

20 June 2024

Filtronic plc
("Filtronic")

YEAR END TRADING UPDATE AND NOTICE OF RESULTS

Revenue and profit ahead of market expectations

Filtronic plc (AIM: FTC), the designer and manufacturer of products for the aerospace, defence, telecoms infrastructure and low earth orbit ("LEO") space markets, is pleased to provide the following trading update for the financial year ended 31 May 2024 ("FY2024").

Revenue and earnings before interest, taxation, depreciation and amortisation ("adjusted EBITDA") has been delivered ahead of market expectations as trading momentum continues to build, in what has been a transformational year for the business, after entering into a Strategic Partnership with SpaceX as we previously announced on 24 April 2024.

Financial highlights

Trading has been strong in H2 of the financial year and the Board, subject to audit, expects to deliver FY2024 revenue of approximately £25.4m (FY2023: £16.3m) and adjusted EBITDA of no less than £4.8m (FY2023: £1.3m). Cash at bank on 31 May 2024 was £7.2m (30 November 2023: £4.1m). Net cash (net of all lease obligations except right of use property leases) at 31 May 2024 was £5.2m (30 November 2023: £2.4m).

Operational highlights

The business operations scaled significantly in H2 due to strong product demand within the core markets we serve. A key driver of this was the emerging market of low earth orbit ("LEO") space and in particular, sales to our lead customer, SpaceX, the market leader in this sector. We have reacted quickly in both our engineering and operational execution. Rapid product development of our innovative E-band Cerus 32 solid state power amplifier ("SSPA") enabled us to meet the technical performance requirements for deployment in the ground stations of the Starlink constellation. As SpaceX launch more satellites to expand their constellation, this necessitates an expansion of their ground stations to ensure high speeds and low-latency within the network. Production ramp has now reached the ongoing demand needs, and our operation is consistently delivering at these levels. We are investing in manufacturing capabilities to facilitate further growth potential and give us greater flexibility as our opportunity pipeline converts.

Recent success in aerospace and defence with contract wins from BAE, QinetiQ and DSTL, augmented by demand from our long-established customer give confidence for revenue growth in the outlook in this market. We continue to invest in business development and will seek to expand the team with a particular emphasis on expanding opportunities in this market. With western governments investing more in their defence capabilities from growing global threats, and the need for a UK sovereign defence supply chain remaining critical, we are well placed to win more business with large defence primes who are actively seeking to engage with the SME market.

Results for the financial year ended 31 May 2024 will be announced on 30 July 2024.

Nat Edington, Chief Executive Officer, said: "The space market continues to present significant growth potential for Filtronic. The recent Strategic Partnership we entered with SpaceX is exciting for all of our stakeholders. It gives a platform to develop the business and puts us in a stronger position to capitalise on the plentiful opportunities in the core markets we serve. We enter the new financial year with a very strong order book, a growing list of customers, including key strategic targets that we have secured in the year, and an opportunity pipeline that continues to grow and mature."

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