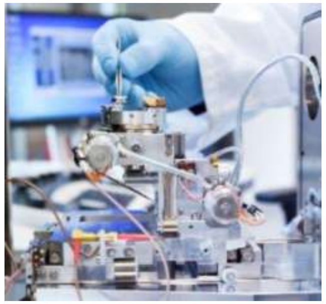
science group plc

Interim Results Presentation
July 2018



Martyn Ratcliffe
Chairman

Rebecca Archer
Finance Director

To be read in conjunction with the Interim Results announcement released on 24 July 2018

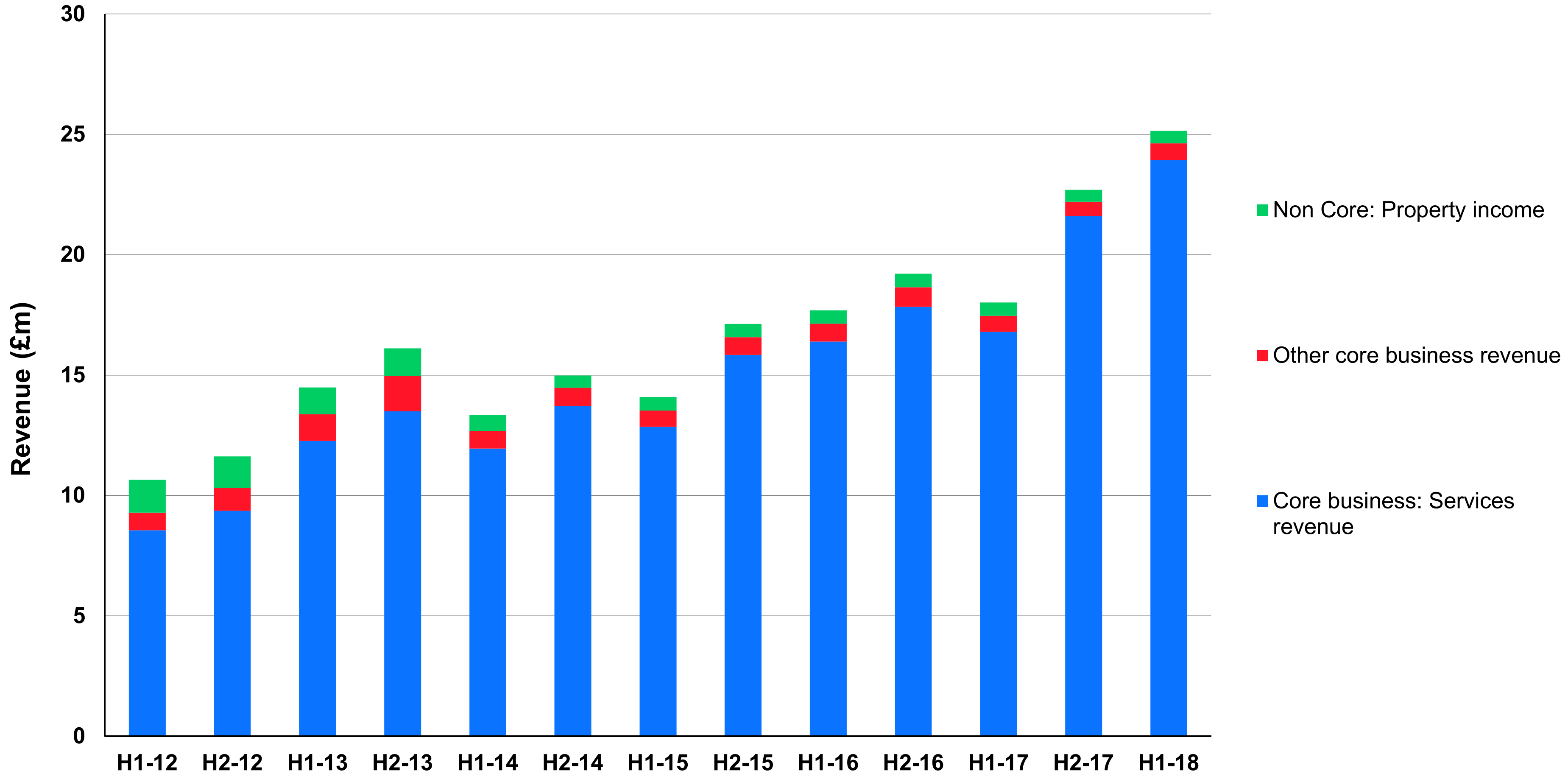
In addition to IFRS measures, alternative performance measures are used in this presentation. Refer to the Notes to the Interim Results announcement for detail and explanation.

