

One Waterside Drive
Arlington Business Park
Reading
Berks
RG7 4SW



29 May 2025

COHORT PLC
("Cohort" or "the Group")

Full Year Trading Update

Strong growth, in line with expectations
Record closing order book

Cohort, the independent technology Group, today provides a trading update for its financial year ended 30 April 2025.

Summary

- Trading performance for the year ended 30 April 2025 showed strong growth in revenue and profit compared to the year ended 30 April 2024, in line with market expectations.
- Positive closing net funds exceeded £5m, significantly ahead of expectations. The Group has maintained a strong balance sheet and liquidity following the £75m acquisition of EMSolutions and associated £41m fund raising.
- Strong order intake of c.£285m (excluding the c.£80m order book acquired with EMSolutions) once again exceeded revenue. The comparable 2024 figure of £387m included an exceptionally large Royal Navy order of £135m. Excluding this large naval order, the increase was 12%.
- The closing order book of c.£615m represented a new record for the Group (30 April 2024: £518.7m).
- The order book underpins c.£230m of current market revenue expectations for the new financial year (30 April 2024: £180m) or c.80% cover of current market expectations.
- The Group agreed the sale of its small Transport division (reported within Sensors and Effectors) immediately after the year end for a consideration of just over £8m. The disposal is expected to complete 30 June 2025, and to have no material impact on earnings estimates for 2025/26.

FY25 year-end update

Cohort achieved strong growth in revenue and profit in its 2024/25 financial year, in line with market expectations. The result was driven by excellent organic growth in the Communications and Intelligence division, supplemented by an initial three-month contribution from EMSolutions, with the performance of the Sensors and Effectors division broadly flat compared with last year. The Group net margin was 10.2% (2024: 10.4%).

Communications and Intelligence saw excellent growth in revenue and trading profit with a net margin of around 17% compared with 15.5% last year. Sensors and Effectors delivered a broadly flat trading profit performance despite higher revenue. The net margin of this division was just under 9% compared with over 10% last year. The fall in net margin was due to weaker margin mix at SEA and delays and one-off project costs at Chess.

Cohort maintained a strong balance sheet and liquidity, ending the year with net funds of over £5m, a result of good working capital management in both divisions. This followed completion of the AUD 144.0 million (£75m) acquisition of EMSolutions - Cohort's largest to date - which was funded by a combination of a £41 million placing, own cash and debt facility.

Order intake was c.12% higher than last year, excluding the impact of the large Royal Navy contract signed in March 2024. Total order intake (excluding the c.£80m order book acquired with EMSolutions) was around 1.1x annual revenue (2024:

Following several significant contract awards during the year and the addition of EM Solutions, the closing order book exceeded six hundred million pounds, with on-order revenue extending out to the mid-2030's.

The disposal of the Group's small non-core Transport division, part of SEA, is a positive step in further focussing our business on defence and security. Following this, the Group's on-going non-defence revenue is expected to be about 3% of the total.

Outlook for FY26

Cohort continues to see good demand for our products and services from both domestic and export customers. The drivers for investment in defence remain strong, with the ongoing conflict in Eastern Europe and continuing tensions in the Indo-Pacific region leading to increased global defence spending. We still await the UK's Strategic Defence Review, but at present we expect this to maintain a focus on technologies and capabilities aligned with what the Group provides.

The recent acquisition of EM Solutions (completed on 31 January 2025) is highly complementary and is in line with our stated strategy to accelerate growth by making targeted acquisitions in the UK and overseas. Australia is an increasingly important strategic region, reflecting the increased security challenges in the Indo Pacific, and the creation of the AUKUS alliance. The integration of EM Solutions is progressing to plan, and we expect a strong contribution from the business in 2025/26.

We have an encouraging pipeline of order opportunities for the current year, providing a positive outlook for organic growth in the years ahead and supporting our mid-term aim to improve net margins to a low to mid-teen %. Overall, our expectation for the coming financial year remains unchanged.

Notice of FY25 results

It is the Group's intention to issue its preliminary announcement for the year ended 30 April 2025 on 16 July 2025.

Andrew Thomis, Chief Executive of Cohort, said:

"Cohort achieved strong growth in revenue and profits in 2024/25, in line with market expectations. Following another year of strong order intake and the recent acquisition of EM Solutions, we have a record closing order book and encouraging prospects for further orders.

"We are excited about the integration of EM Solutions and the additional opportunities for growth it represents. It was a significant step for Cohort, broadening our strong naval systems service offering, bringing in new customers and enhancing the global footprint of the combined business.

"Our strong balance sheet and liquidity provides a robust platform from which to continue to invest in the business while considering selective acquisitions. We expect to continue our strong organic growth in 2025/26 and beyond."

Market expectations

The consensus market expectations for the year ended 30 April 2025 were £27.6m of trading profit on £245m of revenue, delivering adjusted earnings per share of 46.1 pence.

ENDS

For further information please contact:

Cohort plc
 Andrew Thomis, Chief Executive
 Simon Walther, Finance Director
 Kellie Young, Group Head of Marketing & Corporate Communications

0118 909 0390

NOTES TO EDITORS

Cohort plc (www.cohortplc.com) is the parent company of seven innovative, agile and responsive businesses based in the UK, Australia, Germany and Portugal, providing a wide range of services and products for domestic and export customers in defence and related markets.

Cohort (AIM: CHRT) was admitted to London's Alternative Investment Market in March 2006. It has headquarters in Reading, Berkshire and employs in total over 1,600 core staff there and at its other operating company sites across the UK, Australia, Germany, and Portugal.

The group is split into two segments - Communications and Intelligence, and Sensors and Effectors:

Communications and Intelligence

- EID designs and manufactures advanced communications systems for naval and military customers. Cohort acquired a majority stake in June 2016. www.eid.pt
- EMSolutions designs, assembles, tests, and supports satellite communications on-the-move terminals for defence and government customers. It also provides high-end broadband radio transceivers and other RF Subsystems such as low noise receivers and solid-state high-power transmitters for defence and commercial customers. Acquired by Cohort in January 2025. www.emsolutions.com.au
- MASS is a specialist data technology company serving the defence and security markets, focused on electronic warfare, digital services and training support. Acquired by Cohort in August 2006. www.mass.co.uk
- MCL designs, sources and supports advanced electronic and surveillance technology for UK end users including the MOD and other government agencies. MCL has been part of the Group since July 2014. www.marlboroughcomms.com

Sensors and Effectors

- Chess Dynamics offers surveillance, tracking and fire-control systems to the defence and security markets. Chess has been part of the Group since December 2018. www.chess-dynamics.com
- ELAC SONAR supplies advanced sonar systems and underwater communications to global customers in the naval marketplace. Acquired by Cohort in December 2020. www.elac-sonar.de
- SEA delivers and supports technology-based products primarily for naval defence customers alongside specialist research and training services. Acquired by Cohort in October 2007. www.sea.co.uk

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