

INTERIM RESULTS FOR THE SIX MONTHS TO 30 APRIL 2026

H1 in-line and FY26 expectations unchanged; record order book underpins medium term growth

	As reported		At H1 2025 exchange rates		H1 2025
	H1 2026	Change	H1 2026	Change	
<i>Continuing operations</i>					
Order book (£m)	1,399.4	+8%	1,355.1	+5%	1,296.0
Revenue (£m)	237.3	+7%	237.4	+7%	222.8
Underlying EBITDA* (£m)	38.2	-2%	37.0	-5%	38.8
Underlying operating profit* (£m)	24.5	-8%	23.2	-12%	26.5
Underlying diluted earnings per share* (pence)	6.1	-8%	5.7	-14%	6.6
Statutory operating profit (£m)	21.7	-25%	19.9	-31%	28.9
Interim dividend per share (pence)	2.8p	+4%			2.7
Net debt at 30 April (£m)	144.5		144.6		93.3

Key highlights

- Record closing order book of £1.4bn, the highest in the Group’s history, providing strong medium-term revenue visibility
- H1 2026 performance was in-line with the Board’s expectations, with revenue up 6.5% and an operating margin of 10.3%
- Energetics expansion projects continue at pace, with £44m of capex invested in the period
- Net debt was £144.5m, as expected given continued investment in Energetics capacity; net debt to underlying EBITDA on a rolling 12-month basis of 1.47 times (H1 2025: 0.98 times)
- Interim dividend per share of 2.8p, up 4% (H1 2025: 2.7p)
- The Board’s expectations for 2026 are unchanged, with 91% of the Board’s expected 2026 revenue either delivered or in the order book at 30 April 2026
- The Group’s longer-term growth prospects remain strong, underpinned by sustained demand, high barriers to entry and a strong pipeline of opportunities

Michael Ord, Chemring Group Chief Executive, commented:

“These results reflect strong demand across our core markets, with our order book reaching a new record level. First half performance was in line with our expectations, despite near-term disruption in the UK market, and our full year outlook remains unchanged.

Our energetics expansion programme is progressing at pace, with Chicago complete and ramping production, Scotland progressing through commissioning, and Norway advancing through its next phase. Meanwhile Roke has continued to make further progress as it grows its products business, securing early domestic and international sales of its new counter-drone system.

Against a backdrop of geopolitical instability, a shift towards high-intensity deterrence and higher defence and national security spending, we continue to invest in the capabilities and capacity our customers need most. Demand in Countermeasures & Energetics remains particularly strong, supported by operational usage, stockpile replenishment and new programmes, and Chemring is well positioned to deliver further growth and long-term value.”

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.

H1 2025 comparative information throughout the RNS has been re-presented to reclassify an operation which was discontinued in the year to 31 October 2025. See note 13 for further details.

The principal Alternative Performance Measures (“APMs”) presented are the underlying measures of earnings which exclude the amortisation of acquired intangibles, gain or loss on the movement on the fair value of derivative financial instruments, exceptional items and the associated tax impact of these. 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:

Group – continuing operations:	Underlying	Non-underlying	Statutory
EBITDA (£m)	38.2	(1.5)	36.7
Operating profit/(loss) (£m)	24.5	(2.8)	21.7
Profit/(loss) before tax (£m)	21.6	(2.8)	18.8
Tax (charge)/credit on profit (£m)	(4.7)	0.1	(4.6)
Profit/(loss) after tax (£m)	16.9	(2.7)	14.2
Basic earnings/(loss) per share (pence)	6.2	(1.0)	5.2
Diluted earnings/(loss) per share (pence)	6.1	(1.0)	5.1
Group – discontinued operations:			
Loss after tax (£m)	-	(8.1)	(8.1)
Segments - continuing operations:			
Sensors & Information EBITDA (£m)	13.4	(2.1)	11.3
Sensors & Information operating profit/(loss) (£m)	9.6	(3.0)	6.6
Countermeasures & Energetics EBITDA (£m)	36.0	(6.7)	29.3
Countermeasures & Energetics operating profit/(loss) (£m)	26.1	(7.1)	19.0

The adjustments comprise:

- amortisation of acquired intangibles of £1.3m (H1 2025: £0.7m, 2025: £1.7m)
- gain on the movement in the fair value of derivative financial instruments of £7.3m (H1 2025: £5.5m, 2025: £7.3m)
- exceptional items of £8.8m (H1 2025: £2.4m, 2025: £5.7m), comprising:
 - acquisition expenses of £1.8m (H1 2025: £0.8m, 2025: £3.0m), relating to deferred consideration accounted for as a post-acquisition expense under IFRS 2 and IFRS 3 and professional fees incurred in relation to the Group’s mergers and acquisition activity in the period
 - credit of £0.1m (H1 2025: £0.1m charge, 2025: £0.4m charge) in relation to the ongoing defined benefit pension buy-in process which will eventually conclude with a buy-out of the scheme
 - business restructuring of £0.4m (H1 2025: £1.5m, 2025: £2.5m)
 - impairment charges relating to the retirement of legacy Countermeasure operations in Tennessee £6.7m (H1 2025: £nil, 2025: £nil)
- tax impact of adjustments of £0.1m credit (H1 2025: £0.5m charge, 2025: £0.2m charge)
- non-underlying items in relation to discontinued operations, net of tax, of £8.1m loss (H1 2025: £0.2m profit, 2025: £2.8m loss).

Further details are provided in note 3.

EBITDA is defined as operating profit before interest, tax, depreciation and amortisation. Reference to constant currency relates to the re-translation of H1 2026 financial information at the H1 2025 exchange rates to reflect the movement excluding the impact of foreign exchange. The exchange rates applied are disclosed in note 12.

For further information:

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Cautionary statement

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

Notes to editors

- Chemring is a global leader in high-technology products and services for the defence, security and aerospace markets
- The Group employs approximately 2,700 people worldwide, operates production facilities in four countries, and serves customers in more than fifty countries
- Chemring is organised into two strategic product segments: Countermeasures & Energetics and Sensors & Information
- Chemring's diverse portfolio delivers highly reliable solutions that protect people, platforms, missions and information against evolving threats

www.chemring.com

Analyst meeting

An analyst meeting will take place at 09.00 (UK time) on Tuesday 2 June 2026 at the offices of Investec Bank plc, 30 Gresham St, London EC2V 7QP. To confirm attendance please contact MHP Group: chemringplc@mhpgroup.com.

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 at 09.00 (UK time) on Tuesday 2 June 2026.

Photography

Original high-resolution photography is available to the media by contacting MHP Group: chemringplc@mhpgroup.com.

INTERIM MANAGEMENT REPORT

Group overview

H1 2026 performance was in line with the Board's expectations. Revenue was up 6.5% to £237.3m (H1 2025: £222.8m, 2025: £497.5m), underpinned by strong performance within Countermeasures & Energetics and a return to growth in Sensors & Information.

The closing order book at 30 April 2026 of £1,399m (H1 2025: £1,296m, 2025: £1,345m), the highest in the Group's history.

Underlying operating profit was down 7.5% to £24.5m (H1 2025: £26.5m, 2025: £73.5m) resulting in an underlying operating margin of 10.3% (H1 2025: 11.9%, 2025: 14.8%). The lower margin primarily reflects the expected relatively weaker H1 in Sensors & Information due to business mix and lower utilisation rates as we maintain operational capability within Roke given the sizeable pipeline of opportunities we see looking forward. Overall, the Group delivered an improved performance in the second quarter.

Total finance expense was £2.9m (H1 2025: £3.0m, 2025: £5.7m), with slightly lower interest rates offsetting the higher net debt levels resulting from continued investment in growth capex.