Financial Summary

- Group revenue of £25.1m (H1-17: £18.0m)
  - Record revenue for the Group, benefitting from TSG acquisition
  - 85% of Core Business revenue from international markets
  - 32% of Core Business revenue invoiced in US Dollars and 14% in Euros
- Adjusted operating profit of £3.7m (H1-17: £3.2m)
  - Negative foreign exchange effect of £0.3m compared to H1-17
- Statutory PBT of £2.5m (H1-17: £2.3m)
  - Release of TSG deferred consideration of £0.5m
  - Offset by increase in amortisation on acquisition intangible assets of £0.4m
  - Acquisition integration costs of £0.3m (H1-17: £nil)
  - (None of these adjustments affect adjusted operating profit)
- Adjusted basic EPS increased by 15% to 7.0 pence (H1-17: 6.1 pence)
  - Basic EPS of 6.0 pence (H1-17: 5.1 pence) and diluted EPS of 5.8 pence (H1-17: 5.0 pence)
- Cash balance of £18.5m (H1-17: £26.3m) and Net Funds of £5.1m (H1-17: £12.1m)
  - Net funds + freehold property per share of 66.8 pence (H1-17: 86.2 pence) following investment in TSG

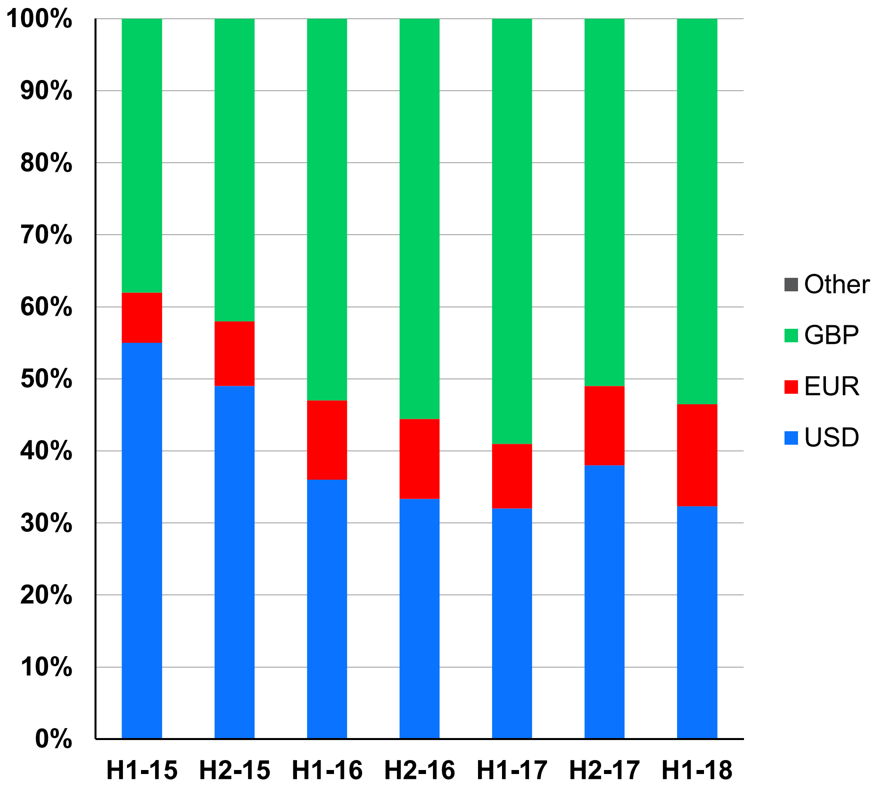
Group Revenue

- Record revenue, benefitting from TSG acquisition
- Organic growth strongest in Medical sector
- Negative FX impact of £0.3m in period

