

**CHEMRING GROUP PLC**  
**(“Chemring”, “the Group” or “the Company”)**

**RESULTS FOR THE YEAR ENDED 31 OCTOBER 2025**

**Resilient performance, delivering the plan, record order book and robust outlook**

	As reported		At 2024 exchange rates		
	2025	Change	2025	Change	2024
Continuing operations					
Revenue (£m)	497.5	+2%	502.2	+3%	488.3
Underlying EBITDA (£m)	98.6	+8%	99.7	+9%	91.5
Underlying operating profit (£m)	73.5	+6%	74.3	+7%	69.6
Underlying diluted earnings per share (pence)	19.4	+3%	19.7	+4%	18.9
Profit before tax (£m)	67.7	+31%			51.8
Dividend per share (pence)	8.0	+3%			7.8
Net debt at 31 October (£m)	89.0		88.7		52.8
Order intake (£m)	781.4	+21%	792.0	+22%	649.0
Order book at 31 October (£m)	1,345.4	+32%	1,318.0	+29%	1,022.4

**Highlights**

- Resilient revenue growth of 2% with continued strong momentum in Countermeasures & Energetics, offset by softness in Sensors & Information due to short-term delays in UK Government spending
- Underlying operating profit margin of 14.8% (2024: 14.3%) reflecting a focus on operational excellence, and Energetics expansion programmes delivering ahead of schedule
- Improved cash conversion of 114% (2024: 103%) with continued focus on working capital
- Net debt was £89.0m (2024: £52.8m), driven by capital investment. Net debt to underlying EBITDA of 0.90x (2024: 0.58x)
- Another record order book of £1,345m, providing excellent medium-term revenue visibility
- Good progress made on capital projects to date with completed programmes delivering ahead of expectations
- Acquisition of Landguard Systems to further enhance and accelerate growth in Roke
- The Board’s expectations for the Group’s 2026 operating performance remain unchanged. Higher capex and finance charges now expected as a result of increased investment in Norway
- Approximately 76% (2024: 77%) of expected 2026 revenue is already covered by the order book

**Michael Ord, Group Chief Executive, commented:**

“2025 has been another year of progress, delivering improved shareholder returns supported by strong margins and robust cash conversion. This performance reflects our commitment to building a resilient, high-quality Group.

Momentum in Countermeasures & Energetics continued during the year, partially offset by short-term softness in Sensors & Information due to delays in UK Government spending. Looking ahead, our record order book demonstrates that customer priorities remain aligned with Chemring’s market-leading products and services.

The outlook for sustained defence spending remains strong. Growing geopolitical uncertainty is driving increased expenditure across our target markets, particularly within NATO, and Chemring is well positioned to capitalise on this demand, which we expect to persist well into the next decade.

We have created a strong, sustainable platform for growth and remain committed to our ambition of doubling annual revenue to approximately £1 billion by 2030.”

**Notes:**

\* All profit and earnings per share figures in this news release relate to underlying business performance (as defined below) from continuing operations unless otherwise stated.

The principal alternative performance measures (“APMs”) presented are the underlying measures of earnings which exclude: exceptional items, gain or loss on the movement on the fair value of derivative financial instruments, the amortisation of acquired intangibles and the associated tax impact on these items. The directors believe that these APMs assist with the comparability of information between reporting periods as well as reflect the key performance indicators used within the business to measure performance. The term underlying is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.

A reconciliation of underlying measures to statutory measures is provided below:

<b>Group – continuing operations:</b>	<b>Underlying</b>	<b>Non-underlying</b>	<b>Statutory</b>
EBITDA (£m)	98.6	1.6	100.2
Operating profit (£m)	73.5	(0.1)	73.4
Profit before tax (£m)	67.8	(0.1)	67.7
Tax charge (£m)	(14.2)	(0.2)	(14.4)
Profit after tax (£m)	53.6	(0.3)	53.3
Basic earnings per share (pence)	19.8	(0.1)	19.7
Diluted earnings per share (pence)	19.4	(0.1)	19.3
<b>Group – discontinued operations:</b>			
Loss after tax (£m)	(2.3)	(2.8)	(5.1)
<b>Segments – continuing operations:</b>			
Sensors & Information EBITDA (£m)	38.2	(5.4)	32.8
Sensors & Information operating profit (£m)	31.2	(6.3)	24.9
Countermeasures & Energetics EBITDA (£m)	79.7	0.2	79.9
Countermeasures & Energetics operating profit (£m)	61.6	(0.6)	61.0

The adjustments comprise:

- amortisation of acquired intangibles of £1.7m (2024: £2.0m)
- costs relating to acquisitions, including deferred consideration treated as an expense under IFRS 2, remuneration for continued employment of former owners under IFRS 3 and professional fees incurred relating to acquisitions, of £3.0m (2024: £3.4m)
- costs relating to the defined benefit pension buy-in and buy-out transaction £0.4m (2023: £7.5m)
- costs relating to changes in senior management positions £nil (2024: £1.2m)
- business restructuring at Roke £2.5m (2024: £nil)
- release of legal and disposal provisions £0.2m (2024: £3.1m)
- gain on the movement in the fair value of derivative financial instruments of £7.3m (2024: £2.0m loss)
- tax impact of the adjustments above: £0.2m charge (2024: £1.7m credit)
- discontinued operations in relation to EHD business, Alloy Surfaces Company, Inc. and other discontinued operations: £5.1m (2024: £2.0m)

Further details are provided in note 3.

EBITDA is defined as profit before interest, tax, depreciation and amortisation. Reference to constant currency relates to the re-translation of 2025 financial information at the 2024 exchange rates to reflect the movement excluding the impact of foreign exchange. The exchange rates applied are disclosed in note 11.

**For further information:**

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**Cautionary statement**

This announcement may contain 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 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 2,700 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)

## Analyst meeting

An analyst meeting will take place at 09.00 (UK time) on Tuesday 9 December 2025 at the offices of Investec Bank plc, 30 Gresham St, London EC2V 7QP. To confirm attendance please contact MHP: [chemringplc@mhpgroup.com](mailto:chemringplc@mhpgroup.com) / 07817 458804

## Presentation

The presentation slides and a live audio webcast of the presentation to analysts will be available at the Chemring Group results centre [www.chemring.com/investors/results-centre](http://www.chemring.com/investors/results-centre) at 09.00 (UK time) on Tuesday 9 December 2025.

## Photography

Original high resolution photography is available to the media by contacting MHP : [chemringplc@mhpgroup.com](mailto:chemringplc@mhpgroup.com) / 07817 458804

## Group overview

Amid heightened geopolitical uncertainty and instability, the Group has delivered another solid performance in 2025. Global focus on defence spending continues to intensify, driven by questions surrounding US support for NATO, the conflict in Ukraine and the urgent need for Europe to rebuild its defence industrial base, and rising tensions across the Asia-Pacific region. These dynamics support a sustained upcycle in defence and security investment – one that is expected to last well into the next decade, if not longer.

Against this backdrop we have continued to execute well and are delivering against our strategic priorities. Chemring continues to play a vital role supplying mission-critical products and services, as demonstrated by the highest order book in Chemring's history.

Order intake for 2025 remained strong, up 20.3% at £781m (2024: £649m). Countermeasures & Energetics order intake was up 20.6% at £602m (2024: £499m) demonstrating growing customer demand for traditional defence capabilities. Sensors & Information order intake increased 19.3% to £179m (2024: £150m), with the total order book ending the year 4.8% higher.

Revenue was up 1.9% to £497.5m (2024: £488.3m), as Energetics delivered ahead of schedule and we delivered improving operational performance at our Tennessee Countermeasures business, which offset a weaker period for Sensors & Information due to short-term delays in UK Government spending.

The underlying operating profit of £73.5m (2024: £69.6m) resulted in an underlying operating margin of 14.8% (2024: 14.3%), the increase a result of higher Countermeasures & Energetics volumes and strong operational execution.

Total finance expense has increased to £5.7m (2024: £4.8m) with the continued investment in our niche Energetics businesses leading to higher borrowings.

Statutory operating profit was up 29.7% to £73.4m (2024: £56.6m) and after statutory finance expenses of £5.7m (2024: £4.8m), statutory profit before tax was £67.7m (2024: £51.8m). The statutory profit after tax from continuing operations was £53.3m (2024: £41.5m) giving a statutory basic earnings per share from continuing operations of 19.7p (2024: 15.2p). A reconciliation of underlying to statutory profit measures is provided in note 3.

