


COHORT PLC

THE INDEPENDENT TECHNOLOGY GROUP

A man with a beard, wearing a white lab coat, is leaning over a table in a laboratory or workshop. He is focused on working with a cable, possibly stripping or connecting it. The background is slightly blurred, showing other people and equipment, suggesting a busy technical environment.

Delivering trusted and valued
technology innovation that
protects us all.

Half year results for the six months ended 31 October 2024

Andrew Thomis and Simon Walther

11 December 2024

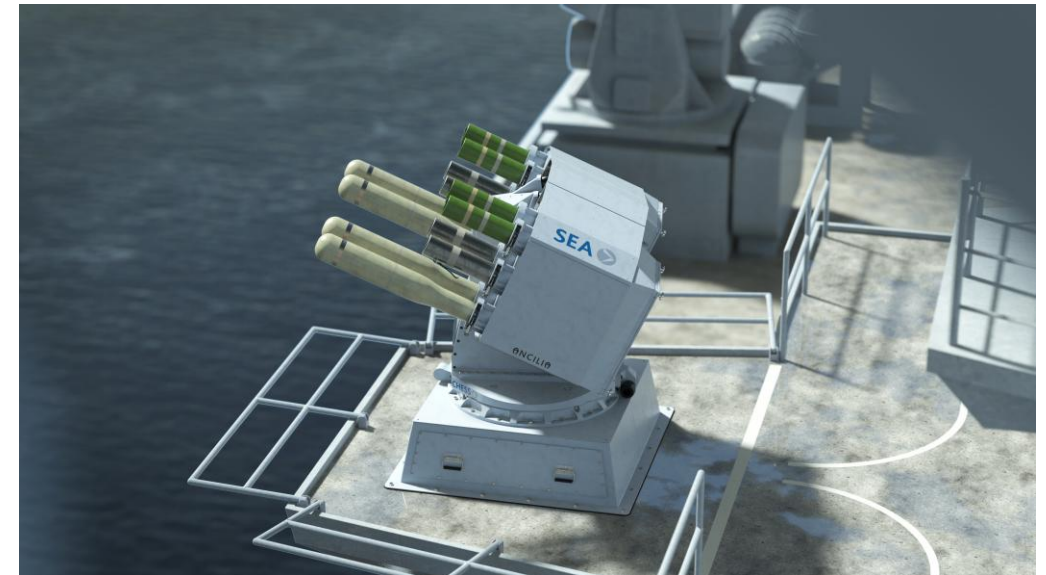
INTERIM RESULTS HIGHLIGHTS

Andrew Thomis, Chief Executive



INVESTMENT CASE

- Group of six technology businesses focused on land and maritime defence systems
- Business model underpins competitive advantage
- Growing organically – recently announced acquisition of EM Solutions will accelerate
- Geopolitics driving strong demand – evidenced by transformative Ancilia win
- Strong pipeline of further opportunities
- £500m+ order book underpinning revenue out to mid 2030s
- Strong balance sheet to invest in growth
- A growing dividend every year since IPO in 2006



GROUP: FINANCIAL HIGHLIGHTS



Strong growth in revenue and profit

REVENUE

£118.2m

+25%

(2023: £94.3m)

ADJUSTED OPERATING PROFIT

£10.1m

+69%

(2023: £6.0m)

ADJUSTED EPS

20.00p

+93%

(2023: 10.36p)



Record closing order book, visibility out to mid 2030s, more to come in pipeline

ORDER INTAKE

£139.2m

(2023: £119.1m)

ORDER BOOK

£541.1m

(30 April 2024 £518.7m)

REVENUE COVER

>99%

(2023: +95%)



Robust net funds and operating cash, increased dividend

OPERATING CASH FLOW

£34.7m

(2023: £10.5m)

NET FUNDS

£37.9m

(30 Apr 2023: £13.1m)

INTERIM DIVIDEND

>10%

5.25p

(4.7p 2023)