Underlying profit before tax was £21.6m (H1 2025: £23.5m, 2025: £67.8m). The effective tax rate on the underlying profit before tax was 21.8% (H1 2025: 22.1%, 2025: 20.9%), as it trends toward the UK corporation tax rate. The underlying diluted earnings per share was down 8% to 6.1p (H1 2025: 6.6p, 2025: 19.4p).

Net debt has increased since the year end to £144.5m (H1 2025: £93.3m, 2025: £89.0m) primarily due to the strategic decision to invest in additional capacity in our Energetics businesses to meet growing long-term market demand. The increase in net debt was as expected and reflects the phasing of the Group's capacity expansion programme and working capital investment to support scheduled H2 deliveries. Net debt is expected to rise in the second half and remain elevated through the peak investment phase in FY26 and FY27, before reducing as new capacity comes on line.

Underlying operating cash inflow of £15.9m (H1 2025: £32.3m, 2025: £112.2m) represented 42% (H1 2025: 83%, 2025: 114%) of underlying EBITDA, mainly reflecting a build in inventory ahead of H2 deliveries and an increase in safety stocks. We remain focused on working capital management and expect full-year cash conversion to be in line with prior guidance of 80-85%.

Of the Group's £1,399m order book at 30 April 2026, approximately £260m is scheduled for delivery in H2. This provides cover of approximately 91% (H1 2025: 85%) of expected 2026 revenue, leaving £1,139m of order book to be delivered in 2027 and beyond. Within Countermeasures & Energetics, this provides approximately 81% (H1 2025: 86%) cover of expected 2027 revenue and approximately 68% cover of expected 2028 revenue.

Statutory operating profit was £21.7m (H1 2025: £28.9m, 2025: £73.4m) and after statutory finance expenses of £2.9m (H1 2025: £3.0m, 2025: £5.7m), statutory profit before tax was £18.8m (H1 2025: £25.9m, 2025: £67.7m). The statutory profit after tax from continuing operations was £14.2m (H1 2025: £20.2m, 2025: £53.3m) giving statutory basic earnings per share from continuing operations of 5.2p (H1 2025: 7.5p, 2025: 19.7p).

A reconciliation of underlying to statutory profit measures is provided in note 3. The non-underlying costs relate to the amortisation of acquired intangibles, the gain on the movement in the fair value of derivative financial instruments and exceptional items, plus the tax impact associated with these adjustments.

Safety

Our safety performance in terms of our total recordable injury frequency (“TRIF”) rate was 0.31 (H1 2025: 0.63) and our focus remains on achieving our goal of zero harm. Safety is one of the core values within Chemring and is central to our operating philosophy. A key part of our health, safety and environmental (“HSE”) strategy is the collation and analysis of data at every level to focus on the underlying causes of incidents and the impact on our operations. This continues to facilitate the appropriate decision making at all levels of our organisation.

Markets

Elevated defence and national security spending is increasingly seen as a structural feature of the geopolitical environment, rather than a temporary response to current conflicts and regional tensions. Across NATO planning assumptions have shifted towards territorial defence and peer-conflict readiness, supporting structurally higher budgets.

In Europe, defence spending is expected to continue rising as governments prioritise sovereign capability, common procurement and secure localised supply chains. Key priorities include munition and missile stockpiles, integrated air and missile defence, drone capabilities, cyber-enabled operations, and command-and-control systems; with the Group well positioned to support these areas of customer demand.

In the UK, while near-term fiscal pressures may affect the pace of spending, the long-term direction of travel remains supportive, and the publication of the UK’s Defence Investment Plan (“DIP”) is expected to support a return to more normal levels of UK Government order placement.

In the US, defence priorities remain focused on strategic competition between major powers, supporting investment in advanced capabilities including long-range strike missiles, integrated air and missile defence, cyber, space systems and next-generation platforms. As a supplier into the US space and missiles sector, Chemring is well placed to benefit from this demand environment.

Overall, the market backdrop remains supportive, with structurally higher defence and national security spending creating sustained demand across Chemring’s core markets.

Segmental review - Countermeasures & Energetics

Performance

Countermeasures & Energetics delivered strong first-half performance, with revenue increasing 9.1% to £142.1m (H1 2025: £130.2m, 2025: £322.7m), underlying operating profit increasing 31.8% to £26.1m (H1 2025: £19.8m, 2025: £61.6m), and underlying operating margin increasing to 18.4% (H1 2025: 15.2%, 2025: 19.1%). This reflected the quality of the order book, improving commercial terms and the benefits of operational excellence, while the Group continued to invest in additional capacity.

Order intake was £176m (H1 2025: £415m, 2025: £602m) against a very strong prior-year comparator, as focus turned to the execution of large multi-year orders received in prior periods. Customer engagement and pipeline activity remains strong.

In Energetics, the conflicts in Ukraine and the Middle East have resulted in a material depletion of missile and munitions stockpiles, which has prompted an urgent need for industry to ramp production to replenish inventories. Our three Energetics businesses are well placed to benefit from this strong and sustained market demand. Our Chicago business has also continued to grow its position in the space market and in H1 supplied over 80 devices to the Artemis II mission, reflecting trusted performance and long-standing expertise in high-reliability energetic devices. As the sole qualified supplier of standard initiators to NASA, ULA and Blue Origin, Chemring continues to support some of the most demanding space programmes. The Energetics businesses continued to execute against a record order book of £917m, had order intake of £54m (H1 2025: £394m; FY 2025: £524m), and with further contracts expected in the second half.

In Countermeasures, order intake increased 486% against the comparator period to £123m (H1 2025: £21m, 2025: £78m) reflecting sustained demand for air and naval countermeasures and the benefit of long-term framework contracts. At 30 April 2026, the Countermeasures' order book was £357m (H1 2025: £306m, 2025: £281m), providing strong visibility in the near to medium term.

At the Group's US countermeasures business, the fully automated facility continues to ramp up. As a result, we have started retiring the legacy operations and manufacturing is being transferred to the automated facility, improving the safety profile and efficiency of the business. This resulted in a £6.7m non-underlying charge in the period, of which £1.1m was cash impacting.

Following the strategic review of our US special material decoys business, Alloy Surfaces Company ("ASC") in Philadelphia, and the presentation of the business as a discontinued operation in the FY25 report and accounts, ASC was closed during the period. This decision was in response to the significant decrease in US Department of War's demand for ASC's special material pyrophoric airborne decoys and that, despite significant effort and consultation with the customer, ASC had been unable to secure sufficient orders to viably sustain continuous manufacturing operations. We continue to explore options for the business, with increased confidence in a positive outcome.

Opportunities and outlook

The focus in Countermeasures & Energetics remains on maintaining and growing the Group's market-leading positions in specialist high-grade military explosives, precision engineered energetic devices, and air and naval countermeasures.

Long-term investment programmes continue to progress. The projects in Chicago and Scotland are substantially complete, with commissioning remaining in Scotland, while in Norway the first phase is complete and progress continues on the second phase. These investments are expected to generate attractive returns, with revenue increasing by £100m per annum and operating profit by £30m per annum from 2028 when the three capacity expansion programmes are complete.

The Group also continues to evaluate further opportunities to expand high-grade military explosives production, in Norway, Germany, the UK and other European nations, while continuing to invest in new product development and manufacturing excellence programmes across the segment.

The Countermeasures & Energetics order book at 30 April 2026 was £1,274m (H1 2025: £1,214m, 2025: £1,235m) of which approximately £195m is currently expected to be delivered in the second half of 2026, representing 95%

(H1 2025: 96%) of expected 2026 revenue. Coverage for 2027 and 2028 respectively is approximately 81% and 68% of expected revenue, demonstrating the enduring nature of the order book.

