

# Investor presentation

FY25-26 Half Year Results

 **Solid State Group**





# Agenda

## Areas of focus

- Business overview
- Financial review
- Components division review
- Systems division review
- Power division review
- Prospects & Outlook
- Q&A







# Gary Marsh – 1966 – 2025

Led the transformation and growth of Solid State across 40 years



## HISTORY



## CULTURE



## LEGACY



## FUTURE



# Business overview





# Group Board



**Nigel Rogers**

Chair



**Victor Chavez**

Non-Exec Deputy Chair



**Sam Smith**

Non- Exec - Audit  
Committee Chair



**Peter Magowan**

Non Exec – Remuneration  
Committee Chair



**John Macmichael**

Interim Chief Executive  
Officer



**Peter James**

Chief Financial Officer



**Matthew Richards**

Managing Director



# Senior leadership team



**John Macmichael**

Interim Chief Executive  
Officer



**Peter James**

Chief Financial Officer



**Matthew Richards**

Managing Director  
Systems Division



**Jon Baxer**

Managing Director  
Components Division



**Dave Crossman**

*Global Vice President & General  
Manager Custom Power*



**Lyenka Haffner**

Group HR Director



**Lyn Davidson**

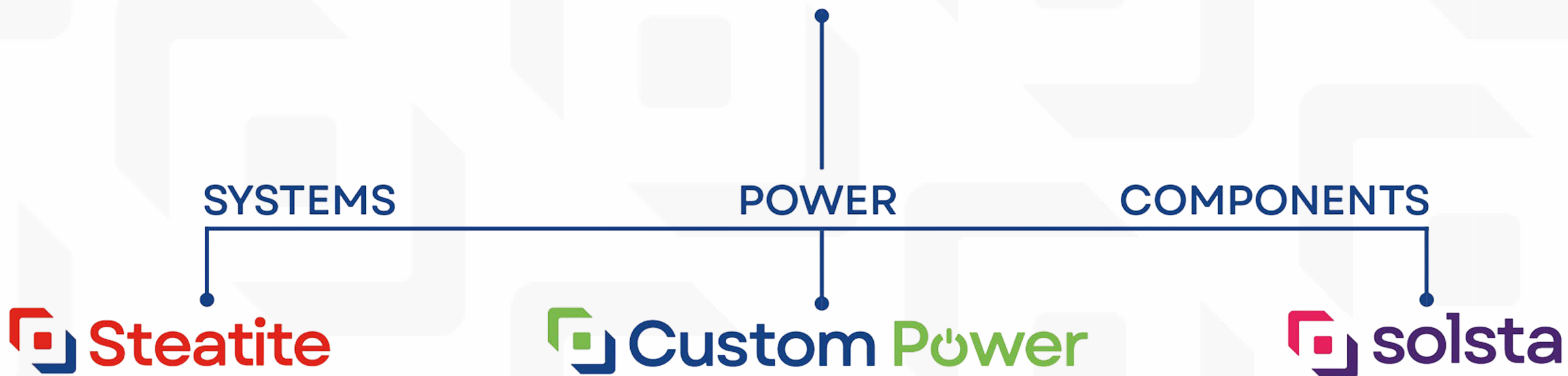
Group Financial Controller &  
Company Secretary





# Who we are

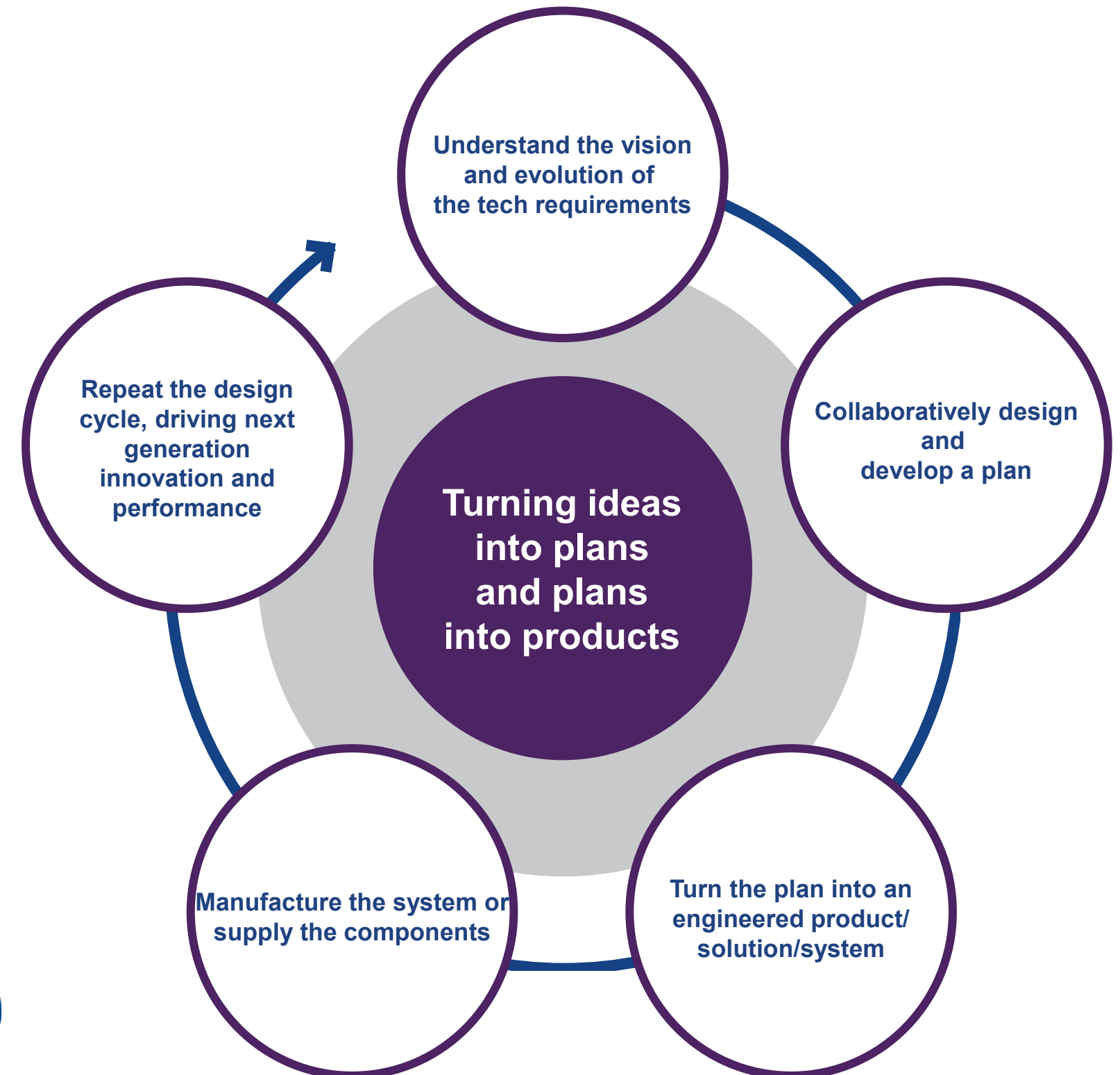
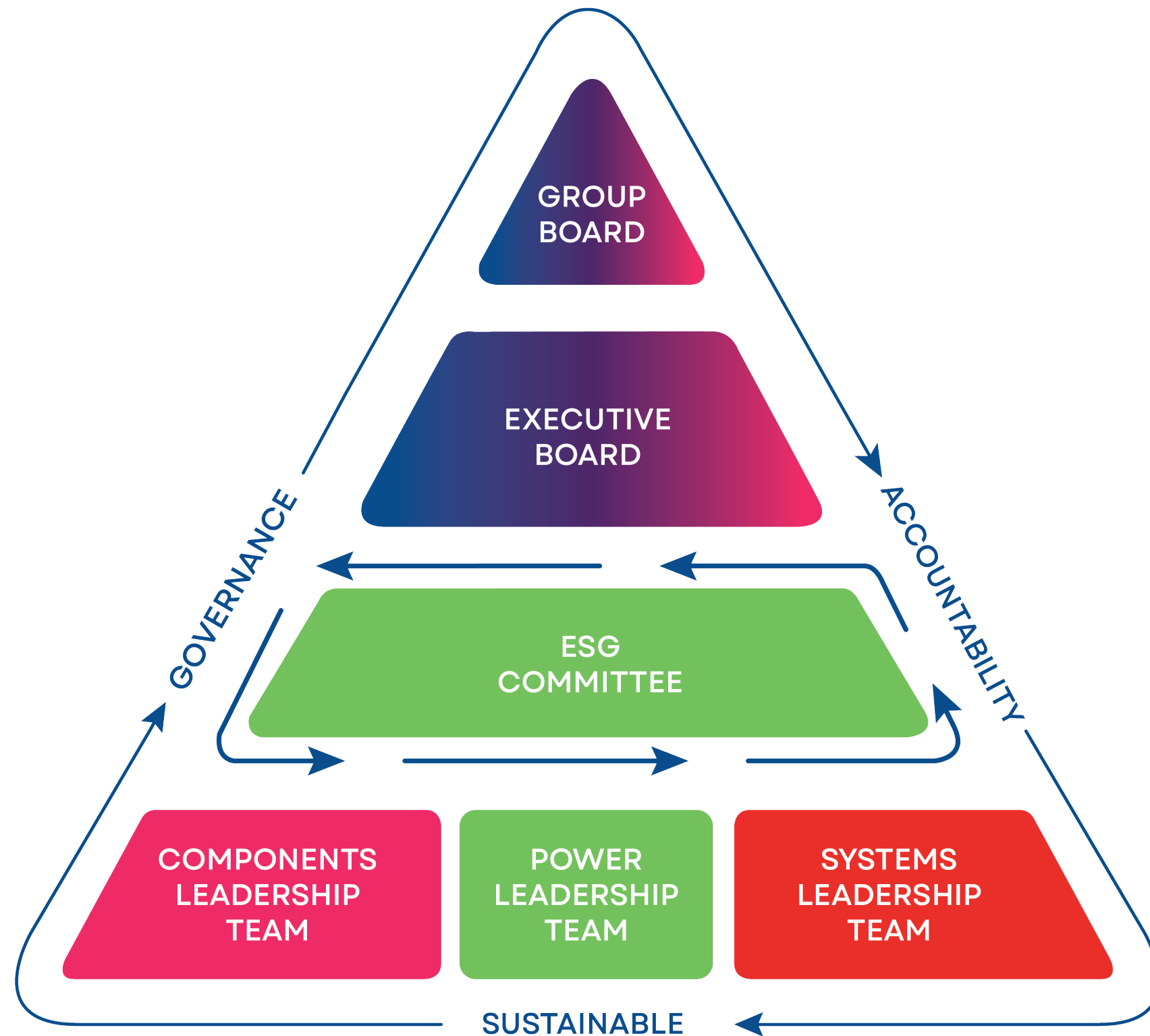
Solid State Group: 'Trusted Technology for Demanding Applications'





