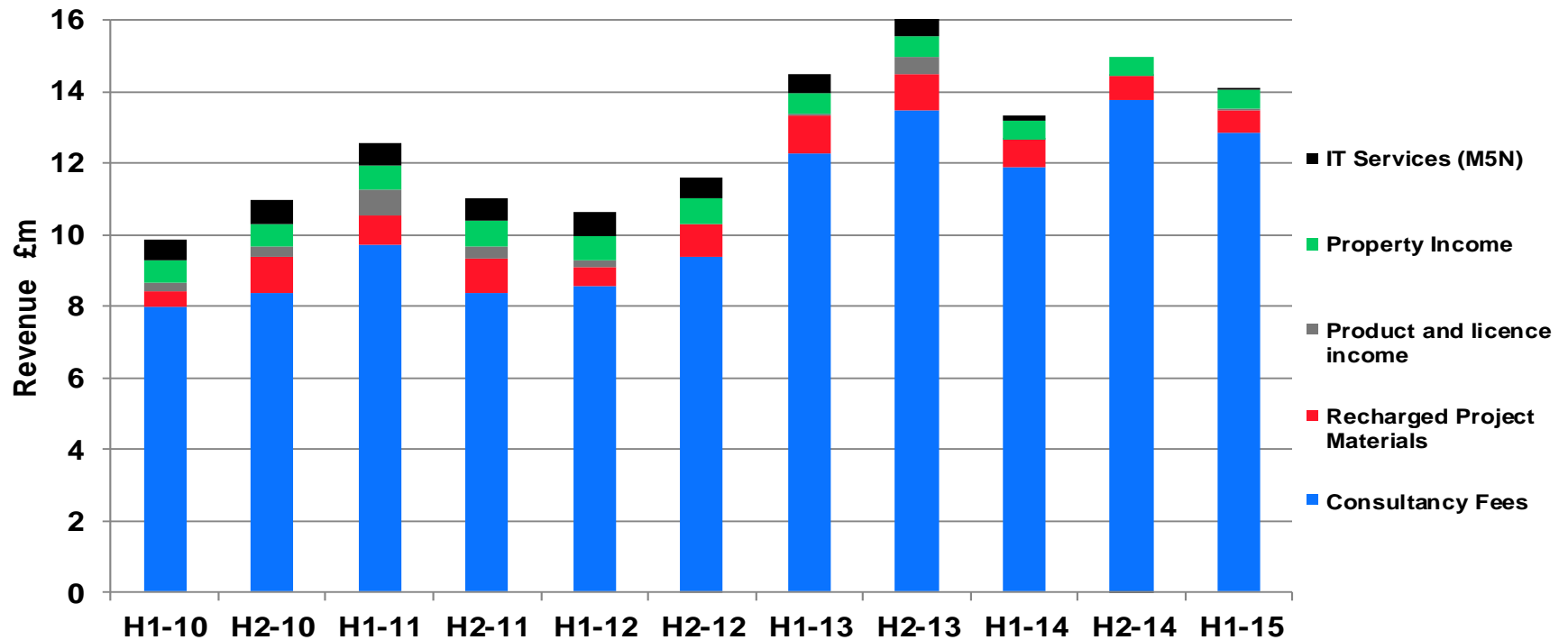
Consultancy Fees by Currency & Geography

- Science Group is an international business : c.80% of consultancy fees from outside UK
- 55% of consultancy fees denominated in US\$ (H1-14: 55%)
- When feasible, contracts are denominated in GBP
- H1-15 benefited from US\$ strength but impacted by € weakness