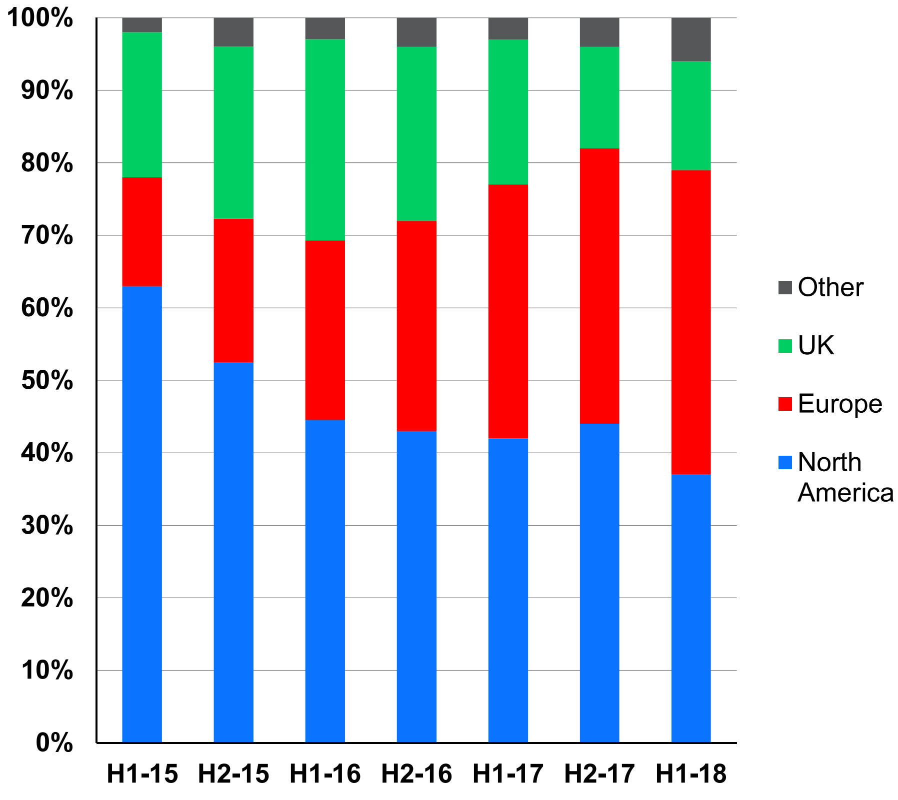


Revenue by Currency/Geography

- 85% (H1-17: 80%) of Core Business revenue derived from international markets
- 32% of Core Business revenue invoiced in US$ (H1-17: 32%) and 14% in Euro (H1-17: 9%)
- Employee Distribution - UK: 84%; America: 11% and Continental Europe: 5%

