



CHEMRING GROUP PLC

RESULTS FOR THE SIX MONTHS TO 30 APRIL 2023

RECORD ORDER BOOK, FULL YEAR EXPECTATIONS UNCHANGED, STRONG LONG-TERM PROSPECTS



MICHAEL ORD
GROUP CHIEF EXECUTIVE

H1 2023 OVERVIEW – DELIVERING SUSTAINABLE GROWTH

- Group performance **in line with expectations**
 - Second half bias for Countermeasures & Energetics trading activity due to delayed order intake resulting from 2022 extended US Government Continuing Resolution
- **Record H1 order intake** and the order book at £750m is the **highest in over a decade**
- **Roke revenue up 44%** to £78m and **order intake up 41%** to £82m with the business well positioned to continue its growth trajectory
- **Favourable market changes** for our specialist materials and devices businesses underpin the Group's strategic decision to approve a three year £90m capital investment programme to increase revenue by £60m per annum
- Board's **expectations for 2023 are unchanged**, underpinned by H2 expected revenue being **covered 90%** by the order book (H1 2022: 85%)

**BALANCING SHORT-TERM PERFORMANCE
WITH LONGER-TERM GROWTH AND VALUE CREATION**



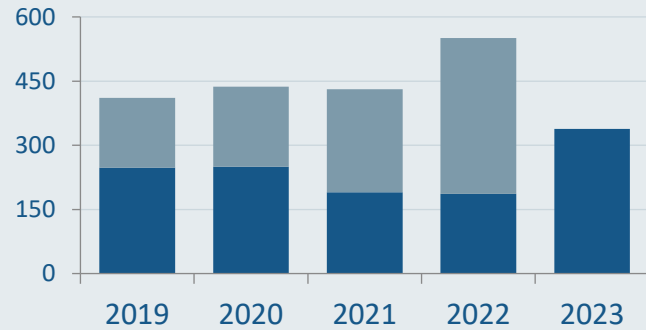


ANDREW LEWIS
GROUP FINANCE DIRECTOR

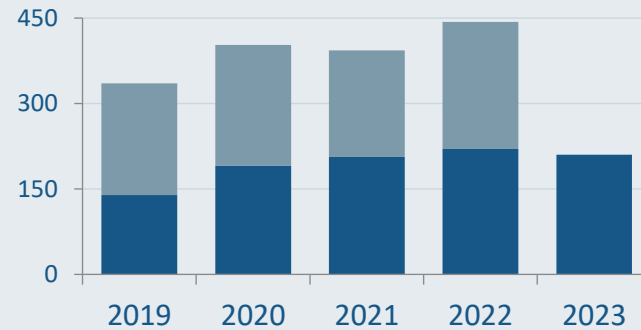
GROUP PERFORMANCE

■ H1 ■ H2

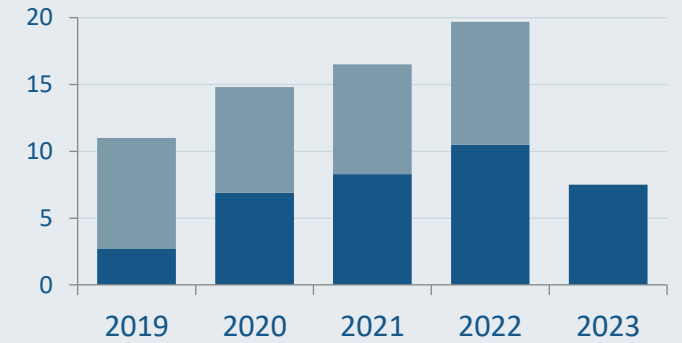
Order intake (£m)



Revenue (£m)



EPS (pence)



OPERATIONAL HIGHLIGHTS

- Record H1 order intake of £338m, up 81%
- Order intake for Countermeasures & Energetics was £238m, up 113%, driven by strong demand at our niche energetics businesses
- Order intake for Sensors & Information was £100m, up 35%, with Roke continuing to execute its growth strategy
- H1 closing order book of £750m, the highest in over a decade
- £232m of closing order book expected to be delivered in H2 2023, providing 90% coverage of expected H2 revenue (Countermeasures & Energetics 99% and Sensors & Information 72%)

FINANCIAL HIGHLIGHTS

- H2 weighting for Countermeasures & Energetics following order intake delays in 2022 due to the extended US Continuing Resolution creating a timing difference on Group revenue, profit and cash
- Operating margin of 12.5% (H1 2022: 15.2%) as a result of the operational gearing impact of the above
- Operating cash conversion of 64% of EBITDA reflecting inventory build to support H2 deliveries creating an operating cash timing difference in H1
- Rolling 24 month cash conversion of 100% of EBITDA

INCOME STATEMENT

£m			H1 2023	H1 2022	2022
Revenue		4%	212.1	220.4	442.8
Operating profit		21%	26.6	33.5	64.0
Operating margin		270bps	12.5%	15.2%	14.5%
Finance expense			(1.0)	(0.4)	(1.5)
Profit before tax			25.6	33.1	62.5
Tax rate			15.2%	8.8%	9.1%
Earnings per share (diluted)		29%	7.5p	10.5p	19.7p
Dividend per share		21%	2.3p	1.9p	5.7p

- Finance expense up to £1.0m driven by an increase in interest rates
- Tax rate increase as comparative included the recognition of a non-cash deferred tax asset in respect of potential future interest deductions in the US
- Interim dividend up 21% to 2.3p per share

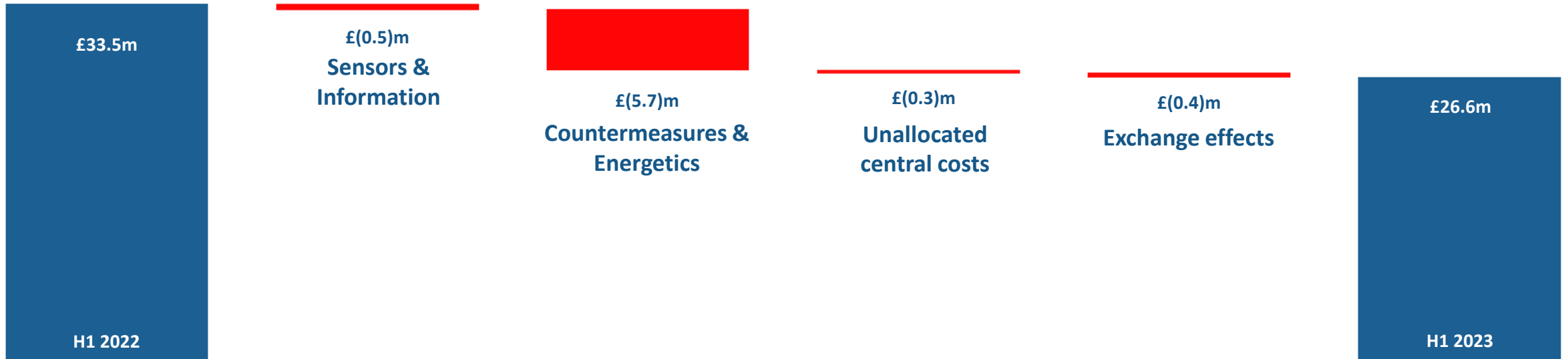
References to operating profit, profit before tax and earnings per share are to underlying measures

GROUP REVENUE BRIDGE



- Sensors & Information up 9% with a strong period for Roke offset by the reduction in revenue at our US Sensors business as a result of the HMDS program going in to sustainment
- Countermeasures & Energetics orders and production cycle led to a higher weighting of deliveries expected in H2

GROUP OPERATING PROFIT BRIDGE



- Sensors & Information operating profit flat with continued opex investment at Roke ahead of the revenue curve
- Countermeasures & Energetics margin impacted by expected H2 revenue weighting as a result of operational gearing

