

Investor presentation

FY25 Results

 Solid State Group



Agenda

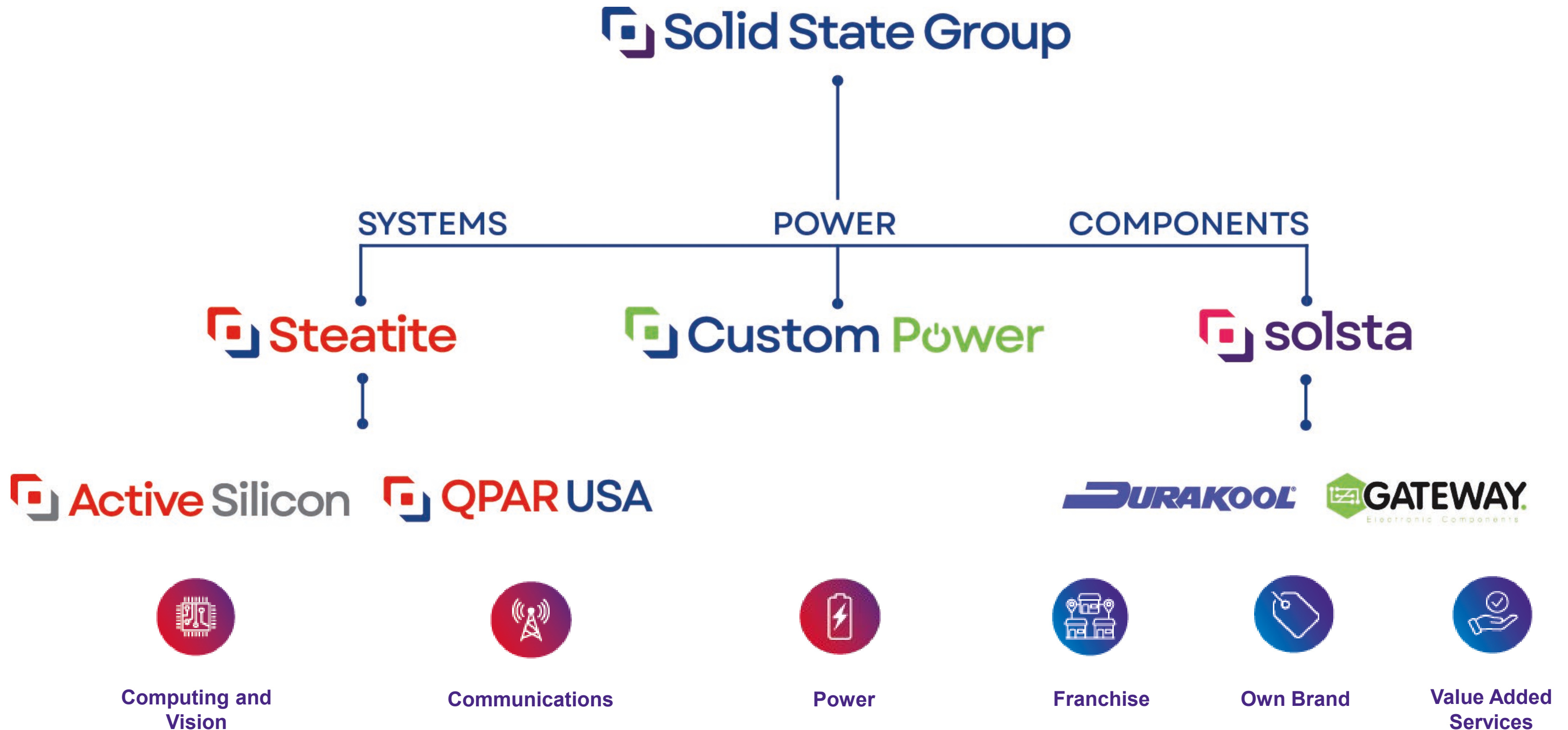
Areas of focus

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



Who we are

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

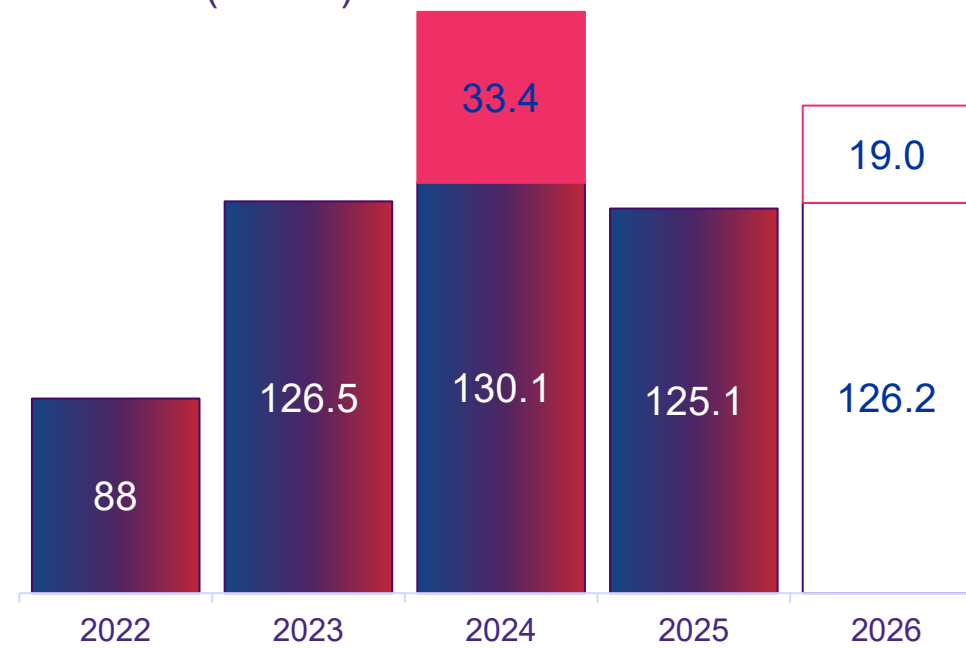


Key drivers for FY25 & opportunities for FY26 and beyond*

 Nato

Challenging comparative period

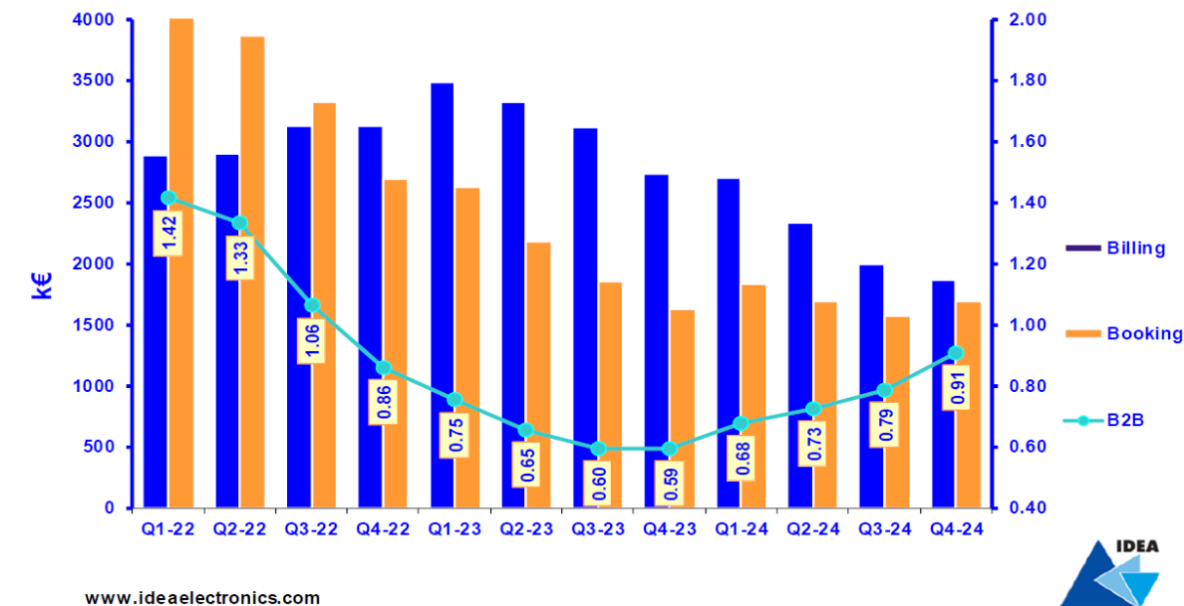
Revenue (million)



2026 – Consensus

Industrial slowdown & destocking headwinds

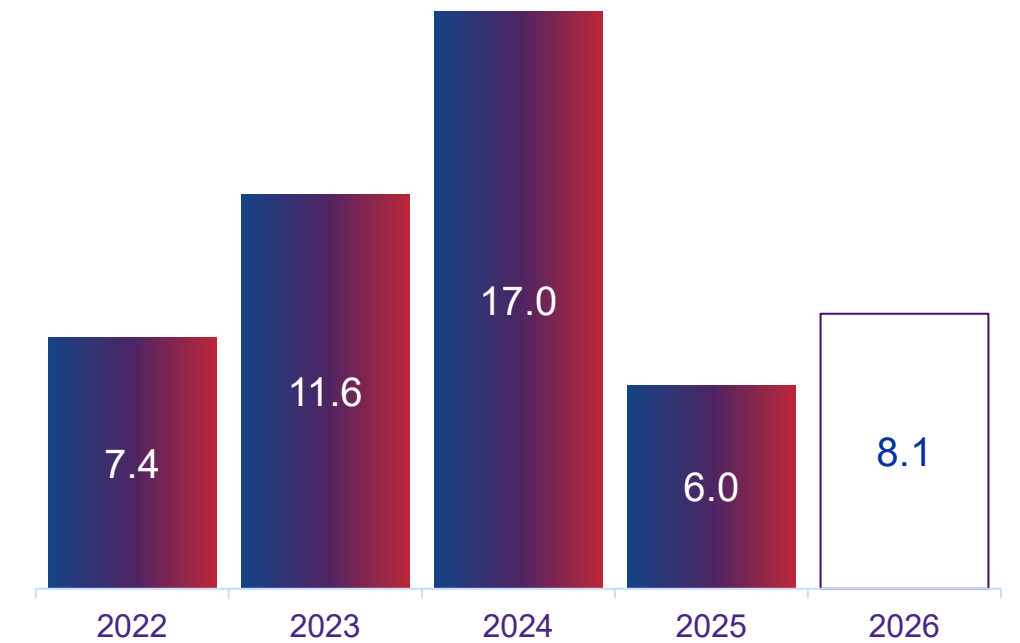
4TH QTR. 2024 TOTAL COMPONENTS Booking, Billing & Book : Bill ratio
Total distribution electronic components booking, billing and Book:bill ratio for Germany, France, Italy, UK, Sweden, Norway, Denmark, Finland, Switzerland and Austria



www.ideaelectronics.com

Focus on improving quality of earnings

Adjusted operating profit (millions)