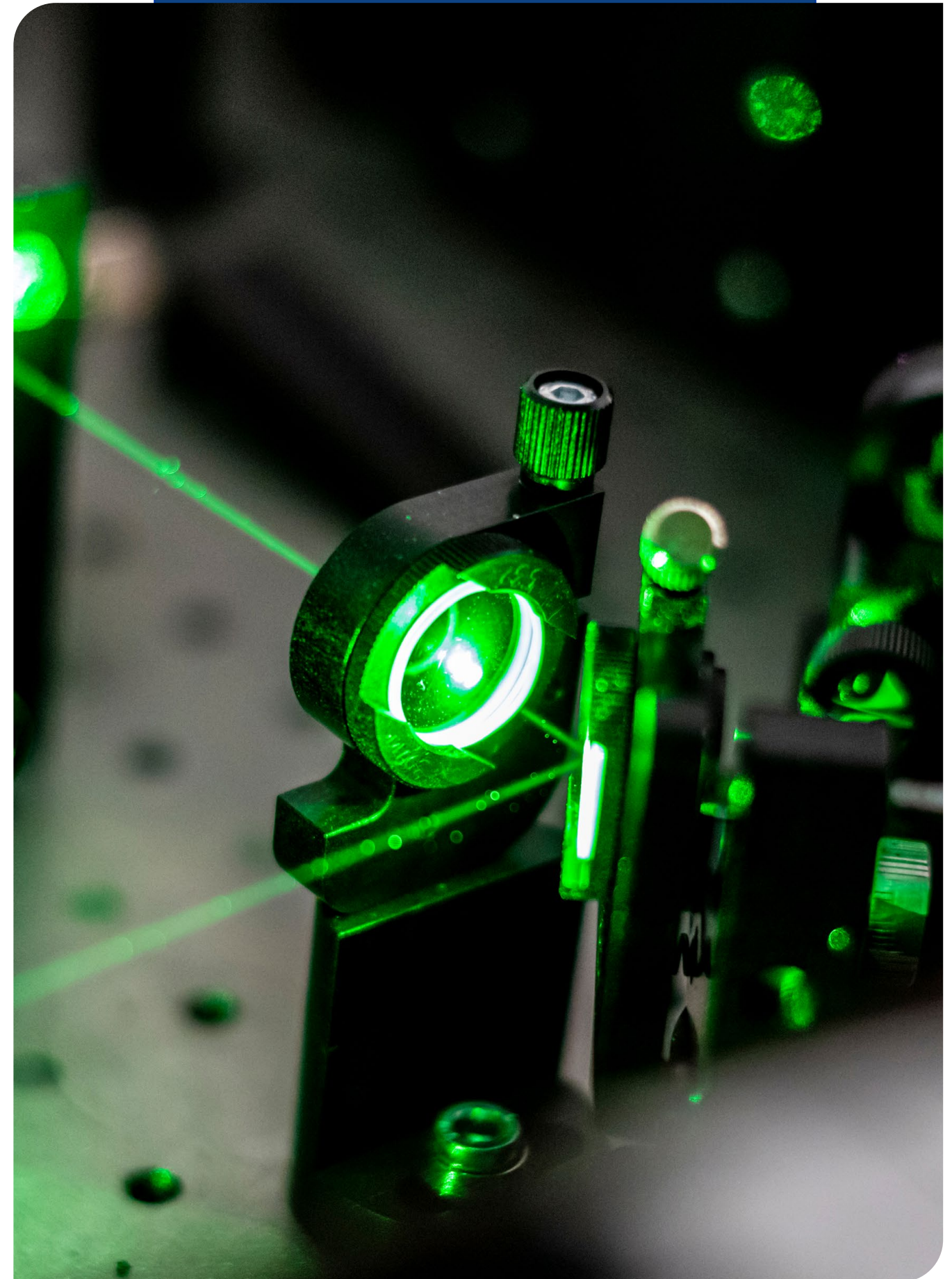
# A profitable & resilient business model

Solid State Group: 'Turning ideas into plans and plans into products'





# Summary of H1 25/26

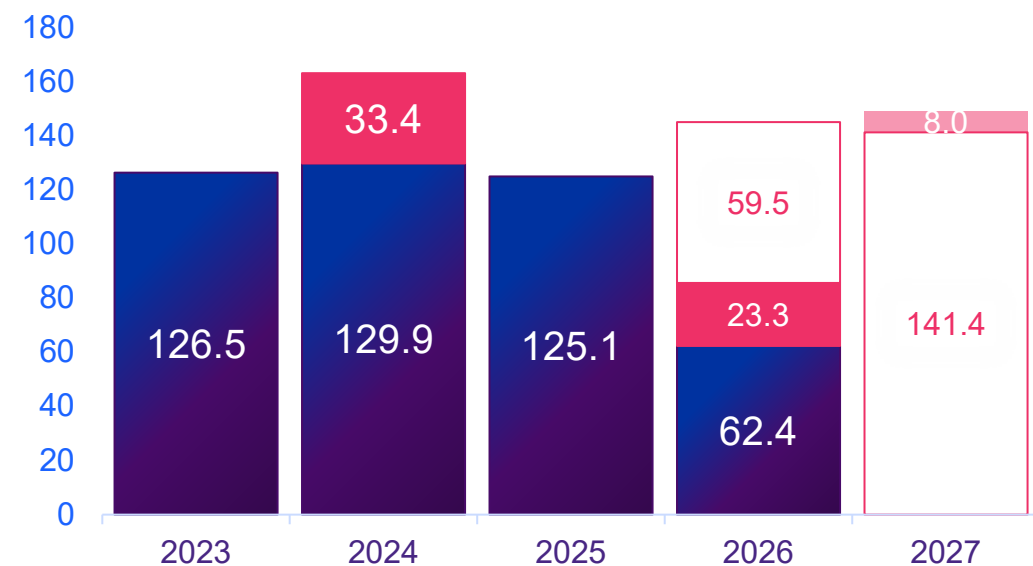




# Key drivers for FY26 & opportunities for FY27 and beyond\*

## Strong start to the current year

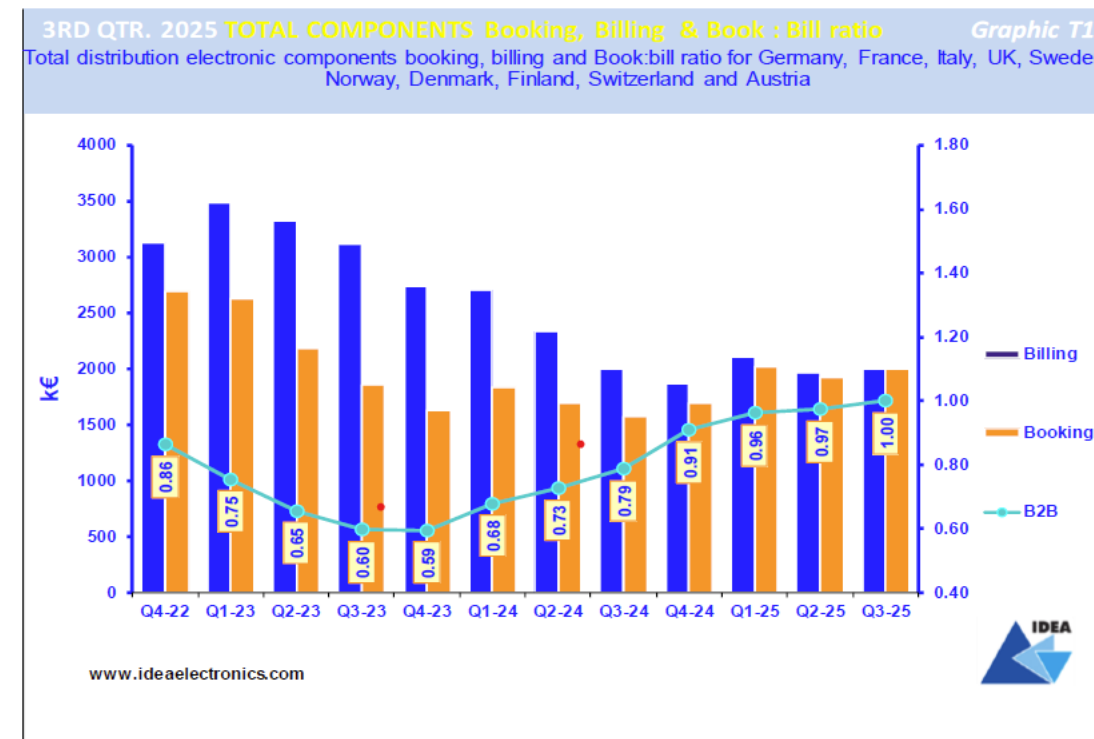
Revenue (million)



■ Nato delivered ■ Secured Nato orders to be delivered

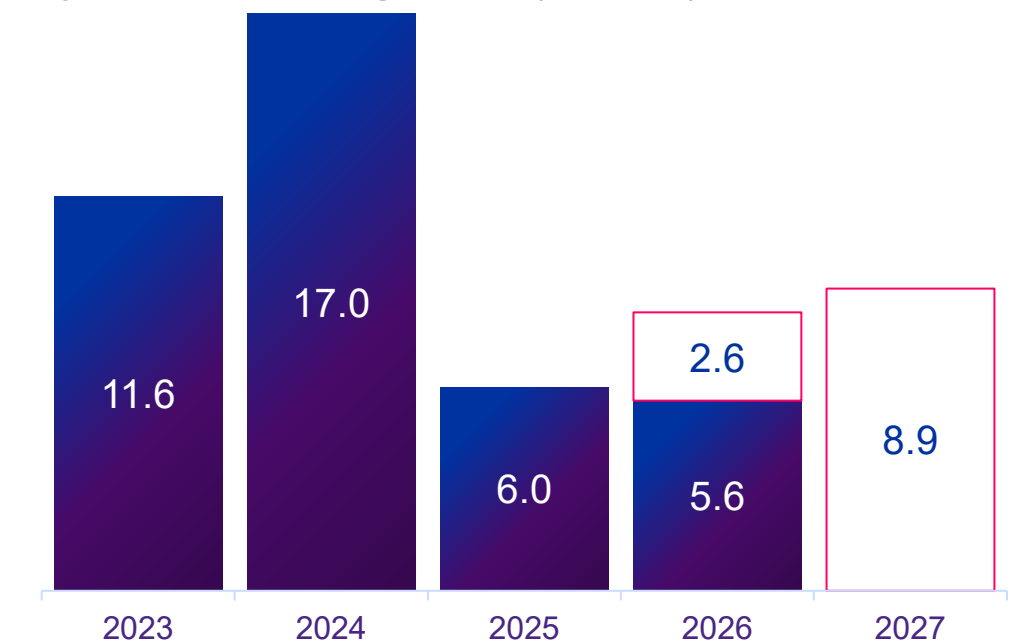
2026 and 2027 – Consensus

## Industrial slowdown & destocking headwinds



## Focus on improving quality of earnings

Adjusted operating profit (millions)



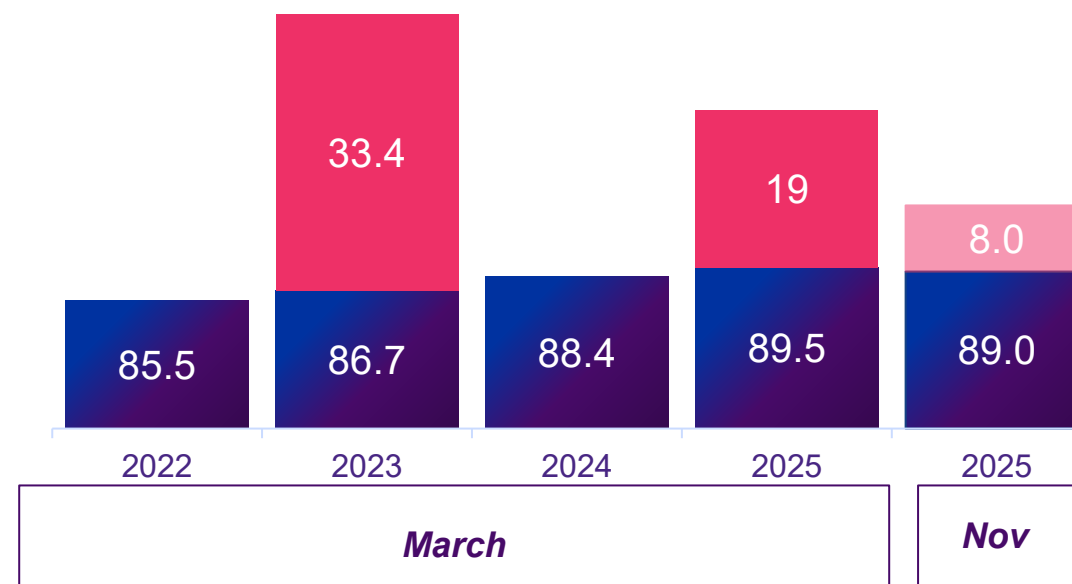
2026 and 2027 – Consensus

## Comms contract confirmed - 2026



## Open orderbook is continuing to strengthen

Orderbook (million)