On a constant currency basis the Group's revenue was up 2.8% to £502.2m (2024: £488.3m), underlying operating profit was up 6.8% to £74.3m (2024: £69.6m) and underlying diluted earnings per share was up 4.2% to 19.7p (2024: 18.9p). Foreign exchange translation has proved to be a headwind to revenue and operating profit compared with last year. While exchange rates have been volatile in the year, the US dollar and Australian dollar have weakened against sterling. Constant Currency and Reported data is summarised below:

	At constant currency		As reported		2024 £m
	2025 £m	Change	2025 £m	Change	
<i>Group:</i>					
Order intake	792.0	+22%	781.4	+20%	649.0
Order book	1,318.0	+29%	1,345.4	+32%	1,022.4
Revenue	502.2	+3%	497.5	+2%	488.3
Underlying EBITDA	99.7	+9%	98.6	+8%	91.5
Underlying operating profit	74.3	+7%	73.5	+6%	69.6
Underlying diluted earnings per share (pence)	19.7	+4%	19.4	+3%	18.9

*Countermeasures & Energetics:*

Order intake	<b>612.9</b>	<b>+23%</b>	602.1	+21%	498.5
Order book	<b>1,207.0</b>	<b>+32%</b>	1,234.9	+35%	916.7
Revenue	<b>326.8</b>	<b>+18%</b>	322.7	+17%	276.3
Underlying EBITDA	<b>80.8</b>	<b>+33%</b>	79.7	+31%	60.9
Underlying operating profit	<b>62.3</b>	<b>+38%</b>	61.6	+37%	45.0

*Sensors & Information:*

Order intake	<b>179.1</b>	<b>+20%</b>	179.3	+20%	149.7
Order book	<b>111.0</b>	<b>+6%</b>	110.4	+5%	104.5
Revenue	<b>175.4</b>	<b>-17%</b>	174.8	-18%	212.0
Underlying EBITDA	<b>38.4</b>	<b>-19%</b>	38.2	-19%	47.3
Underlying operating profit	<b>31.4</b>	<b>-24%</b>	31.2	-25%	41.4

The Group's net debt at 31 October 2025 was £89.0m (2024: £52.8m), representing a net debt to underlying EBITDA ratio of 0.90x (2024: 0.58x). The financial health of the Group has continued to improve in a number of aspects during the year. Disciplined working capital practices have been maintained to reduce intra-period volatility, with working capital as a percentage of revenue also reducing to 14.8% (2024: 18.1%).

The Group's order book at 31 October 2025 was £1,345m (2024: £1,022m), a new record, of which £431m is currently expected to be recognised as revenue in 2026. This gives 76% (2024: 77%) order cover for 2026, providing excellent visibility for the full year. This leaves £914m of the order book to be delivered in 2027 and beyond.

## Markets

Rising global tensions are driving increased defence spending, creating strong opportunities that are well aligned with Chemring's portfolio of products and services. NATO remains the cornerstone for collective security, but pressure from the Trump administration has forced EU member states to dramatically escalate defence spending and to rebuild the defence industrial base.

The international order is becoming increasingly unstable, being shaped by geopolitical rivalries including China's military expansion and assertiveness in the Indo-Pacific; Russia's increased aggression in Eastern Europe and cyber operations; North Korea's advancing nuclear and missile programmes; and Iran's regional influence and ballistic missile capability. In response, many nations are boosting their defence and security spending while reinforcing bilateral and multi-lateral partnerships with allies.

The Russia-Ukraine conflict has intensified global security tensions, leading to increased military spending and a re-evaluation of defence strategies worldwide. It has also disrupted energy markets and supply chains, leading to economic uncertainty and prompting greater focus on geopolitical resilience and the need to re-invest in sovereign capabilities.

China's rapid military modernisation and expansion, particularly in areas such as hypersonics, cyber warfare and naval power, pose a significant strategic threat to allied interests in the Indo-Pacific region. Its growing emphasis on advanced technologies and anti-access/area denial capabilities challenges regional stability and necessitates sustained defence innovation and preparedness.

Strategic priorities that have been outlined in recent UK, US and European defence planning documents are well aligned to Chemring's diverse and specialised capabilities. Priorities are focused on ensuring that our customers can respond effectively to a rapidly evolving security environment, emphasising readiness, interoperability, and resilience across multiple domains and focusing on advanced capabilities such as drones, integrated air and missile defence, cyber, and innovation. The Group is therefore well placed to play a major role in our customers' upcoming acquisition priorities across our three core markets, all of which are growing.

## Strategy

Chemring is a technology-differentiated Group operating in niche markets with high barriers to entry and where our differentiated capabilities provide a clear competitive advantage. We have a clear strategy for achieving our growth ambitions which is based on three essential strategic imperatives – grow, accelerate and protect.

First, we will drive organic growth by investing in our people, in technology and in increasing capacity. Next, we will inorganically accelerate that growth by seeking to make acquisitions in expanding, high-priority defence and national security markets such as cyber, information advantage and space and missiles. For these market areas we have a live pipeline of technology and capability targets which we are actively evaluating against our robust acquisition criteria. Finally, we will continue to invest to protect and strengthen our sole source and market-leading positions through increased modernisation, automation and new product development. This strategy is fully aligned to the significant growth opportunities that we are seeing in the market and underpins our value proposition.

## Segmental review – Countermeasures & Energetics

### *Performance*

Revenue for Countermeasures & Energetics was up by 16.8% to £322.7m (2024: £276.3m), driven by the strong performance of our Energetics businesses that have delivered ahead of schedule and improving operational performance at our Tennessee Countermeasures business. The sector reported an underlying operating profit of £61.6m (2024: £45.0m), an increase of 36.9%, which resulted from both improving operational execution and the impact of higher prices. This resulted in underlying operating margin increasing to 19.1% (2024: 16.3%), with a particularly strong H2 margin performance. On a constant currency basis revenue would have been up 18.3% to £326.8m and underlying operating profit would have been up 38.4% to £62.3m. The statutory operating profit for the year was £61.0m (2024: £46.6m).

Order intake in the year was up 20.6% at £602m (2024: £499m), driven by multi-year orders received across the sector. We continue to have significant visibility next year and beyond, with 95% order cover in 2026, 93% cover in 2027 and 59% cover in 2028. Our customers are increasingly moving to long-term partnering agreements, with a number of strategic framework agreements signed in the year.

In the Energetics sector 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. As a result, our specialist energetic materials businesses, which design and manufacture high-precision engineered devices and specialist materials, have seen strong customer demand with order intake increasing by 50.6% to £524m (2024: £348m) demonstrating the strength of the sole-source, often qualified positions that the Group maintains.

At the start of the financial year our Norwegian subsidiary, Chemring Nobel, signed a twelve-year framework agreement with Diehl Defence GmbH & Co. KG (“Diehl Defence”) for the supply of MCX energetic material. Under this framework agreement Chemring Nobel also received an initial purchase order valued at €231m, with deliveries to be made over a five-year period commencing in early 2027. Chemring Nobel also signed a three-year supply agreement with SAAB Switzerland for the supply of HMX. This contract, valued at £36m, will see deliveries being made between 2028 and 2030. Chemring Nobel also signed a £23m ten-year agreement with Nammo for the supply of various HMX products with deliveries made between 2027 and 2037.

In January, our Scotland-based business received an order valued at £23m for the delivery of critical components used in the Next Generation Light Anti-Tank Weapon (“NLAW”) system, and then a further award of £24m in October. These awards follow on from the £43m contract received from SAAB in March 2023. The Group expects to see deliveries under these latest contracts commencing in 2026 and continuing

into 2028, providing a solid foundation for operations. The business continues to make excellent progress in the construction of its new propellants manufacturing facility which remains on schedule, with costs in line with the plan. Construction of the new buildings is now complete, equipment has been installed, and the commissioning and licensing process is underway. Once live production starts in early 2027 this new facility will provide increased capacity and throughput in a safe and modern manufacturing environment.

We have also seen growing demand for precision engineered devices for space and missile applications, with our Chicago business receiving a significant level of orders throughout the year. This included an order in November 2024 valued at US\$106m for the delivery of critical components for use in an undisclosed US missile programme. Deliveries under this contract will be over a five-year period commencing in 2026, with continuous flow manufacturing made possible by the additional 45,000 sq. ft. facility that commenced operations in April 2024. In June, the business was awarded a US\$65m contract for aircrew flight equipment test systems. Work under this contract is expected to be completed by June 2030.