Segmental review - Sensors & Information

Performance

Revenue in Sensors & Information increased by 2.8% to £95.2m (H1 2025: £92.6m, 2025: £174.8m) while underlying operating profit decreased, as expected, to £9.6m (H1 2025: £16.1m, 2025: £31.2m) and underlying operating margin decreased to 10.1% (H1 2025: 17.4%, 2025: 17.8%). The reduction in margin primarily reflected lower utilisation at Roke, together with business mix and initial sales of CORTEXA pre-production units. The Group deliberately maintained operational capability, including employees with the highest security clearance, in anticipation of the sizeable pipeline of future opportunities. Performance is expected to improve in H2 as order intake normalises and delayed opportunities progress.

Order intake across the segment improved 57.4% to £110m (H1 2025: £70m, 2025: £179m). Recent order intake has shown signs of recovery, including several National Security renewal contracts. However, whilst these awards provide a solid underpin to Roke's business, the delayed publication of the DIP has meant that a number of key Defence contracts are yet to be received.

Roke continues to evolve its strategy, reducing its dependency on UK Government budgets and growing its international products and technology offerings. Underpinned by its strong position as a trusted partner to the UK National Security and Law Enforcement Agencies, Roke remains focused on building its position as a leading products and technology integrator for customers in national security, AI and machine learning, tactical EW, counter-drone, and information security. It has a five-year international sales pipeline of more than £300m, and continues to invest in its product portfolio. CORTEXA, Roke's counter-drone system, was launched in April and has been well received with initial sales already made to Sweden and the UK.

Landguard, acquired in August 2025, is integrating well into Roke and performing in line with the plan. The acquisition is generating expected synergies, with Landguard's intellectual property being incorporated into wider Roke bids and framework agreements.

In May 2026, after the reporting date, the Group acquired the remaining shares in Vigil AI Limited. Commercialisation continues to progress well, supported by growing customer interest following the introduction of the Online Safety Act, a two-year renewal with the UK Home Office, and the first customer secured through the Resolver channel partnership. Resolver, a Kroll business, is a leading provider of risk intelligence solutions, safeguarding more than 1,000 companies globally.

Roke continues to win contracts as a prime contractor, including a £22.5m order under the £251m STORM Missile Defence Centre framework contract won in April 2025. Excluding pass-through revenue, the underlying operating margin for Sensors & Information would have been 11.8% (H1 2025: 20.4%, 2025: 17.8%). Pass-through order intake was £33.3m (H1 2025: £2m, 2025: £9m) and revenue was £14.7m (H1 2025: £13.5m, 2025: £17m). While lower margin by nature, pass-through revenue supports Roke's role as a prime contractor on larger strategic programmes.

In the US, the Enhanced Maritime Biological Detection System Full Rate Production contract continued as planned with a further \$19m order received in the period. The Group also continues to support field testing and acceptance trials on the Joint Biological Tactical Detection System programme, with a further production contract expected in FY26.

Opportunities and outlook

Roke has a strong pipeline of qualified opportunities including a growing international sales pipeline of defence products as customers increasingly focus on cyber and electromagnetic activities.

With strong positions in markets characterised by high barriers to entry and unique customer requirements, Roke is well positioned to benefit from a UK upturn and continued international growth. The business remains on track to grow revenues to more than £250m by 2028, while maintaining strong margin performance, and the Group will continue to consider bolt-on acquisitions that meet its strict strategic and value criteria.

The order book for Sensors & Information at 30 April 2026 was £125m (H1 2025: £82m, 2025: £110m) of which £65m is expected to be delivered in the second half of 2026, providing 84% cover of expected 2026 revenue (H1 2025: 67%). Performance is expected to improve in the second half as demand for Roke's products and services returns to more normal levels, with a corresponding improvement in operating margin.

Board of Directors

Fiona MacAulay, who had served as a non-executive director since June 2020 and as Senior Independent Director since February 2025, retired from the Board on 20 February 2026, having not sought re-election at the Annual General Meeting.

On 4 March 2026 the Group announced the appointment of Baroness Kate Rock as an independent non-executive director. She joined the Board on 1 April 2026 as the Senior Independent Director and as a member of the Audit, Nomination and Remuneration Committees. Kate is currently the Non-Executive Chair of Costain Group PLC and Senior Independent Director of Keller Group plc.

Sarah Ellard, Group Legal Director and Company Secretary, has informed the Board of her intention to retire in 2027. Sarah joined Chemring in January 1994, became Group Company Secretary in 1998 and was appointed Group Legal Director in 2011, at which point she was appointed to the Board. The Company has commenced a search process to identify her successor.

Dividends

At the Annual General Meeting on 20 February 2026 the shareholders approved a final dividend in respect of the year ended 31 October 2025 of 5.3p per ordinary share. This was paid on 10 April 2026 to shareholders on the register on 20 March 2026 at a total cost of £14.4m.

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 continues to target a dividend cover of c.2.5 times underlying EPS, subject inter alia to maintaining a strong financial position. Therefore, the Board has declared an interim dividend in respect of the 2026 financial year of 2.8p (H1 2025: 2.7p) per ordinary share which will be paid on 4 September 2026 to shareholders on the register on 14 August 2026 at a total cost of £7.8m.

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. The sole purpose of the buyback programme is to reduce the Company's share capital with the Ordinary Shares purchased under the programme being cancelled. The buyback programme will end no later than the 2027 AGM.

As at 30 April 2026, 2.0m shares have been purchased under the buy-back programme at a cost of £8.7m with 1.1m shares at a cost of £5.2m purchased in the first half.

RCF refinancing

In addition to a revolving credit facility of £180m, with a maturity to December 2028, and three further one-year extensions available at the banks' discretion, the Group continues to have an £80m UK Export Finance loan facility and a \$20m overdraft facility for use in the US.

In April 2026, the Group entered into an additional £80m UK Export Finance Development Guarantee ("UKEFDG"). This is a five-year facility with a two-year draw down period with a repayment schedule commencing in year three, whose purpose is to replace the previous UK Export Finance loan facility.

Total facilities of £342m are currently available to the Group.

Capital allocation

The Group's capital allocation priorities remain unchanged with the overall goal to maintain a strong and flexible balance sheet; to invest organically in the business where customer demand and returns are attractive; to execute focused, bolt-on M&A; to support a sustainable and progressive dividend; and finally, to return surplus capital to shareholders.

Outlook – full year and longer term

The Board's full year expectations are unchanged, supported by 91% of expected 2026 revenue either delivered or in the order book at 30 April 2026. As previously guided, operating profit is expected to be weighted c.70% to H2, reflecting scheduled programme deliveries, customer acceptance timing and the phasing of Sensors & Information contract activity and awards. Countermeasures & Energetics is expected to continue its strong performance in the second half, while Sensors & Information is expected to improve as international product sales and delayed domestic opportunities progress.

The Group remains focused on cash generation and maintaining a robust balance sheet to support further growth. Capital allocation will remain disciplined, with priority given to organic investment, balance sheet strength and value-enhancing opportunities.

The market backdrop remains supportive, with structurally higher defence and national security spending reinforcing long-term demand across the Group's core markets. Chemring's longer-term growth prospects are underpinned by robust activity levels, differentiated technologies, strong market positions, high barriers to entry, a substantial order book and pipeline, and continued investment in the business.

With market-leading innovative technologies and services that are critical to its customers the Board remains confident in Chemring's ability to deliver both organic and inorganic growth, while balancing near-term performance with longer-term value creation. The Board also remains confident in the Group's previously stated medium and longer-term financial objectives.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for the maintenance and integrity of the Company website.

Legislation in the United Kingdom governing the preparation and dissemination of financial information differs from legislation in other jurisdictions.