## Investment in high value integrated systems



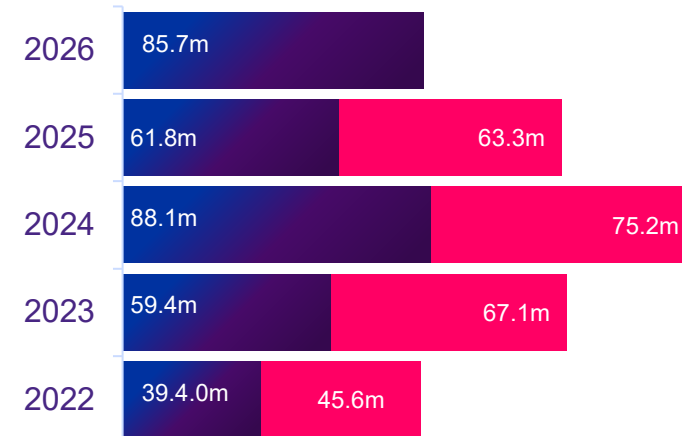
# Financial highlights

H1  
H2

Significantly stronger start to FY25/26 benefitting from Comm's shipments

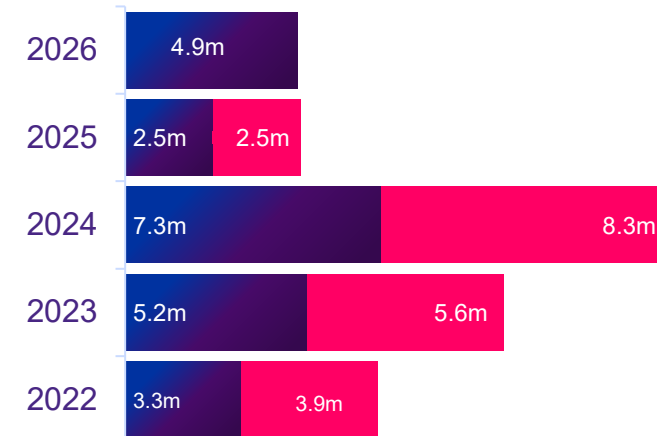
Revenue (million)

**£85.7m**



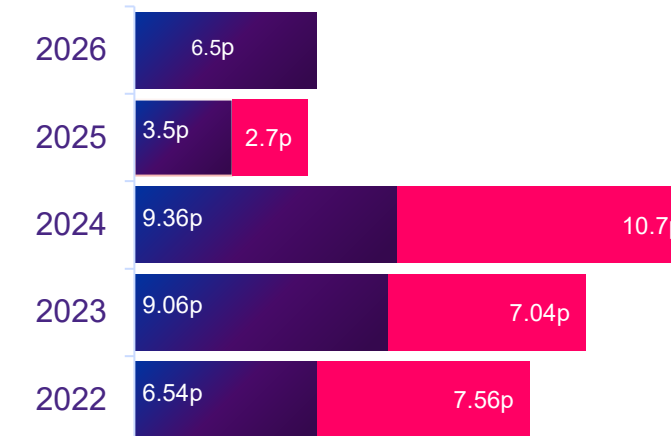
Adjusted profit before tax (million)

**£4.9m**



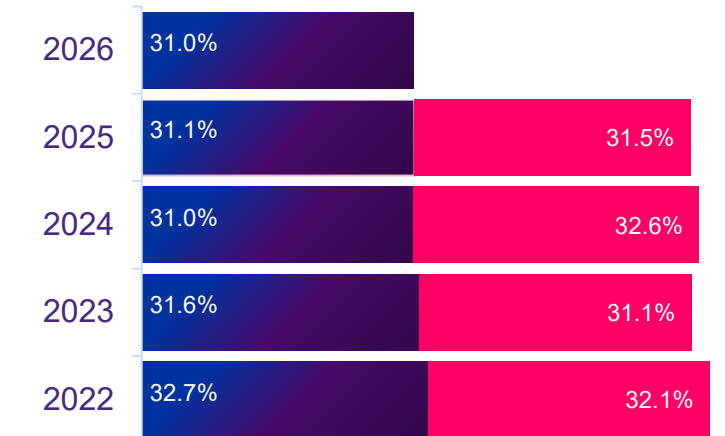
Adjusted fully diluted EPS\* (pence)

**6.5p**



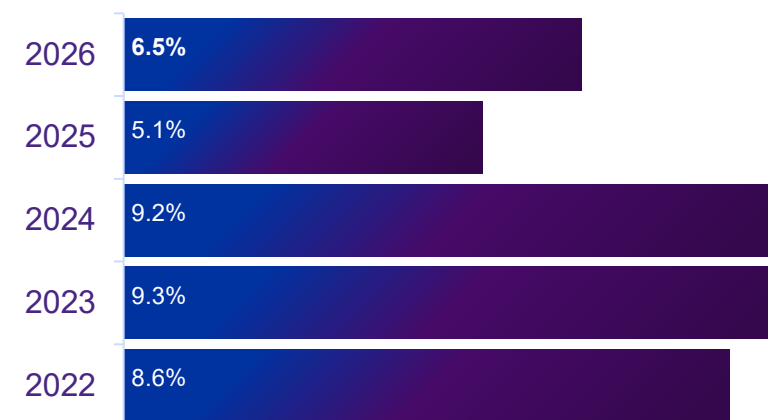
Gross profit (%)

**31.0%**



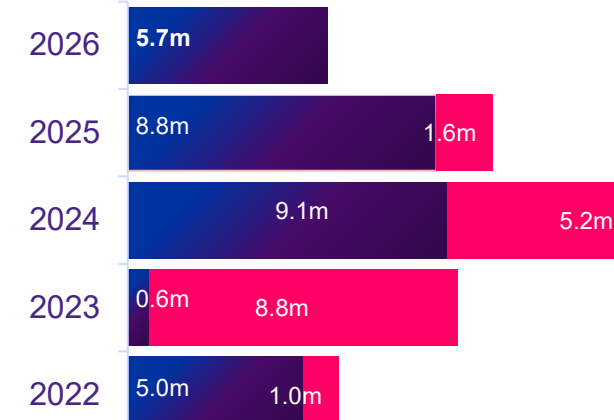
Adjusted operating margin (%)

**6.5%**



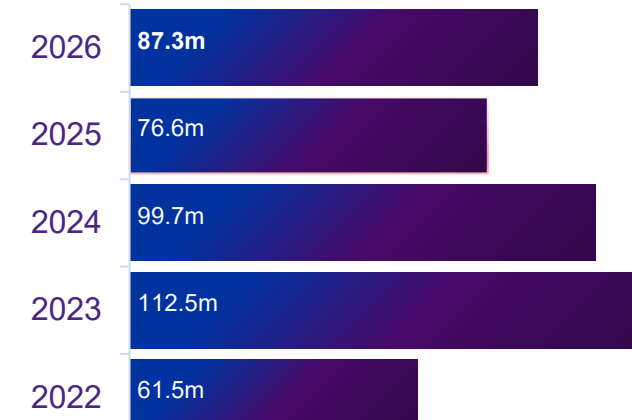
Cash generated from operations (million)

**£5.7m**



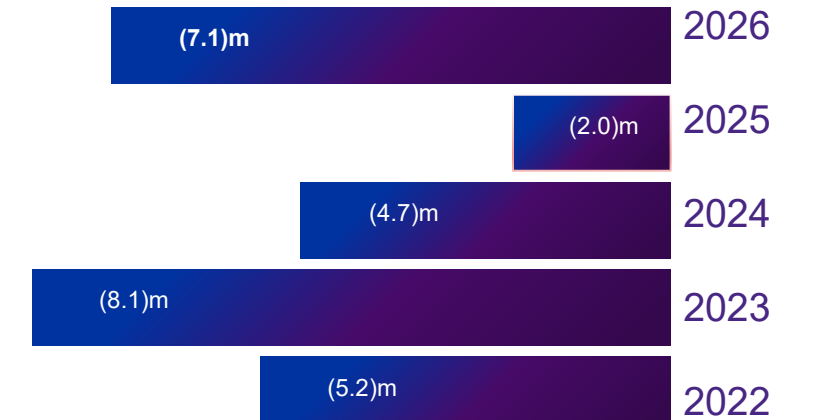
September open orderbook(million)

**£87.3m**



Net debt (million)

**£(7.1)m**



FY22/23 – electronic component shortages

FY23/24 – Significant Comms orders

\* Restated for the impact of Bonus share award in October 2024



# Financial Review





# FY25 Financial review and prospects for FY26 and beyond

30 September	H126	H125	Change
Orderbook	£87.3m	£76.6m	14%
Revenue	£85.7m	£61.8m	39%
Gross Profit %	31.0%	31.1%	(10 bps)
Operating profit	£4.5m	£1.8m	150%
Adjusted operating profit %	6.5%	5.1%	140 bps
Adjusted* profit before tax	£4.9m	£2.5m	96%
Adjusted* diluted EPS	6.5p	3.5p**	86%
Dividend	0.92p	0.83p	11%

\* Adjusted performance metrics are adjusted for IFRS 3 acquisition amortisation, share based payments charges and non-recurring charges in respect of re-organisation cost/acquisition costs and fair value adjustments.