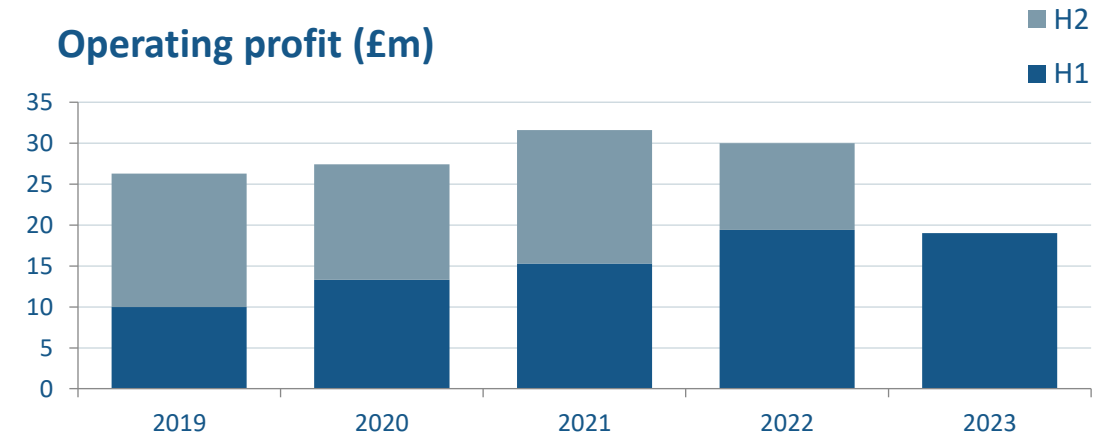
SENSORS & INFORMATION

			H1 2023 £m	H1 2022 £m	2022 £m
Revenue	↑	9%	97.9	90.2	162.3
EBITDA	↑	1%	20.8	20.7	33.0
Operating profit	↓	2%	19.0	19.4	30.0
Operating margin	↓	210 bps	19.4%	21.5%	18.5%
Order book	↑	50%	152.7	101.5	153.7

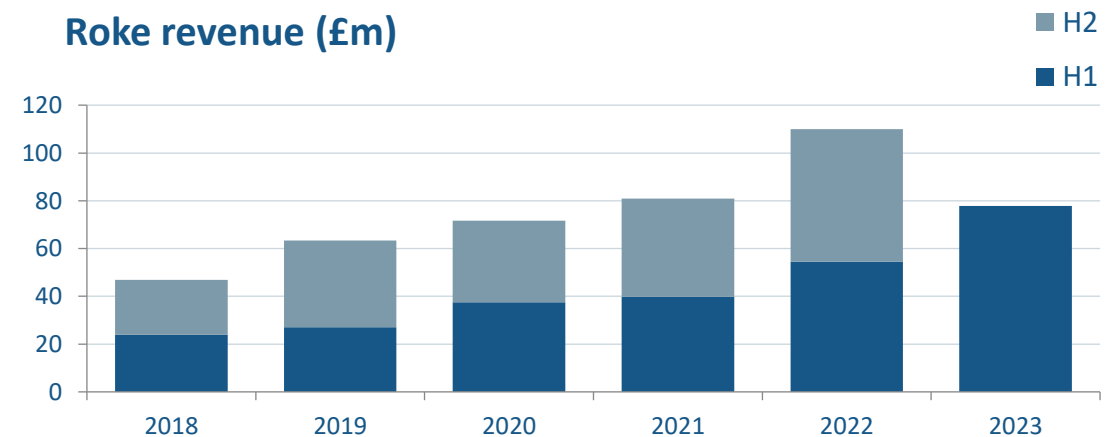
- Roke's market continues to be buoyant, with record order intake, exceptional revenue growth and strong margins maintained
- Continued investment in Roke Academy and Roke USA to support continued growth
- Decrease in US Sensors revenue following the HMDS program transitioning to sustainment during the second half of 2022
- EMBD PoR progressing as planned with production completed for the first delivery order and the third \$15m order received under the \$99m IDIQ
- Decision expected on JBTDS LRIP award in H2 2023

References to EBITDA, operating profit and operating margin are to underlying measures

Operating profit (£m)



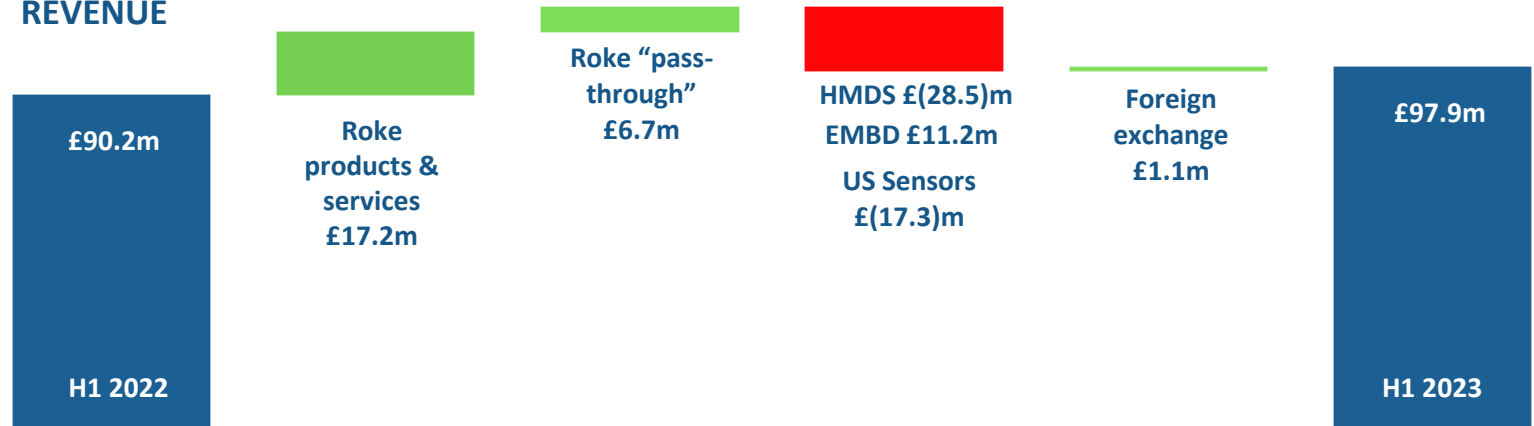
Roke revenue (£m)