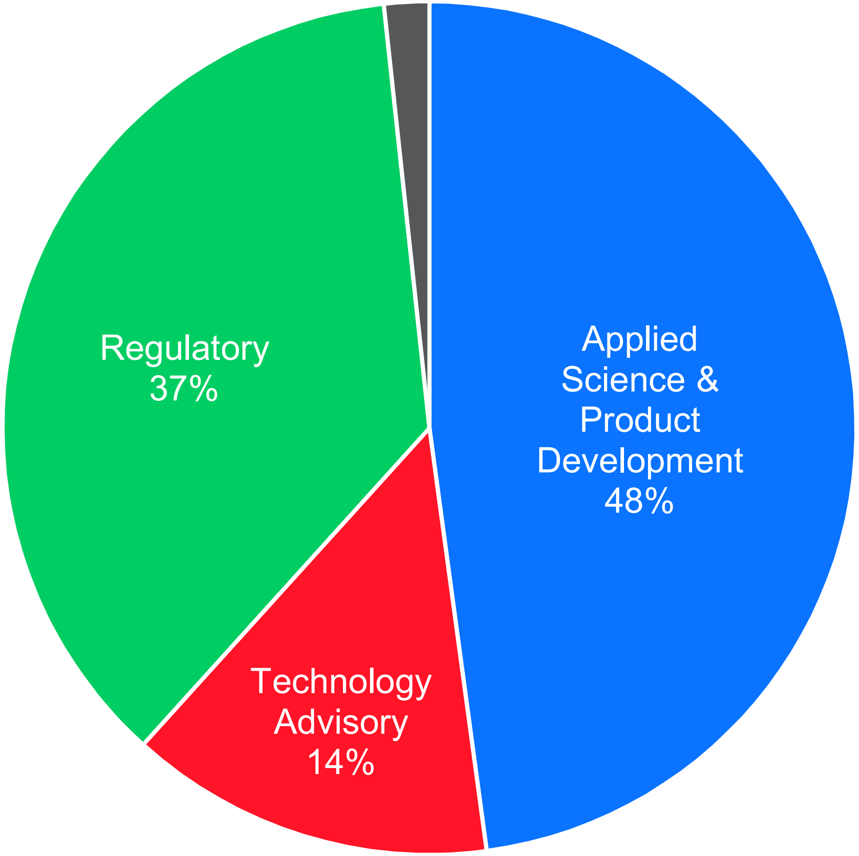


Core Business Revenue by Currency



Core Business Revenue by Geography

Service Offerings Revenue Profile

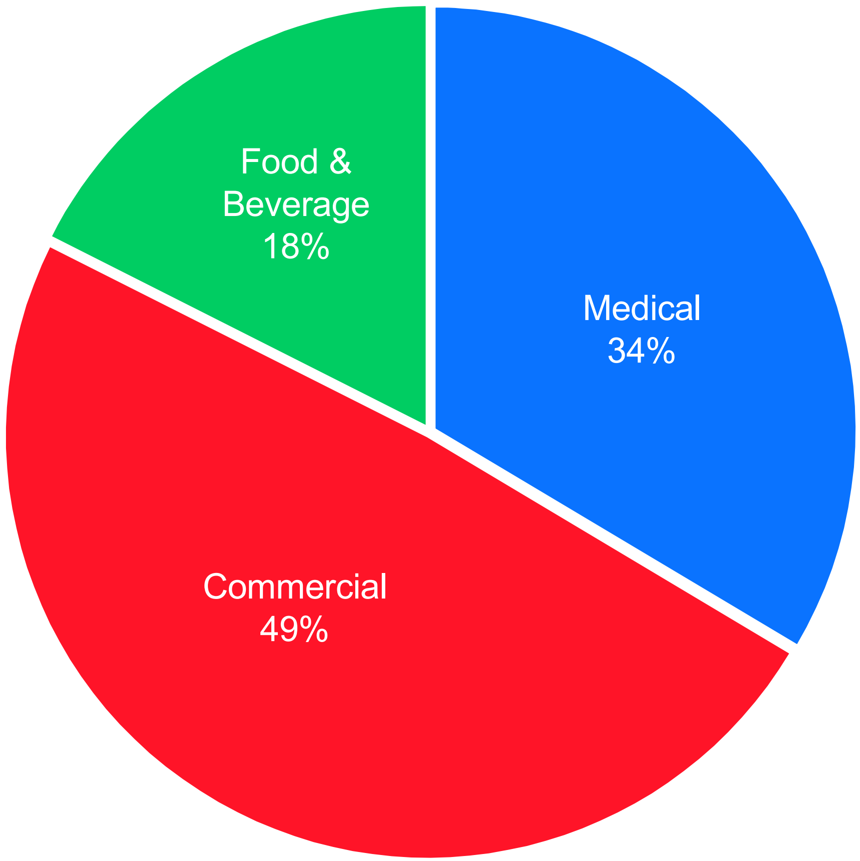


H1-18 Core Business Revenue

Service Offerings Overview

- Applied Science & Product Development
  - Organic growth on both year-on-year and sequential period basis
  - Medical sector strong organic growth
  - Commercial sector decline year-on-year but maintained H2-2017 levels, as anticipated
- Technology Advisory
  - Flat performance led by Food & Beverage and Consumer with Energy still slow
- Regulatory
  - Performance from TSG operations in USA and Europe meeting expectations
  - Food & Beverage continuing to perform well