In Countermeasures we have continued to see steady customer demand, maintaining our position as the world leader in the design, development and manufacture of advanced expendable countermeasures. Order intake was £78m (2024: £151m) reflecting the receipt of multi-year orders in the prior year. Our UK Countermeasures business ("CCM UK") continued to see strong order intake with notable awards including an £11m order from the UK MOD for the supply of various air countermeasures in support of current and future operations. All work under this contract will be performed at CCM UK's facility near Salisbury, with deliveries being made during FY27 and FY28. In the US, our fully automated facility in Tennessee saw steady improvement in performance throughout the year, after a challenging period in the prior year.

Over recent years the Group has seen a significant decrease in US Department of Defense demand for the special material pyrophoric airborne decoys manufactured by Alloy Surfaces Company, Inc. ("ASC") in Philadelphia, and despite significant effort we have been unable to secure sufficient orders to viably sustain continuous manufacturing operations. As such, a strategic review was conducted in the year and the Board concluded that the business would be divested and marketed for sale. As announced in November 2025, ASC has been treated as discontinued in 2025 under IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*. As a result, all 2024 comparatives both at a divisional level and group level have been re-presented. A full reconciliation of this is provided in note 4.

### *Opportunities and outlook*

The Countermeasures & Energetics segment focus remains on maintaining and growing the Group's market-leading positions, in particular in the growing markets for specialist energetic materials and precision engineered energetic devices, and in Countermeasures where we see sustained demand for our air and naval decoy products, particularly within our UK Countermeasures business. Our focus on seeking to achieve appropriate margins, mindful of financial constraints from our customers, will continue.

The improved market conditions for our Energetics businesses reflected in our order intake and order book have presented a strong organic growth opportunity to expand capacity at these sites and in 2023 we announced a £200m investment programme to capitalise on this long-term demand. In 2024 our Norwegian business was awarded grant funding of £90m in support of our expansion projects, meaning the net investment required by the Group at that time was £110m.

To date we have spent £101m and received £39m of grant funding in support of these expansion projects. The projects in Chicago and Scotland are substantially complete, with just the commissioning phase to be completed in Scotland. In Norway, the first phase is complete and delivering ahead of schedule. However, infrastructure and groundworks costs have been higher than anticipated. We now expect gross costs of £180m on our Norwegian expansion project, up from the £145m initial estimate. When offset by £90m of grants, expected net spend is £90m on the project. We still expect to generate attractive returns on the investment and for Group revenue to increase by £100m per annum and operating profit by £30m per annum from 2028, once the three capacity expansion programmes are complete.



In 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. This co-funded feasibility study investigated the geographic location, infrastructure requirements and environmental considerations of building a new production facility. The study also considered the role and the levels of any financial contribution made by the Norwegian Government. Phase I, which focused on technical feasibility, the energetics market, cost/benefits to the local community and the overall business case, concluded in January 2025, and in June the Norwegian Government announced that the study had progressed to the second stage. This concept selection phase will determine the size of the facility, initial engineering, along with commercial arrangements, and is expected to be finalised in the second half of 2026.

The Group is also exploring other opportunities to further increase its capacity to meet growing and long-term market demand. As part of the twelve-year framework agreement with Diehl Defence, announced in November 2024, Chemring will perform the blending stage of the manufacturing process at a new facility in Germany which is expected to commence operations in 2027.

In the UK the Government has committed significant funding to munitions and stated their intention to build six new munitions and energetics facilities. Early in the year the Group completed an initial Government-funded feasibility study into developing further manufacturing capacity at our site in Scotland. The Group has now been funded to complete further feasibility studies on the site in recent months.

Alongside these investments in expanding our capacities we continue to invest in new product development to ensure that our product portfolio remains highly relevant to our customers and will continue the process of operational alignment to share technology and manufacturing excellence across the Group.

## Segmental review – Sensors & Information

### *Performance*

Order intake in the year was up 19.3% to £179m (2024: £150m) with Roke's order intake up 24.0% to £162m and order intake included the receipt of a US\$15m delivery order for the fourth year of EMBD full rate production.

Revenue for Sensors & Information decreased by 17.5% to £174.8m (2024: £212.0m). This was primarily as a result of both delayed UK Government order placement across both National Security and Defence at Roke, and a fallow year at our US business, as expected, as it transitions between low-rate initial production ("LRIP") and full rate production ("FRP") contracts on a key US Program of Record for biological agent detectors. Excluding lower margin "pass-through" revenue Roke would have declined 12.7%. Despite the early action to manage our cost base, the drop in revenue meant underlying operating profit decreased by 24.6% to £31.2m (2024: £41.4m) and underlying operating profit margin declined to 17.8% (2024: 19.5%). On a constant currency basis revenue would have decreased by 17.3% to £175.4m and underlying operating profit would have decreased by 24.2% to £31.4m. The statutory operating profit for the year was £24.9m (2024: £37.4m).

	2025	2024	Change
	£m	£m	
<b>Roke "pass-through" impact</b>			
<i>Order intake</i>			
Products and services	<b>153</b>	115	<b>+33%</b>
Pass-through	<b>9</b>	16	<b>-44%</b>
As reported	<b>162</b>	131	<b>+24%</b>

### *Revenue*

Products and services	<b>137</b>	157	<b>-13%</b>
Pass-through	<b>17</b>	28	<b>-39%</b>
As reported	<b>154</b>	185	<b>-17%</b>

The early action to match Roke's cost base with demand resulted in c.80 employees leaving the business in the year. This was recorded as a non-underlying restructuring cost. At the same time we protected Roke's reputation as a trusted mission partner, increased the recruitment of highly-cleared personnel and deepened its incumbency across its national security customers.

A fundamental characteristic of the increased threat environment and of current conflicts is how conventional wars are blending in the use of new technologies and tactics, and how agility and being able to adapt at pace are essential to defeat both established and emerging threats. Customers are planning accordingly, and in this multi-domain, integrated environment Roke's capabilities in active cyber defence, EW, sensors, intelligence, autonomy and AI are seeing strong demand, and making an important contribution to supporting vital missions. Roke has continued to make significant strategic progress in its Defence Products business where it has a significant (>£300m) five-year international sales pipeline.

In April 2025 it was announced that Roke would lead a UK sovereign industry collaborative effort to provide security to the UK, and its allies. Known as Science and Technology Oriented Research and development in Missile defence ("STORM"), this framework contract encompasses a broad spectrum of missile defence activities and capabilities. Partnering with the United Kingdom Missile Defence Centre ("UK MDC"), Roke will lead a UK sovereign industry collaborative effort to provide security to the UK and its allies, by countering current and future threats, including ballistic and hypersonic missiles. Valued at £251m over six years, the STORM framework will see Roke enhance its role as a trusted partner to the UK MDC, informing critical UK Defence decision making and enabling Roke to play a key role in developing next generation missile defence capabilities. As the overall prime contractor Roke will self-deliver elements of the contract and will also manage industry partners as they deliver the significant majority of contract value.

In June, the Group announced the acquisition of Landguard Nexus Limited for up to £20m, creating further opportunities to enhance and accelerate Roke's growth. Landguard designs, manufactures and supports software defined radio systems and associated security products that enable defence, government and law enforcement customers to protect crucial operational assets. The acquisition, which completed in August 2025, secures a key part of Roke's EW supply chain and brings thirty specialist engineers to Roke in addition to a suite of market-leading products, unique intellectual property and a range of complementary customer relationships.

In the US, the Enhanced Maritime Biological Detection ("EMBD") System FRP contract continued as planned with a further \$15m order received in the year. On the Joint Biological Tactical Detection System ("JBTDs") program, which last year benefited from an LRIP contract that completed in 2024, we are now supporting the US Army in its field testing and acceptance trials ahead of the expected FRP contract award in 2026.

These sole source positions with the United States Department of Defense ("US DoD") provide an excellent opportunity to penetrate international markets where we are able to sell these products under Foreign Military Sales ("FMS") and direct commercial sales agreements to key strategic allies of the US Government.