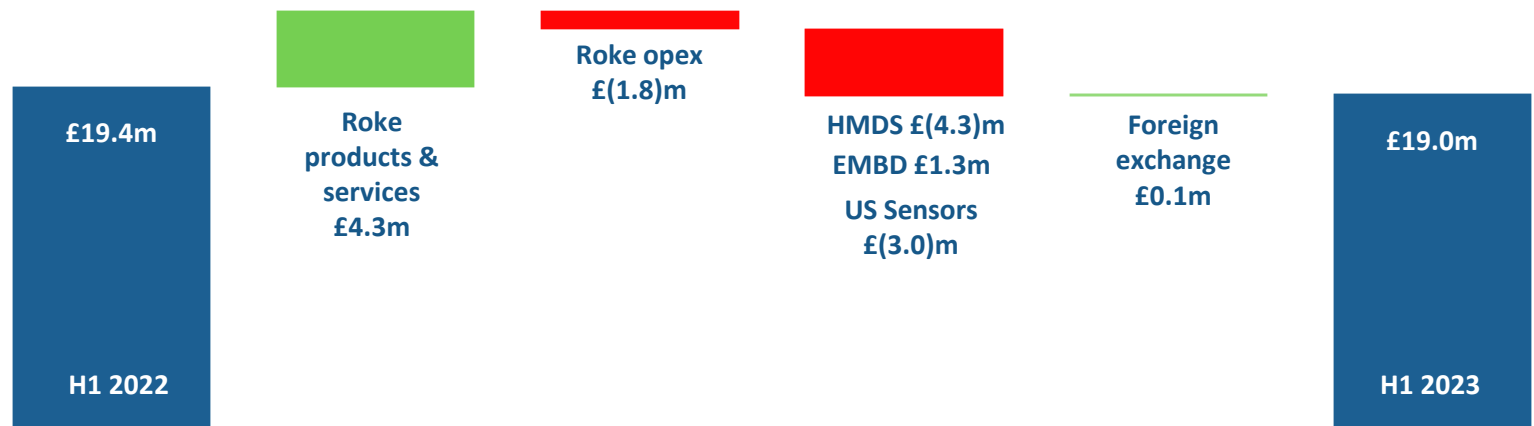
SENSORS & INFORMATION BRIDGES

- Roke's products and services revenue grew 39%
- Roke revenue for H1 2023 included £6.7m of incremental "pass-through" revenue which dilutes the margin in S&I
- Total H1 "pass-through" revenue was £17m. Adjusting for this, the S&I margin would have been 23.4% (H1 2022: 24.1%, 2022: 20.5%)
- Roke opex investment in people ahead of the revenue curve
- As expected HMDS contribution fell following the DoD's H2 2022 decision to move into sustainment
- EMBD deliveries progressed as planned

REVENUE



OPERATING PROFIT



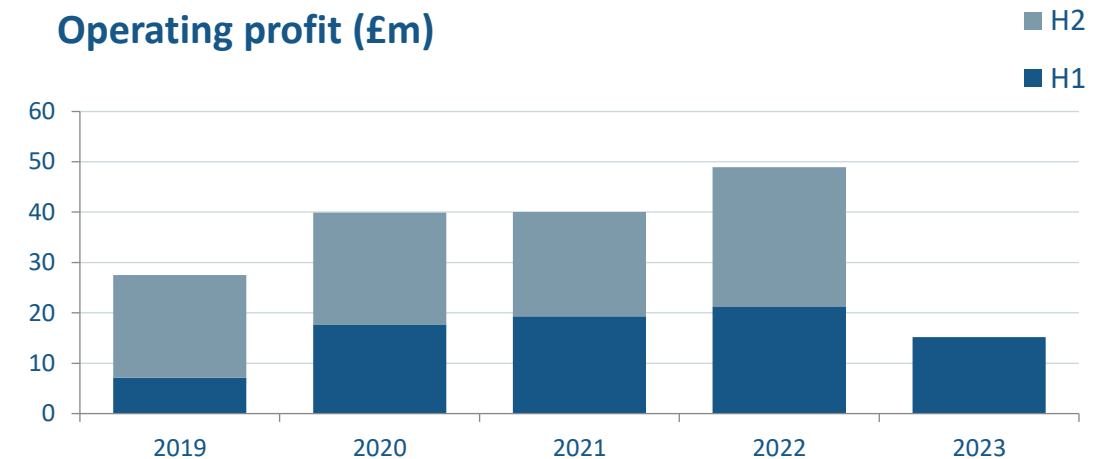
COUNTERMEASURES & ENERGETICS

			H1 2023 £m	H1 2022 £m	2022 £m
Revenue	↓ 12%		114.2	130.2	280.5
EBITDA	↓ 24%		22.3	29.3	64.2
Operating profit	↓ 29%		15.2	21.3	48.9
Operating margin	↓ 310 bps		13.3%	16.4%	17.4%
Order book	↑ 54%		596.8	386.6	497.2

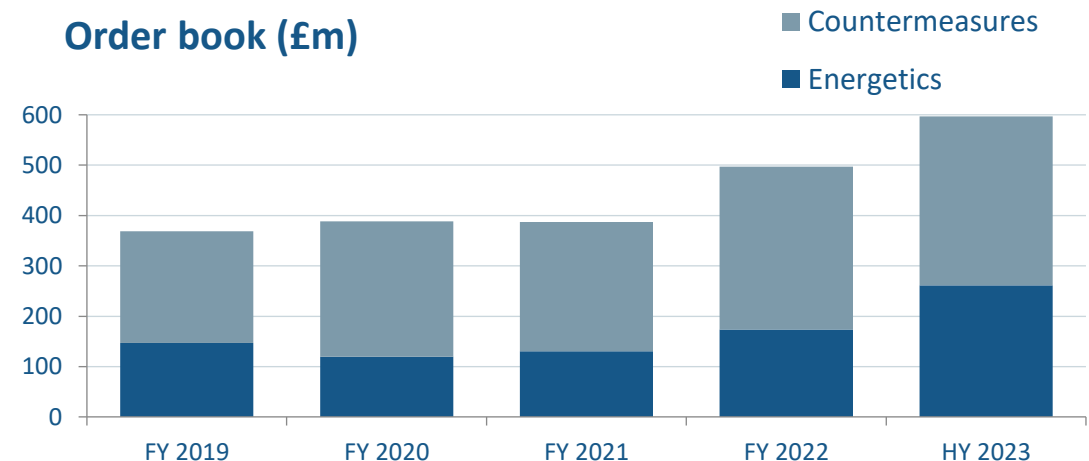
- Second half bias for Countermeasures & Energetics trading activity due to order intake delays in 2022 following the extended US Continuing Resolution
- Favourable market conditions for our niche energetics businesses underpin the Group's strategic decision to approve a three year £90m capex investment programme to increase capacity by £60m of additional revenue per annum
- The commissioning and characterisation of the new Tennessee facility continued through the period with the potential margin benefit still expected in 2024
- Closing order book of £597m with expected H2 revenue for Countermeasures & Energetics 99% covered by order book at 30 April 2023

References to EBITDA, operating profit and operating margin are to underlying measures

Operating profit (£m)



Order book (£m)



COUNTERMEASURES & ENERGETICS BRIDGES

- Energetics revenue grew by 19% driven by strong operational execution
- US countermeasures impacted by order delays in 2022
- Continuation of the H2 2022 trend of increased energy prices and wage inflation

REVENUE



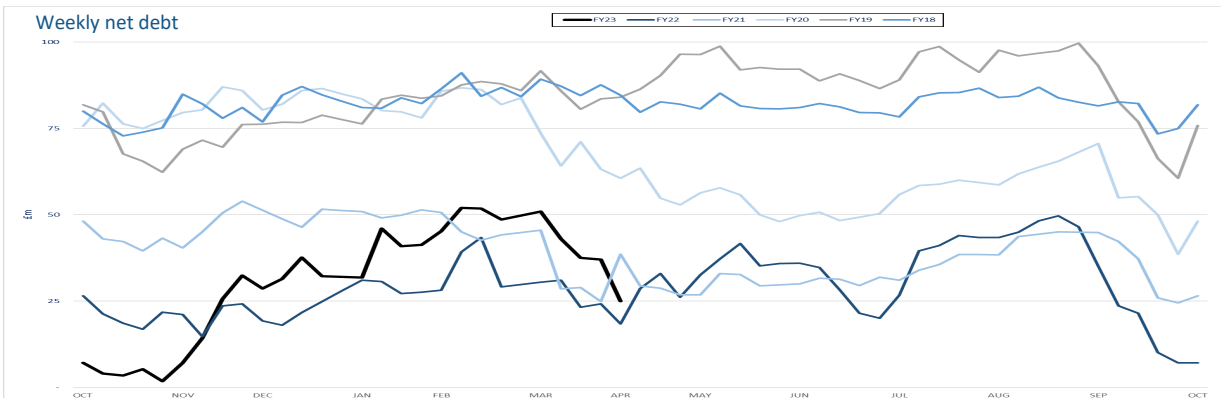
OPERATING PROFIT



CASH FLOW

£m	H1 2023	H1 2022	2022
Cash generated from underlying operations	22.9	43.3	90.1
Cash impact of non-underlying operations	(1.0)	(0.2)	(1.1)
Cash flows from operating activities	21.9	43.1	89.0
Tax paid	(4.9)	(4.7)	(8.5)
Acquisition of subsidiaries, proceeds on disposal of PPE	(7.2)	6.0	6.0
Capital expenditure	(12.2)	(17.6)	(34.5)
Free cash flow	(2.4)	26.8	52.0
Finance expense	(1.1)	(0.4)	(1.3)
Own shares purchased, FX translation and other movements	(3.5)	(9.2)	(16.9)
Dividends paid	(10.8)	(9.1)	(14.4)
Movement in net debt	(17.8)	8.1	19.4
Opening net debt	(7.2)	(26.6)	(26.6)
Closing net debt	(25.0)	(18.5)	(7.2)