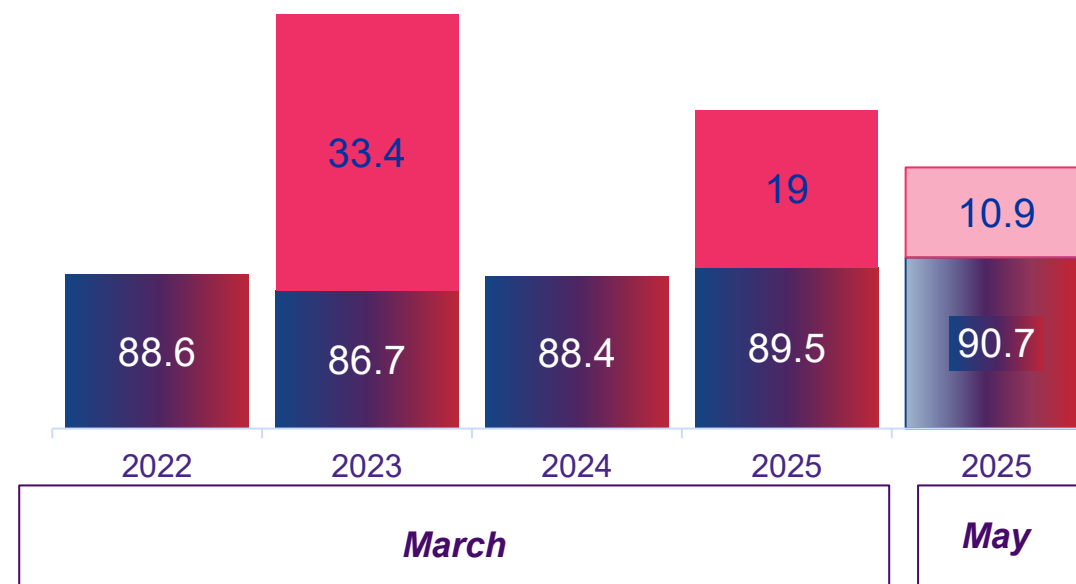
2026 – Consensus

Nato contract confirmed for FY25/26



Open orderbook is continuing to strengthen

Orderbook (million)



March

May

Investment in high value integrated systems



*See appendix for detailed explanation

Strategic Defence Review (SDR)

Our technology & capabilities are well aligned with the SDR Key priorities

Investment in the Industrial Base, Innovation & Exports



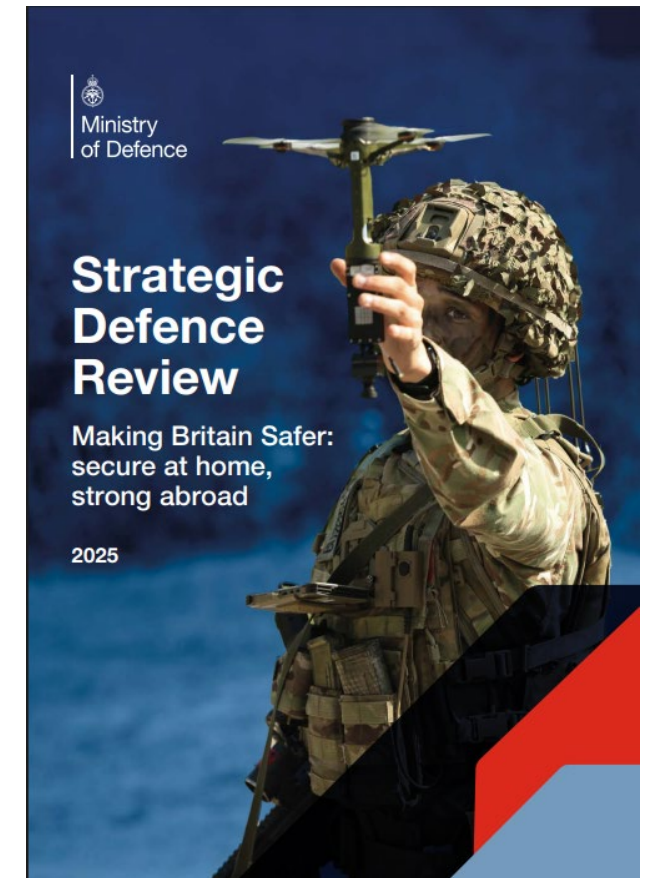
Nuclear Submarines & “Modernised Hybrid Navy”



Digitalisation, AI, Autonomy & Cyber



War-fighting Readiness & NATO Leadership



DEEPX



VPT



Financial Review



FY25 Financial review and prospects for FY26 and beyond

31 March	FY25	FY24	Change
Orderbook	£108.5m	£88.4m	23%
Revenue	£125.1m	£163.3m	(23%)
Reported operating profit	£1.3m	£13.7m	(91%)
Adjusted operating profit	4.8%	10.4%	(560) bps
Adjusted* profit before tax	£5.0m	£15.6m	(68%)
Adjusted* diluted EPS	6.2p	20.1p*	(69%)
Dividend	2.5p	4.3p*	(42%)

*Restated for impact of bonus share issue

31 March	FY25	FY24	Change
Cash flow from operations	£10.5m	£14.3m	(27%)
Net debt	(£7.4m)	(£4.7m)	(57%)
Net assets	£61.5m	£64.6m	(5%)
ROCE	9.8%	26.4%	(1660) bps
ROE	0.8%	13.8%	(1260) bps

▣ Order book – May 2025 – £101.6m

▣ Underlying orderbook continues to strengthen coupled with very strong Q1 billings

▣ Revenue of £125.1m:

▣ Revenue marginally ahead of recently upgraded consensus

▣ Ex 2024 Comms programme £33.4m and £1.6m FX headwind underlying revenue are down 2.5% y.o.y.

▣ Components and US Power revenues soft. However orderbook strengthening – US Power is up ~40% y.o.y.

▣ Gross margin and Adj. operating margins:

▣ Solid and stable gross margin at 31.5%

▣ CY Operating margins depressed

▣ Operational gearing headwind

▣ Continuing to invest to drive growth

FY25 Financial review and prospects for FY26 and beyond

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▣ Adj PBT £5.0m and Adj diluted EPS 6.2p

▣ Adj PBT 16% ahead and Adj diluted EPS 7% ahead of recently upgraded consensus

▣ Normalising for the 2024 Comms programme the drop in underlying Adj PBT is less significant

▣ Overhead investments of ~£1.5m will start to contribute in FY25/26 with meaningful benefit in FY26/27

▣ Profitable FY25 - Confident in meeting FY25/26 consensus expectations and our mid term goals

▣ Dividend – 2.5p

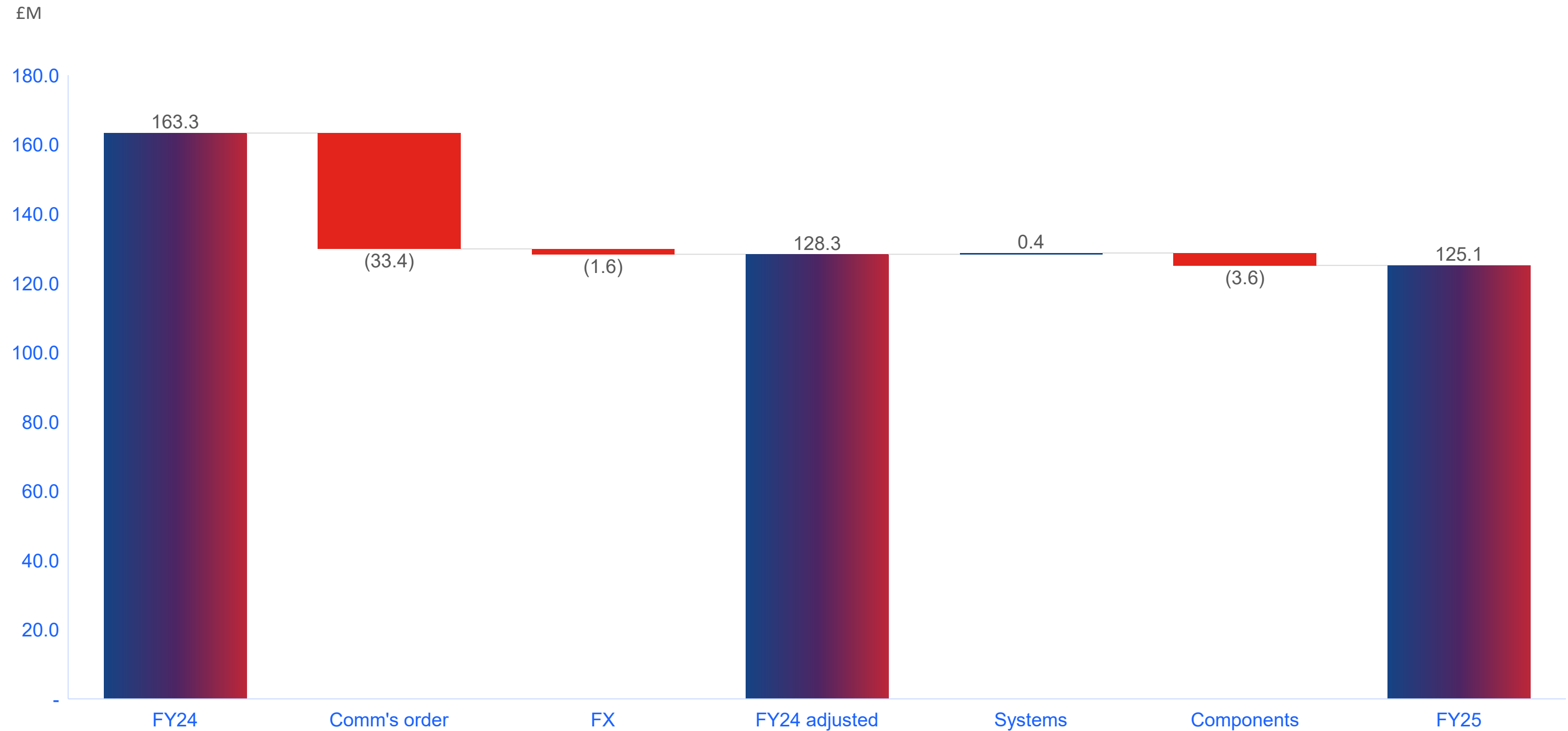
▣ Y/E dividend is proportionate with earnings

