

science group plc

16 June 2020

Science Group plc
(the “Company” or “Science Group”)

AGM Trading Update

At the Annual General Meeting of the Company to be held this morning, Martyn Ratcliffe, Executive Chairman, will provide the following update on trading.

“The Board is pleased to reaffirm that the performance of the Group in the year to date has been strong, despite the challenges posed by the Covid-19 pandemic. As a result, it is anticipated that Group adjusted operating profit for the first half of 2020 will be approximately 50% higher than reported in the same period of the prior year. Gross cash at 29 May 2020 was £21.6 million with net funds of £4.1 million.

This resilient performance has been achieved through a combination of organic growth in the Group’s services operations and the contribution from the restructured Frontier Smart Technologies business, acquired in 2019.

In terms of the Group’s services businesses, both the R&D Consultancy and Regulatory & Compliance Divisions have recorded revenue growth and increased profit contribution. While some business sectors have understandably been impacted by Covid-19, this has been more than offset by demand in other areas, with the Medical sector and the US regulatory operations performing particularly well compared to prior year.

As anticipated, revenue from the Frontier business has been impacted by the market contraction related to the pandemic, although we believe that the business’ substantial market share (estimated at 70-80%) has been maintained and that its second half revenue will begin to recover as retail outlets across Europe reopen. Furthermore, it is particularly pleasing to report that even at this lower revenue, Frontier has traded profitably, confirming the success of the rapid post-acquisition integration programme implemented before the outbreak of Covid-19 and providing confidence in the future potential of the business.

In summary, while the future global economic impact resulting from the pandemic remains unclear and the Board therefore remains cautious, the strong first half performance provides an excellent platform for the year as a whole. This enables the Group to continue to invest in future organic growth and explore further acquisition opportunities.”

End

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Note: This announcement contains inside information which is disclosed in accordance with the Market Abuse Regulation (No 596/2014).