Responsibility statement

We confirm that to the best of our knowledge:

- a) the Condensed Set of Financial Statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK;
- b) the Interim Management Report includes a fair review of the information required by:
 - DTR 4.2.7R of the *Disclosure Guidance and Transparency Rules*, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and
 - DTR 4.2.8R of the *Disclosure Guidance and Transparency Rules*, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

By order of the Board

Michael Ord
Group Chief Executive
1 June 2026

James Mortensen
Chief Financial Officer
1 June 2026

CONDENSED CONSOLIDATED INCOME STATEMENT

for the half year to 30 April 2026

	Note	Unaudited Half year to 30 April 2026 £m	Unaudited Half year to 30 April 2025 £m	Audited Year to 31 Oct 2025 £m
Continuing operations				
Revenue	2	237.3	222.8	497.5
Operating profit	2	21.7	28.9	73.4
Finance expense		(2.9)	(3.0)	(5.7)
Profit before tax		18.8	25.9	67.7
Tax charge on profit	5	(4.6)	(5.7)	(14.4)
Profit after tax for the period		14.2	20.2	53.3
Discontinued operations				
(Loss)/profit after tax from discontinued operations	13	(8.1)	0.2	(5.1)
Profit after tax for the period		6.1	20.4	48.2
Earnings per ordinary share				
Continuing operations				
Basic	6	5.2p	7.5p	19.7p
Diluted	6	5.1p	7.3p	19.3p
Continuing operations and discontinued operations				
Basic	6	2.2p	7.5p	17.8p
Diluted	6	2.2p	7.4p	17.5p

H1 2025 comparative information throughout the RNS has been re-presented to reclassify an operation which was discontinued in the year to 31 October 2025. See note 13 for further details.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the half year to 30 April 2026

	Unaudited Half year to 30 April 2026 £m	Unaudited Half year to 30 April 2025 £m	Audited Year to 31 Oct 2025 £m
Profit after tax attributable to equity holders of the parent	6.1	20.4	48.2
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of the defined benefit pension schemes	0.8	(0.2)	(0.7)
Movement on deferred tax relating to pension schemes	-	(0.1)	0.1
	0.8	(0.3)	(0.6)
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations	(2.0)	(6.0)	(0.2)
Tax on exchange differences on translation of foreign operations	0.5	(0.7)	(0.5)
	(1.5)	(6.7)	(0.7)
Total comprehensive income attributable to equity holders of the parent	5.4	13.4	46.9

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year to 30 April 2026

Unaudited half year to 30 April 2026

	Share capital £m	Share premium account £m	Special capital reserve £m	Translation reserve £m	Retained earnings £m	Total £m
At 1 November 2025	2.7	309.2	13.0	(21.4)	78.5	382.0
Profit after tax	-	-	-	-	6.1	6.1
Other comprehensive (loss)/income	-	-	-	(2.0)	0.8	(1.2)
Tax relating to components of other comprehensive (loss)/income	-	-	-	0.5	-	0.5
Total comprehensive (loss)/income	-	-	-	(1.5)	6.9	5.4
Ordinary shares issued	-	0.1	-	-	-	0.1
Share-based payments (net of settlement)	-	-	-	-	3.5	3.5
Dividends paid	-	-	-	-	(14.4)	(14.4)
Purchase of own shares	-	-	-	-	(7.9)	(7.9)
At 30 April 2026	2.7	309.3	13.0	(22.9)	66.6	368.7

Unaudited half year to 30 April 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	-	-	-	-	20.4	20.4
Other comprehensive loss	-	-	-	(6.0)	(0.2)	(6.2)
Tax relating to components of other comprehensive loss	-	-	-	(0.7)	(0.1)	(0.8)
Total comprehensive (loss)/income	-	-	-	(6.7)	20.1	13.4
Ordinary shares issued	-	0.1	-	-	-	0.1
Share-based payments (net of settlement)	-	-	-	-	3.0	3.0
Dividends paid	-	-	-	-	(14.2)	(14.2)
Purchase of own shares	-	-	-	-	(6.1)	(6.1)
At 30 April 2025	2.7	309.1	13.0	(27.4)	55.1	352.5

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the half year to 30 April 2026

Audited year to 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)
At 31 October 2025	2.7	309.2	13.0	(21.4)	78.5	382.0

CONDENSED CONSOLIDATED BALANCE SHEET as at 30 April 2026

	Note	Unaudited As at 30 April 2026 £m	Unaudited As at 30 April 2025 £m	Audited As at 31 Oct 2025 £m
Non-current assets				
Goodwill		98.5	97.3	99.6
Development costs		19.9	18.9	20.2
Other intangible assets		42.1	27.9	43.7
Property, plant and equipment		387.9	303.8	354.7
Derivative financial instruments	8	7.3	-	1.9
Retirement benefit surplus		0.6	-	-
Deferred tax		11.4	9.6	11.2
		567.7	457.5	531.3
Current assets				
Inventories		167.3	150.5	143.2
Trade and other receivables		122.8	115.5	110.5
Cash and cash equivalents	11	44.7	22.6	65.3
Current tax		-	1.0	-
Derivative financial instruments	8	3.7	2.3	2.5
		338.5	291.9	321.5
Assets classified as held for sale	13	1.9	5.7	10.3
Total assets		908.1	755.1	863.1
Current liabilities				
Borrowings	11	(65.6)	(3.4)	(47.2)
Lease liabilities	11	(3.5)	(2.8)	(3.1)
Government grants		(8.4)	-	(0.4)
Contract liabilities		(45.3)	(29.9)	(38.4)
Trade and other payables		(109.8)	(83.4)	(99.4)
Provisions		(4.6)	(3.4)	(8.1)
Current tax		(6.7)	-	(3.9)
Derivative financial instruments	8	(0.7)	(0.7)	(0.8)
Retirement benefit deficit		-	-	(0.1)
		(244.6)	(123.6)	(201.4)
Non-current liabilities				
Borrowings	11	(108.5)	(98.0)	(91.6)
Lease liabilities	11	(11.5)	(11.6)	(12.4)
Government grants		(53.3)	(35.5)	(48.0)
Contract liabilities		(80.8)	(93.7)	(85.6)
Provisions		(13.1)	(16.3)	(13.5)
Deferred tax		(27.4)	(23.7)	(28.5)
Derivative financial instruments	8	(0.1)	(0.1)	-
Preference shares	11	(0.1)	(0.1)	(0.1)
		(294.8)	(279.0)	(279.7)
Total liabilities		(539.4)	(402.6)	(481.1)
Net assets		368.7	352.5	382.0
Equity				
Share capital		2.7	2.7	2.7
Share premium account		309.3	309.1	309.2
Special capital reserve		13.0	13.0	13.0
Translation reserve		(22.9)	(27.4)	(21.4)
Retained earnings		66.6	55.1	78.5
Total equity		368.7	352.5	382.0