▣ Strong cash generation with investment in growth

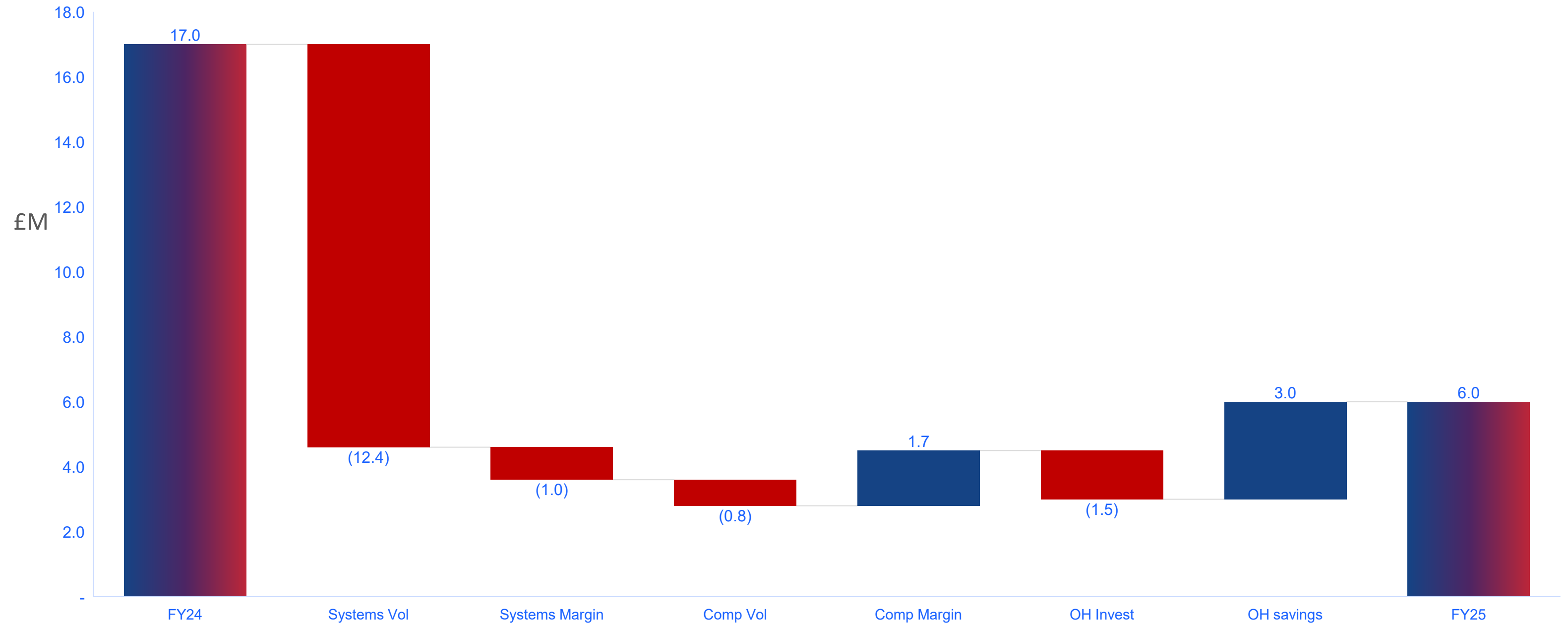
▣ Operating cash conversion of 173%

▣ Modest increase in net debt - M&A and Capex

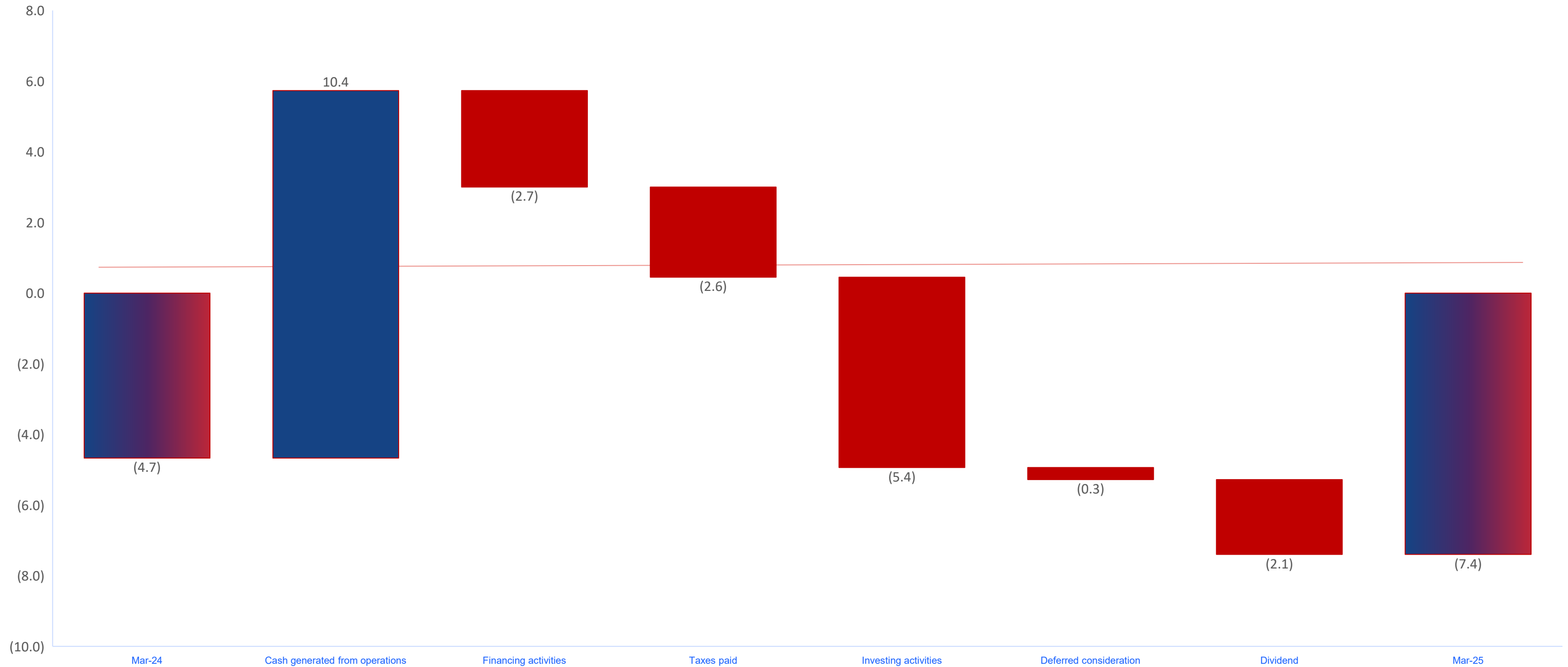
Revenue Bridge