## *Opportunities and outlook*

The focus for Sensors & Information continues to be on expanding the Group's product, service and capability offerings to government and commercial customers in the technology-driven areas of national security, AI and machine learning, tactical EW, information security and biological detection. Roke has a strong qualified pipeline of opportunities that is in excess of £900m with a significant international sales pipeline of defence products as customers increasingly focus on Cyber & Electromagnetic activities ("CEMA").

In the UK, the national security and defence markets are being increasingly shaped by a rapidly-changing threat environment with AI, EW and data proliferation of particular focus. This is driving increased investment as customers look to modernise their capabilities at pace.

Roke will continue to focus its efforts on growing across all its business areas, delivering research, design, engineering and advisory services using its high-quality people and capabilities. New product launches and strategic partnerships form an integral part of this work. We have continued to invest in Roke's growing portfolio with the launch of a number of new products throughout the year. This included DECEIVE, our EW attack system, and CORTEXA, our counter-drone system. Both have been well received by our user community and we have significant customer interest in both systems. Roke also signed a strategic partnership with Kagai Corporation to deliver advanced technologies to the Japanese market, where Roke has already had success in selling its Resolve EW system into the Japanese Self-Defence Forces.

With strong positions in markets with high barriers to entry and where customers have unique profiles, we remain on track to organically grow Roke's revenues to greater than £250m by 2028, while maintaining strong margin performance. We will also continue to explore further bolt-on, strategy-led acquisitions that can accelerate our growth strategy for Roke. However, any acquisition must meet a strict set of criteria, enhance shareholder value and fit in with our wider growth plans.

The order book for Sensors & Information grew 4.8% to £110m (2024: £105m). Of this, £95m is expected to be delivered in 2026, providing 45% cover of expected 2026 revenue. 2026 trading performance for Sensors & Information is expected to start to improve in the second half of 2026, with continued demand for Roke's products and services returning to more normal levels. Medium-term growth opportunities in the US are driven by the Group's sole source positions on the biological detection Programs of Record moving into full rate production and by exploiting overseas opportunities for our biological threat detection capabilities.

### **Net debt and cash flow**

The Group's net debt at 31 October 2025 was £89.0m (2024: £52.8m), representing a net debt to underlying EBITDA ratio of 0.90x (2024: 0.58x).

Underlying operating activities generated cash of £112.2m (2024: £93.9m) and statutory operating activities generated cash of £105.3m (2024: £90.5m). Underlying cash conversion was 114% (2024: 103%) of underlying EBITDA, and an average of 101% on a rolling 36-month basis (2024: 101%).

### **Working capital**

Working capital was £73.7m (2024: £88.3m), a decrease of £14.6m. As a percentage of revenue, working capital has reduced to 14.8% (2024: 18.1%). We continued with our focus on commercial contracting, inventory levels and cash management.

## **Tax**

The underlying tax charge totalled £14.2m (2024: £12.0m) on an underlying profit before tax of £67.8m (2024: £64.8m). The effective tax rate on underlying profit before tax for the year was a charge of 20.9% (2024: 18.5%).

The Group effective tax rate increased, as it converges with the UK corporation tax rate. The statutory tax charge totalled £14.4m (2024: £10.3m) on a statutory profit before tax of £67.7m (2024: £51.8m).

## **Retirement benefit obligations**

On 28 November 2023 the trustee of the Chemring Group Staff Pension Scheme entered into a buy-in contract with an insurer, Pension Insurance Corporation ("PIC"). The trustee is in the final stages of agreeing the verified data for the scheme with PIC and expects to agree the true-up premium for full buy-out of the scheme with PIC in early 2026.

The deficit on the Group's defined benefit pension scheme was £0.1m (2024: £0.1m surplus), measured in accordance with IAS 19 (Revised) Employee Benefits.

## **Board of directors**

Andrew Davies, who had been a non-executive director of Chemring since May 2016 and the Senior Independent Director since May 2020, retired from the Board on 31 January 2025, having approached the end of his nine-year term. As indicated in the 2023 annual report, Fiona MacAulay, who has been a non-executive director since June 2020, succeeded Andrew as the Senior Independent Director.

In June the Board confirmed the appointment of Pete Raby as an independent non-executive director. He joined the Board on 1 September 2025. Pete was previously CEO of Morgan Advanced Materials plc, the FTSE 250 listed global manufacturer of advanced carbon and ceramic materials. On joining the Board, Pete Raby became a member of the Audit, Nomination and Remuneration Committees.

In November 2025, Fiona MacAulay, Senior Independent Director, informed the Board that she would not be seeking re-election at the Group's Annual General Meeting in February 2026. Fiona's second three-year term as a non-executive director would otherwise have expired on 2 June 2026. A process to identify a suitable candidate to replace her is underway.

## **Dividends**

The Board continues to recognise that dividends are an important component of total shareholder returns. The Board's objective is for a growing and sustainable dividend and has met the target dividend cover of c.2.5 times underlying EPS, subject inter alia to maintaining a strong financial position.

The Board is recommending a final dividend in respect of the year ended 31 October 2025 of 5.3p (2024: 5.2p) per ordinary share. With the interim dividend of 2.7p per share, this results in a total dividend of 8.0p (2024: 7.8p) per share, an increase of 3% on the prior year. If approved, the final dividend will be paid on 10 April 2026 to shareholders on the register on 20 March 2026.

## **Share buyback programme**

On 26 February 2025 the Group announced that it had commenced a share buyback programme of up to a maximum consideration of £40m; we have spent £3.6m in 2025 and the buyback remains ongoing.

## Current trading and outlook

The Group order book as at 31 October 2025 was £1,345m, of which £431m is currently expected to be recognised as revenue in 2026, giving 76% order cover, which provides excellent visibility for the full year. This leaves £914m of the order book to be delivered in 2027 and beyond. Trading since the start of the current financial year is in line with our plans and the Board's expectations for the Group's 2026 operating performance remain unchanged. In 2026 gross capex is now expected to be higher at £100-110m (offset by grants of c.£15m), mainly resulting from higher costs in Norway, with an increased finance expense as a result. Cash conversion is expected to be in the range of 80-85%. A similar H2 weighting to the Group's results as in 2025 is expected in 2026.

With market-leading technologies and services that are critical to our customers, our niche market positions and our strong balance sheet, the Board remains confident that we will continue to grow in the future, delivering both robust organic and inorganic growth whilst balancing near-term performance with longer-term growth and value creation.

## Going concern

The directors believe that the Group is well placed to manage its business risks successfully. The Group's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Group should be able to operate within the level of its current committed facilities.

### Key financial metrics

	2025	Covenant
Revolving credit facility, UKEF facility and overdraft	£275.2m	
Undrawn committed borrowing facilities	£134.7m	
Leverage ratio	0.95x	Less than 3x
Interest cover ratio	12.17x	Greater than 4x

In April 2025, the Group refinanced its revolving credit facility. The new facility of £180m, which is a £30m increase on the previous facility of £150m, runs to December 2028 and includes the option for three one-year extensions to December 2031. The Group also has a \$20m swingline overdraft facility for use in the US. In October 2024, the Group entered into an £80m UK Export Finance loan facility led by Barclays Bank PLC. This is a four-year facility with a one-year draw down period and a three-year amortising repayment schedule. The leverage ratio for covenants purposes in the table above differs to the leverage ratio disclosed elsewhere as the translation of non-sterling denominated debt is calculated at average, rather than closing, rates of exchange.

The Group was in compliance with its financing covenants throughout the year.

### Confirmation of going concern

After consideration of the above, the directors have a reasonable expectation that the Group and the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

A detailed description of the Group's going concern and long-term viability assessment, together with sensitivity analysis, can be found on page 46 of the Group's 2025 annual report and accounts.

## Principal risks and uncertainties

The principal risks and uncertainties which could have a material impact on the Group's performance and could cause actual results to differ materially from expected and historical results have not changed significantly from those set out in the Group's 2024 annual report and accounts and the 2025 interim report.

A detailed description of the Group's principal risks and uncertainties and the ways they are mitigated can be found on pages 40 to 45 of the Group's 2025 annual report and accounts. In summary, the principal risks relate to:

- Occupational and process safety
- Environmental laws and regulations
- Climate change
- Market
- Political
- Contracts
- Technology
- Financial
- Operational
- People
- Cyber-security
- Compliance and corruption

Management have detailed mitigation plans and assurance processes to manage and monitor these risks.