\*\* Restated for the impact of the bonus share issue in FY24/25

30 September	FY26	FY25	Change
Cash generated from ops	£5.7m	£8.8m	(35%)
Net debt	(£7.1m)	(£2.0m)	260%
Net assets	£62.2m	£61.5m	1%

## Order book – Nov 2025 – £97.0m

- Underlying orderbook continues to strengthen coupled with solid start to Q3.
- Post period end significant orders secured in the Power division and on Project CAIN

## Revenue of £85.7m:

- Revenue growth driven by £23.3m Comms programme revenues
- Normalising for the Comms programme and the FX headwind underlying revenue are up ~3.6% y.o.y.
- On track to meet Full year expectations

## Gross margin and Adj. operating margins:

- Solid and stable gross margin at 31.0%
- Operating margins recovering
  - Operational gearing benefits
  - Continuing to invest to drive growth





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## Adj PBT £4.9m and Adj diluted EPS 6.5p

- Profit metrics benefit from strong billings and operational gearing resulting in recovering Operating margins
- Yr on Yr Overhead investments of ~£2.5m enhancing capability and foundation for mid term growth
- Profits up H125/26: Confident in meeting FY25/26 consensus expectations & our mid term goals

## Dividend – [0.92p]

- Double digit growth in interim dividend reflecting confidence in FY26 earnings & cash generation

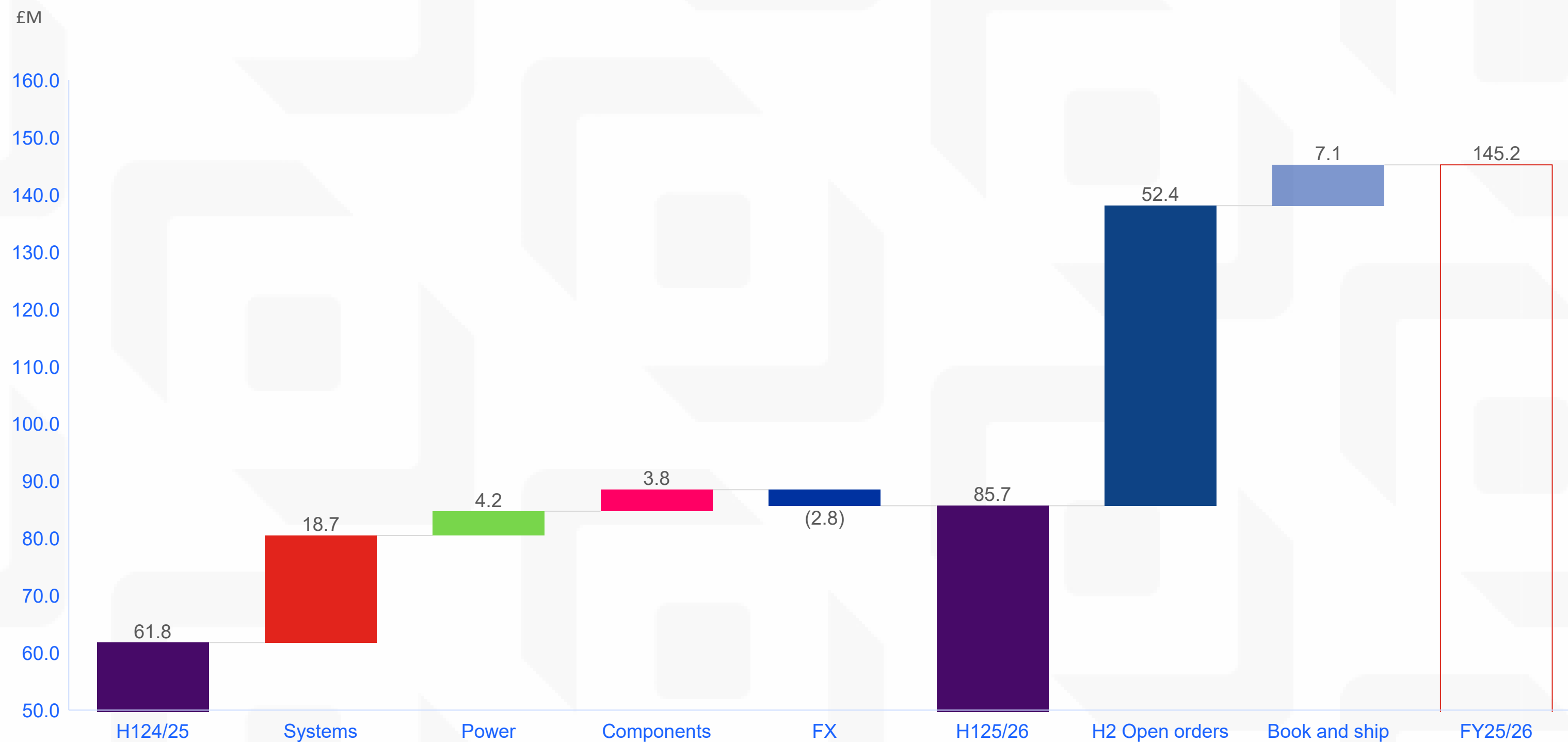
## Strong cash generation with investment in growth

- Adj Operating cash conversion of 102%
- Net debt continues to reduce albeit cash generation expected to be H2 weighted due to working capital timing



# Revenue Bridge

H2 open orderbook provides confidence on FY expected outturn

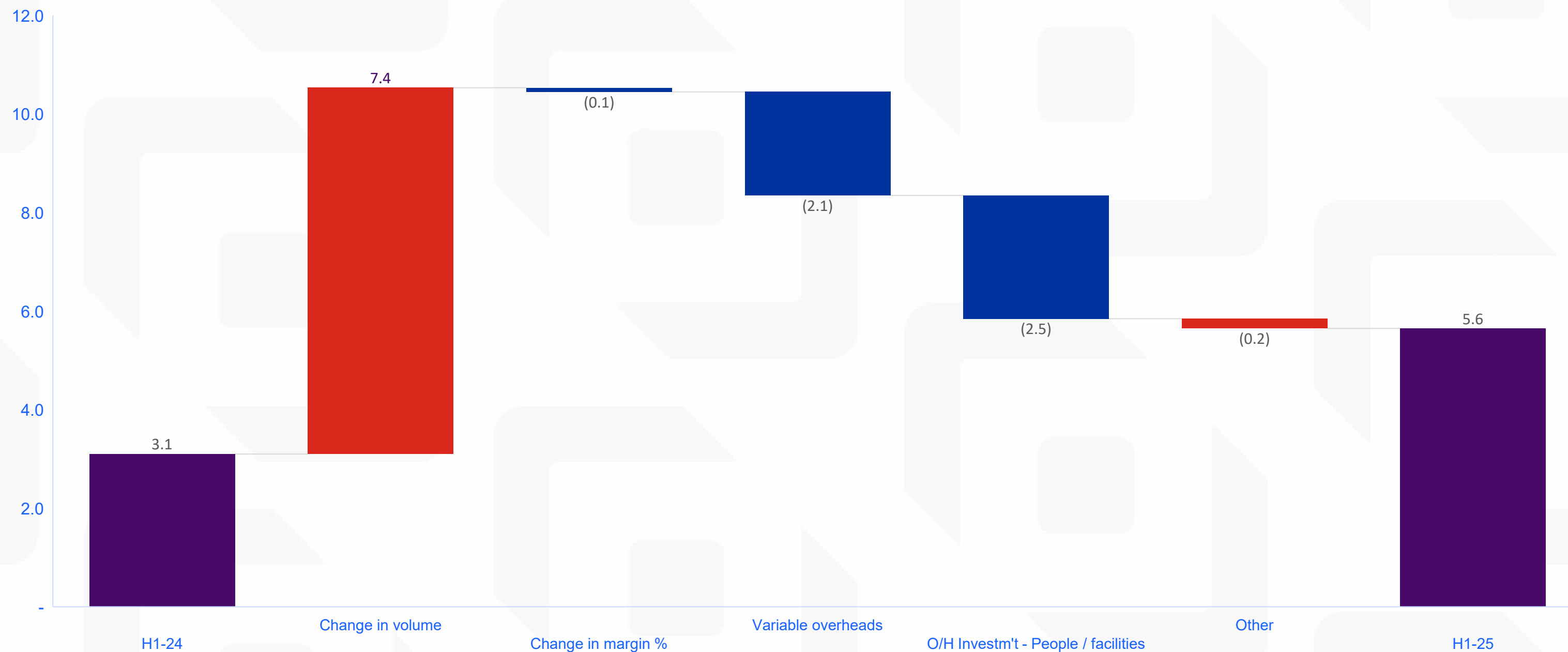






# Adjusted operating profit bridge

Strong billings underpins investment in capability





# Net debt bridge

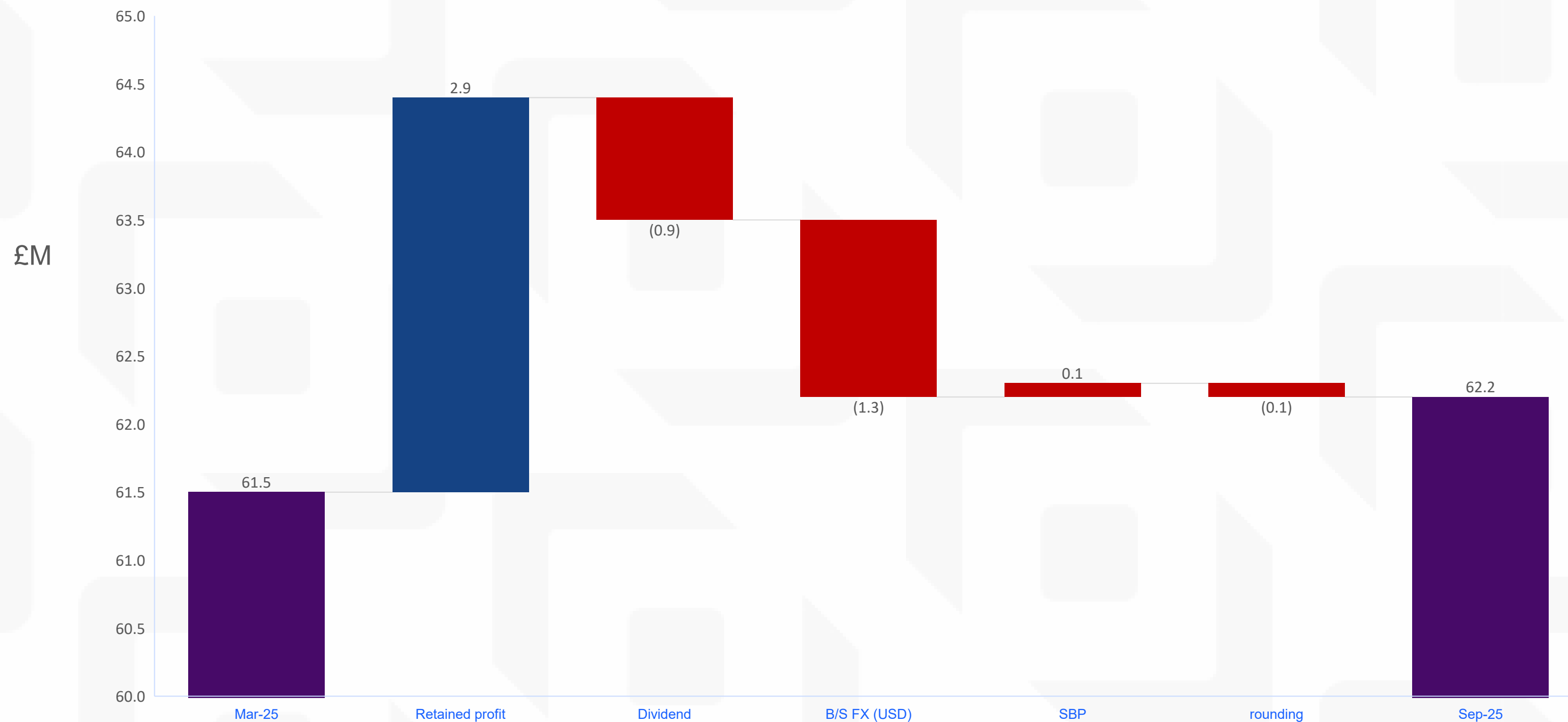
Cash generation is second half weighted due to working capital







# Net assets bridge



# Components Division

Solsta





# Own Brand & Franchised Components

We are the essential link. We are the vital component.