- Operating cash conversion of 64% of EBITDA reflecting inventory build to support H2 deliveries creating an operating cash timing difference in H1
- Rolling 24 month cash conversion of 100% of EBITDA
- 2023 capex guide remains c£40m with a focus on major programmes at Scottish and Norwegian facilities
- Net debt increased from £18.5m to £25.0m and net debt: EBITDA increased from 0.2x to 0.3x



IMPROVING FUTURE VISIBILITY THROUGH A GROWING ORDER BOOK

H1 2023 ORDER BOOK UP 54% TO £750m - £232m EXPECTED TO BE DELIVERED AS REVENUE IN H2, GIVING 90% COVERAGE

SENSORS & INFORMATION



- Order intake of £100m (H1 2022: £74m), up 35%
- Roke order intake was up 41% to £82m (up 15% to £62m excluding pass-through)
- Period end order book of £153m (H1 2022: £102m)
- 2023 deliveries in order book of £67m, covering 72% of expected H2 2023 revenue (H1 2022: 59%)
- Expected 2024 revenue 30% covered by period end order book

COUNTERMEASURES & ENERGETICS



- Order intake of £238m (H1 2022: £112m), up 113%
- Niche energetics order intake was up 192% to £149m
- Period end order book of £597m (H1 2022: £386m)
- 2023 deliveries in order book of £165m, covering 99% of expected H2 2023 revenue (H1 2022: 98%)
- Expected 2024 revenue 78% covered and expected 2025 revenue 60% covered by period end order book

STRONG LONG-TERM CUSTOMER RELATIONSHIPS, SOLE-SOURCE OR MARKET LEADING POSITIONS, UNDERPINNED BY PRODUCT I.P., HAS ENABLED US TO CAPTURE SIGNIFICANT CUSTOMER DEMAND AS MARKET DYNAMICS CHANGE

Examples include:

- Continued strong order intake from Roke's National Security and Defence customers
- Order for our Scottish facility of £43m for the delivery of critical components used on the Next Generation Light Anti-Tank Weapon system
- Our Norwegian facility has received significant multi-year orders from prime contractors such as General Dynamics, Northrop Grumman & Nammo
- Our Chicago business has seen significant orders in the Space (ULA, SpaceX and Blue Origin) and Missiles (Lockheed Martin JASSM) area as customer demand increases



MICHAEL ORD
GROUP CHIEF EXECUTIVE

MARKET ENVIRONMENT

- Russia's illegal invasion of Ukraine and increased Asia-Pacific threats have caused UK, US and European allies to increase defence spending commitments
 - 2024 US Presidential Defense Budget request of \$842bn is the largest ever
 - Upward trend in budgets across NATO to replenish and enhance stockpiles, increase capability portfolios, and expand industrial capacity
- Consistent themes across Five-Eyes, AUKUS, and NATO customers
 - Increased Stockpiles and Industrial Capacity
 - Technology enabled solutions: Active Cyber Defence, Operational Mission Support, Electronic Warfare, Space Launch, Missile Systems, and Biological Security



- ✓ Significant increase in demand for specialist energetic materials from our Norwegian business with global demand outstripping industrial capacity
- ✓ Growing demand for missile propellants from our Scottish business
- ✓ Growing demand for US space launch and missile devices from our Chicago business
- ✓ Continued growing demand across all Roke services and products



GROWING DEMAND FOR SPECIALIST ENERGETIC MATERIALS

- **Demand** for specialist energetic materials (HMX and insensitive munitions) manufactured by our Norwegian business has **exceeded supply** in recent years
 - Since 2022 this demand has **increased very significantly**
- Governments are seeking to both **replenish and enhance stockpiles** of missiles and munitions, and **increase the resilience and capacity** of industrial supply chains

Key points:

- Our Norwegian business is a **key strategic supplier** supporting many major missile programmes in NATO including GMLRS, JASSM, Hellfire & NLAW
- Customers are seeking **long-term strategic supply agreements**
- Facility is operating at full capacity with any additional capacity being readily absorbed by existing customer programmes



Strong strategic position provides opportunity to capitalise on long-term market demand

GROWING DEMAND FOR SPECIALIST PROPELLANT MATERIALS

- **Significant growth in demand for extruded double-base propellant materials**, particularly across missile programmes
- **Growing demand** from government and industry customers who are increasingly looking for longer-term partnering agreements
 - Fifteen year long-term partnering agreement with Martin Baker for aircraft escape systems a key example

Key points:

- Our Scottish business is the **single source supplier** for multiple land, air and naval systems, including propellant materials and pyro-mechanical devices
- **Critical supplier** on key programmes including HVM STARstreak, NLAW, submarine torpedoes and aircraft escape systems



Unique competitive position, with scope for further modernisation to secure long-term demand

GROWING DEMAND FOR US SPACE LAUNCH AND MISSILES PRODUCTS

- **Space** established as a military domain in its own right and significant growth in **Commercial Space** launch activity
- US DoD heavily investing in space capabilities, building **missile inventories**, and developing next generation **hypersonic** missile systems

Key points:

- Our Chicago business is an **established incumbent** in the US space and missile markets, supplying most Prime Contractor and Government customers
- We are capturing growing demand for current products and expanding into **new platforms and programmes**
- Investing in **new product development**
- Exploring **acquisition options** to capture further growth



Growth opportunities for companies with capabilities to access space and missile markets

INVESTING TO MEET THE DEMAND IN NICHE ENERGETICS & DEVICES

- Significant opportunity to **expand capacity across all three businesses** and capitalise on increased long-term demand
- Group's decision to initiate a three year £90m capital investment programme to **increase revenue by £60m** per annum

Norway

- Circa £35m capacity expansion plan increases capacity by 50%, delivering **incremental revenue of c£20m**, and reinforces Norwegian business' position as a NATO key strategic supplier
- Options being assessed to expand capacity by a further 50%

Scotland

- Circa £45m investment to build a new propellants facility, replacing aging plant, delivering **incremental revenue of c£30m**

Chicago

- Circa £10m capacity expansion plan delivers **incremental revenue of c£10m** across US space launch and missile programmes

Current investment programme delivers incremental revenue of £60m and operating profit of £13m per annum

GROWING DEMAND FOR ROKE PRODUCTS AND SERVICES

Roke's growth strategy is set against an increasingly unstable global and domestic security environment

- The March 2023 Integrated Review Refresh 2023 ("IRR") of Defence, Security and Foreign Policy **re-confirmed Roke's strong market position**
- The IRR focused on the UK's ability to **deter, defend** and **compete** across all domains, most notably in areas including cyber, information advantage and the digitalisation of defence, artificial intelligence, and multi-domain integration
- It also focused on **addressing vulnerabilities** and **generating strategic advantage** where Roke is well placed to support industry in applying technology to create a resilient and competitive industrial capability



With increasing budgets, the demand for Roke's market-leading technologies is expected to accelerate