## **RESPONSIBILITY STATEMENT OF THE DIRECTORS ON THE ANNUAL REPORT AND ACCOUNTS**

The responsibility statement below has been prepared in connection with the Company's full annual report and accounts for the year ended 31 October 2025. Certain parts thereof are not included within this announcement.

We confirm to the best of our knowledge:

1. the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
2. the strategic report and directors' report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

This responsibility statement was approved by the Board of directors on 8 December 2025, and has been signed on its behalf by Michael Ord and Sarah Ellard.

## CONSOLIDATED INCOME STATEMENT

for the year ended 31 October 2025

	Note	2025 £m	2024 <sup>1</sup> £m
<b>Continuing operations</b>			
Revenue	2	<b>497.5</b>	488.3
Operating profit	2	<b>73.4</b>	56.6
Finance expense		<b>(5.7)</b>	(4.8)
<b>Profit before tax</b>		<b>67.7</b>	51.8
Tax charge on profit		<b>(14.4)</b>	(10.3)
<b>Profit after tax for the period</b>		<b>53.3</b>	41.5
<b>Discontinued operations</b>			
Loss after tax from discontinued operations	4	<b>(5.1)</b>	(2.0)
<b>Profit after tax for the period</b>		<b>48.2</b>	39.5
<b>Earnings per ordinary share</b>			
<b>Continuing operations</b>			
Basic	5	<b>19.7p</b>	15.2p
Diluted	5	<b>19.3p</b>	14.9p
<b>Continuing operations and discontinued operations</b>			
Basic	5	<b>17.8p</b>	14.5p
Diluted	5	<b>17.5p</b>	14.1p

1. 2024 comparative information has been re-presented to reclassify an operation which has been discontinued in the year. See note 4 for further details.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

for the year ended 31 October 2025

	<b>2025</b>	2024
	<b>£m</b>	£m
<b>Profit after tax attributable to equity holders of the parent as reported</b>	<b>48.2</b>	39.5
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Remeasurement of the defined benefit pension scheme	<b>(0.7)</b>	(1.3)
Movement on deferred tax relating to the pension scheme	<b>0.1</b>	0.5
	<b>(0.6)</b>	(0.8)
<b>Items that may be reclassified subsequently to profit or loss</b>		
Exchange differences on translation of foreign operations	<b>(0.2)</b>	(12.0)
Tax on exchange differences on translation of foreign operations	<b>(0.5)</b>	0.1
	<b>(0.7)</b>	(11.9)
<b>Total comprehensive income attributable to equity holders of the parent</b>	<b>46.9</b>	26.8



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 October 2025

	Share capital £m	Share premium account £m	Special capital reserve £m	Translation reserve £m	Retained Earnings £m	Total £m
At 1 November 2024	2.7	309.0	13.0	(20.7)	52.3	356.3
Profit after tax	-	-	-	-	48.2	48.2
Other comprehensive loss	-	-	-	(0.2)	(0.7)	(0.9)
Tax relating to components of other comprehensive loss	-	-	-	(0.5)	0.1	(0.4)
Total comprehensive (loss)/income	-	-	-	(0.7)	47.6	46.9
Ordinary shares issued	-	0.2	-	-	-	0.2
Purchase of own shares	-	-	-	-	(6.6)	(6.6)
Share-based payments (net of settlement)	-	-	-	-	6.7	6.7
Dividends paid	-	-	-	-	(21.5)	(21.5)
<b>At 31 October 2025</b>	<b>2.7</b>	<b>309.2</b>	<b>13.0</b>	<b>(21.4)</b>	<b>78.5</b>	<b>382.0</b>

	Share capital £m	Share premium account £m	Special capital reserve £m	Translation reserve £m	Retained Earnings £m	Total £m
At 1 November 2023	2.8	308.7	12.9	(8.8)	62.9	378.5
Profit after tax	-	-	-	-	39.5	39.5
Other comprehensive loss	-	-	-	(12.0)	(1.3)	(13.3)
Tax relating to components of other comprehensive loss	-	-	-	0.1	0.5	0.6
Total comprehensive (loss)/income	-	-	-	(11.9)	38.7	26.8
Ordinary shares issued	-	0.3	-	-	-	0.3
Purchase of own shares	(0.1)	-	0.1	-	(38.4)	(38.4)
Share-based payments (net of settlement)	-	-	-	-	8.7	8.7
Dividends paid	-	-	-	-	(19.6)	(19.6)
<b>At 31 October 2024</b>	<b>2.7</b>	<b>309.0</b>	<b>13.0</b>	<b>(20.7)</b>	<b>52.3</b>	<b>356.3</b>

# CONSOLIDATED BALANCE SHEET

as at 31 October 2025

	Note		2025		2024
		£m	£m	£m	£m
<b>Non-current assets</b>					
Goodwill		99.6		98.5	
Development costs		20.2		18.6	
Other intangible assets		43.7		10.0	
Property, plant and equipment		354.7		287.8	
Derivative benefit plus		1.9		-	
Retirement benefit surplus		-		0.1	
Deferred tax		11.2		7.3	
			531.3		422.3
<b>Current assets</b>					
Inventories		143.2		127.1	
Trade and other receivables		110.5		91.0	
Cash and cash equivalents	9	65.3		45.0	
Derivative financial instruments		2.5		0.9	
			321.5		264.0
Assets classified as held for sale	4		10.3		5.8
<b>Total assets</b>			<b>863.1</b>		<b>692.1</b>
<b>Current liabilities</b>					
Borrowings	8	(47.2)		(43.0)	
Lease liabilities	8	(3.1)		(2.1)	
Government grants		(0.4)		-	
Contract liabilities		(38.4)		(26.6)	
Trade and other payables		(99.4)		(85.1)	
Provisions		(8.1)		(3.2)	
Current tax		(3.9)		(8.8)	
Derivative financial instruments		(0.8)		(1.5)	
Retirement benefit surplus		(0.1)		-	
			(201.4)		(170.3)
<b>Non-current liabilities</b>					
Borrowings	8	(91.6)		(43.7)	
Lease liabilities	8	(12.4)		(8.9)	
Government grants		(48.0)		(24.0)	
Contract liabilities		(85.6)		(51.6)	
Provisions		(13.5)		(16.7)	
Deferred tax		(28.5)		(17.6)	
Derivative financial instruments		-		(2.9)	
Preference shares	8	(0.1)		(0.1)	
			(279.7)		(165.5)
<b>Total liabilities</b>			<b>(481.1)</b>		<b>(335.8)</b>
<b>Net assets</b>			<b>382.0</b>		<b>356.3</b>
<b>Equity</b>					
Share capital			2.7		2.7
Share premium account			309.2		309.0
Special capital reserve			13.0		13.0
Translation reserve			(21.4)		(20.7)
Retained earnings			78.5		52.3
<b>Total equity</b>			<b>382.0</b>		<b>356.3</b>

## CONSOLIDATED CASH FLOW STATEMENT

for the year ended 31 October 2025

	Note	2025 £m	2024** £m
<b>Cash flows from operating activities</b>			
Cash generated from continuing underlying operations	6	112.2	93.9
Cash impact of continuing non-underlying items		(3.6)	(2.5)
Cash (utilised in)/generated from discontinued underlying operations	6	(0.5)	0.6
Cash impact of discontinued non-underlying items	6	(2.8)	(1.5)
Cash flows from operating activities		105.3	90.5
Retirement benefit deficit contributions		(0.9)	(3.0)
Tax paid		(13.3)	(6.5)
<b>Net cash inflow from operating activities</b>		<b>91.1</b>	<b>81.0</b>
<b>Cash flows from investing activities</b>			
Purchases of intangible assets		(12.1)	(4.8)
Purchases of property, plant and equipment		(90.2)	(63.0)
Capitalised interest		(3.2)	(1.8)
Grant funding		23.5	22.0
Acquisition of subsidiary net of cash acquired		(13.5)	-
Proceeds on disposal of subsidiary		6.6	-
<b>Net cash outflow from investing activities</b>		<b>(88.9)</b>	<b>(47.6)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(21.5)	(19.6)
Purchase of own shares		(6.6)	(41.0)
Proceeds for transactions in own shares		0.9	0.9
Paid accrued dividends on shares		(0.3)	(0.2)
Finance expense paid		(3.3)	(4.0)
Capitalised facility fees paid		(1.4)	(0.8)
Drawdown of borrowings		145.0	100.0
Repayments of borrowings		(70.0)	(70.1)
Payments of lease liabilities		(2.8)	(2.5)
<b>Net cash inflow/(outflow) from financing activities</b>		<b>40.0</b>	<b>(37.3)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>42.2</b>	<b>(3.9)</b>
Cash and cash equivalents at beginning of the year		2.0	6.4
Effect of foreign exchange rate changes		0.6	(0.5)
<b>Cash and cash equivalents at end of the year*</b>		<b>44.8</b>	<b>2.0</b>

\* Cash and cash equivalents of £44.8m (2024: £2.0m) at 31 October 2025 includes £20.5m (2024: £43.0m) of bank overdrafts which are classified as current borrowings on the balance sheet. See note 9 for further details.

