

science group

20 May 2026

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

AGM Trading Update and Capital Allocation

Science Group is an international services and systems company delivering innovation through the application of science, technology & engineering. The Group’s primary performance metrics are : adjusted operating profit, operating margin and cash flow.

Group Trading Update

Despite geopolitical events impacting customer confidence, and the widely-reported challenges in UK defence contracting, Science Group remains on track to deliver another resilient performance for 2026, in line with the Board’s expectations. As anticipated, revenue in the year is expected to be lower than the prior year, primarily due to the reductions in previously-reported, low margin activities in the Defence sector, offset by margin improvement.

After returning over £24 million to shareholders since the 2025 AGM (share buybacks and dividend outflows), at 30 April 2026, Science Group had Group cash of £68.5 million and net funds of £57.2 million (30 April 2025: £20.9 million and net funds of £9.0 million). The Group’s revolving credit facility (£30m + £10m accordion, expiring in 2030) remains undrawn.

Operating Business Overview

The Sagentia Services Division operates across multiple sectors, including MedTech, Consumer, Food & Beverage, Defence and Industrial markets. While most areas have experienced some indirect effects of the recent geopolitical instability, the UK Defence sector has been more challenging due to the delays in contracting associated with the deferral of the UK Defence Investment Plan. Nevertheless, the Sagentia Division overall remains well positioned for 2026.

The characteristics of the CMS2 business, providing systems to critical operational submarine programmes, have meant that the core business (excluding the irregular, low margin consumables orders) has been less affected by the UK Defence sector budget uncertainty. Furthermore, in recent months CMS2 has progressed UK contracts which, if successfully concluded, would position the business for growth and provide visibility into the 2030’s. Further details will be provided if/when appropriate.

The Frontier core DAB+/SmartRadio revenue continues to be relatively stable, although product mix has varied. Shipments of Auria, the new connected audio solution, commenced in April and products should be available to consumers in limited volume in late summer. The business however remains cautious due to potential end-market price inflation driven by memory chip costs and the discretionary nature of consumer electronics expenditure in a weak economic climate.

Capital Allocation

At the AGM in May 2025, shareholders approved the standard buy-back resolution and 3,938,596 shares in the company have been repurchased in the past year, equivalent to 8.8% of the share capital at the time of the 2025 AGM. At 19 May 2026, the Company has 41,004,593 shares in issue (excluding treasury shares), which is a lower voting share capital than at the AGM 15 years ago confirming that the significant growth of the Group, the balance sheet strength and the accumulated cash have been achieved through organic cash flow. The Board anticipates continuing the buy-back programme in the year ahead and at the 2026 AGM, to be held today, has invited shareholders to consider increasing the buy-back limit to provide additional flexibility if appropriate.

Science Group's balance sheet provides a solid foundation for the operating businesses and enables the Board to pursue M&A/investment opportunities to enhance shareholder value when appropriate. However, the Group's relative valuation as a London-listed company remains a constraint on the corporate ambition. Accordingly, the Board continues to consider all capital allocation options including, in the absence of material corporate/investment activity, a potential increase in the return of capital to shareholders from the Group's existing cash resources.

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