INCREASING ACTIVITY ACROSS ALL ROKE BUSINESS AREAS

National Security

- The pivot towards China and Russia, and UK policy to *update statecraft for systemic competition* is increasing demand for **active cyber defence** and **operational mission support** services to government clients
- This increased demand and a constrained skills market within the UK Intelligence Community is leading clients to secure **long-term capacity and capability**
- Roke is increasingly leading on **multi-year** framework contracts



National Security

Defence

- Military customers increasingly seeking to use the electromagnetic spectrum, and data at the tactical edge, to enhance lethality, survivability and interoperability
- Growing number of customer enquiries for Roke's suite of world-leading **Electronic Warfare** and **Information Advantage** products, with significant value of RFQ's in-work and well positioned to win several multi-year orders



Defence

INCREASING ACTIVITY ACROSS ALL ROKE BUSINESS AREAS (2)

Futures

- Roke Futures are providing technology solutions to a growing client base, including UKG Home Office, Rolls Royce, Waygate Technologies, and Vodafone

Roke Intelligence As A Service (RIAAS)

- Demand for Open Source Intelligence (OSINT) services continues to grow with Roke building services centred on the recently acquired Geollect technology platform

Organic Growth Investment

- Attracting and retaining the best engineering and scientific talent, with business headcount now over 1,000 (2018: c400)
- Continued geographic expansion in the UK to 'follow the mission' with clients
- R&D and product development to maintain critical mission relevance

Inorganic Growth Opportunities

- Robust pipeline of bolt-on acquisition targets to supplement organic growth



Futures



Intelligence as a Service (IaaS)

On track to double revenue to >£250m by 2028 whilst maintaining strong margins

OUTLOOK

- Continue to build a **high quality business** for sustainable performance and investing for growth
- Robust market conditions leading to **record H1 order intake** and **strong order book**
- Approximately **90%** of 2023 expected H2 revenue **covered** by order book
- Second half trading bias due to delayed order intake resulting from 2022 extended US Government Continuing Resolution
- **Cash generation** and maintaining a **robust balance sheet** remains a primary objective to enable opportunities for **further growth**
- Board's **expectations for 2023 performance remain unchanged**
- **Chemring's long-term prospects remain strong**

**BALANCING SHORT-TERM PERFORMANCE
WITH LONGER-TERM GROWTH AND VALUE CREATION**



APPENDICES

APPENDIX 1. CHEMRING AT A GLANCE

A TECHNOLOGY COMPANY WITH AN INTERNATIONAL FOOTPRINT AND
A BREADTH OF MARKET LEADING PRODUCTS AND SERVICES



SENSORS & INFORMATION

- Focused on information and electronic warfare, chemical & biological agent and explosive hazard detection
- Operating across defence, national security and industrial domains
- Operate across whole life cycle – advice, engineering, design, research and solutions
- 500+ scientists, engineers and consultants

COUNTERMEASURES & ENERGETICS

- Focused on advanced expendable countermeasures to protect air and sea platforms from the threat of missile attack
- High reliability single use devices performing critical functions for the space, aerospace, defence and industrial markets
- Cutting edge innovations including aircraft safety systems and space applications

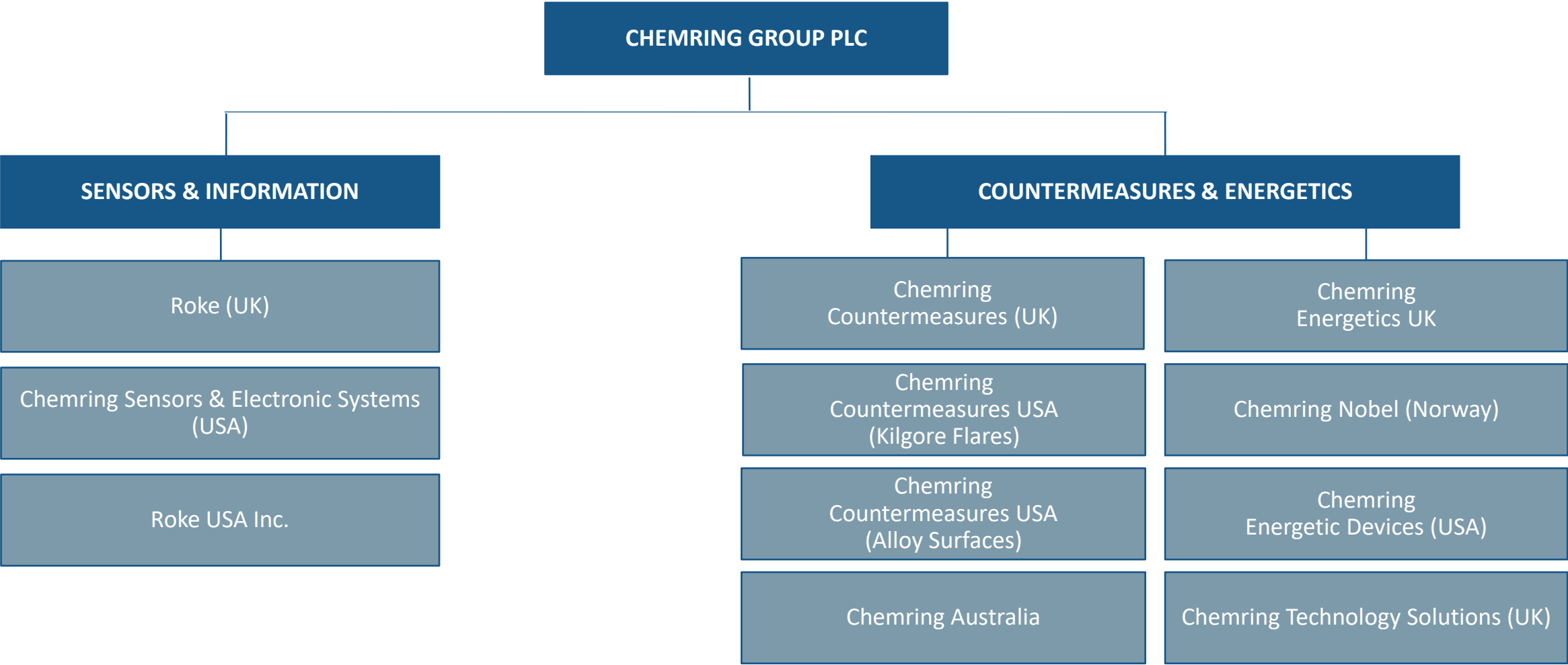
INNOVATING TO PROTECT

We place safety at the heart of everything we do

Focused on ensuring we consistently meet high standards

We create world-class solutions and develop world-class thinking

APPENDIX 2. ORGANISATIONAL CHART



APPENDIX 3. ESG - BUILDING ON THE PROGRESS MADE IN 2022

- Maintained good progress in line with our HSE Zero Harm strategy
 - Recordable injuries stable at 0.66 (H1 2022 0.66) and on course to stay below our annual limit of 1.0
 - Continue to consolidate within a calculative safety culture whilst demonstrating proactive leadership
- Ensuring we meet our HSE near and longer-term targets
 - ESD Control Plans aligned to Group Protocols maturing
 - Preparing for CDP submission in July
 - New environmental data platform being implemented as our basis of reporting, to include Scope 3 data
 - Safety Fundamental Principles launched
- Continuing to build a diverse, fair and inclusive culture which supports collaboration across the business