## SIMPLIFICATION

## KEY VERTICALS



WEYMOUTH

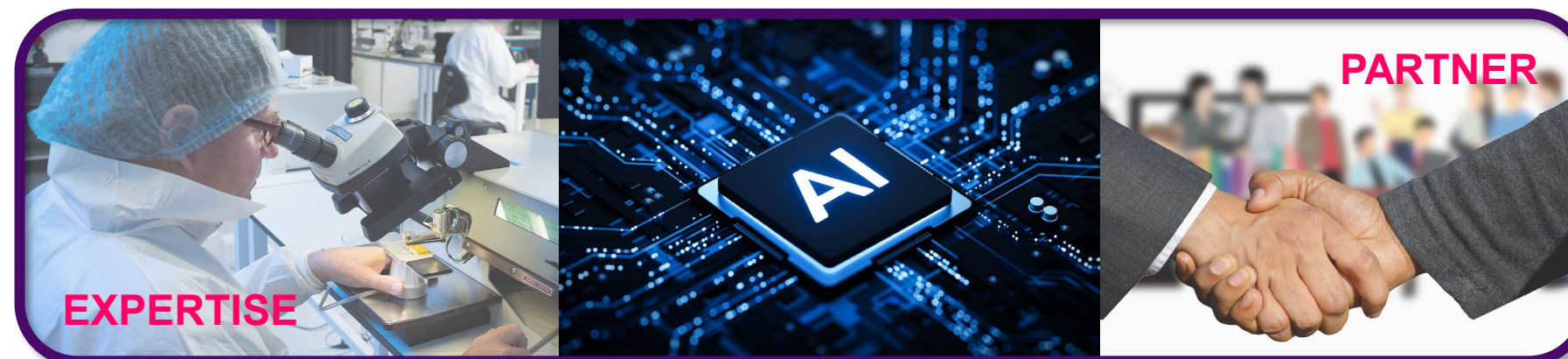
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WORLD CLASS FRANCHISE MANUFACTURERS



## GROW REVENUE & MARGINS





# Solsta Embedded

Combining Embedded processing products from Solsta with the computing skills of Steatite



**ZOLL**



**Mallinckrodt**

**Parkingeye**

Card payments .....  
Change dispensing .....  
Front access .....  
Cash payments .....  
19" full colour touch screen .....  
Ticketing .....



**Integrated  
Solutions**

**Solving  
Customer  
Problems**

**Solution-  
based  
Partnerships**

COMBINING THE SYNERGIES PUTS THE BUSINESS IN A UNIQUE INDUSTRY POSITION,  
TAKING IT WELL BEYOND COMPETITORS

- Maximising customer spend
- Locking the customer in
- Filling our factories

 **solsta**  
Embedded



# Systems Division

Steatite



# Steatite Integrated Systems – Scale and utilise

Leverage capacity at our Ashchurch & Redditch facilities



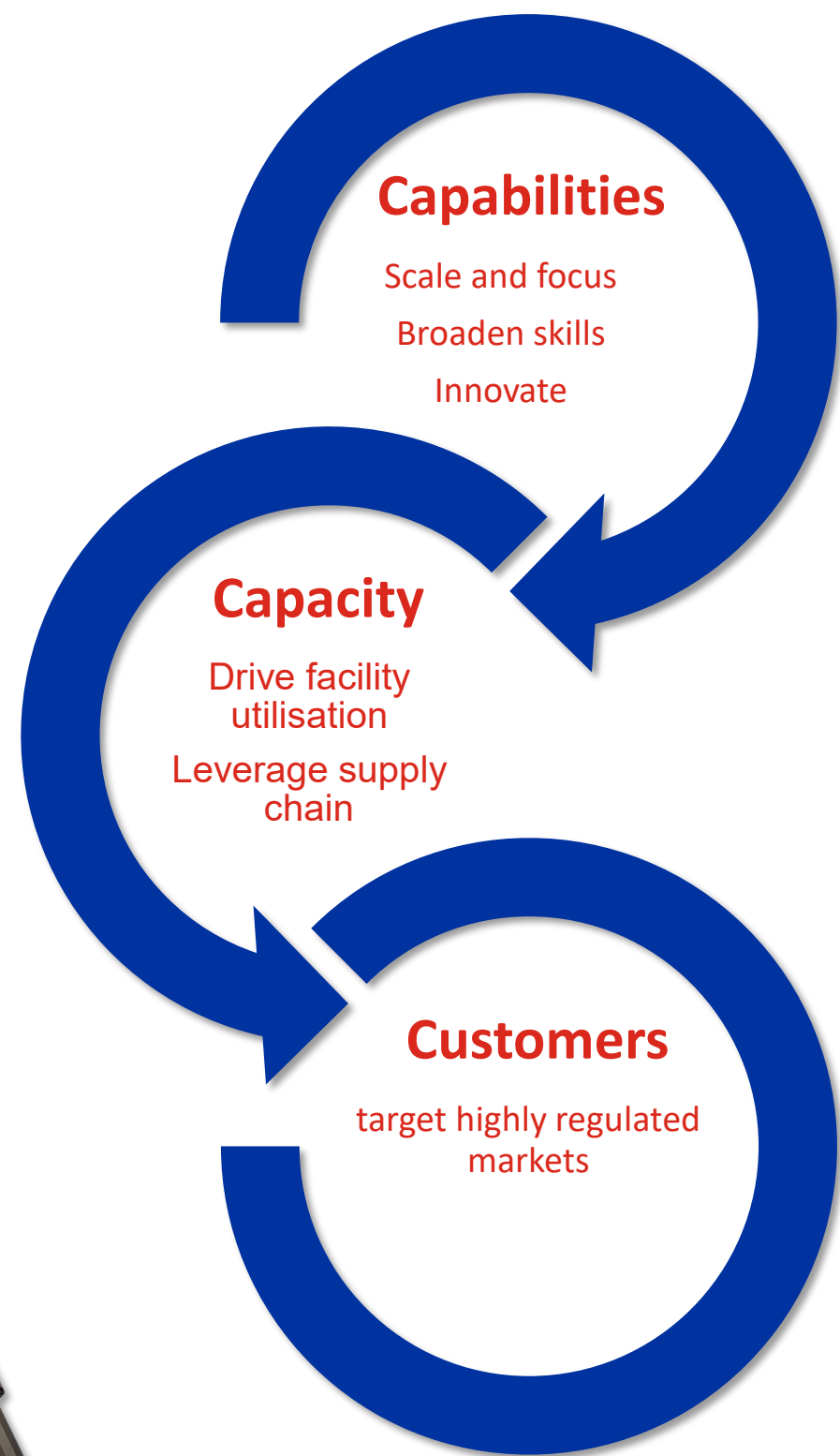
**BAE SYSTEMS**

**[dstl]**

The Science Inside



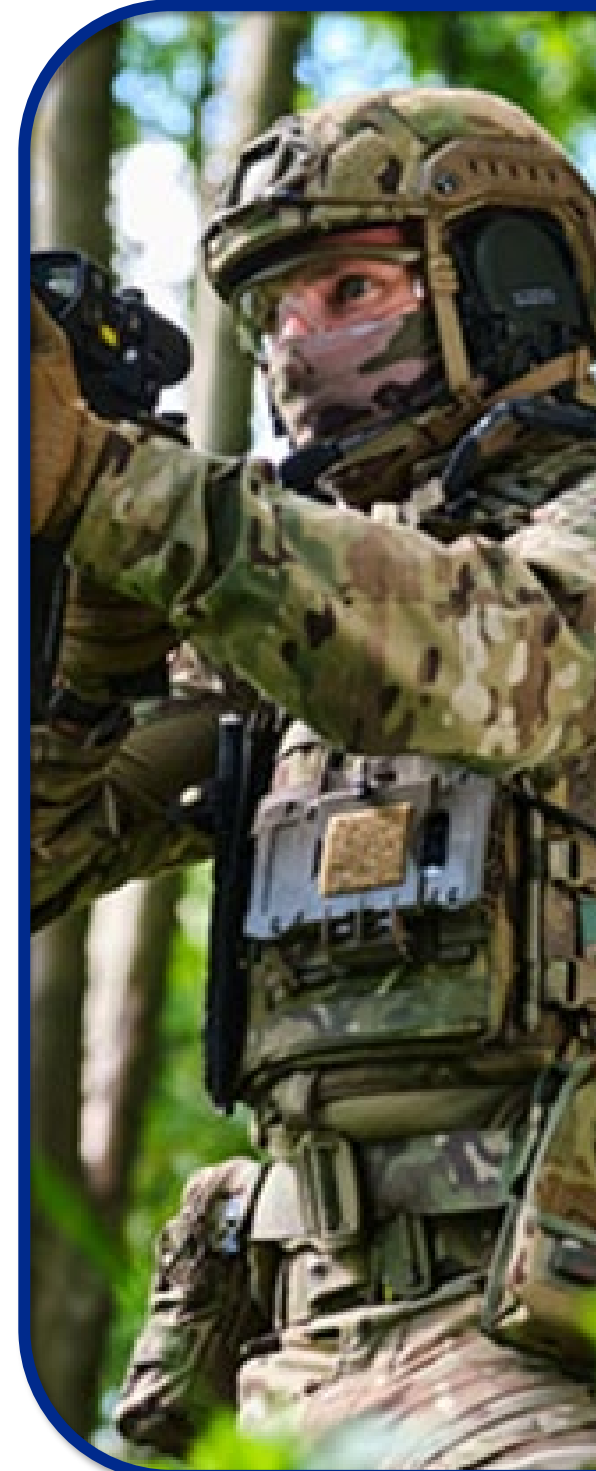
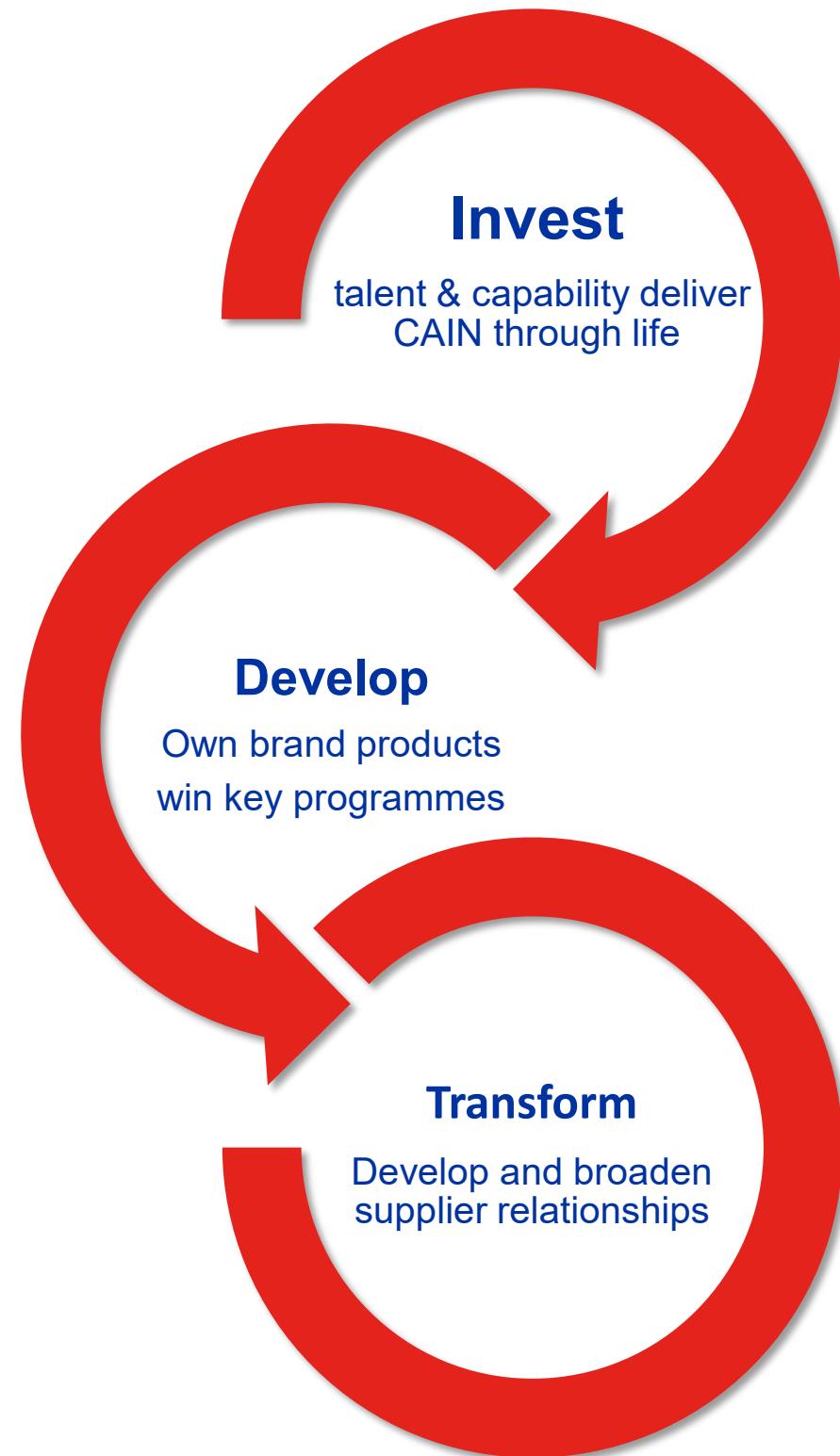
UK Government