\*\* 2024 comparative information has been re-presented to reclassify an operation which has been discontinued in the year. See note 4 for further details.

## Notes

### 1. ACCOUNTS AND AUDITOR'S REPORT

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 October 2025 or 31 October 2024 but is derived from those accounts. Statutory accounts for 2024 have been delivered to the Registrar of Companies, and those for 2025 will be delivered following the Company's Annual General Meeting. The auditor has reported on these accounts; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report, and did not contain any statements required under either section 498(2) or section 498(3) of the Companies Act 2006.

This announcement has been prepared on the basis of the accounting policies set out in the Company's financial statements for the year ended 31 October 2025.

Whilst the financial information included in this announcement has been computed in accordance with UK-adopted International Financial Reporting Standards ("UK-adopted IFRSs"), this announcement does not itself contain sufficient information to comply with UK-adopted IFRSs. The Company expects to post full financial statements that comply with UK-adopted IFRSs on its website on 9 December 2025 (see note 15 below).

#### Recent accounting developments

The following IFRIC interpretations, amendments to existing standards and new standards were adopted in the year ended 31 October 2025 but have not materially impacted the reported results or the financial position:

- Classification of Liabilities as Current or Non-current (Amendment to IAS 1);
- Non-current Liabilities with Covenants (Amendment to IAS 1);
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16); and
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7).

## 2. SEGMENTAL ANALYSIS – CONTINUING OPERATIONS

### Year ended 31 October 2025

	Countermeasures & Energetics £m	Sensors & Information £m	Unallocated £m	Group £m
Revenue	322.7	174.8	-	497.5
Segment result before depreciation, amortisation and non-underlying items and discontinued operations	79.7	38.2	(19.3)	98.6
Depreciation	(17.3)	(5.5)	-	(22.8)
Amortisation	(0.8)	(1.5)	-	(2.3)
Segmental underlying operating profit	61.6	31.2	(19.3)	73.5
Amortisation of acquired intangibles	(0.8)	(0.9)	-	(1.7)
Non-underlying items	0.2	(5.4)	6.8	1.6
Segmental operating profit	61.0	24.9	(12.5)	73.4

### Year ended 31 October 2024

	Countermeasures & Energetics £m	Sensors & Information £m	Unallocated £m	Group £m
Revenue	276.3	212.0	-	488.3
Segment result before depreciation, amortisation and non-underlying items and discontinued operations	61.0	47.3	(16.8)	91.5
Depreciation	(15.8)	(4.6)	-	(20.4)
Amortisation	(0.2)	(1.3)	-	(1.5)
Segmental underlying operating profit	45.0	41.4	(16.8)	69.6
Amortisation of acquired intangibles	(1.2)	(0.8)	-	(2.0)
Non-underlying items	2.8	(3.2)	(10.6)	(11.0)
Segmental operating profit	46.6	37.4	(27.4)	56.6

### 3. ALTERNATIVE PERFORMANCE MEASURES

The principal alternative performance measures (“APMs”) presented are the underlying measures of earnings which exclude exceptional items, for example relating to acquisitions and disposals, restructuring costs, impairment charges, defined benefit pension buy-in/buy-out costs and legal costs, gain or loss on the movement on the fair value of derivative financial instruments, and the amortisation of acquired intangibles. The directors believe that these APMs assist with the comparability of information between reporting periods. The term underlying is not defined under IFRS and may not be comparable with similarly titled measures used by other companies.

Reconciliation from underlying to statutory performance:

	2025			2024		
	Underlying performance £m	Non- underlying items £m	Total £m	Underlying performance £m	Non- underlying items £m	Total £m
<b>Continuing operations</b>						
<b>Revenue</b>	<b>497.5</b>	<b>-</b>	<b>497.5</b>	<b>488.3</b>	<b>-</b>	<b>488.3</b>
<b>Operating profit/(loss)</b>	<b>73.5</b>	<b>(0.1)</b>	<b>73.4</b>	<b>69.6</b>	<b>(13.0)</b>	<b>56.6</b>
Finance expense	(5.7)	-	(5.7)	(4.8)	-	(4.8)
<b>Profit/(loss) before tax</b>	<b>67.8</b>	<b>(0.1)</b>	<b>67.7</b>	<b>64.8</b>	<b>(13.0)</b>	<b>51.8</b>
Taxation	(14.2)	(0.2)	(14.4)	(12.0)	1.7	(10.3)
<b>Profit/(loss) after tax</b>	<b>53.6</b>	<b>(0.3)</b>	<b>53.3</b>	<b>52.8</b>	<b>(11.3)</b>	<b>41.5</b>
<b>Discontinued operations</b>						
Loss after tax from discontinued operations	(2.3)	(2.8)	(5.1)	(0.1)	(1.9)	(2.0)
<b>Total profit/(loss) after tax</b>	<b>51.3</b>	<b>(3.1)</b>	<b>48.2</b>	<b>52.7</b>	<b>(13.2)</b>	<b>39.5</b>
<b>Earnings per ordinary share</b>						
<b>Continuing operations</b>						
Basic	19.8p		19.7p	19.3p		15.2p
Diluted	19.4p		19.3p	18.9p		14.9p
<b>Continuing operations and discontinued operations</b>						
Basic	18.9p		17.8p	19.3p		14.5p
Diluted	18.6p		17.5p	18.9p		14.1p

## Breakdown of non-underlying items:

	2025 £m	2024 £m
Gain/(loss) on movements in the fair value of derivative financial instruments	7.3	(2.0)
Acquisition related expenses	(3.0)	(3.4)
Defined benefit pension buy-in and buy-out transaction	(0.4)	(7.5)
Change in senior management positions	-	(1.2)
Business restructuring	(2.5)	-
Decrease in legal and disposal provisions	0.2	3.1
<b>Impact of non-underlying items on EBITDA</b>	<b>1.6</b>	<b>(11.0)</b>
Intangible amortisation arising from business combinations	(1.7)	(2.0)
<b>Impact of non-underlying items on profit before tax</b>	<b>(0.1)</b>	<b>(13.0)</b>
Tax impact of non-underlying items	(0.2)	1.7
<b>Impact of non-underlying items on continuing profit after tax</b>	<b>(0.3)</b>	<b>(11.3)</b>
Non-underlying discontinued operations after tax	(2.8)	(1.9)
<b>Impact of non-underlying items on profit after tax</b>	<b>(3.1)</b>	<b>(13.2)</b>
Underlying profit after tax	51.3	52.7
Statutory profit after tax	48.2	39.5

### Derivative financial instruments

Included in non-underlying items is a £7.3m gain (2024: £2.0m loss) on the movement in fair value of derivative financial instruments. This is excluded from underlying earnings to ensure the recognition of the gain or loss on the derivative matches the timing of the underlying transaction.

### Acquisition related expenses

Included in non-underlying items is £3.0m (2024: £3.4m) of acquisition-related expenses. This includes £2.2m (2024: £3.2m) relating to deferred consideration contingent on continued employment of the former owners of Geolcollect, which has been accounted for as equity-settled share-based payments under IFRS 2 *Share-based Payments*, and on continued employment of the former owners of Landguard, which has been accounted for as remuneration under IFRS 3 *Business Combinations*. We have classified this cost as a non-underlying item as it is a non-recurring cost relating to acquisitions. The remaining expense of £0.8m (2024: £0.2m) primarily includes professional fees incurred in relation to the Group's mergers and acquisitions activity during the year. The acquisition-related expenses are not reflective of the underlying costs of the Group and therefore, in order to provide an explanation of results that is not distorted by the costs of a business being acquired rather than organically developed, these costs have been excluded from the underlying measures.