Committed to building a strong, inclusive and sustainable company

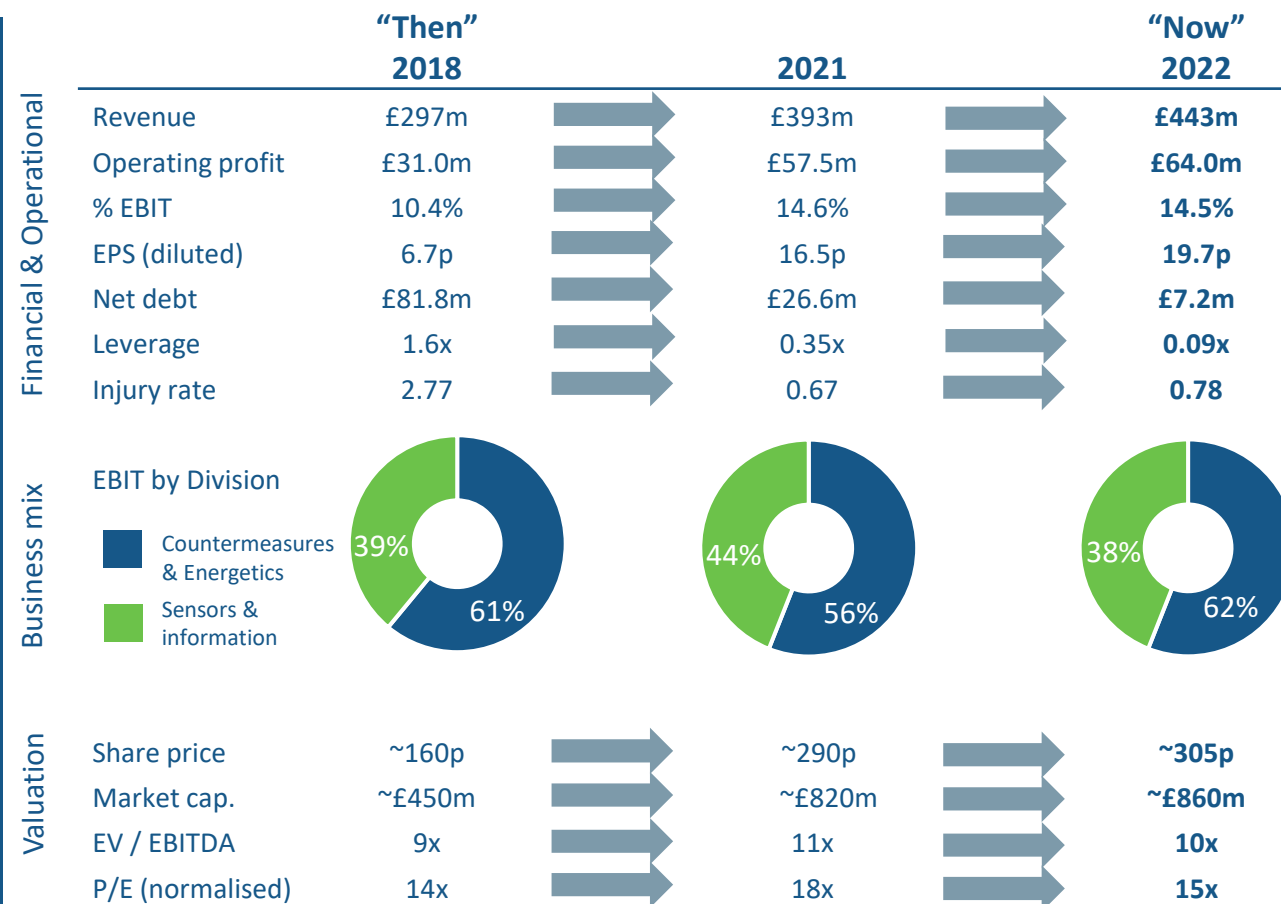


APPENDIX 4. CHEMRING'S TRANSFORMATION 2018 TO 2022

ACHIEVEMENTS SINCE MARCH 2019 STRATEGIC REVIEW

- Embedded a proactive safety and risk management culture
- Strategic exit from commoditised energetics
- Strengthened divisional management teams
- Established Roke as a high growth technology business
- Increased margins by 410bps
- Decreased net debt from £81.8m to £7.2m while spending circa £150m on capex over the period
- Secured EMBD biological detection Program of Record contract win

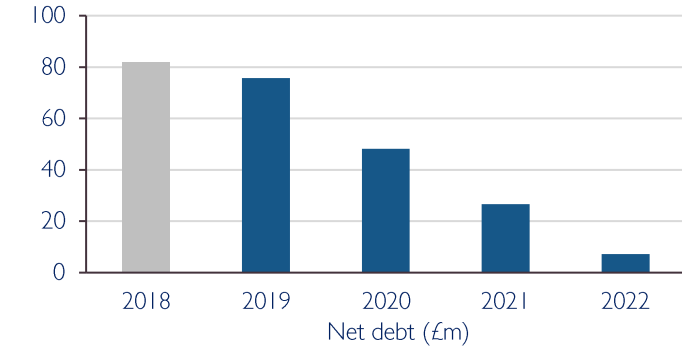
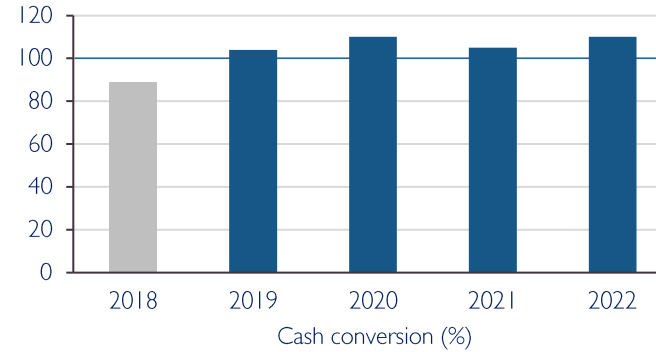
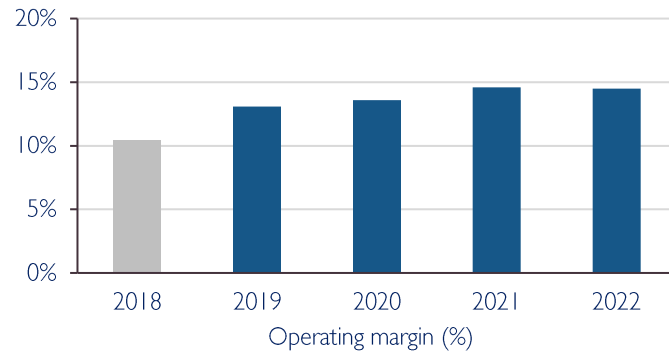
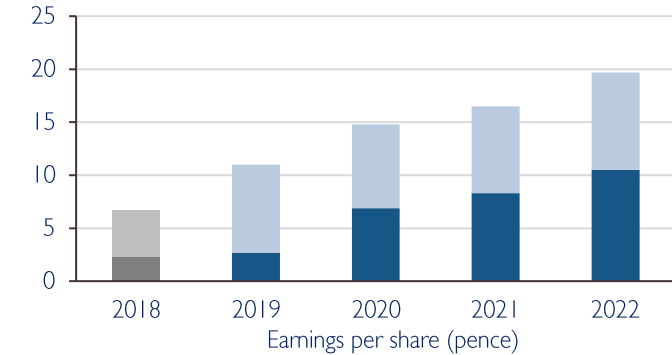
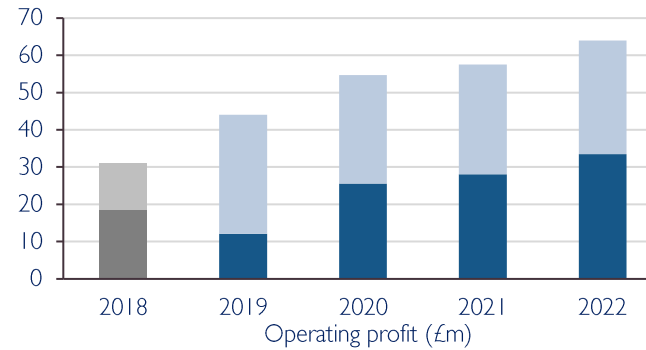
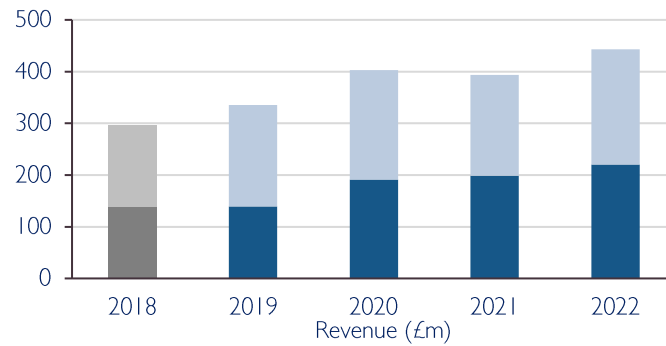
ORGANIC GROWTH, MARGIN EXPANSION AND NEW STRATEGIC FOCUS HAS DRIVEN A MAJOR RE-RATING AND VALUATION UPLIFT