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

for the half year to 30 April 2026

	Note	Unaudited Half year to 30 April 2026 £m	Unaudited Half year to 30 April 2025 £m	Audited Year to 31 Oct 2025 £m
Cash flows from operating activities				
Cash generated from underlying operations	10	15.9	32.3	112.2
Cash impact of non-underlying items		(0.6)	(1.5)	(3.6)
Cash (utilised in)/generated from discontinued underlying operations	10	1.1	(0.6)	(0.5)
Cash impact of discontinued non-underlying items	10	(4.0)	(0.3)	(2.8)
Cash flows from operating activities		12.4	29.9	105.3
Retirement benefit deficit receipts/(contributions)		0.3	(0.2)	(0.9)
Tax paid		(1.3)	(11.5)	(13.3)
Net cash inflow from operating activities		11.4	18.2	91.1
Cash flows from investing activities				
Purchases of intangible assets		(2.0)	(5.5)	(12.1)
Purchases of property, plant and equipment		(39.9)	(39.2)	(90.2)
Capitalised interest		(2.1)	(1.4)	(3.2)
Grant funding		3.9	12.9	23.5
Acquisition of subsidiary net of cash acquired		-	-	(13.5)
Proceeds on disposal of subsidiary		-	-	6.6
Net cash outflow from investing activities		(40.1)	(33.2)	(88.9)
Cash flows from financing activities				
Dividends paid	7	(14.4)	(14.2)	(21.5)
Purchase of own shares		(7.8)	(6.4)	(6.6)
Proceeds for transactions in own shares		-	-	0.9
Paid accrued dividends on shares		(0.4)	(0.3)	(0.3)
Finance expense paid		(2.5)	(0.7)	(3.3)
Capitalised facility fees paid		-	-	(1.4)
Drawdown of borrowings		50.0	105.0	145.0
Repayments of borrowings		(33.3)	(50.0)	(70.0)
Payment of lease liabilities		(1.9)	(1.3)	(2.8)
Net cash inflow/(outflow) from financing activities		(10.3)	32.1	40.0
(Decrease)/Increase in cash and cash equivalents		(39.0)	17.1	42.2
Cash and cash equivalents at beginning of period/year		44.8	2.0	2.0
Effect of foreign exchange rate changes		(0.1)	0.1	0.6
Cash and cash equivalents at end of period/year*	11	5.7	19.2	44.8

* Cash and cash equivalents of £5.7m (31 October 2025: £44.8m) is net of current borrowings of £39.0m (31 October 2025: £20.5m).

NOTES TO THE CONDENSED SET OF FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

Basis of preparation

The condensed set of financial statements do not constitute statutory accounts as defined by section 434 of the Companies Act 2006 and were approved by the Board of Directors on 01 June 2026.

Full accounts for the year ended 31 October 2025, which include an unqualified audit report, did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying the report and did not contain statements under section 498(2) or (3) of the Companies Act 2006, have been delivered to the Registrar of Companies. These were prepared in accordance with UK-adopted international accounting standards ("UK-adopted IFRS") in conformity with the requirements of the Companies Act 2006.

Whilst the financial information included in this announcement has been computed in accordance with International Financial Reporting Standards ("IFRSs"), this announcement does not itself contain sufficient information to comply with IFRSs. This condensed set of financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK.

As required by the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority, the condensed set of financial statements has been prepared applying the accounting policies and presentation that were applied in the preparation of the company's published consolidated financial statements for the year ended 31 October 2025 except for income tax and any new and amended standards as set out below.

The preparation of financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Going concern

The directors believe 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.

As part of their regular assessment of the Group's working capital and financing position, the directors have prepared a detailed bottom-up two-year trading budget and cash flow forecast for the period through to October 2027, being at least twelve months after the date of approval of the interim financial statements. This is in addition to the Group's longer-term strategic planning process. In assessing the forecast, the directors have considered:

- trading risks presented by the current economic conditions in the defence market, particularly in relation to government budgets and expenditure;
- the impact of macroeconomic factors, particularly inflationary pressures, supply chain challenges, interest rates, tariffs and foreign exchange rates;
- the status of the Group's financial arrangements and associated covenant requirements;
- progress made in developing and implementing operational improvements;
- the availability of mitigating actions available should business activities fall behind current expectations, including the deferral of discretionary overheads and restricting cash outflows; and
- the long-term nature of the Group's business which, taken together with the Group's order book, provides a satisfactory level of confidence to the Board in respect of trading.

Additional detailed sensitivity analysis has been performed on the forecasts to consider the impact of severe, but plausible, reasonable worst case scenarios on the covenant requirements. These scenarios, which sensitised the forecasts for specific identified risks, modelled the reduction in anticipated levels of underlying EBITDA and the associated increase in net debt. These scenarios included significant delays to major contracts and considered the principal risks and uncertainties referred to in note 16. These sensitised scenarios show headroom on all covenant test dates for the foreseeable future.

After consideration of the above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the half-yearly condensed financial statements.

Alternative Performance Measures (“APMs”)

In the analysis of the Group’s financial performance and position, operating results and cash flows, APMs are presented to provide readers with additional information. The principal APMs presented are underlying measures of earnings including underlying operating profit, underlying profit before tax, underlying profit after tax, underlying EBITDA, underlying earnings per share, and underlying operating cash flow. In addition, EBITDA, net debt, and constant currency are presented which are also considered to be non-IFRS measures. These measures are consistent with information regularly reviewed by management to run the business, including planning, budgeting and reporting purposes and for its internal assessment of the operational performance of individual businesses.

The directors believe that the use of these APMs assist in providing additional information on the underlying trends, performance and position of the Group. APMs are used to improve the comparability of information between reporting periods by adjusting for items that are non-recurring or otherwise non-underlying. Management consider non-underlying items to be:

- amortisation of acquired intangibles;
- material exceptional items, for example relating to business restructuring costs, legal costs and other non-recurring items;
- acquisition and disposal costs;
- gains or losses on the movement in the fair value of derivative financial instruments;
- pension buy-in and buy-out transactions; and
- the tax impact of all of the above.

Our use of APMs is consistent with the prior year and we provide comparatives alongside all current period figures.

Accounting policies

The accounting policies applied by the Group in this half-yearly financial report are the same as those applied by the Group in its consolidated financial statements for the year ended 31 October 2025 with the exception of income tax which is detailed below. In addition, there have been no significant changes in accounting judgements or key sources of estimation uncertainty as disclosed in the consolidated financial statements for the year ended 31 October 2025.

Indicators of impairment were identified in the Kilgore CGU and therefore a full impairment assessment was performed. The methodology applied to this assessment was consistent with that set out in the Group consolidated financial statements for the year ended 31 October 2025. The assessment showed a recoverable amount in excess of the CGU’s carrying value of £20.6m, such that no impairment has been identified. Consistent with the year end position, reasonable possible changes to the assumptions within the assessment could result in headroom being eliminated.

Income tax expense is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management’s best estimate of the weighted-average annual income tax rate expected for the full financial year.

Recent accounting developments

The following International Financial Reporting Committee (“IFRIC”) interpretations, amendments to existing standards and new standards were adopted in the period ending 30 April 2026 but have not materially impacted the reported results or the financial position:

- Lack of exchangeability (Amendments to IAS 21).

The Group plans to apply the IFRS 18 Presentation and Disclosure in Financial Statements from 01 November 2027. This is a presentational standard and the Group is in the process of assessment of the potential impact on its financial statements. The main changes to the Group are expected to be the requirement to disaggregate information reported in the Consolidated income statement and the reporting of Management-defined Performance Measures in the notes to the Consolidated financial statements.

2. SEGMENTAL ANALYSIS – CONTINUING OPERATIONS

Half year to 30 April 2026 (unaudited)

	Countermeasures & Energetics £m	Sensors & Information £m	Unallocated* £m	Group £m
Revenue	142.1	95.2	-	237.3
Segment result before depreciation, amortisation and non-underlying items	36.0	13.4	(11.2)	38.2
Depreciation	(9.4)	(2.5)	-	(11.9)
Amortisation	(0.5)	(1.3)	-	(1.8)
Segmental underlying operating profit	26.1	9.6	(11.2)	24.5
Amortisation of acquired intangibles	(0.4)	(0.9)	-	(1.3)
Non-underlying items	(6.7)	(2.1)	7.3	(1.5)
Segmental operating profit	19.0	6.6	(3.9)	21.7

Half year to 30 April 2025 (unaudited)

	Countermeasures & Energetics £m	Sensors & Information £m	Unallocated* £m	Group £m
Revenue	130.2	92.6	-	222.8
Segment result before depreciation, amortisation and non-underlying items	28.7	19.5	(9.4)	38.8
Depreciation	(8.6)	(2.8)	-	(11.4)
Amortisation	(0.3)	(0.6)	-	(0.9)
Segmental underlying operating profit	19.8	16.1	(9.4)	26.5
Amortisation of acquired intangibles	(0.4)	(0.3)	-	(0.7)
Non-underlying items	-	(2.3)	5.4	3.1
Segmental operating profit	19.4	13.5	(4.0)	28.9

Year ended 31 October 2025 (audited)

	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	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

* Unallocated items are specific corporate level costs that cannot be allocated to a business segment.

