

FOR IMMEDIATE RELEASE

17 OCTOBER 2024

**CHEMRING GROUP PLC**  
**FY24 TRADING UPDATE**

Chemring Group PLC ("Chemring" or "the Group") today issues a scheduled trading update for the period to 30 September 2024.

**Current trading and outlook**

Trading in the period has progressed as planned, with continued strong order intake a notable highlight. The outturn for the year ending 31 October 2024 is in line with the current range of analyst expectations\*, despite current foreign exchange headwinds, and is fully covered by orders.

The Group has received a number of significant orders during the period. As at 30 September 2024, order intake for the year to date was £638m (30 September 2023: £604m) and the order book was £1,108m (30 September 2023: £869m). Order cover for expected FY25 revenue is building well, with Countermeasures & Energetics having 95% (2023: 87%) order cover of expected revenue and the shorter cycle Sensors & Information sector having 47% (2023: 54%) cover. In Countermeasures & Energetics order cover for expected FY26 and FY27 revenues are currently 75% and 45% respectively, again demonstrating the long-term nature of demand.

**Countermeasures & Energetics**

*Energetics*

In Energetics we continue to see increased levels of activity and demand in the propellants and energetic materials markets as customers re-evaluate their operational usage and stockpile requirements associated with traditional defence capabilities.

Our Norwegian business, Chemring Nobel, continues to work with a number of its customers on establishing long-term supply agreements and is expected to end the financial year with another record order book, providing significant visibility over the medium term.

In March 2024 we announced that Chemring Nobel had been awarded grant funding of c.£90m in support of its capacity expansion projects. Chemring is pleased to confirm that detailed work packages have been approved by the European Commission, and to date it has received £19.5m. Further amounts are expected to be received annually on completion of work packages.

On 10 October 2024 the Norwegian Government announced that, in partnership with Chemring Nobel, it had launched a feasibility study into the establishment of a new production facility to further increase the production of military explosives, as they view Chemring Nobel as the producer in Europe and North America that can establish increased production the fastest. This co-funded feasibility study, which is expected to be concluded by the end of 2024, will investigate the geographic location, infrastructure requirements and environmental considerations of building a new production facility. The study will also consider the role and the levels of any financial contribution made by the Norwegian Government.

In the US, our Chicago business has received multiple orders in the period including an order from the United Launch Alliance to develop initiators and an order from Boeing in relation to the Harpoon missile program, with the combined value of these two orders totalling over 20m.

Our three niche Energetics businesses, which design and manufacture high precision engineered devices and specialist materials, continue to see strong customer demand with order intake up 32% to £319m (30 September 2023: £242m). This strong performance demonstrates the value that our customers place on Chemring's niche products and reinforces our decision to invest in expanding capacity at our energetic sites.

*Countermeasures*

In Countermeasures we have continued to see robust customer demand as we have maintained our position as a world leader in the design, development and manufacture of advanced expendable countermeasures. In the year to date the Group's countermeasures businesses received orders totalling £172m (30 September 2023: £159m).

In the period since 30 April 2024 our UK Countermeasures business ("CCM UK") has seen strong order intake with notable awards including a £36m order for Typhoon countermeasures, a £16m order from the UK MOD, and a £8m order from MBDA USA for a new naval infra-red decoy. This was the first US production order that CCM UK has received in over 10 years and will contribute to the business having a record order book at year end.

## Contract awards - Sensors & Information

### Roke

In the Sensors & Information sector our technology business, Roke, has continued to make good progress with further contract wins in the area of Electronic Warfare ("EW"). Orders totalling £10.5m were received from Lithuania, Latvia and the UAE for the supply of Roke's Resolve 3 man-portable EW system.

Roke's expertise in the field of EW was further demonstrated in September 2024 when Roke was announced as one of four UK organisations to have been selected for research funding in the first AUKUS Innovation Challenge. The trilateral AUKUS Pillar 2 EW Challenge called for proposals to identify electromagnetic spectrum technology solutions to help give the AUKUS nations a strategic edge in targeting and to provide protection against adversarial electromagnetic-targeting capabilities.

### US Sensors

In the US, deliveries of systems under the Joint Biological Tactical Detection System ("JBTDs") Low Rate Initial Production contract awarded in September 2023 have all been completed, and we continue to make good progress on the Enhanced Maritime Biological Detector ("EMBD") Program of Record. On JBTDs we continue to support the customer as they progress through testing and acceptance, with the expectation of a Full Rate Production contract being awarded in FY2026.

## Full year results date

The results for the year ending 31 October 2024 will be released on 17 December 2024.

### Michael Ord, Chemring Group Chief Executive, commented:

"The business has continued to perform as expected, and with FY24 revenue fully covered by the order book, we remain on track to deliver FY24 performance in line with the current range of analyst expectations despite current foreign exchange headwinds.

The growth in order intake demonstrates both our customer's needs to rebuild their defence deterrent for the long term and their confidence in Chemring to develop and supply highly effective solutions. These awards strengthen our order cover over the near to medium term, and position the Group well to meet our ambition to increase annual revenue to c. £1bn by 2030."

-ENDS-

\* The Group believes analyst forecasts for adjusted operating profit for the year ended 31 October 2024 are in the range of £70.8m to £73.6m.

### For further information:

Rupert Pittman	Group Director of Corporate Affairs, Chemring Group PLC	01794 463401
James McFarlane	MHP Group	07584 142665
Ollie Hoare		07817 458804

## Cautionary statement

This announcement contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could, is confident, or other words of similar meaning. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Chemring's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements. There are a number of factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are: increased competition, the loss of or damage to one or more key customer relationships, changes to customer ordering patterns, delays in obtaining customer approvals for engineering or price level changes, the failure of one or more key suppliers, the outcome of business or industry restructuring, the outcome of any litigation, changes in economic conditions, currency fluctuations, changes in interest and tax rates, changes in raw material or energy market prices, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key management, or the key timing and success of future acquisition opportunities or major investment projects. Chemring undertakes no obligation to revise or update any forward-looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.

## Notes to editors

- Chemring is a FTSE-250 listed global business that specialises in the manufacture of high technology products and the provision of services to the aerospace, defence and security markets
- Employing approximately 2,600 people worldwide, and with production facilities in four countries, Chemring meets the needs of customers in more than fifty countries

- Chemring is organised under two strategic product segments: Sensors & Information and Countermeasures & Energetics
- Chemring has a diverse portfolio of products that deliver high reliability solutions to protect people, platforms, missions and information against constantly changing threats
- Operating in niche markets and with strong investment in research and development ("R&D"), Chemring has the agility to rapidly react to urgent customer needs

[www.chemring.com](http://www.chemring.com)

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