

science group plc

19 May 2021

Trading and Business Update

Science Group plc (the “Company”) together with its subsidiaries (“Science Group” or the “Group”) provides the following trading and business update ahead of its Annual General Meeting to be held later today.

All three divisions of the Group have had a good start to the year. In the Services businesses, the R&D Consultancy division has seen particularly strong momentum in the Medical sector, while the Regulatory & Compliance division has continued the progress demonstrated in 2020. The Frontier product division continues to perform well with material supply constraints likely to be the biggest risk in the current year.

Given the continued business momentum, the Board now anticipates that the Group will report adjusted operating profit (“AOP”) for the first half of 2021 around 30% higher than in the same period of the prior year. This is a particularly notable performance since H1 2020 reported a record AOP for the Group and the current year includes a significant currency exchange rate headwind relative to the strong 2020 comparator.

While it is still early in the year and the Board is closely monitoring the impact of a strengthening Sterling currency, this excellent start to 2021 provides a platform for the year as a whole and empowers the Group management teams to continue to invest in future growth opportunities with confidence.

Gross cash at 30 April 2021 was £29.5 million with net funds of £13.3 million. The Group’s strong balance sheet and free cash flow generation enable the Board to continue to evaluate corporate opportunities to increase the scale and/or development of the Group in parallel with the organic investment activities.

Frontier Strategy Review

The strategy review for the Frontier business is ongoing in the environment of its clear leadership position in its defined market and the successful restructuring in 2019/20 which created a highly profitable business making a significant positive contribution to the Group. The review has not only confirmed the strategic position of Frontier but also identified a number of opportunities to further enhance and develop the business which are currently being evaluated. As a result, the Board has concluded that retaining Frontier in the Group is the most attractive option for Science Group shareholders and has decided to terminate potential sale discussions.

Freehold Property

The Group’s triennial freehold property valuations were undertaken in March 2021. Despite the timing in the midst of the Covid pandemic, there were only minor changes to the valuations with a range between £23 million and £35 million, the latter being a sale & leaseback model. This completes the work required to transfer the Harston Mill property out of Sagentia Limited which will now proceed as previously reported in order to address this legacy issue and provide a more appropriate corporate structure.

End

Science Group plc

Tel : +44 (0) 1223 875200

www.sciencegroup.com

Martyn Ratcliffe, Chairman

Sameet Vohra, Chief Financial Officer

Stifel Nicolaus Europe Limited (Nominated Adviser & Broker)

Tel : +44 (0) 20 7710 7600

Nick Adams, Alex Price

Liberum Capital Limited (Joint Broker)

Tel: +44 (0) 20 3100 2000

Neil Patel, Cameron Duncan

This announcement contains inside information. The person responsible for this announcement is Sameet Vohra.