3. ALTERNATIVE PERFORMANCE MEASURES

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, and the amortisation of acquired intangibles. The directors believe that these APMs improve 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:

	Unaudited Half year to 30 April 2026			Unaudited Half year to 30 April 2025		
	Underlying performance £m	Non- underlying items £m	Statutory Total £m	Underlying performance £m	Non- underlying items £m	Statutory Total £m
Continuing operations						
Revenue	237.3	-	237.3	222.8	-	222.8
Operating profit/(loss)	24.5	(2.8)	21.7	26.5	2.4	28.9
Finance expense	(2.9)	-	(2.9)	(3.0)	-	(3.0)
Profit/(loss) before tax	21.6	(2.8)	18.8	23.5	2.4	25.9
Taxation	(4.7)	0.1	(4.6)	(5.2)	(0.5)	(5.7)
Profit/(loss) after tax	16.9	(2.7)	14.2	18.3	1.9	20.2
Discontinued operations						
(Loss)/profit after tax from discontinued operations	-	(8.1)	(8.1)	0.3	(0.1)	0.2
Profit/(loss) after tax	16.9	(10.8)	6.1	18.6	1.8	20.4
Earnings per ordinary share						
Continuing operations						
Basic	6.2p		5.2p	6.8p		7.5p
Diluted	6.1p		5.1p	6.6p		7.3p
Continuing operations and discontinued operations						
Basic	6.2p		2.2p	6.9p		7.5p
Diluted	6.1p		2.2p	6.7p		7.4p

Audited
Year to 31 October 2025

	Underlying performance £m	Non- underlying items £m	Statutory Total £m
Continuing operations			
Revenue	497.5	-	497.5
Operating profit/(loss)	73.5	(0.1)	73.4
Finance expense	(5.7)	-	(5.7)
Profit/(loss) before tax	67.8	(0.1)	67.7
Taxation	(14.2)	(0.2)	(14.4)
Profit/(loss) after tax	53.6	(0.3)	53.3
Discontinued operations			
(Loss)/profit after tax from discontinued operations	(2.3)	(2.8)	(5.1)
Profit/(loss) after tax	51.3	(3.1)	48.2
Earnings per ordinary share			
Continuing operations			
Basic	19.8p		19.7p
Diluted	19.4p		19.3p
Continuing operations and discontinued operations			
Basic	18.9p		17.8p
Diluted	18.6p		17.5p

Breakdown of non-underlying items:

	Unaudited Half year to 30 April 2026 £m	Unaudited Half year to 30 April 2025 £m	Audited Year to 31 Oct 2025 £m
Gain on the movement in the fair value of derivative financial instruments	7.3	5.5	7.3
Acquisition expenses	(1.8)	(0.8)	(3.0)
Defined benefit pension buy-in and buy-out transaction	0.1	(0.1)	(0.4)
Business restructuring	(0.4)	(1.5)	(2.5)
Retirement of legacy production	(6.7)	-	-
Decrease in legal and disposal provisions	-	-	0.2
Impact of non-underlying items on EBITDA	(1.5)	3.1	1.6
Intangible amortisation arising from business combinations	(1.3)	(0.7)	(1.7)
Impact of non-underlying items on operating profit and profit before tax	(2.8)	2.4	(0.1)
Tax impact of non-underlying items	0.1	(0.5)	(0.2)
Impact of non-underlying items on continuing profit after tax	(2.7)	1.9	(0.3)
Non-underlying discontinued operations after tax	(8.1)	0.2	(2.8)
Impact of non-underlying items on profit after tax	(10.8)	2.1	(3.1)
Underlying profit after tax	16.9	18.3	51.3
Statutory profit after tax	6.1	20.4	48.2

Derivative financial instruments

Included in non-underlying items is a £7.3m gain (H1 2025: £5.5m, 2025: £7.3m) 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 expenses

Included in non-underlying items is £1.8m (H1 2025: £0.8m, 2025: £3.0m) of acquisition expenses. This includes £1.7m (H1 2025: £0.1m, 2025: £0.8m) relating to deferred consideration contingent on the continued employment of the former owners of Landguard, which has been accounted for under IFRS 3 *Business Combinations*. The remaining expense of £0.1m (H1 2025: £0.7m, 2025: £2.2m) relates to deferred consideration contingent on continued employment of the former owners of Geollect which has been accounted for as equity-settled share-based payments under IFRS 2 *Share-based Payments*. We have classified this cost as a non-underlying item as it relates to the cost of acquiring the respective businesses as opposed to representing a market rate cost for ongoing employment of the former owners. The acquisition 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 acquiring a business 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 a gain of £0.1m (H1 2025: £0.1m expense, 2025: £0.4m expense) in relation to the ongoing transaction for the defined benefit pension 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 in total is material in size, therefore these costs have been excluded from the underlying measures.

Business restructuring

Included in non-underlying items are costs of £0.4m (H1 2025: £1.5m, 2025 £2.5m) relating to business restructuring. During the period the Group took action to restructure Roke to align with the changing global dynamic and needs of their customers. As such, these costs are not reflective of the underlying costs of the Group and have been excluded from the underlying measures.

Retirement of legacy production

Included in non-underlying items is an expense of £6.7m (H1 2025: £nil, 2025: £nil) in relation to management's decision to start retiring legacy production facilities in Tennessee as production moves to the new automated facility. The charge includes the impairment of remaining assets, write-off of inventory and specific provisions relating to the retirement of the facility. The retirement of legacy production 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.

Legal and disposal provisions

Included in non-underlying items is a £nil (H1 2025: £nil, 2025 £0.2m) release of legal provisions, relating to the 2018 incident at our UK countermeasures facility in Salisbury. The HSE prosecution was closed in 2024.

Amortisation of acquired intangibles

Included in non-underlying items is the amortisation charge arising from business combinations of £1.3m (H1 2025: £0.7m, 2025: £1.7m). Amortisation of acquired intangibles arising from business combinations is associated with acquisition costs 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

In the period to 30 April 2026, the tax impact of non-underlying items comprises a £0.1m tax credit (H1 2025: £0.5m charge, 2025: £0.2m charge) on the above non-underlying items.

Discontinued operations

Further details on the results of discontinued operations are presented in note 13.

4. SEASONALITY OF REVENUE

Revenue is expected to be weighted towards the second half of the financial year. This second half weighting arises due to customer behaviours in the defence marketplace, the timing of expected contract activity, public holidays, planned facility maintenance work programmes, and the acceptance testing of products by customers.

5. TAX – CONTINUING OPERATIONS

	Unaudited Half year to 30 April 2026 £m	Unaudited Half year to 30 April 2025 £m	Audited Year to 31 October 2025 £m
Underlying tax charge	4.7	5.2	14.2
Tax impact of non-underlying items	(0.1)	0.5	0.2
Total statutory tax charge	4.6	5.7	14.4

Income tax charge is recognised at an amount determined by multiplying the profit before tax for the interim reporting period by management's best estimate of the weighted-average annual income tax rate expected for the full financial year.