* Multiples calculated based on last twelve months EBITDA/ earnings

APPENDIX 5. IMPROVED GROUP PERFORMANCE 2018-2022

■ H1 ■ H2
■ H1 ■ H2



- Good track record of improvement over the last four years
- Operating margin expansion - good progress towards our medium term objective
- Improved quality of earnings with no exceptional items in any of the last four years
- Strong cash conversion over the period
- Investment in the infrastructure of the business with capex (£150m) greater than depreciation (£74m) in each of the last four years while eliminating debt

References to operating profit and earnings per share are to underlying measures

APPENDIX 6. IMPACT OF FOREIGN EXCHANGE TRANSLATION

Group	Constant currency movement	H1 2023 restated at 2022 rates £m	H1 2022 £m	H1 2023 £m
Revenue	↓ 5%	210.2	220.4	212.1
EBITDA	↓ 16%	35.9	42.8	35.7
Operating profit	↓ 19%	27.0	33.5	26.6
Order book	↑ 57%	765.1	488.1	749.5

Sensors & Information	Constant currency movement	H1 2023 restated at 2022 rates £m	H1 2022 £m	H1 2023 £m
Revenue	↑ 7%	96.8	90.2	97.9
EBITDA	↔	20.7	20.7	20.8
Operating profit	↓ 3%	18.9	19.4	19.0
Order book	↑ 51%	152.8	101.5	152.7

TRANSLATION & SENSITIVITIES				
30% of revenue US \$ denominated in H1 2023 (H1 2022: 50%) - P&L translation \$1.24 vs \$1.31 in H1 2022 - Balance sheet translation rate \$1.26 vs \$1.26 at H1 2022 10 cent weaker US \$ gives £5m decrease in half-year revenue and £0.2m decrease in half-year operating profit, full year effect circa £15m revenue and £1m operating profit - Future guidance based on \$1.20				

Countermeasures & Energetics	Constant currency movement	H1 2023 restated at 2022 rates £m	H1 2022 £m	H1 2023 £m
Revenue	↓ 13%	113.4	130.2	114.2
EBITDA	↓ 25%	22.1	29.3	22.3
Operating profit	↓ 27%	15.6	21.3	15.2
Order book	↑ 58%	612.3	386.6	596.8

APPENDIX 7. BALANCE SHEET

£m	H1 2023	H1 2022	2022
Goodwill & intangibles	130.3	126.3	129.5
Development costs	32.7	31.8	34.6
Property, plant & equipment	222.3	210.2	231.3
Trade working capital	89.9	90.3	93.9
Pension surplus	10.3	18.1	11.2
Other	(60.9)	(70.0)	(75.2)
	424.6	406.7	425.3
Net debt	(25.0)	(18.5)	(7.2)
Net assets	399.6	388.2	418.1

- Net debt of £25.0m and net debt: EBITDA ratio of 0.3x
- Over the 2 year period, 100% of EBITDA has been converted to operating cash funding reinvestment in capex
- Working capital as a % of revenue has remained consistent at 21% (H1 2022: 22%)
- Total facilities of £158m, of which £130m were undrawn at 30 April 2023, provide good immediately available liquidity

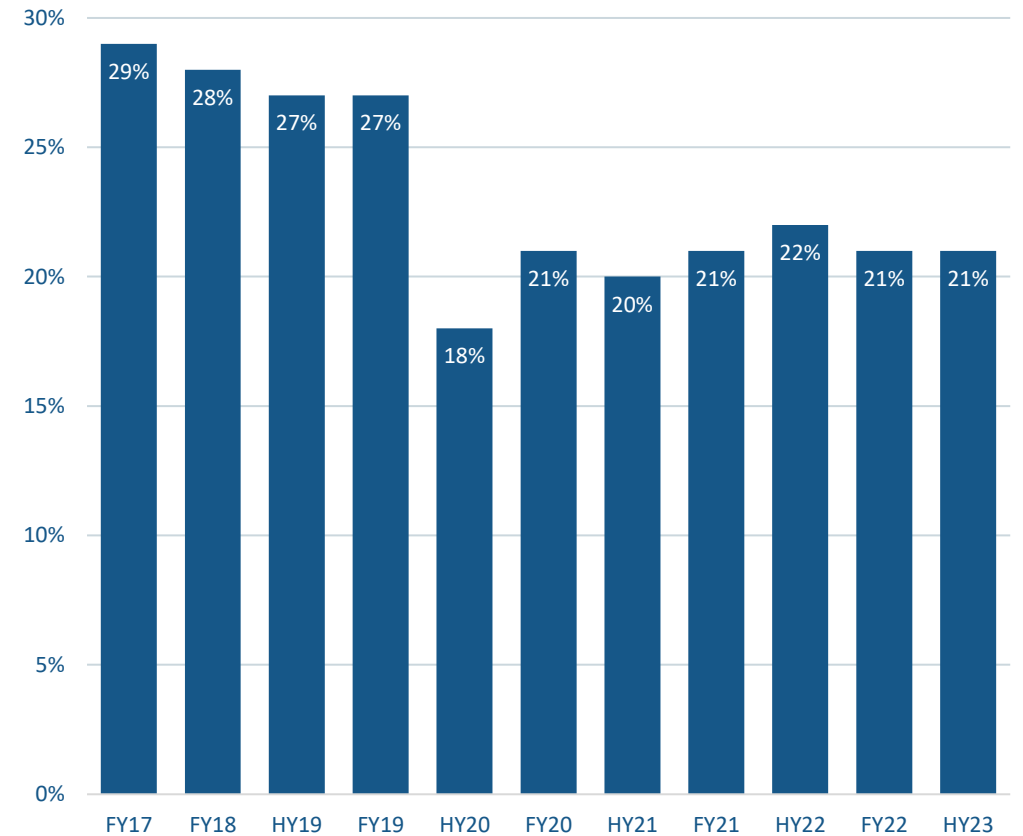
Future focus

- Continue to drive strong operating cash conversion to fund strategic investments in Energetics capacity in 2023 to 2025
- Free cash flow likely to strengthen further in 2026 as the current investment cycle concludes