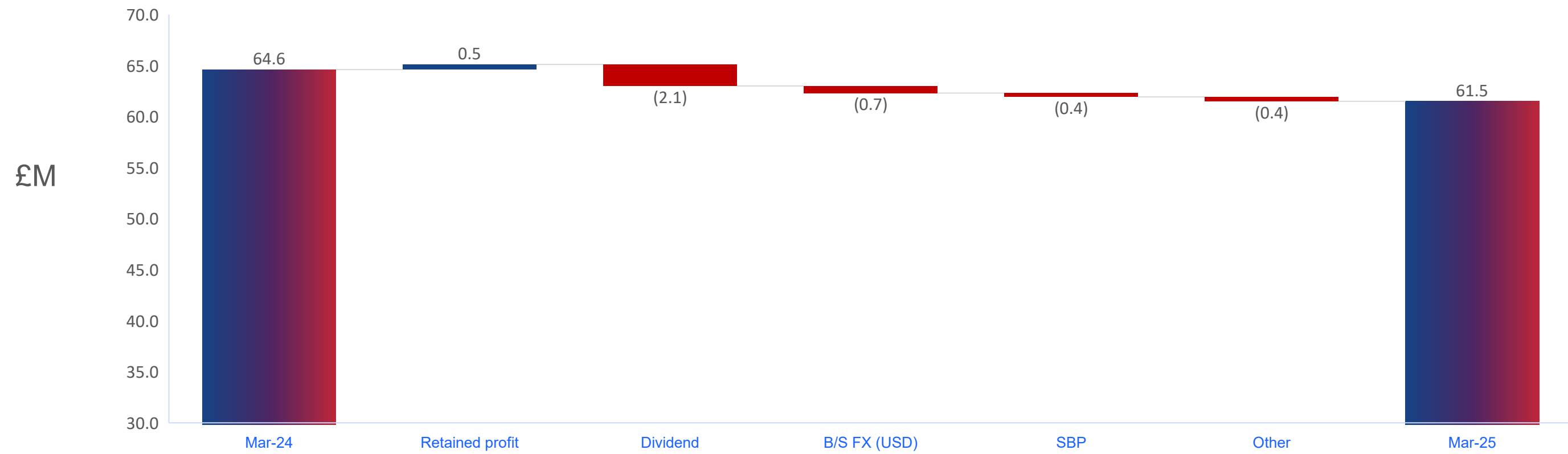
Adjusted operating profit



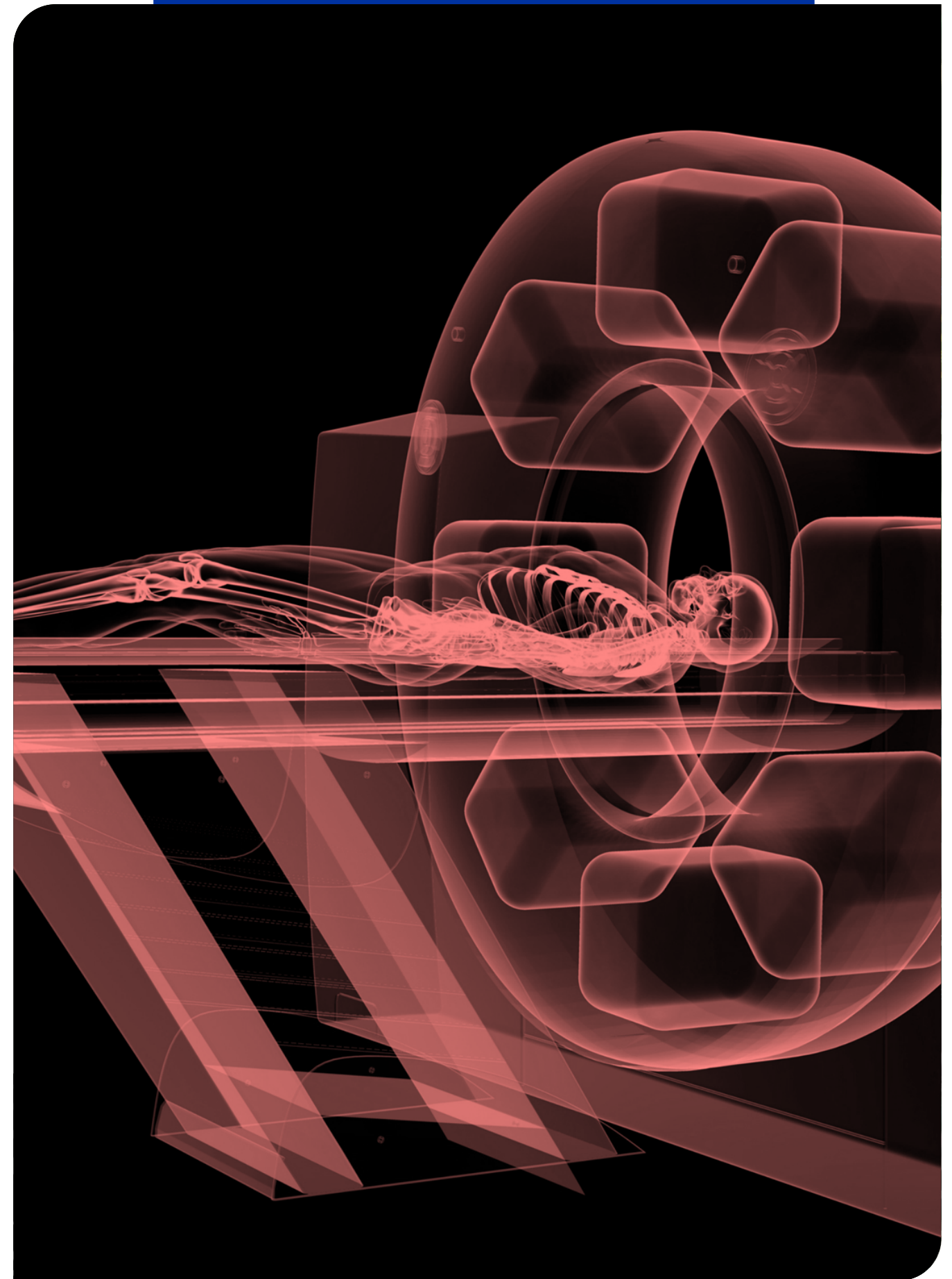
Net debt bridge



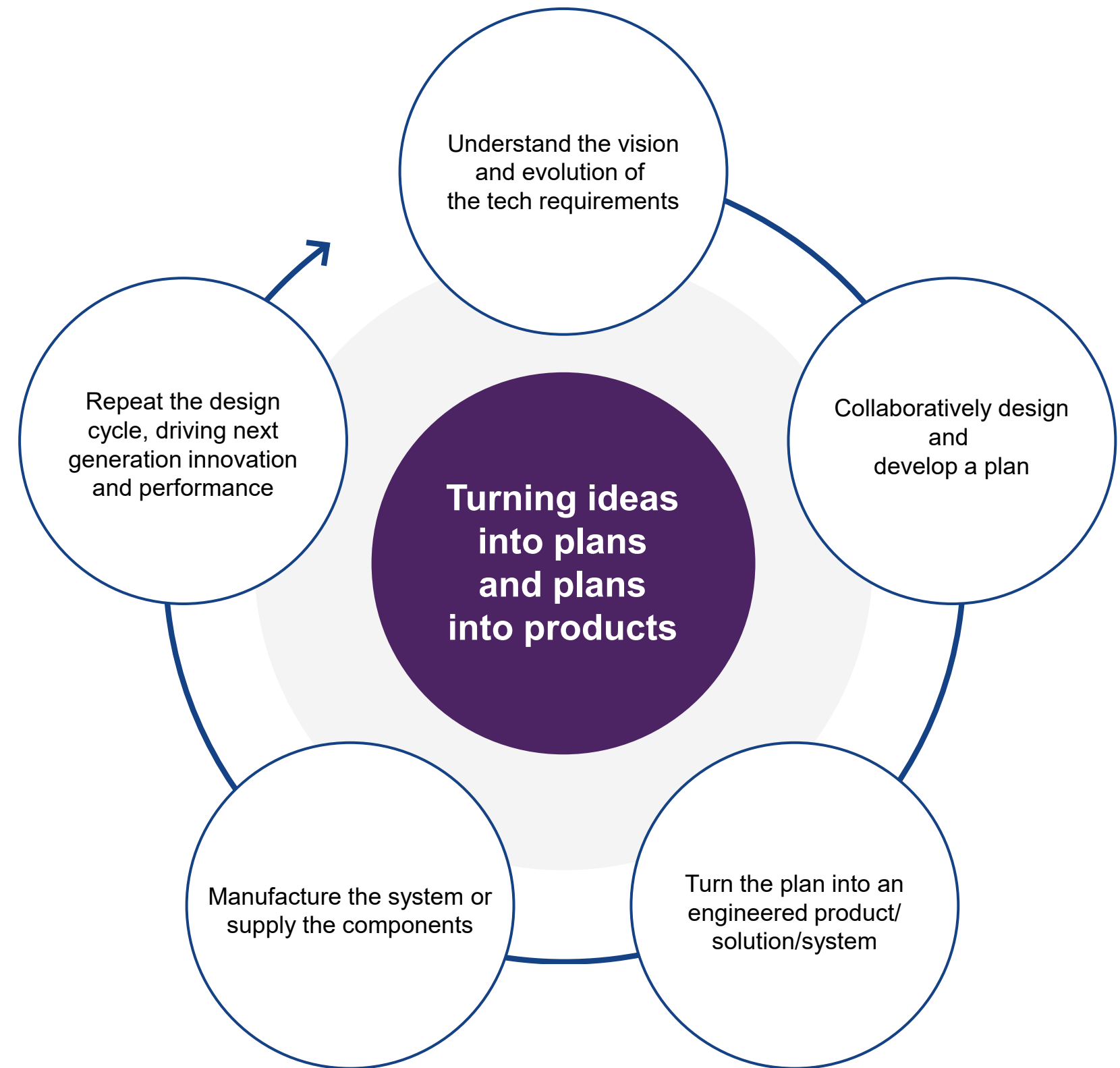
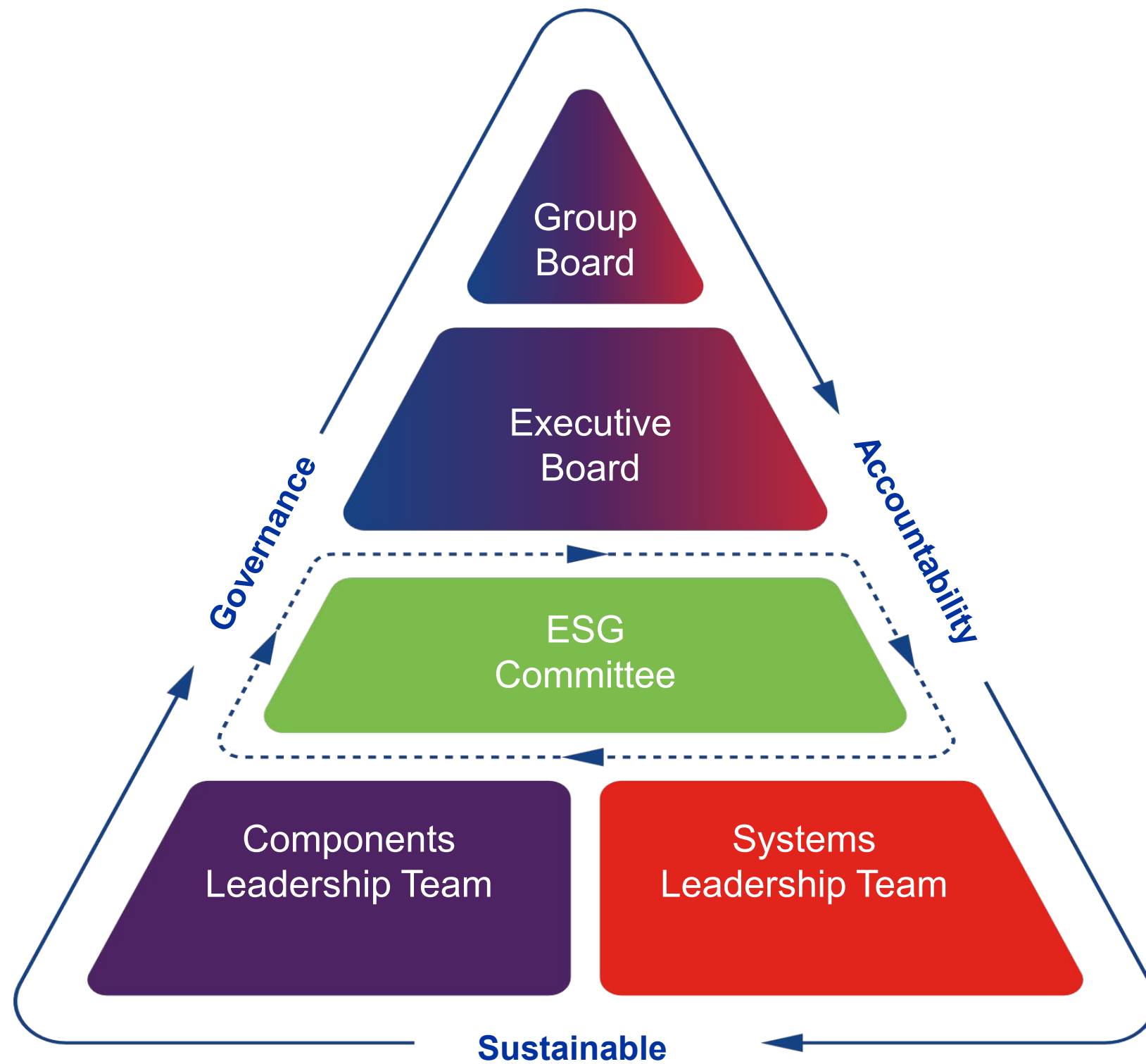
Net assets bridge