### Defined benefit pension buy-in and buy-out transaction

Included in non-underlying items is an expense of £0.4m (2024: £7.5m). This comprises the settlement loss following the buy-in transaction of £nil (2024: £7.0m), as well as ongoing costs of £0.4m (2024: £0.5m) incurred in relation to the buy-in process which will eventually conclude with a buy-out of the scheme. The buy-in and buy-out transaction is considered a non-recurring event by nature and the expense relating to it is material in size; therefore, these costs have been excluded from the underlying measures.

### Business restructuring

Included in non-underlying items are costs of £2.5m (2024: £nil) relating to business restructuring. During the period the Group took mitigating action to match Roke's cost base with current demand, and integrating the Futures business unit within the Defence business unit. As such, these costs are not reflective of the underlying costs of the Group and have been excluded from the underlying measures.

### Legal and disposal provisions

Included in non-underlying items is a £0.2m (2024: £3.1m) release of legal and disposal provisions relating to the 2018 incident at our UK Countermeasures facility in Salisbury.

### Amortisation of acquired intangibles

Included in non-underlying items is the amortisation charge arising from business combinations of £1.7m (2024: £2.0m). Amortisation of acquired intangibles arising from business combinations is associated with acquisition accounting under IFRS 3 *Business Combinations*. IFRS requires intangibles to be recognised on acquisition that would

not have been capitalised had the business grown organically under Chemring's ownership. As such, these costs are not reflective of the underlying costs of the Group and therefore, in order to provide an explanation of results that is not distorted by the history of business units being acquired rather than organically developed, have been excluded from the underlying measures.

#### Tax

The tax impact of non-underlying items comprises a £0.2m charge (2024: £1.7m credit) on the above non-underlying items.

We present the underlying effective tax rate for the Group, excluding non-underlying items, that is comparable over time. This is the taxation expense for the Group, excluding any non-underlying tax charge or credit, as a percentage of underlying profit before taxation.

#### Net debt

A reconciliation and analysis of net debt is presented in notes 7 and 8. This APM allows management to monitor the indebtedness of the Group.

#### Discontinued operations

Further details on the results of discontinued operations are presented in note 4.

### 4. DISCONTINUED OPERATIONS AND HELD FOR SALE

Total losses from discontinued operations for the year to 31 October 2025 were £5.1m (2024: £2.0m). Included in this balance are amounts relating to the EHD business, Alloy Surfaces Company, Inc. ("Alloy") and other discontinued operations. The EHD business includes the underlying loss of £0.3m (2024 £1.3m) and a non-underlying credit of £0.7m (2024: £5.2m), being the profit from the sale of the EHD business during the year and a tax credit against those non-underlying items of £1.3m (2024: £0.7m charge) (see below). Alloy includes the underlying loss of £2.0m (2024: £1.2m profit) and a non-underlying charge of £5.1m (2024: £nil) and associated tax credit of £0.8m (2024: £nil) in relation to the divestment of the business (see below). Other discontinued operations includes a £0.5m charge (2024: £6.4m) relating to an increase in provisions for a previously disposed European Munitions business.

	2025			2024		
	Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
<b>EHD business</b>						
Revenue	0.8	-	0.8	1.8	-	1.8
Operating (loss)/profit	(0.4)	0.7	0.3	(1.5)	5.2	3.7
Tax	0.1	1.3	1.4	0.2	(0.7)	(0.5)
	(0.3)	2.0	1.7	(1.3)	4.5	3.2
<b>Alloy Surfaces Company, Inc.</b>						
Revenue	19.2	-	19.2	22.1	-	22.1
Operating (loss)/profit	(2.4)	(5.1)	(7.5)	1.5	-	1.5
Tax	0.4	0.8	1.2	(0.3)	-	(0.3)
	(2.0)	(4.3)	(6.3)	1.2	-	1.2
<b>Other discontinued operations</b>						
Increase in provisions	-	(0.5)	(0.5)	-	(6.4)	(6.4)
<b>Total loss from discontinued operations</b>	<b>(2.3)</b>	<b>(2.8)</b>	<b>(5.1)</b>	<b>(0.1)</b>	<b>(1.9)</b>	<b>(2.0)</b>

The net cash outflow from operating activities was £2.3m (2024: £0.9m) and the cash inflow from financing activities was £5.7m (2024: £0.2m outflow). There were no cash flows from financing activities.

#### EHD business

In 2023, the decision was taken that the Explosive Hazard Detection ("EHD") business would not continue to operate as a result of the US DoD's decision in 2022 to transition the HMDS Program of Record into sustainment earlier than previously indicated. After evaluating the potential sustainment program it was determined that in the short to



medium term there was insufficient DoD funding to make it economically viable for Chemring to continue to operate the EHD business. Therefore, the business was abandoned and treated as a discontinued operation.

During the year to 31 October 2024, and prior to the assets being physically disposed of, the Group received an offer to purchase the EHD business and subsequently it was sold on 22 May 2025. Up to the date of sale, the business assets were preserved, and certain costs were incurred to safeguard these assets in order to ensure that they were in a condition ready to sell. There was also certain revenue related to the sale of spare parts for the service of active units in operation which occurred up to the sale date, as disclosed in the table above.

The Group completed the sale of its EHD business to Elta North America, Inc. on 22 May 2025. Under the terms of the agreement, the Group received consideration of \$9.0m upon completion of the transaction. The profit on disposal of £0.7m and associated tax credit of £1.3m have been treated as non-underlying items in the year to 31 October 2025.

	<b>2025</b>
	<b>£m</b>
<b>Consideration received or receivable:</b>	
Cash	6.6
<b>Total disposal consideration</b>	<b>6.6</b>
Net assets and liabilities disposed of	(5.0)
Disposal costs	(0.9)
<b>Profit on disposal before tax</b>	<b>0.7</b>
Income tax on loss on disposal	1.3
<b>Profit on disposal after tax</b>	<b>2.0</b>

The carrying amount of assets and liabilities as at the date of sale was:

	<b>22 May 2025</b>
	<b>£m</b>
<b>Asset held for sale</b>	<b>5.0</b>
Trade and other receivables	-
<b>Total assets</b>	<b>5.0</b>
Trade and other payables	-
<b>Total liabilities</b>	<b>-</b>
<b>Net assets</b>	<b>5.0</b>

In the year to 31 October 2024, non-underlying items included a £4.5m credit associated to the EHD business, being the reversal of an impairment of £5.8m of the held for sale assets, a £0.6m charge for site rationalisation costs and professional fees related to the sale, and a tax charge against those non-underlying items of £0.7m.

#### **Alloy Surfaces Company, Inc.**

During the year to 31 October 2025, a strategic review of the Group's Countermeasures & Energetics portfolio was conducted. The Board concluded that the Alloy Surfaces Company, Inc. ("Alloy") business would be divested and as such has been marketed for sale. Alloy has been treated as a discontinued operation in 2025. Prior to the decision to divest the Alloy business, it was presented as part of the Countermeasures & Energetics segment.

During the year, the business was marketed for sale and progress towards a sale has been made. The disposal is expected to complete within the next 12 months.

At 31 October 2025, Alloy's disposal group comprised the following assets:

	<b>£m</b>
<b>Non-current assets</b>	
Goodwill	<b>3.5</b>
Development costs	1.0
Property, plant and equipment	4.3
<b>Current assets</b>	

Inventories	1.5
<b>Assets classified as held for sale</b>	<b>10.3</b>

The disposal group assets have been measured at carrying amounts. This is lower than the fair value less costs to sell.

The comparative income statement and cash flow information for the year ended 31 October 2024 has been re-presented on the basis of the classification of the Alloy business as discontinued:

	Reported 2024 £m	Adjustments £m	Re-presented 2024 £m
<b>CONSOLIDATED INCOME STATEMENT</b>			
<b>Continuing operations</b>			
Revenue	510.4	(22.1)	<b>488.3</b>
Operating profit	58.1	(1.5)	<b>56.6</b>
Finance expense	(4.8)	-	<b>(4.8)</b>
Profit before tax	53.3	(1.5)	<b>51.8</b>
Taxation	(10.6)	0.3	<b>(10.3)</b>
<b>Profit after tax</b>	<b>42.7</b>	<b>(1.2)</b>	<b>41.5</b>
<b>Discontinued operations</b>			
Loss after tax	(3.2)	1.2	<b>(2.0)</b>
<b>Total profit after tax</b>	<b>39.5</b>	<b>-</b>	<b>39.5</b>
<b>CONSOLIDATED CASH FLOW STATEMENT</b>			
<b>Continuing operations</b>			
Cashflows from operating activities	96.0	(2.1)	<b>93.9</b>
<b>Discontinued operations</b>			
Cashflows from operating activities	(3.0)	2.1	<b>(0.9)</b>
<b>Total cash flows from operating activities</b>	<b>93.0</b>	<b>-</b>	<b>93.0</b>

All adjustments related to underlying items.