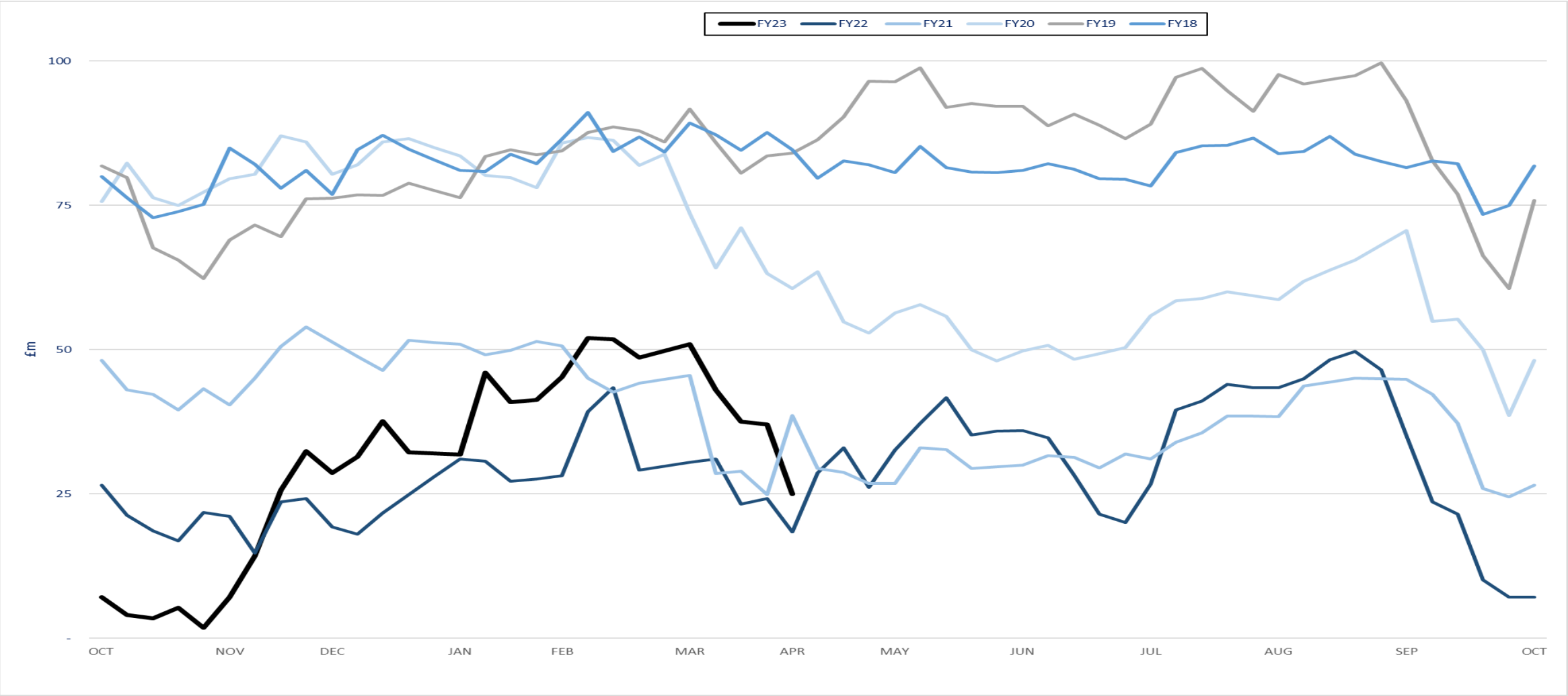
APPENDIX 8. TRADE WORKING CAPITAL

£m	H1 2023	H1 2022	2022
Inventories	116.2	96.3	99.6
Advance receipts from customers	(38.9)	(27.5)	(26.6)
Net inventory	77.3	68.8	73.0
Receivables	38.7	46.8	33.3
Payables	(35.2)	(30.3)	(14.7)
Other items	9.1	5.0	2.3
	↔ 89.9	90.3	93.9
	H1 2023	H1 2022	2022
Revenue (£m)	212.1	220.4	442.8
Working capital as a % of revenue	↔ 21%	22%	21%

Working capital as a % of revenue



APPENDIX 9. WEEKLY NET DEBT



APPENDIX 10. NON-UNDERLYING ITEMS

£m	Note	H1 2023 P&L cost	H1 2023 Cash paid
Acquired intangibles amortisation		(2.2)	-
Acquisition expenses	a	(1.8)	(0.4)
Mark to market of FX forward contracts		0.4	-
Claim related costs		-	(0.6)
Impact on profit before tax		(3.6)	(1.0)
Tax credit on non-underlying items		0.6	
Impact on profit after tax		(3.0)	

Notes

a - IFRS 2 expense relating to deferred consideration on the acquisitions of Cubica and Geollect

APPENDIX 11. MEDIUM-TERM FINANCIAL OBJECTIVES AND ASSUMPTIONS

REVENUE	- S&I - Segmental high single digit % growth from strong double digit growth in Roke, with US Sensors expected to be flat but with the potential for step changes as the US PoRs commence FRP - C&E – Countermeasures - low single digit % growth. Energetics – double digit growth potential, expected to occur in step changes as incremental capacity is added and commissioned
OPERATING MARGINS	- S&I – Maintaining high teen return on sales % in the medium term as opex investment in Roke continues to support growth opportunities. 2023 diluted by 2% due to opex investment in the start up of Roke Academy and increased graduate and apprentice numbers ahead of the revenue curve - C&E – Targeting mid to high teen return on sales % in the medium term - Group – Targeting mid teen return on sales % in the medium term
INTEREST	Now expected to increase in 2023 as higher interest rates drives increased finance costs for £150m facility
CAPEX	£40m for 2023 and £50m in 2024 and 2025 as investment in increased Energetics capacity is completed
FX	- US\$1.20: £1 - Sensitivity to 10 cents movement in \$ rate is £1m at an annual underlying operating profit level and £15m at a revenue level
TAX	2023 rate is expected to trend upwards from 2022 level to the mid teens and then increase towards approximately 20% as UK statutory rate increases from 19% to 25%

APPENDIX 12. MARKET CONSENSUS 2023, 2024 & 2025

- The Group is aware of eight analysts publishing independent research on the Group
- The Group has compiled consensus data* from the research it has been made aware of, as set out below:

	2023	2024	2025
Revenue (£m)	468	484	505
Underlying operating profit (£m)	67.3	70.9	74.7
Underlying earnings per share (pence)	19.0	19.4	20.2
Net cash (£m)	2.3	24.7	48.0

*Compilation of data only, does not represent the Group's views of projections

APPENDIX 13. GLOSSARY

Acronym	Meaning	Acronym	Meaning
CCM UK	Chemring Countermeasures UK	HMDS	Husky Mounted Detection System
CCM US	Chemring Countermeasures USA	IDIQ	Indefinite Delivery Indefinite Quantity
CED	Chemring Energetic Devices	JBTDS	Joint Biological Tactical Detection System
CEUK	Chemring Energetics UK	LRIP	Low Rate Initial Production
CEMA	Cyber and Electromagnetic Activities	LTI	Lost Time Incident
CHA	Chemring Australia	MENA	Middle East & North Africa
CHG	Chemring Group	MTV	Magnesium Teflon Viton
C&E	Countermeasures & Energetics	NSIA	National Security and Investment Act
DE& I	Diversity, Equity & Inclusion	NATO	North Atlantic Treaty Organisation
EMBD	Enhanced Maritime Biological Detection	OSINT	Open Source Intelligence
ESG	Environmental, Social & Governance	PoR	Program of Record
EW	Electronic Warfare	S&I	Sensors & Information
FRP	Full Rate Production	UK MOD	United Kingdom Ministry of Defence
F-35	F-35 Joint Strike Fighter	US DoD	United States Department of Defense

DISCLAIMER

2023 Chemring Group PLC

The information in this document is the property of Chemring Group PLC and may not be copied or communicated to a third party or used for any purpose other than that for which it is supplied without the express written consent of Chemring Group PLC.

This information is given in good faith based upon the latest information available to Chemring Group PLC, no warranty or representation is given concerning such information (express or implied), nor is any responsibility or liability of any kind accepted, by Chemring Group PLC with respect to the completeness or accuracy of the content of or omissions from this presentation, and the contents of which must not be taken as establishing any contractual or other commitment binding upon Chemring Group PLC or any of its subsidiary or associated companies.

Chemring Group PLC is under no obligation to revise, update, modify or amend the information in this document or to otherwise notify a third party recipient if any information, opinion, projection, forecast or estimate set forth herein, changes or subsequently becomes inaccurate regardless of whether those statements are affected as a result of new information, future events or otherwise.