# Steatite Communications – Develop and transform

Broader user adoption and adding Steatite complementary products



Ministry  
of Defence





# Steatite & Q-Par Antennas - Invest and grow

Industrialisation of our world class RF antenna technology



**ROHDE & SCHWARZ**



**CRFS**



**SAAB**



**Babcock**



## Demand

Deliver existing orders  
Secure new business

## Invest

People and equipment  
Facilities

## Supply

Deliver on time in full  
Remain technically agile



# Power Division

Custom Power



# Custom Power – Enhanced Focus

## Investment in facilities and capability





# Custom Power - Grow

Dynamic relationships with our blue-chip clients

**ZOLL**

**PHILIPS**

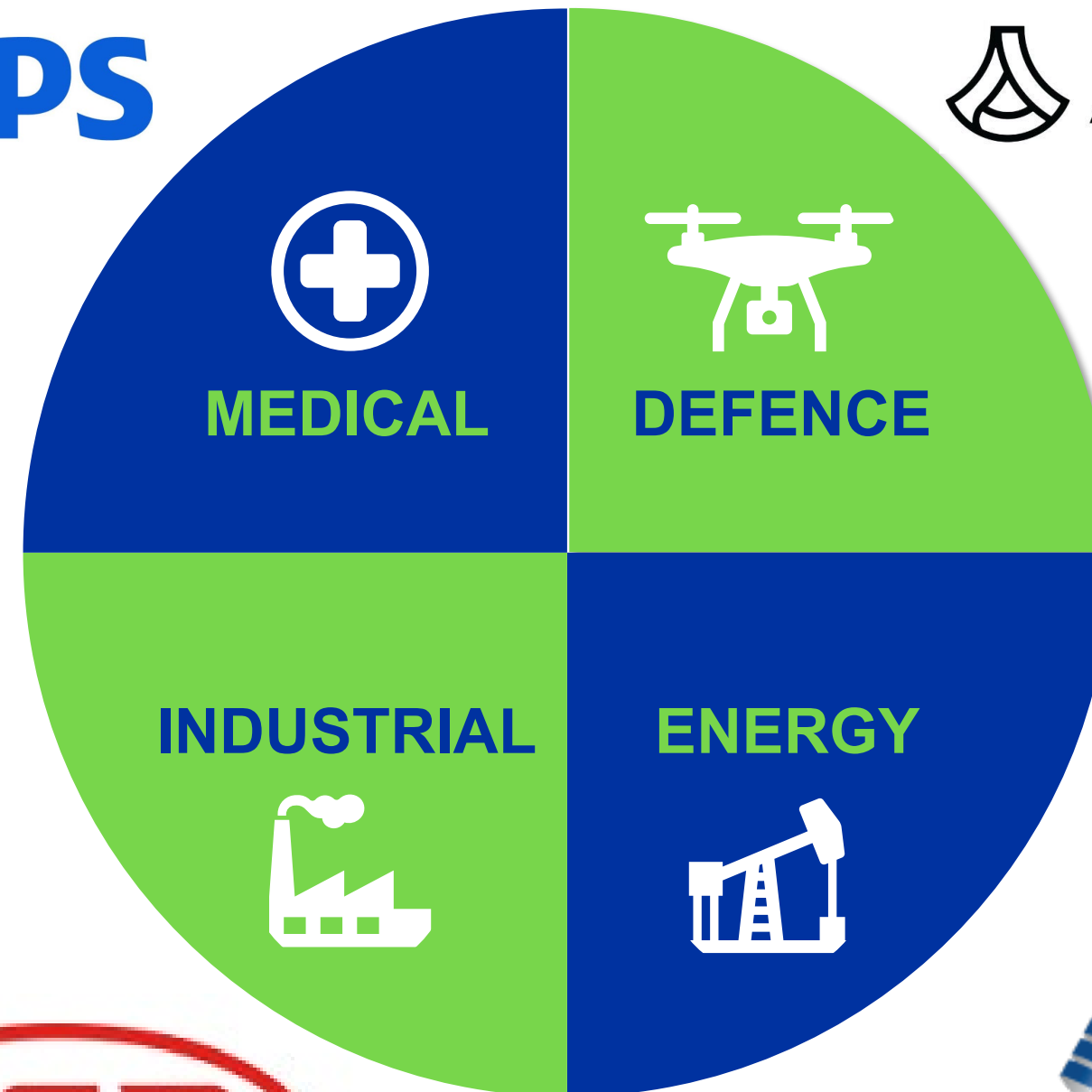
 **emblation**

 **GE HealthCare**

 **TOPCON**

  
**DOORDASH**

  
**JSP**



 **ANDURIL**

  
**AeroVironment**

**ULTRA MARITIME**

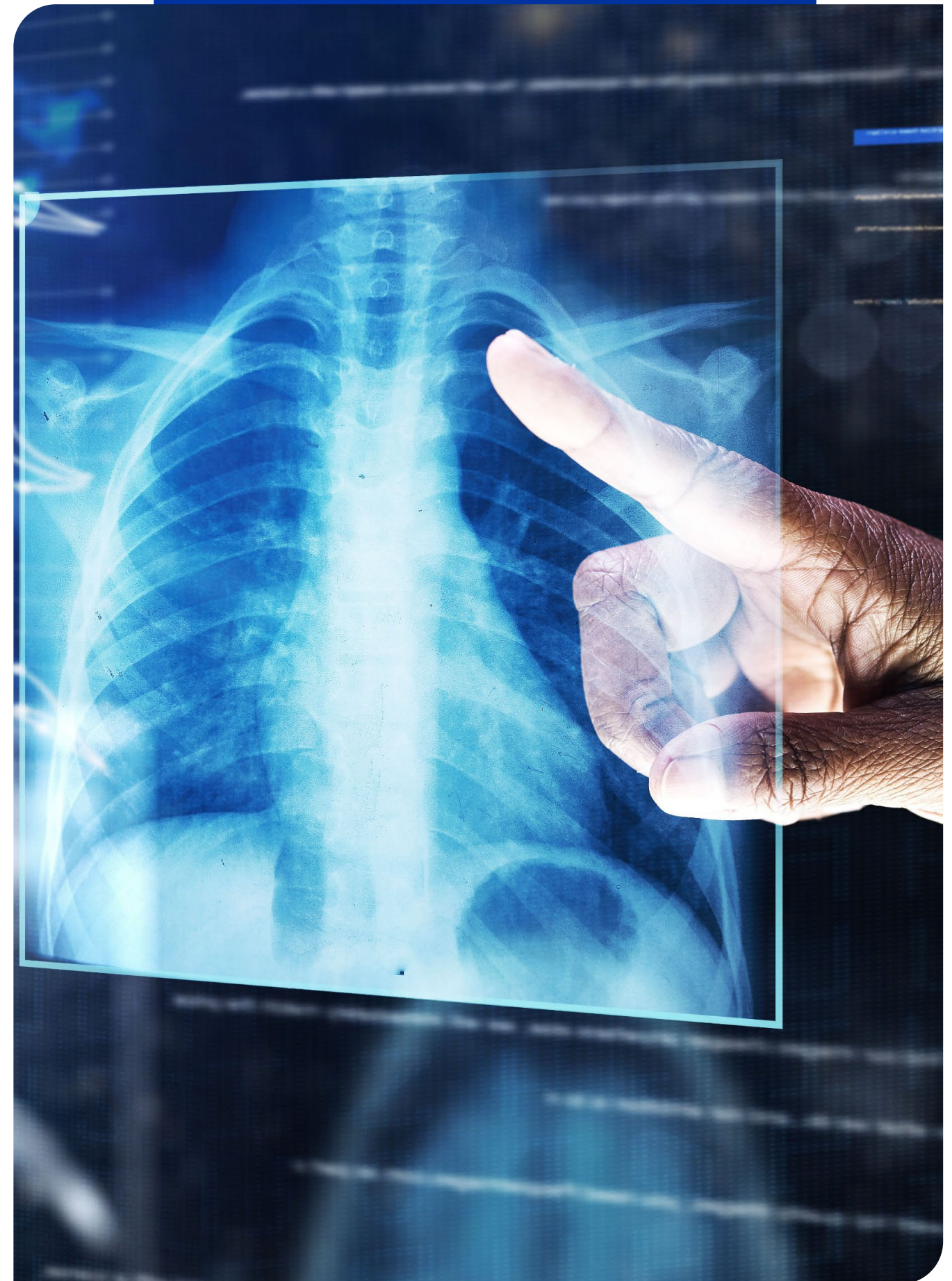
 **GENERAL ATOMICS**

 **Sonardyne**

  
**EMERSON**

 **EXPRO**




# Prospects & Outlook










# **Prospects & outlook**

## **Strategic priorities**

-  Grow the business
-  Enhancing operational & technical capabilities
-  Continue to advance Quality of Earnings (Q.o.E)

## **Step function opportunities**

-  Systems
  -  Integrated Computing Systems - Utilise increased capacity
  -  Antennas – Establish capability to meet the demand
  -  Comm's – Sustainable revenue leverage initial project CAIN success
-  Power
  -  Enhance capabilities and Focus on key growth markets where engineering expertise valued
-  Components
  -  Simplify operations, target growth markets, deliver improved margins

## **Acquisition growth opportunities**

-  Bolt on acquisitions - complementary product
-  Antenna production capability and capacity