The effective tax rate on underlying profit before tax for the period is a charge of 21.8% (H1 2025: 22.1%, 2025: 20.9%). The effective tax rate is in line with our expectation, as it trends toward the UK corporation tax rate.

6. EARNINGS PER SHARE

Earnings per share is based on the average number of shares in issue, excluding own shares held, of 271,668,077 (H1 2025: 270,743,454, 2025: 270,724,940). Diluted earnings per share has been calculated using a diluted average number of shares in issue, excluding own shares held, of 277,663,901 (H1 2025: 276,142,462, 2025: 276,057,896).

The earnings used in the calculations of the various measures of earnings per share are as follows:

	Unaudited			Unaudited		
	Half year to 30 April 2026			Half year to 30 April 2025		
	£m	Basic EPS (pence)	Diluted EPS (pence)	£m	Basic EPS (pence)	Diluted EPS (pence)
Underlying profit after tax	16.9	6.2	6.1	18.3	6.9	6.7
Non-underlying items	(2.7)			1.9		
Profit from continuing operations	14.2	5.2	5.1	20.2	7.5	7.3
(Loss)/profit from discontinued operations	(8.1)			0.2		
Total profit after tax	6.1	2.2	2.2	20.4	7.5	7.4

	Audited		
	Year to 31 October 2025		
	£m	Basic EPS (pence)	Diluted EPS (pence)
Underlying profit after tax	53.6	19.8	19.4
Non-underlying items	(0.3)		
Profit from continuing operations	53.3	19.7	19.3
Loss from discontinued operations	(5.1)	(1.9)	(1.8)
Total profit after tax	48.2	17.8	17.5

7. DIVIDENDS

At the Annual General Meeting on 20 February 2026 the shareholders approved a final dividend in respect of the year ended 31 October 2025 of 5.3p per ordinary share (2025: 5.2p). This was paid on 10 April 2026 to shareholders on the register on 20 March 2026 and totalled £14.4m (H1 2025: £14.2m).

The Board also declared an interim dividend in respect of 2026 of 2.8p per ordinary share (2025: 2.7p) which will be paid on 4 September 2026 to shareholders on the register on 14 August 2026. The estimated cash value of this dividend is £7.8m (2025: £7.3m).

8. FINANCIAL INSTRUMENTS

During the six months to 30 April 2026, movements on derivative financial instruments were primarily driven by FX rate fluctuations. At 30 April 2026 there are no significant differences between the book value and fair value (as determined by market value) of the Group's derivative financial instruments.

The fair value of derivative financial instruments is estimated by discounting the future contracted cash flow using readily available market data and represents a Level 2 measurement in the fair value hierarchy under IFRS 7 *Financial Instruments: Disclosures*. As at 30 April 2026, the total fair value of forward foreign exchange contracts recognised in the condensed consolidated balance sheet were a non-current asset of £7.3m (H1 2025: £nil, 2025: £1.9m), a current asset of £3.7m (H1 2025: £2.3m, 2025: £2.5m), a current liability of £0.7m (H1 2025: £0.7m, 2025: £0.8m) and a non-current liability of £0.1m (H1 2025: £0.1m, 2025: £nil).

9. RELATED PARTY TRANSACTIONS

Past transactions with related parties are shown on page 128 of the Group's 2025 Annual report and accounts. There were no significant related party transactions during the current period requiring disclosure.

10. CASH GENERATED FROM OPERATING ACTIVITIES

	Unaudited Half year to 30 April 2026 £m	Unaudited Half year to 30 April 2025 £m	Audited Year to 31 Oct 2025 £m
Operating profit from continuing operations	21.7	28.9	73.4
Amortisation of development costs	0.7	0.7	1.5
Amortisation of intangible assets arising from business combinations	1.3	0.7	1.7
Amortisation of software	1.1	-	0.8
Amortisation of patents and licences	-	0.2	-
Loss on disposal of non-current assets	-	-	0.2
Depreciation of property, plant and equipment	12.1	11.4	22.8
Defined benefit pension buy-in and buy-out transaction expenses	-	0.1	-
Other non-underlying items	1.4	(3.4)	(1.7)
Share-based payment expense	3.7	2.3	5.1
Operating cash flows before movements in working capital	42.0	40.8	103.8
Increase in inventories	(31.5)	(28.0)	(23.7)
Increase in trade and other receivables	(13.4)	(26.9)	(19.9)
Increase in trade and other payables	19.0	46.4	51.8
Increase in provisions	(0.2)	-	0.2
Operating cash flow from continuing underlying operations	15.9	32.3	112.2
Discontinued operations			
Cash impact/(utilised) in discontinued underlying operations	1.1	(0.6)	(0.5)
Cash impact of discontinued non-underlying items	(4.0)	(0.3)	(2.8)
Net cash outflow from discontinued operations	(2.9)	(0.9)	(3.3)

11. ANALYSIS OF NET DEBT

	As at 1 Nov 2025 £m	Cash flows £m	Non-cash changes £m	Exchange rate effects £m	As at 30 April 2026 £m
Cash and cash equivalents*	44.8	(39.0)	-	(0.1)	5.7
Debt due within one year	(26.7)	13.4	(13.3)	-	(26.6)
Debt due after one year	(91.5)	(30.1)	13.1	-	(108.5)
Lease liabilities	(15.5)	1.9	(1.3)	(0.1)	(15.0)
Preference shares	(0.1)	-	-	-	(0.1)
	(89.0)	(53.8)	(1.5)	(0.2)	(144.5)

* Cash and cash equivalents of £5.7m (31 October 2025: £44.8m) is net of current borrowings of £39.0m (31 October 2025: £20.5m).

The Group's principal debt facilities comprise a £180m revolving credit facility up to December 2028 as well as a US\$20m overdraft. The revolving credit facility was refinanced in April 2025 with a syndicate of seven banks and there are three one-year extensions at the banks' discretion.

In October 2024, the Group entered into a UK Export Finance Export Development Guarantee Facility (2.0) led by Barclays PLC for up to £80m. This is a four-year, arm's length facility with a one-year draw down period and a three-year amortising repayment schedule. None of the borrowings in the current or the prior year were secured.

In April 2026, the Group entered into a further UK Export Finance Export Development Guarantee Facility (3.0) for up to £80m. This is a five-year, arm's length facility with a two-year draw down period with a repayment schedule commencing in year three.

The Group had £187.5m (H1 2025: £170.0m, 2025: £134.7m) of undrawn borrowing facilities at the half year.

The Group is subject to two key financial covenants, which are tested quarterly. These covenants relate to the leverage ratio between underlying EBITDA and net debt; and the interest cover ratio between underlying EBITDA and finance costs. The calculation of these ratios

involves the translation of non-Sterling denominated debt using average, rather than closing, rates of exchange. The Group was in compliance with the covenants throughout the period. The half year leverage ratio was 1.53 times (covenant limit of 3 times) and the half year interest cover ratio was 10.43 times (covenant floor of 4 times).

12. EXCHANGE RATES

The following exchange rates applied during the period:

	Average rate H1 2026	Closing rate H1 2026	Average rate H1 2025	Closing rate H1 2025	Average rate 2025	Closing rate 2025
US dollar	1.35	1.36	1.28	1.34	1.31	1.32
AU dollar	1.91	1.89	2.01	2.09	2.03	2.01
NOR krone	12.94	12.59	14.01	13.85	13.75	13.29

The translation of foreign currency items in the financial statements are dependent on the prevailing foreign exchange rates. For the period ended 30 April 2026, a 10 percent increase in the US dollar and Norwegian Krone exchange rates would have decreased reported underlying operating profit for the first half of 2026 by approximately £0.9m. No other reasonable FX rate fluctuations would materially impact the results.