Market Sector Revenue Profile



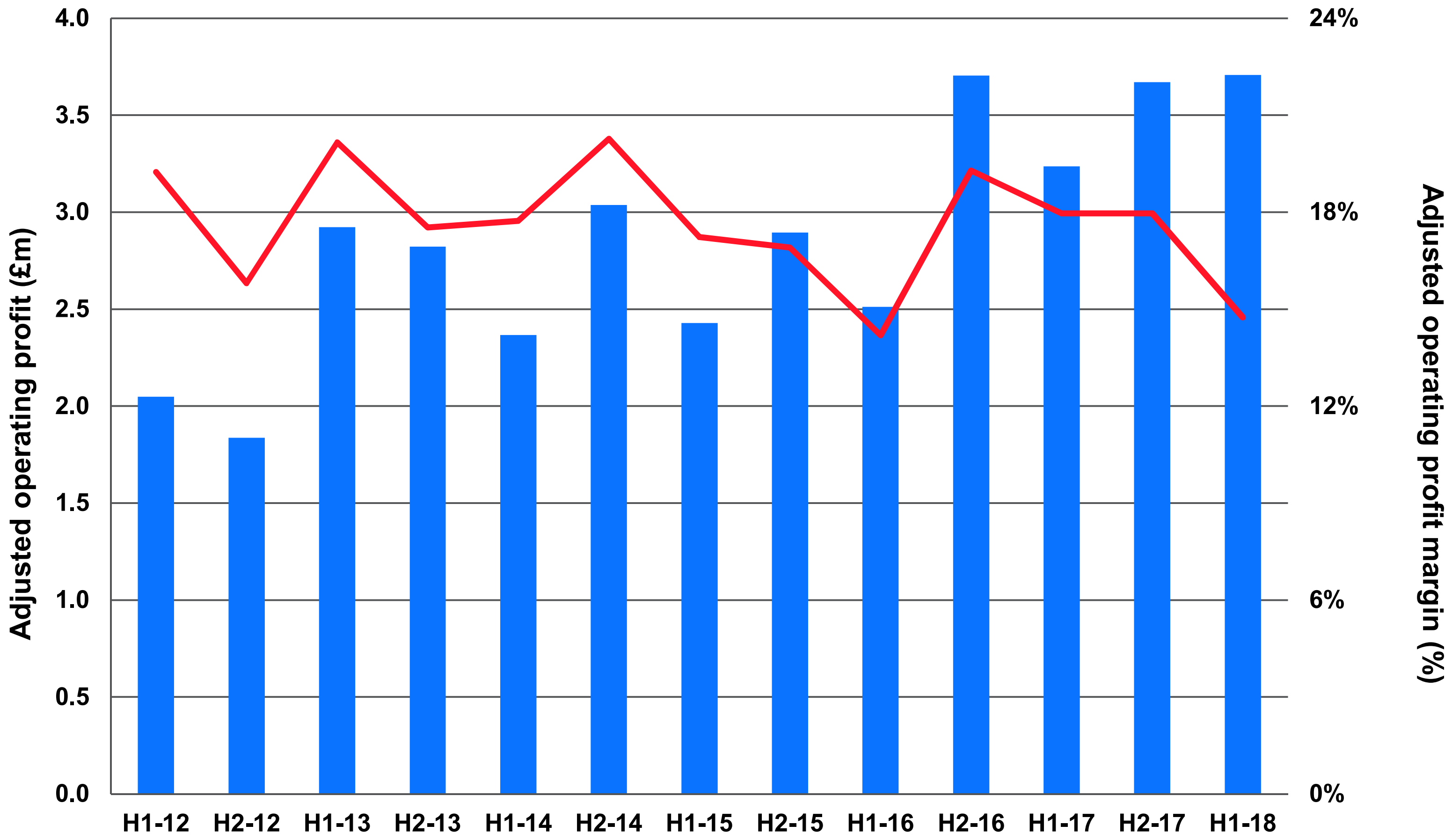
H1-18 Core Business Revenue

Market Sector Overview

- Medical: Continued strong performance in Applied Science/Product Development.
- Commercial: Benefitted from TSG acquisition. Market still slow in some sectors.
- Food & Beverage: Steady performance with greater integration of service offerings

Adjusted Operating Profit

- Record H1 adjusted operating profit
- Foreign exchange negative by £0.3m in H1-18 compared to H1-17
- Margin decline related to TSG acquisition integration



TSG Integration

- TSG acquired in September 2017
  - Gross consideration of $17.0m (£13.2m) funded from existing cash resources
  - Net consideration was £10.4m, including £2.8m cash acquired with the business
  - Net acquisition integration costs of £1.1m incurred since acquisition
- USA Integration Programme
  - Separation of systems (incl payroll, benefits, IT) from vendor completed
  - Made good progress on improvement of financial/operational controls and processes
  - Segmentation of client base to focus on profitable sectors
- Europe Integration Programme
  - New Head of TSG Europe appointed, supported by Ops Director and Business Development Director
  - Creating integrated European strategy rather than historic autonomous units
  - Launched French subsidiary and recruited new team
  - Closed sub-scale subsidiary/branch office operations in Central/Eastern Europe. Appointed agents to cover these territories, consistent with other geographies
  - One-off cost included in acquisition integration costs above

Freehold Property

- Science Group owns two freehold properties
  - Harston Mill is owned by Sagentia Limited, the largest operating business
  - Great Burgh is held in a dedicated subsidiary with leases to 2 of the operating businesses
  - Considering moving ownership of Harston Mill from the trading company to a separate company

- Benefits from changing ownership of Harston Mill
  - Separate property management from trading activities – financial performance and risk
  - More flexible funding structure related to property

- Tax Implication
  - Historic structure enabled property development costs to be taken as tax deductible expenditure
  - Transfer of property will create tax cash outflow estimated between £1.8m and £2.1m
  - Liability of £1.7m already included on Balance Sheet
  - Possibility that tax losses in "Investment Subsidiary" can be utilised to partially offset (approx 50%) over a 4-5 year period

- Board are exploring the options

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