

# science group

19 March 2025

**Science Group plc**  
("Group" or "Science Group")

## **Refinancing of Bank Facilities and Ricardo Strategic Investment**

The Science Group Term Loan ("2016 Loan") and Revolving Credit Facility ("2021 RCF") were scheduled to expire in September 2026 and December 2026 respectively. In order to support the Group's strategy, the Board initiated negotiations with potential bank debt providers in September 2024 and agreed term sheets with Lloyds Bank in November 2024. These renewed, increased and extended facilities have now been finalised.

### **Term Loans**

There are two new Term Loans for a combined value of £12 million, each for 10 years expiring in March 2035. Each loan is secured solely and individually against the Group's freehold properties: one loan to the property in Harston, near Cambridge, and, a second, independent loan to the property in Epsom, Surrey. No other security is provided by the Group operating businesses and there are no operating covenants on these loans.

The interest margin of 2.6% is the same as the 2016 Loan. Interest rate swaps will fully hedge the two loans resulting in a 10-year fixed effective interest rate of approximately 7.3%, comprising the SONIA lending margin plus the swap rate.

In connection with repaying the 2016 Loan early, the Group will realise a one-off benefit, with corresponding cash inflow, associated with the interest rate hedging on that loan of approximately £0.6 million.

### **Revolving Credit Facility ("RCF")**

The new, increased RCF is for £30 million, for a period of 5 years expiring in March 2030. The RCF also has a £10 million accordion. If drawn, the RCF has two operating covenants: (1) Net Leverage which should not exceed 3.0x EBITDA; and, (2) Interest Cover which should not be less than 4.0x EBITDA, with certain adjustments permitted to both covenants. The margin on the RCF has been significantly reduced to 1.95%, compared with 3.3% on the 2021 RCF. The RCF is currently undrawn.

### **Strategic Investment in Ricardo plc**

On 28 February 2025, Science Group announced that it had acquired a shareholding in Ricardo plc, a British science and technology consultancy and engineering business. Through stock market purchases, Science Group is now the second largest shareholder in Ricardo with a shareholding of 10.04 million shares, equivalent to 16.13%.

This strategic investment has been acquired at an average cost (including brokerage fees) of 231 pence per share, with the majority of the Ricardo investment acquired around 15 year low share price levels. The Ricardo closing share price on 18 March 2025 was 254 pence per share, validating the timely and effective allocation of capital. Science Group may or may not increase its shareholding.

At Friday 14 March 2025, adjusting for the cost of the Ricardo share purchases (including brokerage fees), on a pro forma basis, Science Group retained gross cash of approximately £25.8 million and net funds of

approximately £14.1 million. Accordingly, the Group's existing cash balances and strong operating cash flow, enhanced by the new, increased, long term debt facilities, provide significant capital resources to enable the Board to pursue the Science Group strategy with confidence and without impacting the Group's share buy-back programme.

This announcement contains inside information for the purposes of article 7 of the Market Abuse Regulation (EU) 596/2014 as amended by regulation 11 of the Market Abuse (Amendment) (EU Exit) Regulations 2019/310. With the publication of this announcement, this information is now considered to be in the public domain

- Ends -

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