Strategy Review



A profitable & resilient business model



Cross section of our customers

BAE SYSTEMS

LOCKHEED MARTIN 

 **Collins Aerospace**
An RTX Business


Ministry
of Defence



 **BOEING**

**NORTHROP
GRUMMAN** 

Raytheon

AIRBUS

Honeywell



ULTRA MARITIME

 **LEONARDO**

QinetiQ

MBDA

 **ROHDE & SCHWARZ**

GENERAL DYNAMICS



RANDOX
HEALTH

 **Malvern
Panalytical**
a spectris company


Mallinckrodt

PHILIPS
Healthcare

SIEMENS
Healthineers 
visionrt

 **Sonardyne**
SOUND IN DEPTH

 **GE Energy**


Weatherford

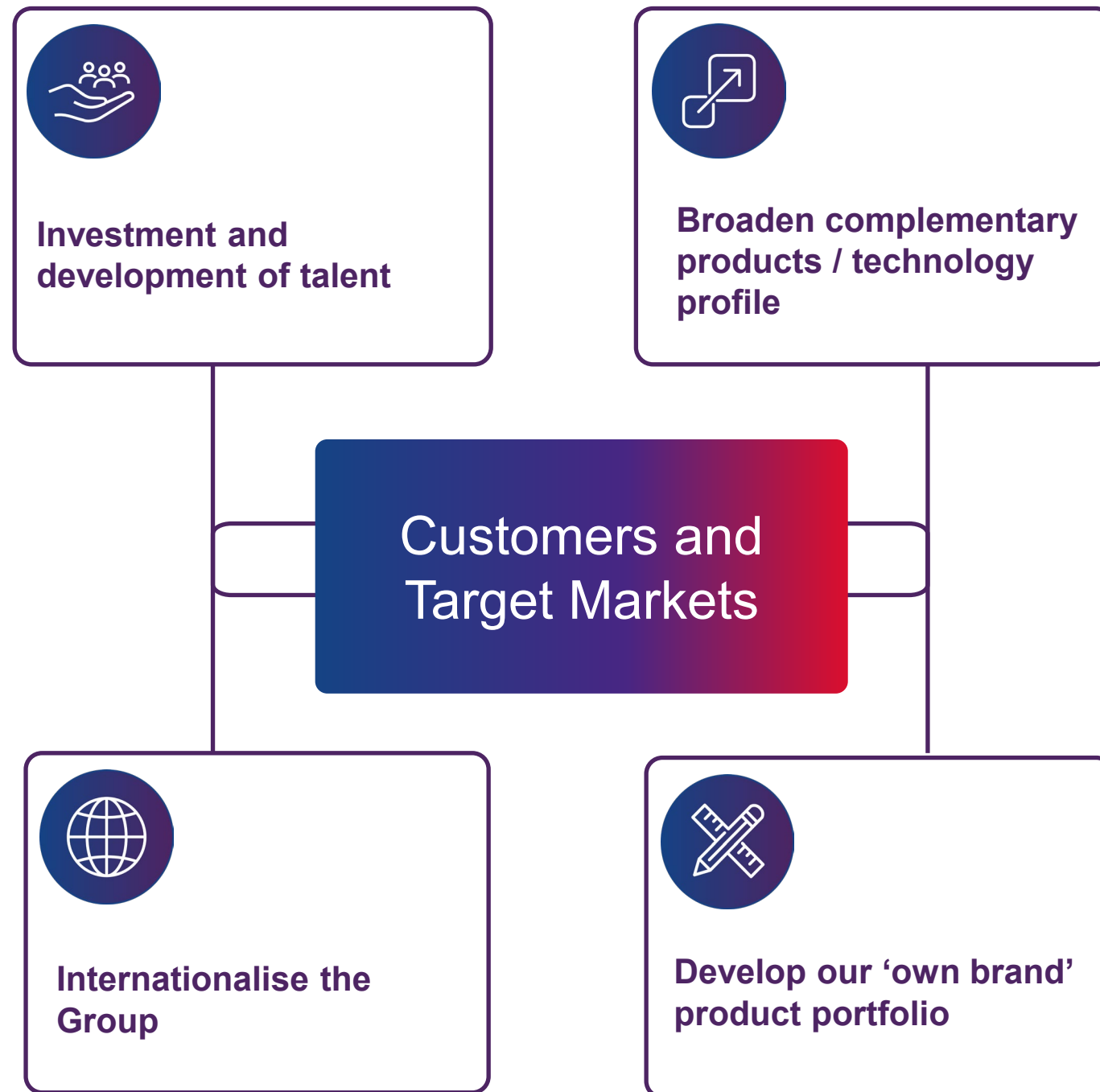
3M


octopus energy

 **ocado**

RENISHAW 
apply innovation™




Strategic achievements






Investment & development of talent

-  New Executive Board is working well and is driving progress in developing and delivering the strategy;
-  Appointment of Stephen Brown as US Chief Sales officer.
-  Introduction of an online Learning Management System called Eloomi,




Broaden complementary products & capability/ technology profile

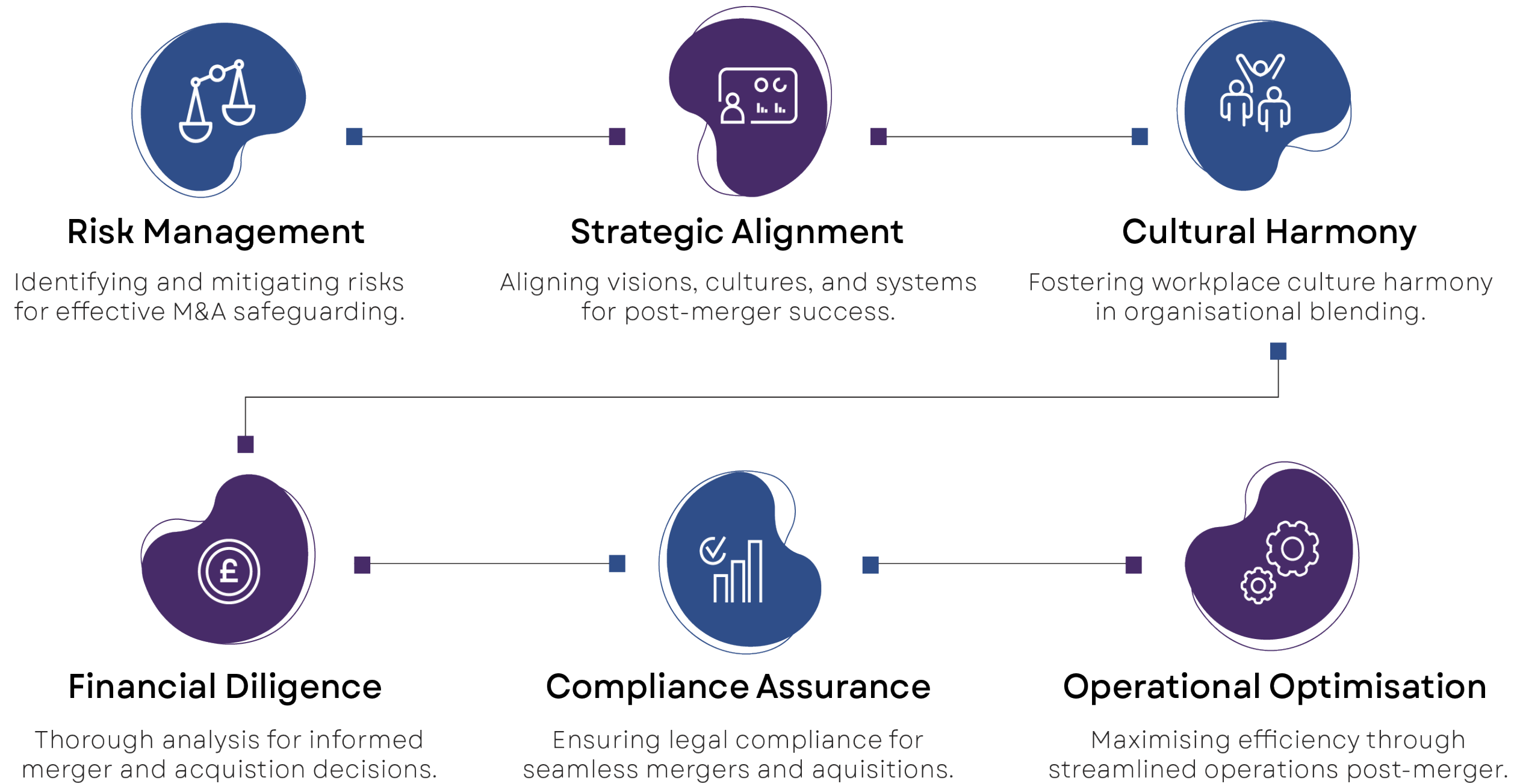
-  Capital investment in excess of £2.0m in our Systems Division and the new Integrated Systems site at Ashchurch, Tewkesbury.
-  BAE Silver supplier award and Tech Distributor of the Year for Robustel.
-  New franchise wins including Smiths Connectivity (UK), Ezurio (UK) and Deep X (UK)

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 naval sonar buoy sectors.
-  Increased billings for Internet of Things ("IoT") applications.

Develop our "own brand" product portfolio

-  Acquisition of Gateway Electronic Components Ltd
-  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



Components Division

Solsta



Solving problems by linking up the industry



Own Brand & Franchised components

Own Brand Components



DURAKOOL®



Franchised Components (top supplier examples)

avalue
Technology Inc.

DIGI

excelitas®

KYOCERA

VPT

DEEPX

QUECTEL®

SILICON LABS

WinMATE

Gateway Electronics Components Ltd



Core Offerings:

- Ferrite and Magnetic Specialist Components
- IoT connectivity solutions
- Passive and emech components

Value-Added Services:

- Custom ferrite machining
- Production assembly
- Supply chain management



Target Industries:

- Electronics manufacturing
- Industrial automation
- Communications
- Automotive (to some extent)



Positioning: Gateway provides a **broader range of electronic components** along with supply chain optimisation and value-added services to streamline production.

Systems Division

Steatite



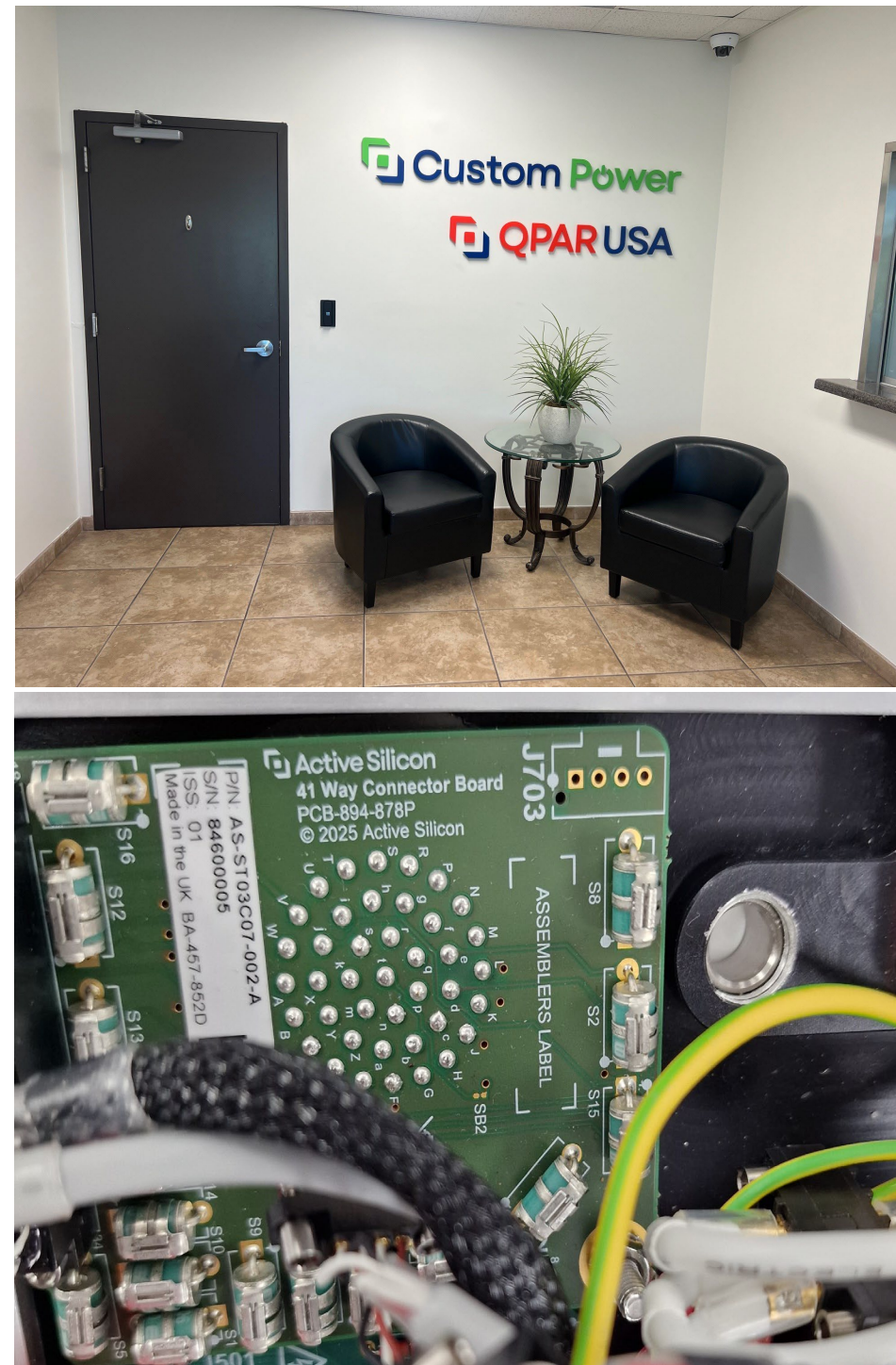
Steatite antennas & Q-Par USA acquisition