## 5. EARNINGS PER SHARE

Earnings per share is based on the average number of shares in issue, excluding own shares held, of 270,724,940 (2024: 272,875,033).

Diluted earnings per share has been calculated using a diluted average number of shares in issue, excluding own shares held, of 276,057,896 (2024: 279,133,292).

The number of shares used in the calculations is as follows:

	2025			2024		
	£m	Basic EPS (Pence)	Diluted EPS (Pence)	£m	Basic EPS (Pence)	Diluted EPS (Pence)
Underlying profit after tax	53.6	19.8	19.4	52.8	19.3	18.9
Non-underlying items	(0.3)			(11.3)		
Profit from continuing operations	53.3	19.7	19.3	41.5	15.2	14.9
Loss from discontinued operations	(5.1)	(1.9)	(1.8)	(2.0)	(0.7)	(0.8)
<b>Total profit after tax</b>	<b>48.2</b>	<b>17.8</b>	<b>17.5</b>	<b>39.5</b>	<b>14.5</b>	<b>14.1</b>

## 6. CASH GENERATED FROM OPERATING ACTIVITIES

	2025 £m	2024 £m
Operating profit from continuing operations	73.4	56.6
Amortisation of development costs	1.5	1.2
Amortisation of intangible assets arising from business combinations	1.7	2.0
Amortisation of software	0.8	-
Amortisation of patents and licenses	-	0.3
Loss on disposal of non-current assets	0.2	1.7
Depreciation of property, plant and equipment	22.8	20.4
Non-underlying items	(1.7)	11.0
Share-based payment expense	5.1	5.8
Operating cash flows before movements in working capital	103.8	98.9
Increase in inventories	(23.7)	(28.3)
Increase in trade and other receivables	(19.9)	(15.9)
Increase in trade and other payables	51.8	39.3
Increase in provisions	0.2	-
<b>Operating cash flow from continuing underlying operations</b>	<b>112.2</b>	<b>93.9</b>
Discontinued operations:		
Operating cash flow from discontinued underlying operations	(0.5)	0.6
Cash impact of non-underlying items from discontinued operations	(2.8)	(1.5)
<b>Net cash outflow from discontinued operations</b>	<b>(3.3)</b>	<b>(0.9)</b>

## 7. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	2025 £m	2024 £m
Increase/(decrease)in cash and cash equivalents	42.2	(3.9)
Increase in debt and lease financing due to cash flows	(70.8)	(26.6)
Increase in net debt resulting from cash flows	(28.6)	(30.5)
Effect of foreign exchange rate changes	0.6	(0.3)
Acquired debt	(0.4)	-
New leases entered into, lease interest and other non-cash movements	(6.9)	(7.2)
Amortisation of debt finance costs	(0.9)	(0.4)
Movement in net debt	(36.2)	(38.4)
Net debt at beginning of the year	(52.8)	(14.4)
<b>Net debt at end of the year</b>	<b>(89.0)</b>	<b>(52.8)</b>

## 8. ANALYSIS OF NET DEBT

	As at 1 Nov 2024 £m	Cash flows £m	Non-cash changes £m	Exchange rate effects £m	As at 31 Oct 2025 £m
Cash and cash equivalents (including bank overdrafts)	2.0	42.2	-	0.6	44.8
Debt due within one year	-	(26.7)	-	-	(26.7)
Debt due after one year	(43.7)	(46.9)	(0.9)	-	(91.5)
Preference shares	(0.1)	-	-	-	(0.1)
	(41.8)	(31.4)	(0.9)	0.6	(73.5)
Lease liabilities	(11.0)	2.8	(7.2)	(0.1)	(15.5)
	(52.8)	(28.6)	(8.1)	0.5	(89.0)

The Group has a rolling credit facility which comprises a £180m facility which runs until December 2028, providing significant committed short and medium-term funding with three one-year options to extend further to December 2031. In addition, we have a US\$20m swingline overdraft facility for use in the US. The Group also has a four-year UK Export Finance facility of £80.0m, with a three year amortising repayment schedule.

## 9. CASH AND CASH EQUIVALENTS

Bank balances and cash comprise cash held by the Group with an original maturity of three months or less. The carrying amount of these assets approximates to their fair value.

The Group has a UK Cash Pooling Arrangement (“UKCPA”) for its sterling accounts, which do not meet the requirement to be settled net, therefore presented by the cash position within cash and cash equivalents on the balance sheet. The Group also has a US overdraft facility which, until July 2025, was part of a daily sweeping arrangement and therefore had a legal right to net to a single US account. The US overdraft facility is therefore excluded from the cash and cash equivalents on the balance sheet as at 31 October 2025, but was included at 31 October 2024. Both of these facilities form an integral part of cash management.

For the purposes of the statement of cash flows, cash and cash equivalents amounts to £44.8m (2024: £2.0m). This differs to the balance sheet value of £65.3m due to the inclusion of the UKCPA bank borrowing overdraft position and the US overdraft within one year totalling £20.5m.

## 10. DIVIDEND

	2025 £m	2024 £m
<b>Dividends paid on ordinary shares of 1p each</b>		
Final dividend of 5.2p per share for the year ended 31 October 2024 (4.6p per share for the year ended 31 October 2023)	14.2	12.5
Interim dividend of 2.7p per share for the year ended 31 October 2025 (2.6p per share for the year ended 31 October 2024)	7.3	7.1
<b>Total dividends</b>	<b>21.5</b>	<b>19.6</b>

Subject to approval at the Annual General Meeting, the final dividend of 5.3p per ordinary share will be paid on 10 April 2026 to all shareholders registered at the close of business on 20 March 2026. The estimated cash value of this dividend is £14.5m, although the final payment may be lower as a result of the impact of share buybacks. The total dividend for the year will therefore be 8.0p (2024: 7.8p) per ordinary share. As the final dividend is subject to approval by the shareholders at the Annual General Meeting, it has not been included as a liability in the financial statements for the year ended 31 October 2025.

The cumulative preference shares carry an entitlement to a dividend at the rate of 7p per share per annum which was paid in equal instalments on 30 April 2025 and 31 October 2025.

## 11. EXCHANGE RATES

The following exchange rates applied during the year:

	Average rate 2025	Closing rate 2025	Average rate 2024	Closing rate 2024
<b>US dollar</b>	<b>1.31</b>	<b>1.32</b>	<b>1.27</b>	<b>1.29</b>
<b>AU dollar</b>	<b>2.03</b>	<b>2.01</b>	<b>1.95</b>	<b>1.96</b>
<b>Norwegian krone</b>	<b>13.75</b>	<b>13.29</b>	<b>13.69</b>	<b>14.18</b>

For the year ended 31 October 2025 a 10% weakening of Sterling against the US dollar, AU dollar and Norwegian krone would have increased reported revenue by £22.8m (2024: £20.1m) and reported underlying operating profit by £3.9m (2024: £1.1m).

## **12. CONTINGENT LIABILITIES**

The Group is, from time to time, party to legal proceedings and claims, and is involved in correspondence relating to potential claims, which arise in the ordinary course of business. Provision is made for any amounts that the directors reasonably consider may become payable. The Group believes that any significant liability in respect of guarantee and performance bond arrangements, and legal proceedings and claims not already provided for, is remote.

## **13. EVENTS AFTER THE BALANCE SHEET DATE**

There were no events after the balance sheet date that require disclosure.

## **14. RELATED PARTY TRANSACTIONS**

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed. The directors of the Company had no material transactions with the Company during the year, other than in connection with their service agreements.

## **15. 2025 ANNUAL REPORT AND ACCOUNTS**

The annual report and accounts for the year ended 31 October 2025 will be posted on the Company's website, [www.chemring.com](http://www.chemring.com), on 9 December 2025 and a copy will be posted to shareholders, as required, in advance of the Company's Annual General Meeting on 20 February 2026.