

science group

22 November 2023

SCIENCE GROUP PLC

(‘Science Group’, the ‘Group’ or the ‘Company’)

TRADING UPDATE

The Board of Science Group anticipates that Adjusted Operating Profit for the year ending 31 December 2023 will be in line with expectations. Benefitting from the Group’s sector portfolio and disciplined cost management, Science Group remains on track for another record year in 2023.

Revenue for the year has been impacted by the global economic and geopolitical climate with investment by clients in consumer and industrial sectors particularly affected. The acquisition of TP Group provided a timely entry into the defence market and integration of TPG Services and CMS2 (formerly TPG Maritime) is progressing well with investment made in strengthening operational management and business development functions.

The Board remains cautious on the outlook for 2024 with geopolitical instability exacerbating the impact on our clients from high interest rates, a weak consumer economic environment and uncertainty associated with political elections (USA and UK). While the reduction in inflation in the Group’s key geographies provides some optimism, confidence in end-user markets is unlikely to improve in the near term. However, as consistently demonstrated, the Board considers that Science Group’s sector diversity, disciplined management culture and strong financial position will continue to provide resilience.

In this challenging period for small cap investors, the Board recognises the importance of share trading liquidity. As a result, when permissible and if in the Board’s opinion to be in the best interests of all shareholders, the Board has continued the buy-back programme. During 2023, the Company has (to 17 November 2023) bought back 828,885 shares, equivalent to approximately 1.8% of the issued share capital, at a total cost of £3.3 million.

Science Group maintains a very strong balance sheet with gross cash at 31 October 2023 of £32.4 million and net funds of £19.2 million. This robust capital foundation, further enhanced by the undrawn bank facility of £25 million, enables the Board to continue to evaluate corporate opportunities in line with the Group’s strategy.

Science Group plc

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