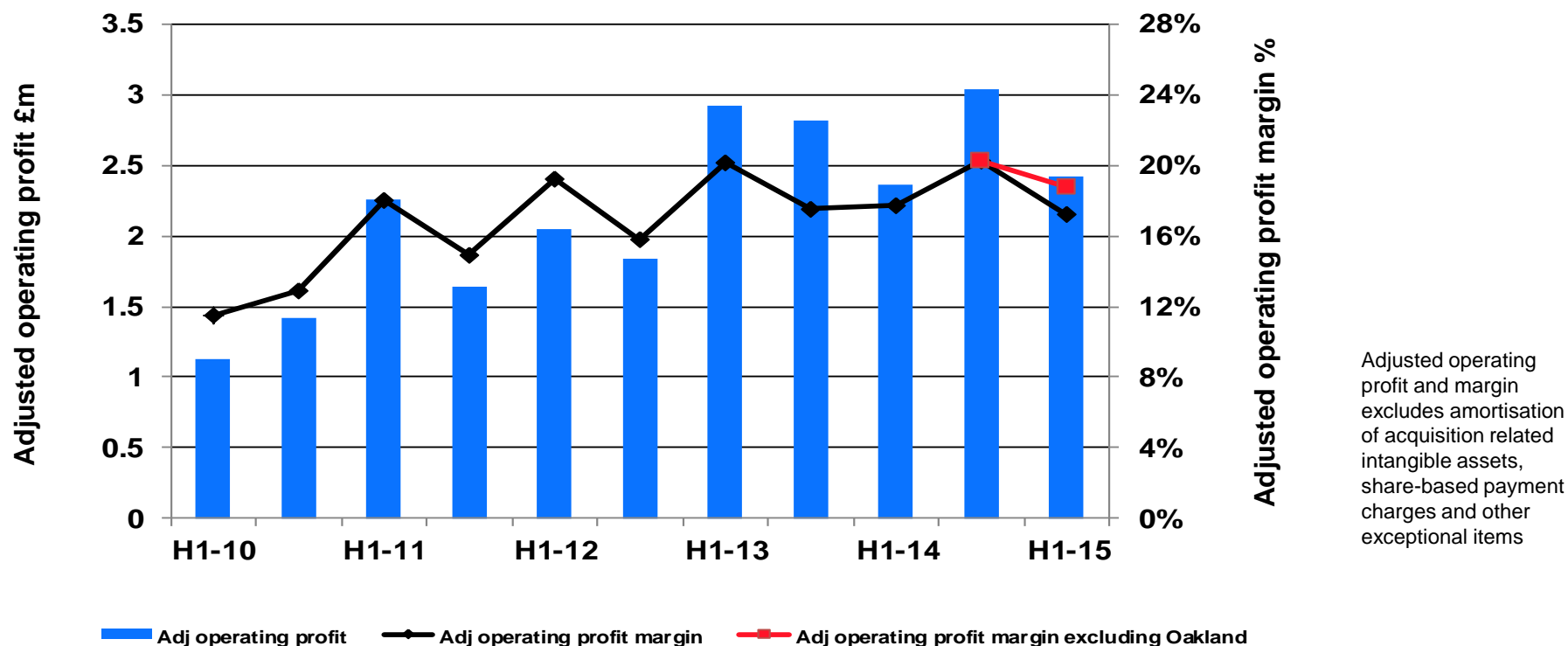
Group Revenue Breakdown

- IT services business has been closed, low level residual income
- Property income consistent with prior year
- Oakland relocated to Cambridge head office, all available space now occupied



Adjusted Operating Profit and Margin – Half Year

- Operating margins remain strong
- Oakland revenue of £1.0m with £nil contribution in H1-15 due to integration and relocation
- Foreign exchange benefit offset by increased investment & accrued employee profit share



Balance Sheet Summary

Strong cash position

- Cash of £21.5m (H1-14: £22.8m). Net funds of £13.2m (H1-14: £13.5m)
 - £3.0m net cash outflow for acquisition of Oakland
 - £2.1m cash outflow related to share buy-back and dividend
 - Strong cash conversion of trading business

Working capital

- Debtor Days at Jun 2015: 38 (Jun 14: 44; Dec 14: 50)
- Debtor and WIP days at Jun 2015: negative 1 day (Jun 14: 6; Dec 14: 12)

Freehold property

- Approx. 80,000 sq ft on 16 acre site
- Valued by Savills in 2013 for bank loan at £12.9m-£18.0m
- Carrying value on balance sheet has not been adjusted at £13.6m

Appendix: Acquisition of Oakland Innovation Limited

Acquisition of 100% of share capital completed in February 2015

- Net assets on acquisition of £0.5m, including £0.7m cash
- Consideration of £5.0m is satisfied by:
 - £3.6m cash on completion
 - £1.4m satisfied through sale of treasury shares - subject to lock-in period up to 3 years

R&D consultancy founded in 1989 by Managing Director, Michael Zeitlyn

- Providing services to Consumer and Healthcare markets
- 47 staff based in Cambridge UK – two-thirds are PhD qualified

Consultancy revenue in 2014: £3.8m with operating margin approx. 18%

- Revenue post acquisition included in H1-15 of £1.0m
- £Nil contribution to profit in H1-15 due to integration and relocation costs – all expensed

Integrated into Technology Advisory division

- Management remaining with business
- Initial relocation to Harston facility successfully completed

Head Office
Harston Mill
Harston, Cambridge
CB22 7GG
UK
Phone: +44 (0)1223 875200
info@sciencegroup.com

London Office
48-49 St. James's St.
London
SW1A 1JT
UK
Phone: +44 (0)20 7014 3250
info@sciencegroup.com

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