Q-Par Antennas USA

Fully anechoic RF testing chamber – large dish testing capability



Engineered parabolic dishes











Cross site collaboration



A large parabolic dish being installed into the RF chamber

Improving prospects for our enlarged Power business

Rebranded globally under Custom Power brand

-  Revenue comparable year on year
 -  US impacted by destocking, industrial headwinds and exiting low margin business
 -  UK business seen growth mitigating US shortfalls
-  Re-organised & invested in new management led Globally by Dave Crossman
-  Strengthening orderbook - wins for Drones & Sonar buoys
-  Strengthening pipeline opportunities
 -  “non military drones and transport”
 -  Exciting R&D opportunity with existing defence customer

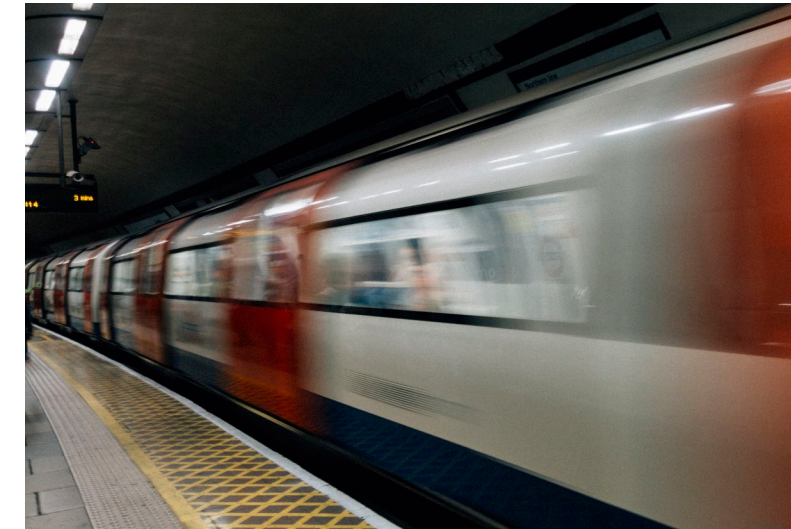


 Custom Power

Steatite Integrated Systems - Ashchurch

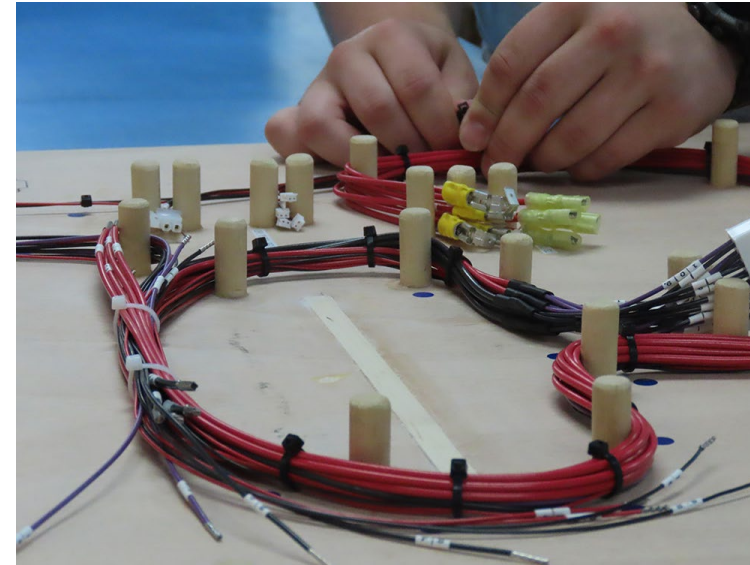
Why Ashchurch?

-  Large production facility with substantial office space
-  Strong local Defence & Security business presence
-  Good location and access Jct 9 M5
-  Rich talent pool – production and engineering skills



Steatite integrated systems

Military certified computing engineered for harsh environments

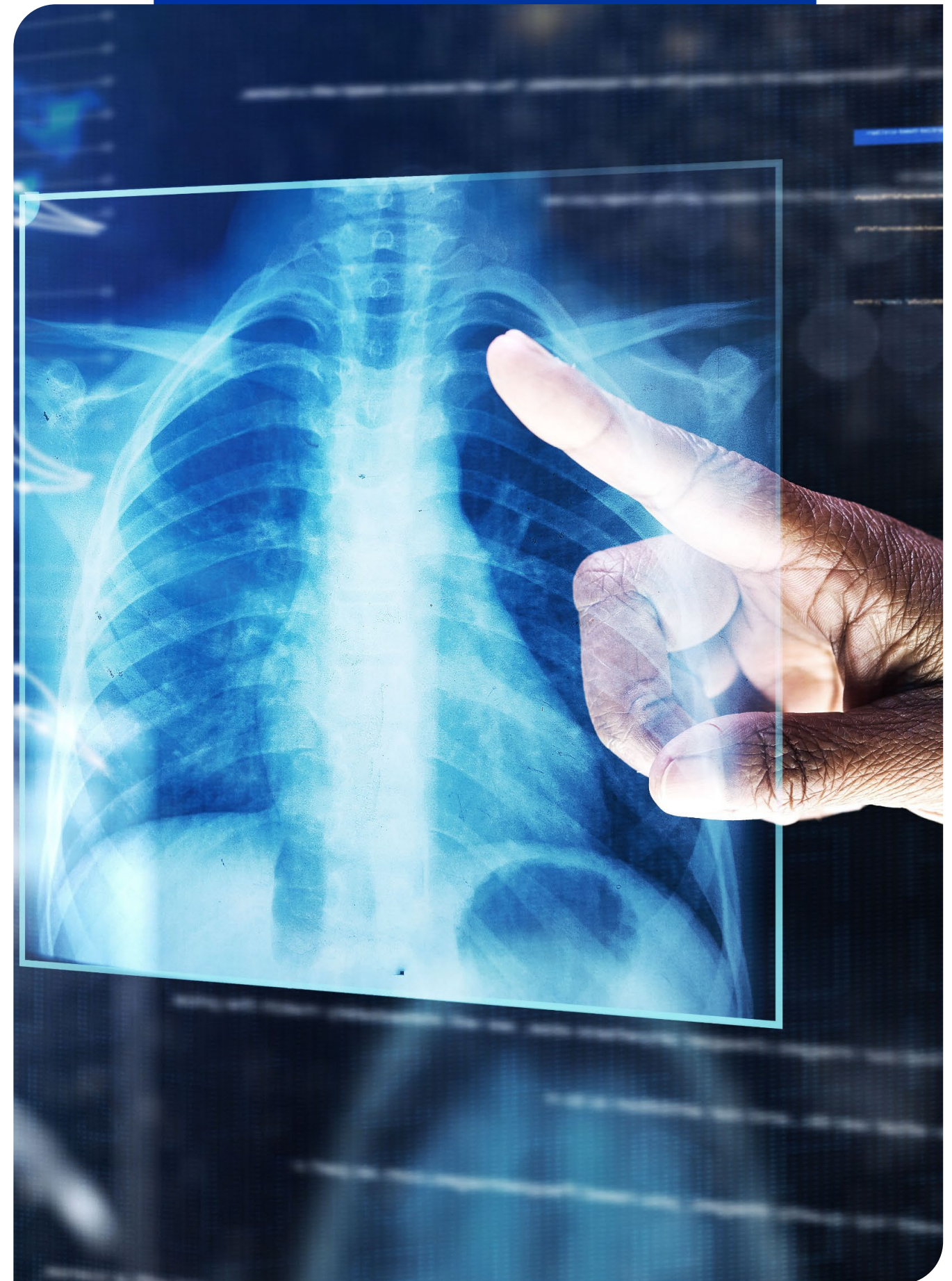


Systems we specialise in

- ☐ Multifunction Operator Consoles
- ☐ Integrated 19" Rack Cabinets
- ☐ Rugged Portable Systems
- ☐ Hardware Refresh for Legacy Equipment



Prospects & Outlook








Prospects & outlook

Strategic priorities

-  Drive improvements in Quality of Earnings (Q.o.E)
-  Enhancing operational & technical capabilities
-  Diversifying supply chains – Taiwan / China + 1

Organic growth opportunities

-  Secure opportunities arising from SDR
 -  Integrated systems production facility – operational in FY25/26
-  Leverage Q-PAR USA RF growth opportunities
 -  Investment in USA production capability
-  Roll out accreditations such as (ISO13485 medical accreditation) across relevant facilities

Acquisition growth opportunities

-  Continue to target complementary bolt on acquisitions



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Questions & appendices

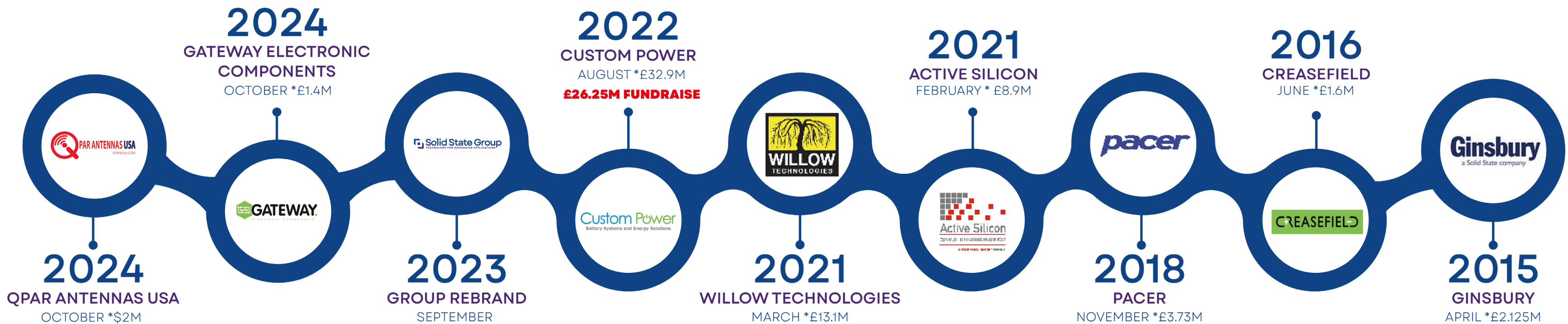
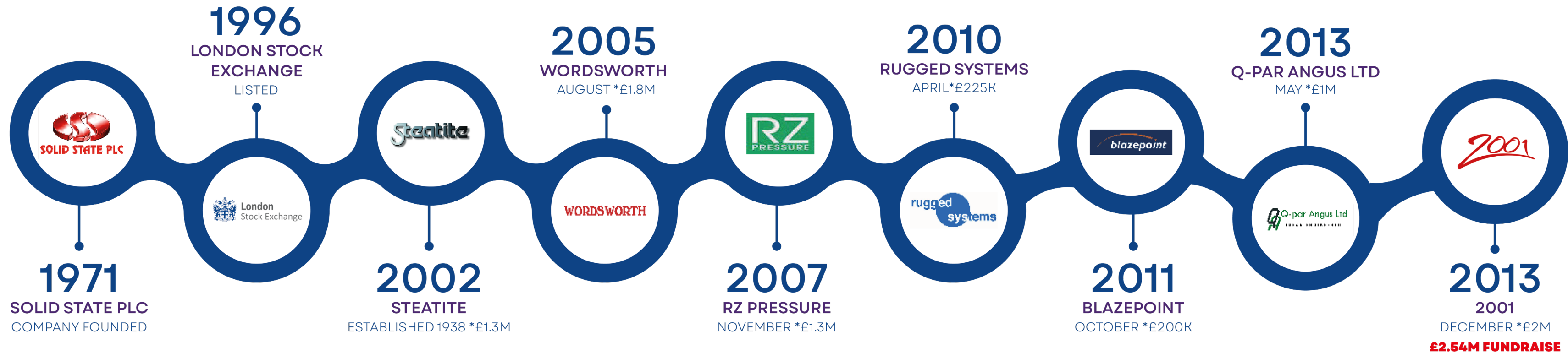


