

# science group

10 November 2016

**Science Group plc**  
("Science Group" or "Group")

## **Business Update**

The Board of Science Group plc provides the following business update in respect of the second half of its financial year ending 31 December 2016.

In the first half of 2016, 46% of Science Group revenue was denominated in US Dollars or Euros, whilst over 90% of employees are based in the United Kingdom. While underlying adjusted operating profit (excluding currency effects) remains in line with the Board's expectations, following the EU Referendum in June, the subsequent devaluation of Sterling has benefited the Group in recent months. It is therefore apparent that the Group's adjusted operating profit for 2016 is likely to be ahead of the Board's expectations due to the benefit of the currency movements.

The relocation and integration of Leatherhead Food Research and OTM Consulting into the Epsom site was completed in September 2016. As previously indicated, the Group expects to record a related non-recurring charge of approximately £0.5 million in the year ended 31 December 2016 (of which £0.3 million was charged in the first half of the year).

The Group retains a very strong balance sheet. At 31 October 2016, the Group had cash of £25.8 million and net funds of £10.9 million. The debt of £15.0 million is secured against the Group's freehold properties in Cambridge and Epsom which had a book value of £21.3 million at 30 June 2016.

Following the EU Referendum, international business activity has remained consistent but some UK sectors do appear to be reducing discretionary expenditure. The impact of the US election is unclear and, in combination with the Brexit process, a period of uncertainty is expected. However, Sterling is anticipated to remain below pre-Referendum levels during the first half of 2017 and the Board will use the opportunity to invest in the Group's strategy.

- Ends -

### **For further information:**

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