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# Questions & appendices





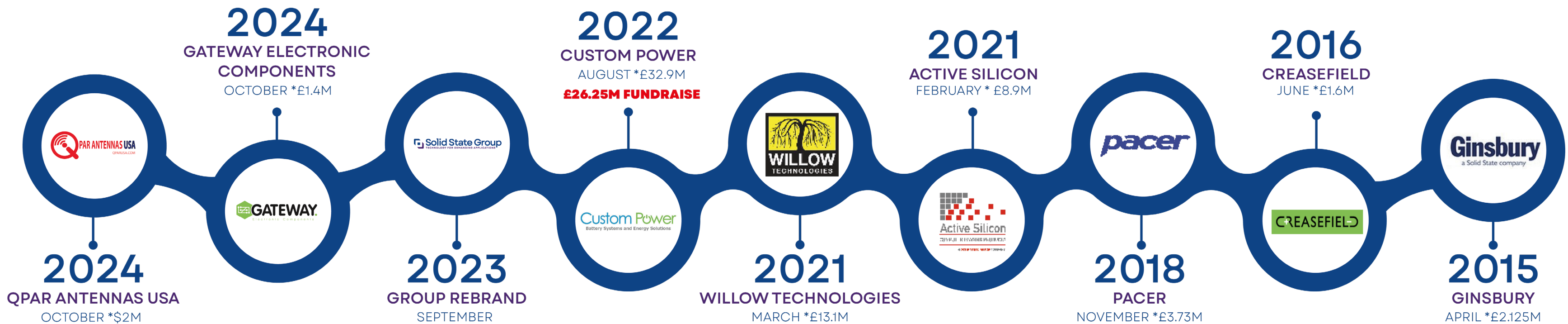
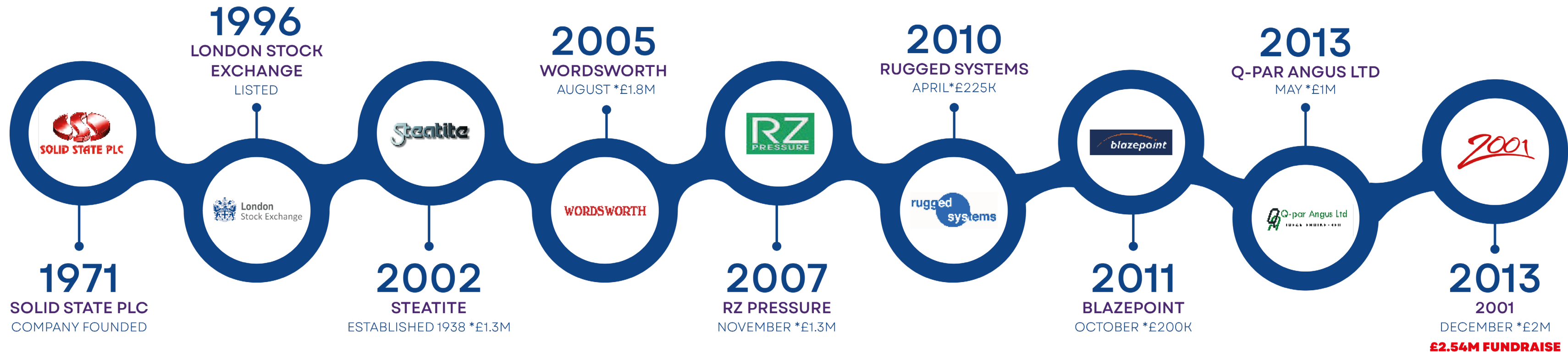
# Key shareholders

3% and over

% Holding	
Charles Stanley & Co	13.97%
BGF Investment Management Limited	10.46%
Canaccord Genuity Group Inc	6.48%
Mr & Mrs Gordon Comben	6.40%
aberdeen plc	6.27%
Schroders plc	5.72%
TrinityBridge	5.23%
Mrs Barbara Marsh	4.85%
GPIM	4.85%
Hargreaves Lansdown Asset Management	4.81%



# Acquisition history and timeline



# ESG highlights

We have aligned our ESG goals with United Nations Sustainable Development Goals



## Supporting local communities

- ▣ Supporting local food banks
- ▣ Sponsor local YMCA accommodation
- ▣ Proud signatory of the armed forces covenant



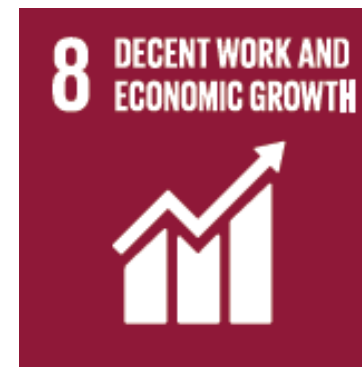
## Health & Safety

- ▣ Access to a wellbeing programme
- ▣ Safety audits & risk assessments
- ▣ Training sessions



## Our People

- ▣ Flexible working
- ▣ Promoting equality / diversity



## Economic growth

- ▣ Organic growth
- ▣ Acquisitions
- ▣ Shareholder growth



## Sustainable innovative products

- ▣ Designs are long-life & upgradable
- ▣ Secondary benefits for our customers



## Sustainable sourcing & products

- ▣ Long life, high performance, high quality premium products
- ▣ Deliver value through reduced consumption



## Climate change

- ▣ Reduction in our Scope 1 and Scope 2 emissions by 60%
- ▣ Intensity ratio has reduced to 12.68 tonnes



# Trusted technology for demanding applications

Own brand – systems technology in a box



**Universal Command & Control Terminal  
Steatite CRiB**

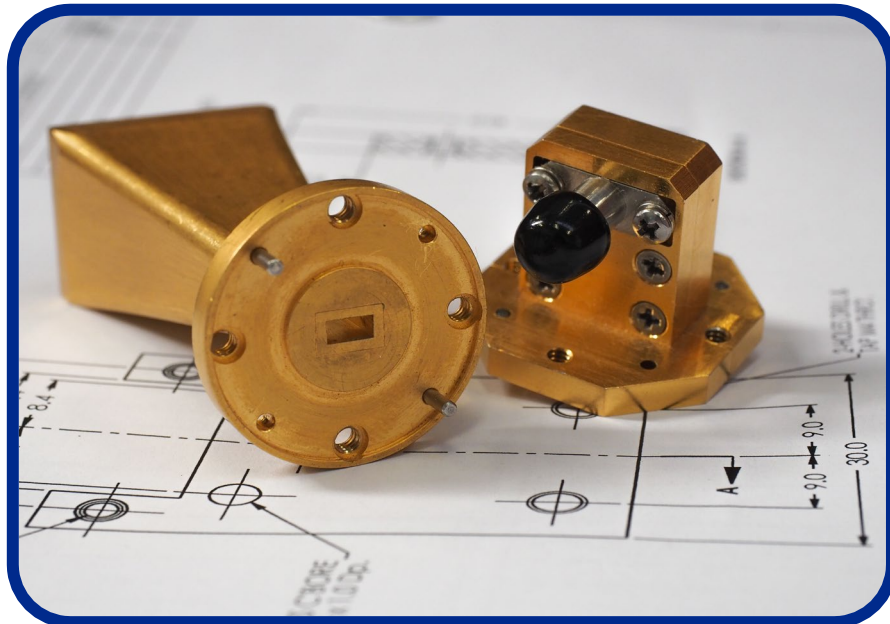
**Mountable Mobile Communications Unit  
(MMCU)**





# Systems

What we do





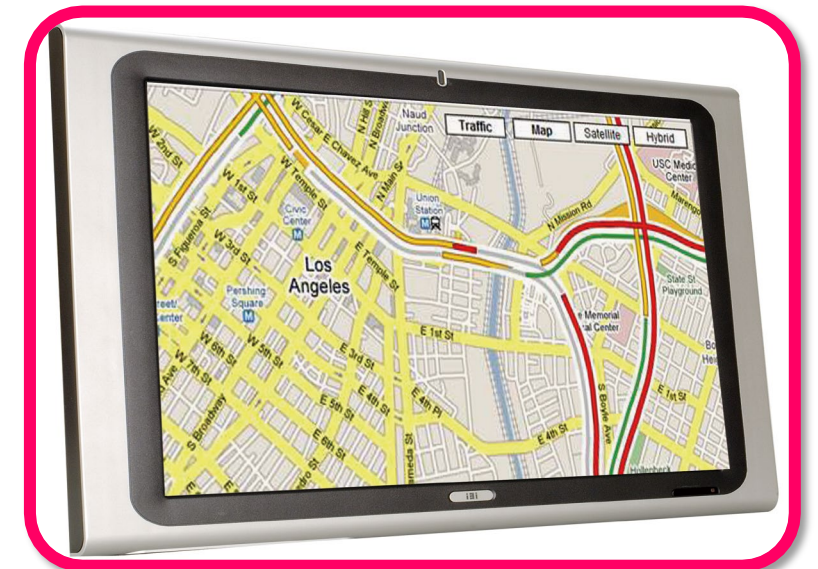
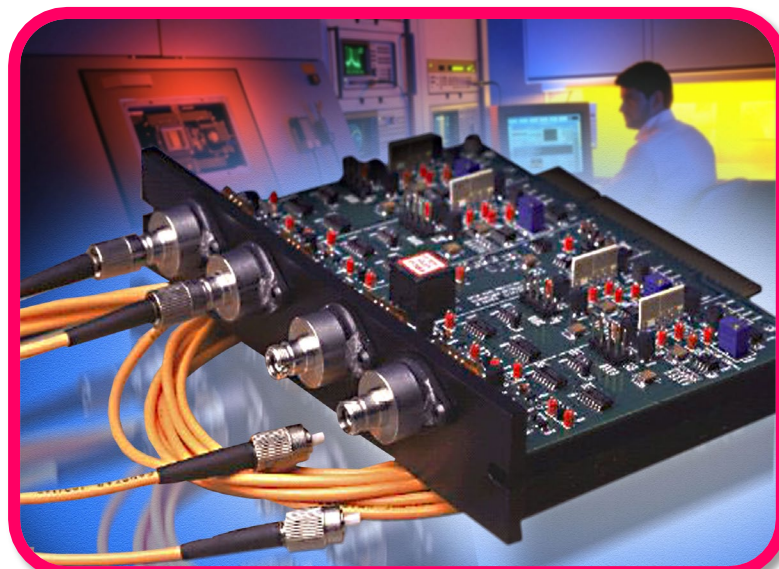
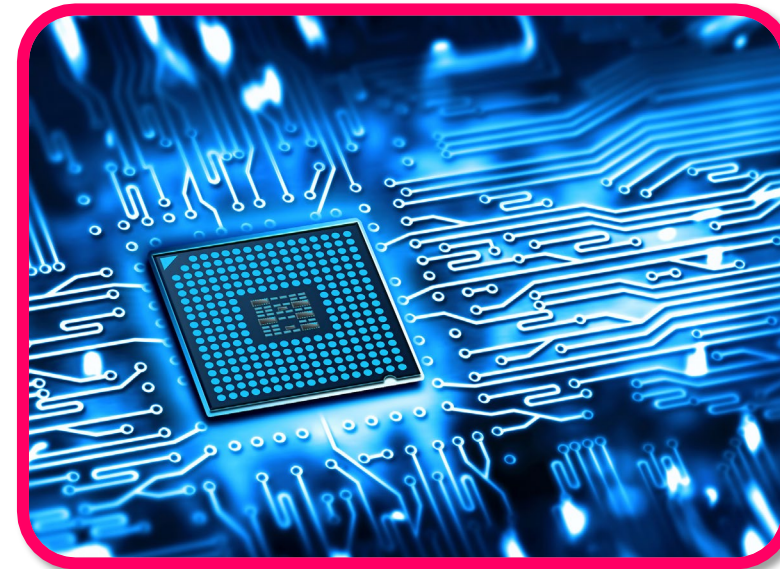
# Systems applications