Key shareholders

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



Senior leadership team



Gary Marsh

Chief Executive Officer



Peter James

Chief Financial Officer



Matthew Richards

Managing Director
Systems Division



John Macmichael

Managing Director
Components Division



Sharon Dhillon

Senior M&A and
Investor Relations Analyst



Lyenka Haffner

Group HR Director



Jon Baxer

Executive Director Sales &
Operations EMEA



Lyn Davidson

Group Financial Controller &
Company Secretary

Trusted technology for demanding applications

Own brand – systems technology in a box



**Universal Command & Control Terminal
Steatite CRiB**

**Mountable Mobile Communications Unit
(MMCU)**



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



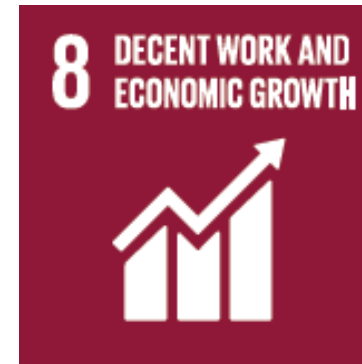
Health & Safety

- 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

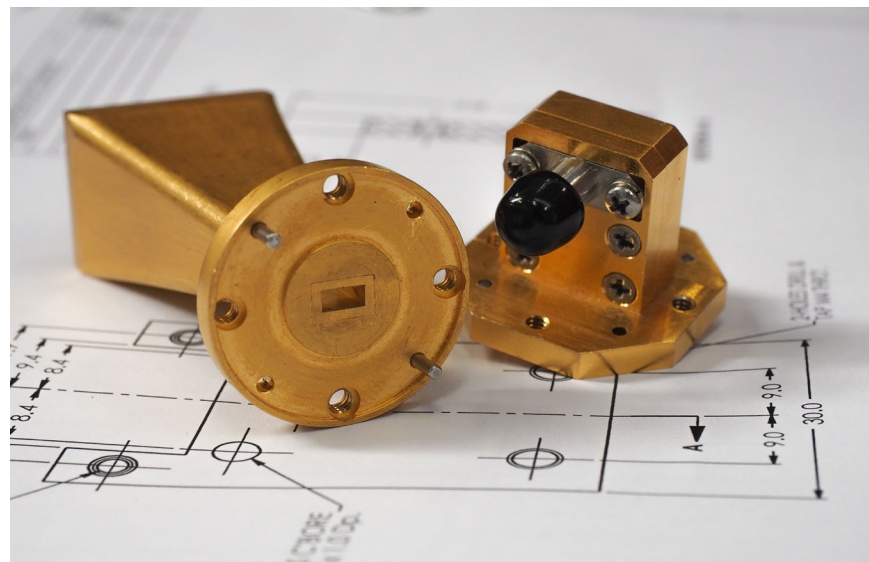


Climate change

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

Systems

What we do

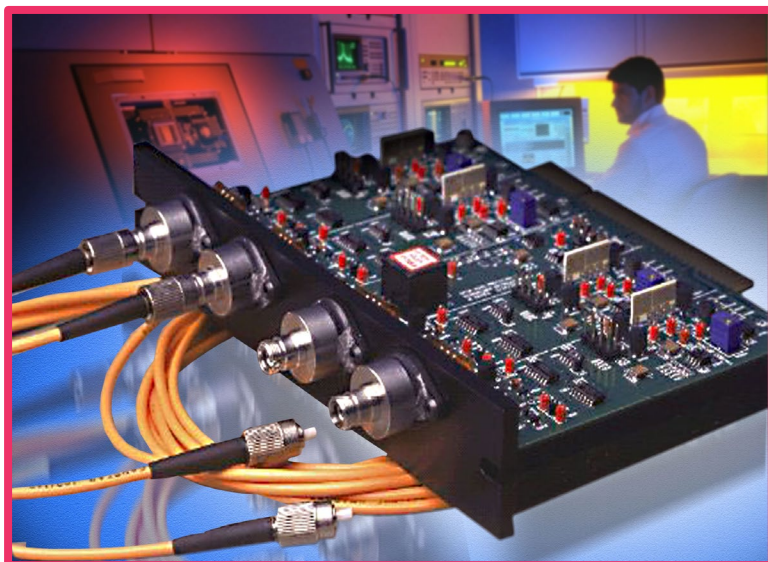
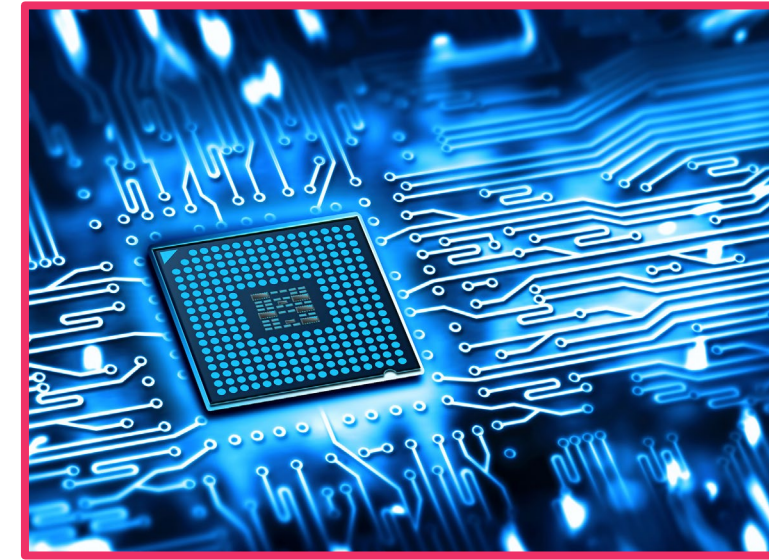
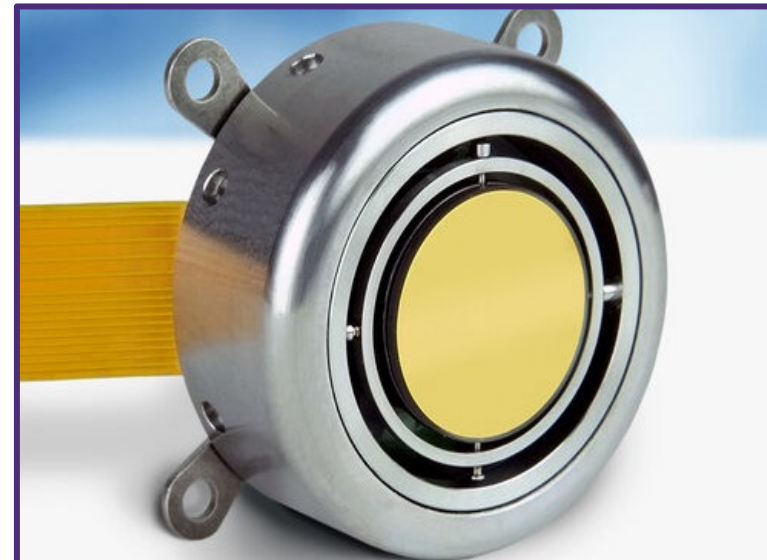


Systems applications

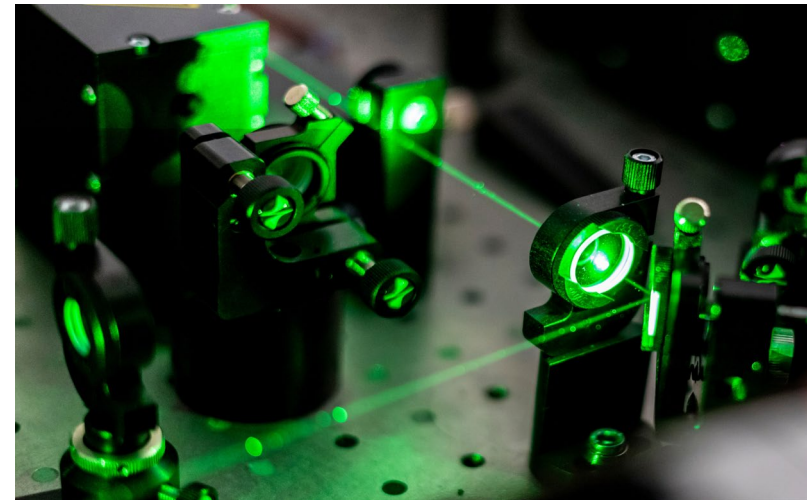
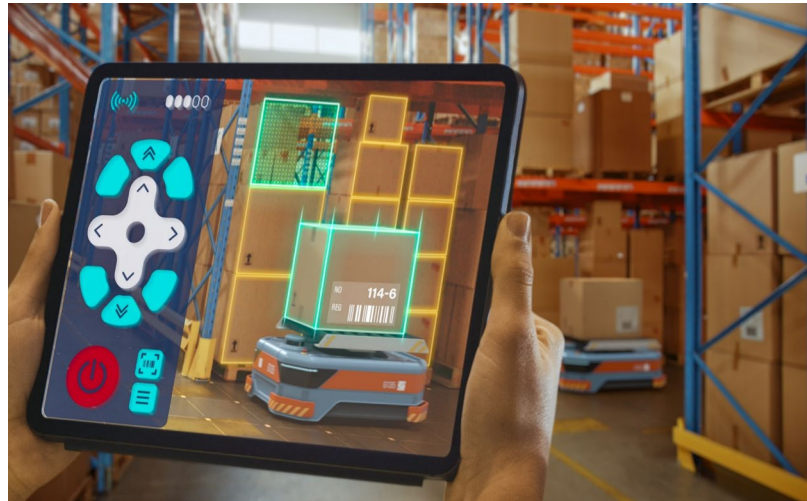