13. DISCONTINUED OPERATIONS AND HELD FOR SALE

Total losses from discontinued operations for the period to 30 April 2026 were £8.1m (H1 2025: £0.6m profit, 2025: £6.3m loss) relating to Alloy Surfaces Company, Inc. ("Alloy"). Alloy includes the underlying profit of £nil (H1 2025: £0.6m, 2025: £2.0m loss) and a non-underlying charge of £8.3m (H1 2025: £nil, 2025: £5.1m) and associated tax credit of £0.2m (H1 2025: £nil, 2025: £0.8m) in relation to the divestment of the business (see below).

In the year to 31 October 2025, the EHD business included an underlying loss of £0.3m (H1 2025: £0.3m) and a non-underlying credit of £0.7m (H1 2025: £nil), being the profit from the sale of the EHD business and a tax credit against those non-underlying items of £1.3m (H1 2025: £nil).

In the year to 31 October 2025, other discontinued operations included a £0.5m charge (H1 2025: £0.1m) relating to an increase in provisions for a previously disposed European Munitions business.

	Unaudited Half year to 30 April 2026			Unaudited Half year to 30 April 2025		
	Underlying £m	Non- underlying £m	Total £m	Underlying £m	Non- underlying £m	Total £m
EHD business						
Revenue	-	-	-	0.8	-	0.8
Operating loss	-	-	-	(0.3)	-	(0.3)
Tax	-	-	-	-	-	-
	-	-	-	(0.3)	-	(0.3)
Alloy Surfaces Company, Inc.						
Revenue	-	-	-	11.5	-	11.5
Operating (loss)/profit	-	(8.3)	(8.3)	0.6	-	0.6
Tax	-	0.2	0.2	-	-	-
	-	(8.1)	(8.1)	0.6	-	0.6
Other discontinued operations						
Increase in provisions	-	-	-	-	(0.1)	(0.1)
Total (loss)/profit from discontinued operations	-	(8.1)	(8.1)	0.3	(0.1)	0.2

	Audited Year to 31 October 2025		
	Underlying £m	Non- underlying £m	Total £m
EHD business			
Revenue	0.8	-	0.8
Operating (loss)/profit	(0.4)	0.7	0.3
Tax	0.1	1.3	1.4
	(0.3)	2.0	1.7
Alloy Surfaces Company, Inc.			
Revenue	19.2	-	19.2
Operating loss	(2.4)	(5.1)	(7.5)
Tax	0.4	0.8	1.2
	(2.0)	(4.3)	(6.3)
Other discontinued operations			
Increase in provisions	-	(0.5)	(0.5)
Total loss from discontinued operations	(2.3)	(2.8)	(5.1)

The net cash outflow from operating activities was £2.9m (H1 2025: £0.9m, 2025: £3.3m) and the cash outflow from investing activities was £nil (H1 2025: £0.1m outflow, 2025: £5.7m inflow). There were no cash flows from financing activities.

EHD business

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.

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. and its subsidiary ASC Realty LLC business (collectively "Alloy") would be divested and as such was marketed for sale. As at 31 October 2025, Alloy was treated as a discontinued operation.

At the time of classification, the disposal group met the criteria of IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* and was therefore presented as assets held for sale and measured at the lower of carrying amount and fair value less costs to sell at a value of £10.3m.

During the period to 30 April 2026, management reassessed its strategic options and concluded that the disposal of the entire Alloy business was no longer highly probable. As a result, the business was closed during the period and operations ceased. Following this, only the land and buildings held by ASC Realty LLC continue to be marketed for sale and remain classified as held for sale at 30 April 2026. As a consequence of the closure of the business, an impairment charge of £8.3m has been recognised and treated as a discontinued non-underlying item to write down the carrying value of the remaining assets. The impairment charge relates to the following:

	£m
Goodwill	3.5
Development costs	1.0
Property, plant and equipment	2.3
Inventories	1.5
Impairment charge	8.3

The comparative income statement and cash flow information for the period to 30 April 2025 has been re-presented to classify the Alloy business as discontinued:

	Reported H1 2025 £m	Adjustments £m	Re-presented H1 2025 £m
CONSOLIDATED INCOME STATEMENT			
Continuing operations			
Revenue	234.3	(11.5)	222.8
Operating profit	29.5	(0.6)	28.9
Finance expense	(3.0)	-	(3.0)
Profit before tax	26.5	(0.6)	25.9
Taxation	(5.7)	-	(5.7)
Profit after tax	20.8	(0.6)	20.2
Discontinued operations			
(Loss)/profit after tax	(0.4)	0.6	0.2
Total profit after tax	20.4	-	20.4
CONSOLIDATED CASH FLOW STATEMENT			
Continuing operations			
Cashflows from operating activities	30.5	0.3	30.8
Discontinued operations			
Cashflows from operating activities	(0.6)	(0.3)	(0.9)
Total cash flows from operating activities	29.9	-	29.9

All adjustments related to underlying items.

14. 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. There are currently no material open matters.

15. EVENTS AFTER THE BALANCE SHEET DATE

Vigil AI Limited

In May 2026 the Group acquired the remaining shares in Vigil AI Limited, a provider of award-winning technology that provides state-of-the-art solutions to enable online platforms to detect Child Sexual Abuse Material (“CSAM”) globally, for an immaterial amount. The Vigil AI classifier, trained on the Home Office Child Abuse Image Database (“CAID”), is a powerful technology which uses AI to detect and categorise the severity of CSAM and is the result of a pioneering collaboration between UK industry and the UK Home Office CAID team. The commercialisation of Vigil AI continues to progress well with growing customer interest driven by the introduction of the Online Safety Act. During the period a two-year renewal was agreed with the UK Home Office, and the new Resolver channel to market secured its first customer. Resolver, a Kroll business, is a leading provider of risk intelligence solutions, safeguarding more than 1,000 companies globally.

Retirement benefit obligations

On 18 May 2026, the Group completed a full insurance buy-out of the Group’s legacy UK defined benefit pension scheme, the Chemring Group Staff Pension Scheme (the “Scheme”) with an insurer, Pension Insurance Corporation. Under this transaction, the insurer has assumed responsibility for settling all of the Scheme’s obligations to members, and the Group has been discharged from its obligations in respect of those liabilities.

At 30 April 2026, the defined benefit pension scheme remained recognised on the Group’s balance sheet in accordance with IAS 19, as the buy-out had not yet been completed and therefore represents a non-adjusting post balance sheet event under IAS 10. The defined benefit assets and matching defined benefit liabilities will be derecognised from the Group balance sheet as at 18 May 2026.

16. 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 2025 Annual report and accounts. 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 2025 Annual report and accounts. These risks can be summarised as:

- occupational and process safety risks;
- environmental laws and regulations risks;
- climate risks;
- market-related risks;
- political risks;
- contract-related risks;
- technology risks;
- financial risks;
- operational risks;
- people risks;
- compliance and corruption risks; and
- cyber-related risks.

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

17. CORPORATE WEBSITE

Further information on the Group and its activities can be found on the corporate website at www.chemring.com.

INDEPENDENT REVIEW REPORT TO CHEMRING GROUP PLC

Conclusion

We have been engaged by Chemring Group PLC (“the Company”) to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2026 which comprises the Condensed Consolidated Income Statement, the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Balance Sheet, the Condensed Consolidated Cash Flow Statement and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2026 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* (“ISRE (UK) 2410”) issued for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors’ responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the DTR of the UK FCA.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Kate Teal
for and on behalf of KPMG LLP
Chartered Accountants
66 Queen Square
Bristol
BS1 4BE

1 June 2026