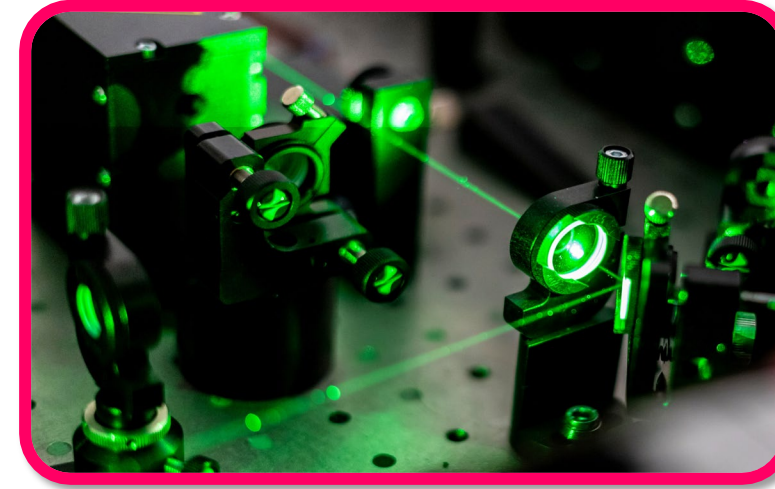
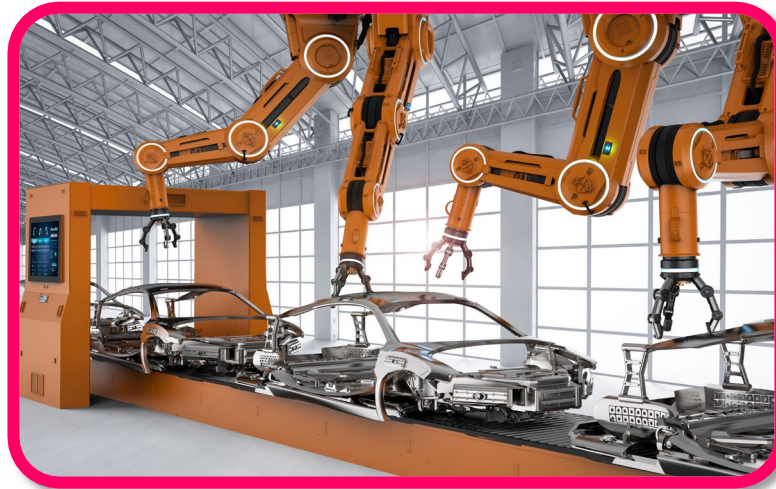
# Components

## What we do



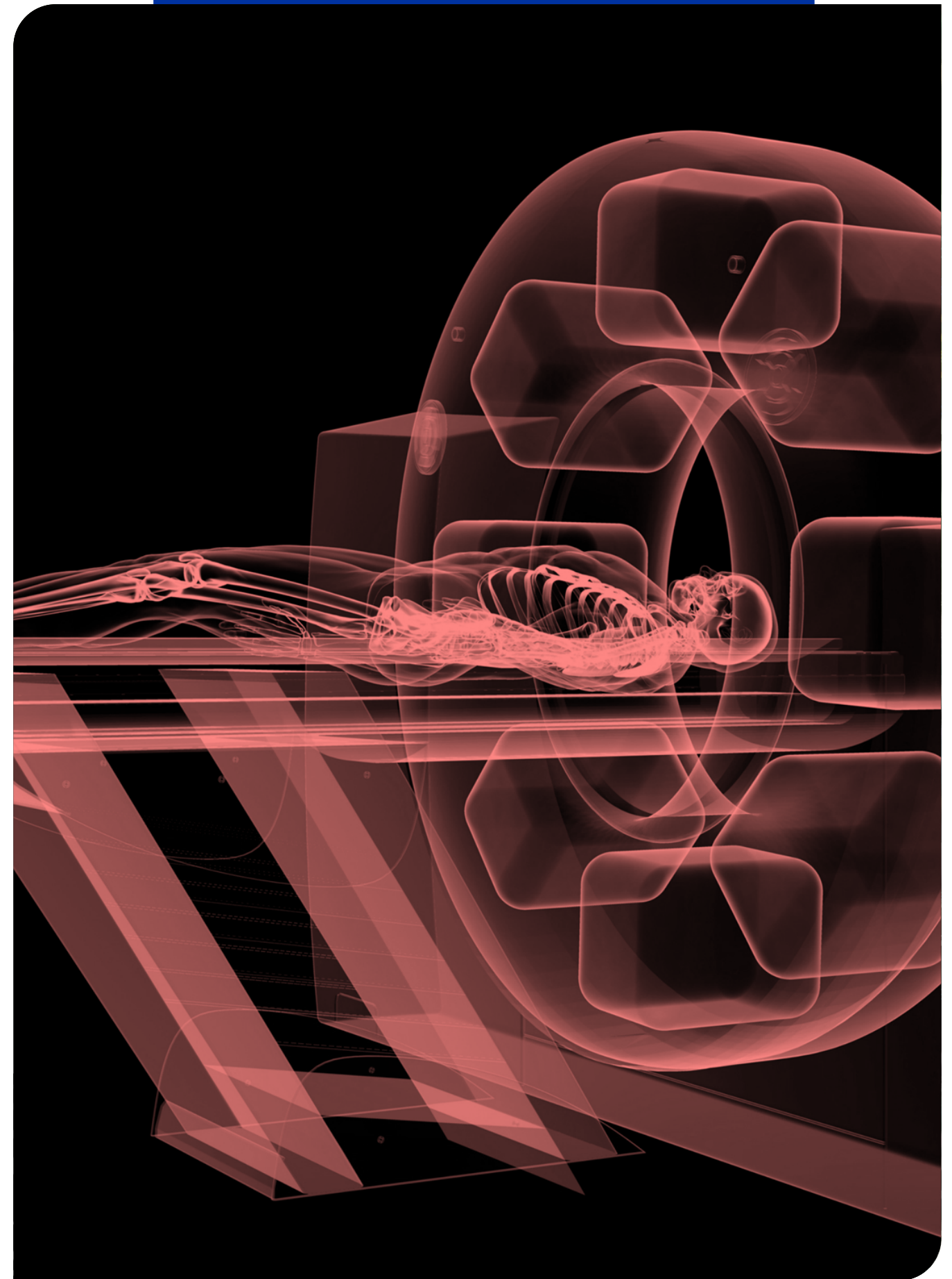


# Component applications





# Strategy Review





# Examples of competitors (Customers can be competitors)



ARROW ELECTRONICS, INC.



# Cross section of our customers

**BAE SYSTEMS**

**LOCKHEED MARTIN** 

 **Collins Aerospace**  
An RTX Business

  
Ministry  
of Defence

 babcock

 **BOEING**

**NORTHROP  
GRUMMAN** 

**Raytheon**

**AIRBUS**

**Honeywell**

  
NATO  
OTAN  
NATO Support and  
Procurement Agency  
(NSPA)

**ULTRA MARITIME**

 **LEONARDO**

**QinetiQ**

**MBDA**

  
**ROHDE & SCHWARZ**

**GENERAL DYNAMICS**

 **GCHQ**

**RANDOX**  
HEALTH

 **Malvern  
Panalytical**  
a spectris company

  
**Mallinckrodt**

**PHILIPS**  
Healthcare

**SIEMENS**  
**Healthineers**   
visionrt

 **Sonardyne**  
SOUND IN DEPTH

 **GE Energy**


  
**Weatherford**

  
RS Component

 **ocado**

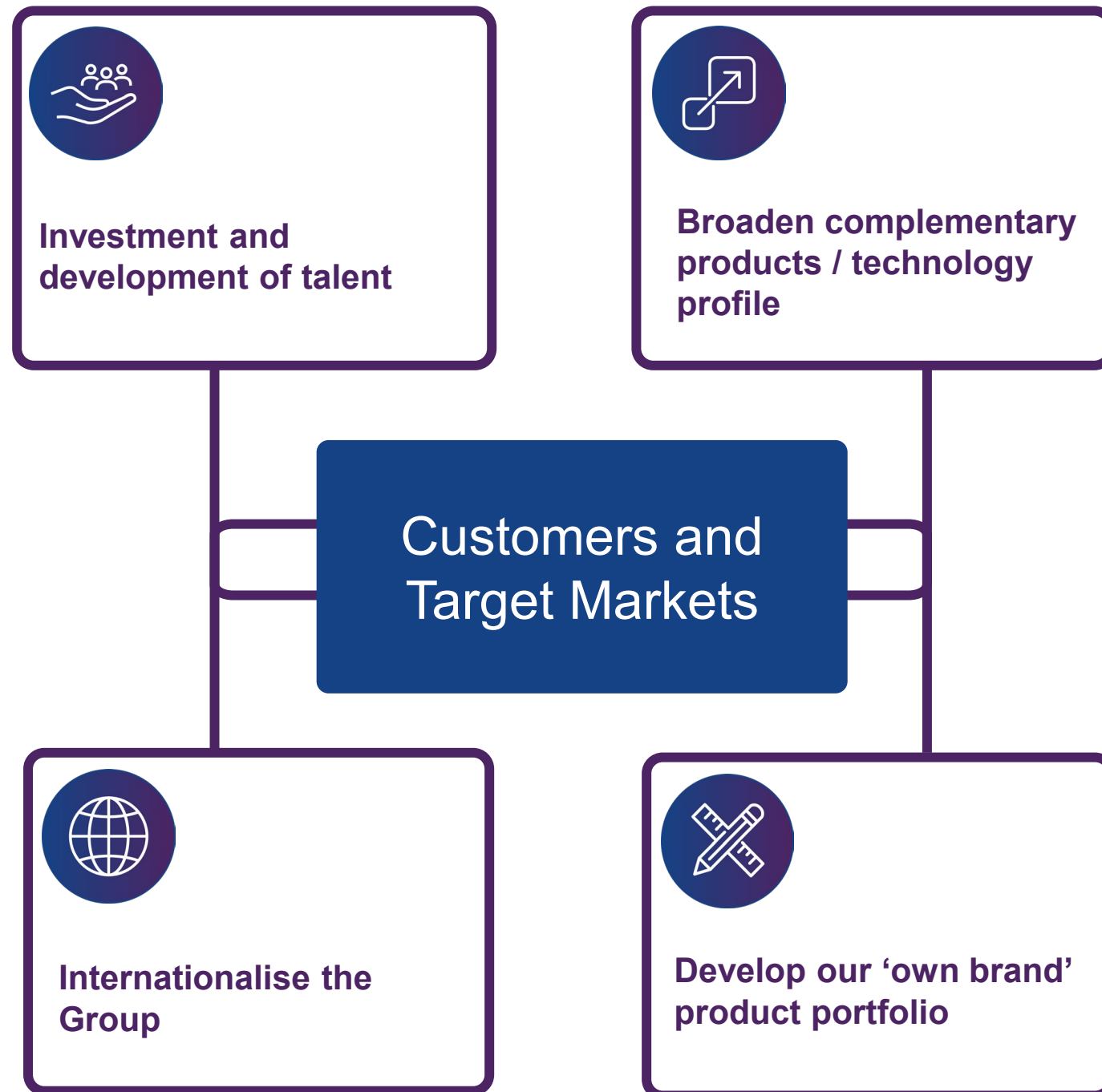
**RENISHAW**   
apply innovation™

**3M**




  
**octopusenergy**






# Strategic achievements






## **Investment & development of talent**

-  New Executive Board is working well and is driving progress in developing and delivering the strategy;
-  Appointment 2 sales heads in Stephen Brown (US Chief Sales officer) team.
-  Established in house recruitment capability



## **Broaden complementary products & capability/ technology profile**

-  Focused capital investment continuing across the Group enhancing capability & capacity.
-  **BAE Silver supplier award and Tech Distributor of the Year for Robustel.**
-  Developing our new franchise wins (Smiths Connectivity (UK), Ezurio (UK) and Deep X (UK))

## **Internationalise the Group**

-  Acquisition of Q-Par Antennas USA
-  The Power business unit has secured several major orders for battery systems from key Tier-one customers in the robotics, drone, and the military naval sectors.
-  Increased billings for Internet of Things ("IoT") applications.

## **Develop our "own brand" product portfolio**

-  Continued to strengthen the Group's sales through Solsta of its own brand products
-  Continued to diversify supply chains for own-brand components establishing non-China second sources for sub-contract manufacturing