Components

What we do



Component applications

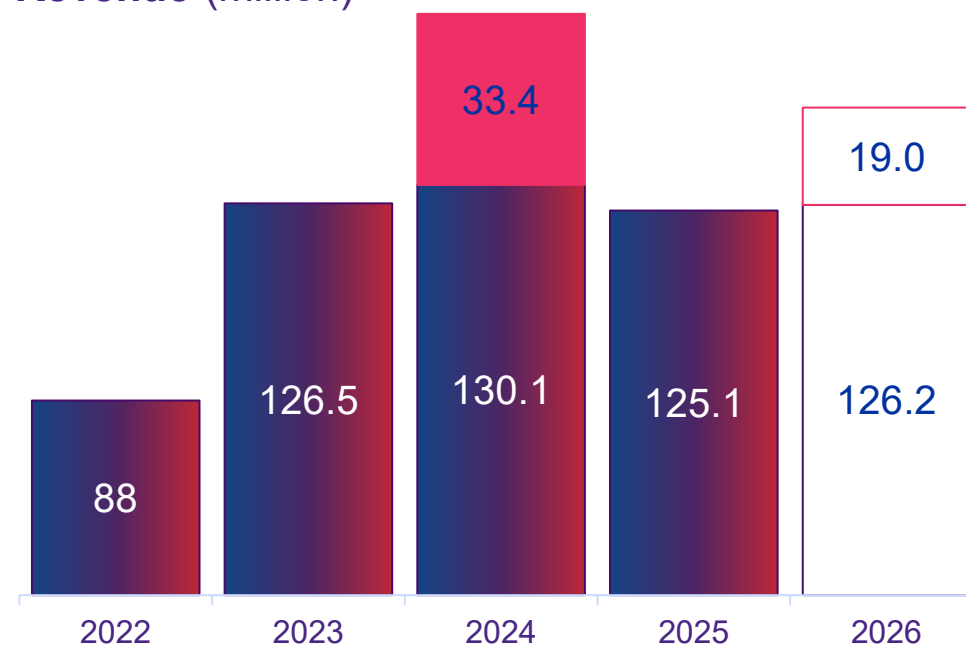


Key drivers for FY25 & opportunities for FY26 and beyond*



Challenging comparative period

Revenue (million)



2026 – Consensus

- FY23/24 and FY25/26 comparatives benefit from Comms revenues
 - FY23/24 included £33.4m of comms revenue
 - FY25/26 expected to included £19.0m of comms revenue
- Geopolitical and macro factors impacting
 - FY21/22 22/23 impacted by COVID / electronic component shortages
 - FY23/24 24/25 impacted by destocking and industrial slowdown
 - UK and US political changes including tariffs delayed spending

Solid State response

- Core business has remained very stable and resilient despite the market uncertainty
- Secured the \$25m Comms order for delivery in FY25/26
- Secured good orders within our US power business in sonar buoys and drones
- Components order intake continues to recover despite the shortening order schedules

Nato contract confirmed for FY25/26



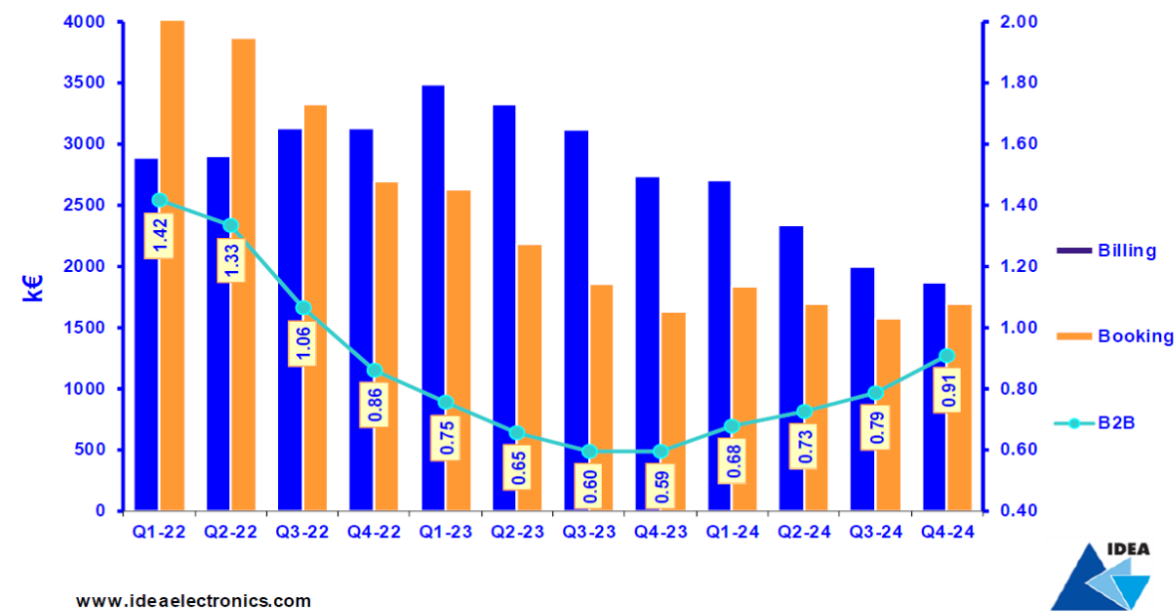
*See appendix for detailed explanation

Key drivers for FY25 & opportunities for FY26 and beyond*



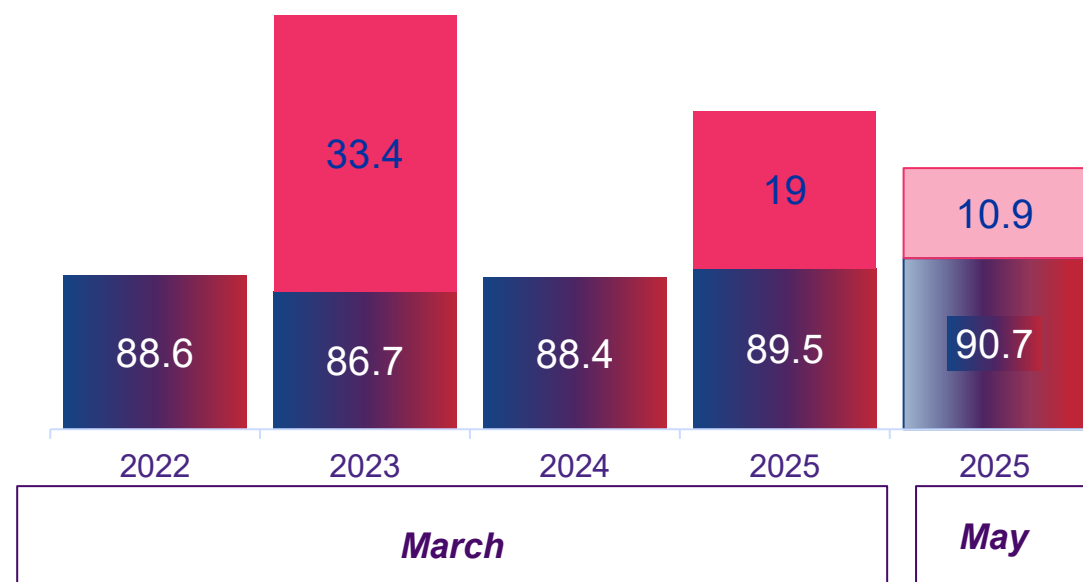
Industrial slowdown & destocking headwinds

4TH QTR, 2024 TOTAL COMPONENTS Booking, Billing & Book : Bill ratio *Graphic T1*
Total distribution electronic components booking, billing and Book:bill ratio for Germany, France, Italy, UK, Sweden, Norway, Denmark, Finland, Switzerland and Austria



Open orderbook is continuing to strengthen

Orderbook (million)



• Electronics Sector

- Headwinds appear to be coming to an end
- Industry Book to bill data recovering but still below 1:1
- Lead times normalised at 12-16 weeks
- Order schedules are shortening as a result

• Our underlying open orderbook is building

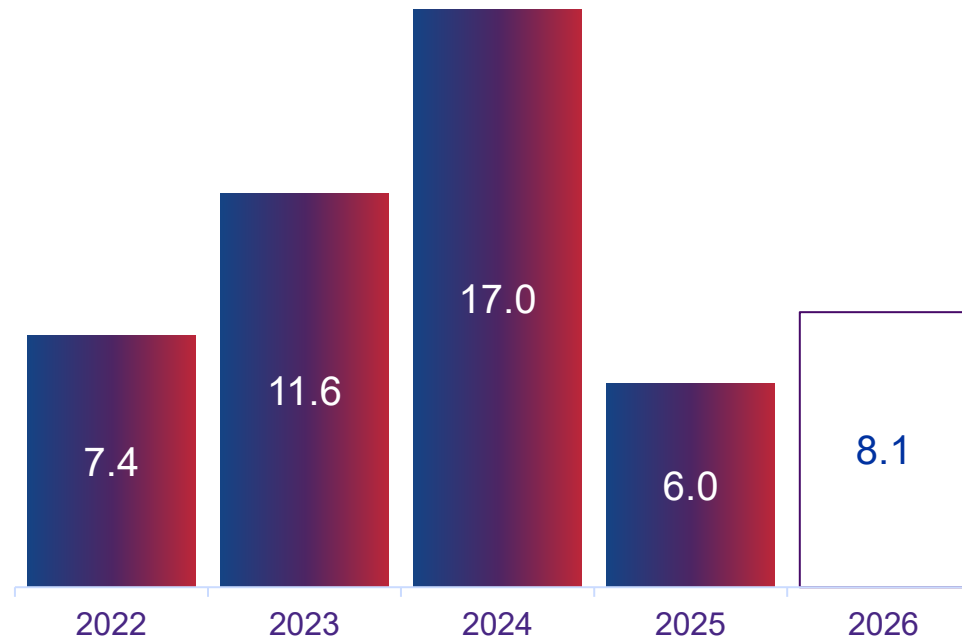
- Communications programme orders in Mar 2023 orderbook delivered in FY23/24.
- Communications programme orders in Mar 2025 orderbook delivered in FY25/26.
- Core businesses orderbook continues to build despite the shortening order schedules.

Key drivers for FY25 & opportunities for FY26 and beyond*



Focus on improving quality of earnings

Adjusted operating profit (millions)



2026 – Consensus

Investment in high value integrated systems



- Enhancement of Quality of Earnings (Q.o.E)
 - Operating margins depressed due to operational gearing impact
 - Shareholder feedback at the half year was we need to focus on Q.o.E to mitigate the impact of the project revenues and grow the sustainable core business revenues.
- Investment in high value engineering capabilities
 - We have committed to investing in our Ashchurch facility which enable us to secure high value added revenues and recurring long term through life programme revenues
 - Investment in enhancing our Power and Antenna capabilities both in the UK and in due course in the USA
 - Seen margins in the components business recover post the closure of the energy intensive USA production line.