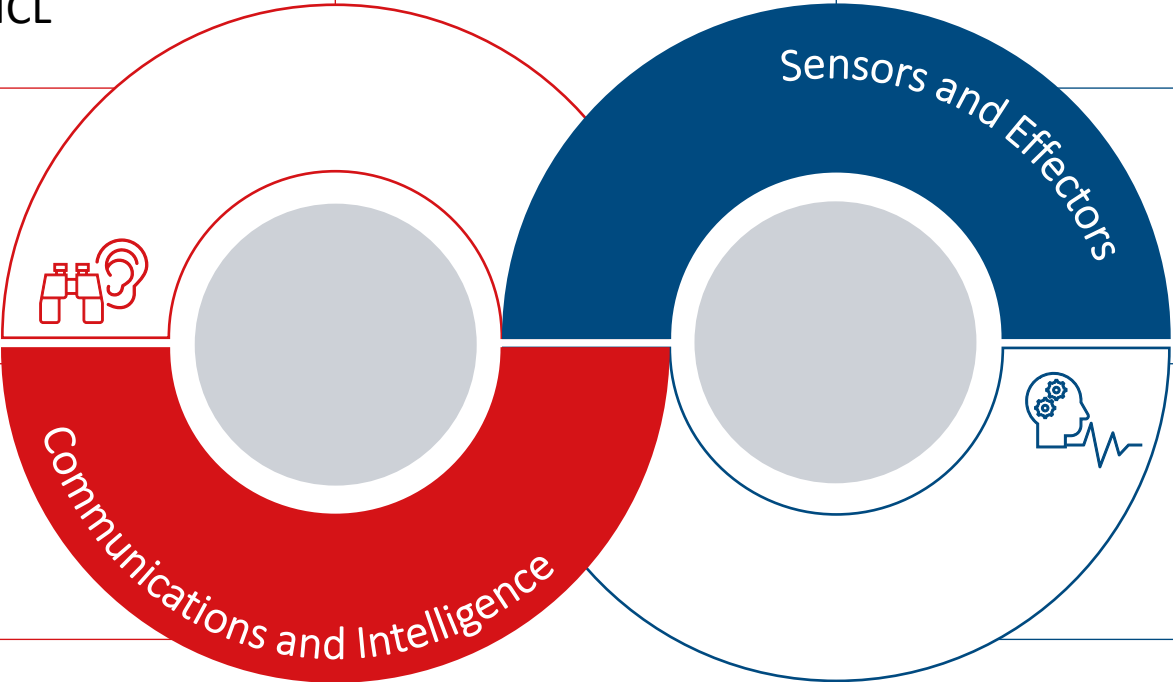
DIVISIONAL HIGHLIGHTS

Increased revenue and trading profit in both divisions

Strong demand from urgent operational requirements at MCL

SEA making good progress on Ancilia – Critical Design Review in March

MASS delivering well



Solid order book growth at EID, will generate revenue in H2

Italian submarine sonar moving into production at ELAC

CHES performance impacted by delivery delays - expect a stronger H2

Strong pipeline of opportunities for H2 and beyond

FINANCIAL REVIEW

Simon Walther, Finance Director



INCOME STATEMENT

	Six months ended 31 Oct 2024 £m	Six months ended 31 Oct 2023 £m	Variance %
Revenue	118.2	94.3	+25%
Gross profit	38.2	32.1	
Overhead	(28.1)	(25.2)	
Adjusted operating profit	10.1	6.0	+69%

KEY NOTES

- Record first half trading performance with higher revenue and adjusted operating profit, ahead of recent guidance
- Net margin significantly higher despite weaker revenue mix
- Overhead increase reflects continued investment in people across the Group. Headcount now over 1,400, almost 100 above April 2024

OPERATIONAL PERFORMANCE

Communications and Intelligence



MASS 

MCL 

EID 

- Revenue of £55.2m (2023: £43.9m)
- Improved trading profit of £8.5m (2023: £6.0m)
- Order book increased to £134.3m (30 April 2024: £108.0m)
- Operating margin 15.4% (2023: 13.7%)

Sensors and Effectors



CHESS 

ELAC
SONAR 

SEA 

- Revenue of £64.2m (2023: £51.0m)
- More than doubled trading profit to £5.3m (2023: £2.3m)
- Order book slightly down to £406.8m (30 April 2024: £410.7m)
- Pipeline of opportunities look strong for H2
- Operating margin 8.3% (2023: 4.8%)

NET FUNDS FLOW

	Six months ended 31 Oct 2024	Six months ended 31 Oct 2023
	£m	£m
Adjusted operating profit	10.1	6.0
Working capital, depreciation	23.3	(3.2)
Net funds inflow/(outflow) from operations	33.4	(9.2)
Acquisitions	(3.0)	-
Capital expenditure	(6.7)	(2.7)
Net purchase of own shares	(1.7)	(1.7)
Dividends	(4.1)	(3.7)
Other (including tax, interest and FX)	(3.1)	(3.4)
Net funds inflow/(outflow)	14.8	(2.3)
Opening net funds	23.1	15.6
Closing net funds	37.9	13.3

KEY NOTES

- Strong inflow from advance payments and strong trading, resulting in record net funds
- Year end guidance remains unchanged with small net debt expected (post EM Solutions)

OUTLOOK

Andrew Thomis, Chief Executive



OUTLOOK FOR GROWTH

Big picture

Continued conflict in Central/Eastern Europe, renewed conflict in Middle East
SE Asia/Indo-Pacific allies continue to invest in security and defence



Export markets

- New and existing NATO members reacting to Ukraine crisis
- Southeast Asia demand strong
- Australian maritime spend growing fast based on AUKUS and surface ship acquisition



Domestic markets

- UK defence review underway to underpin spending increase
- Step change in defence spend in Germany
- Major projects finally underway in Portugal



Operations

- Investing in capacity increases at ELAC Sonar, SEA and Chess
- Group to benefit from operational gearing as revenue grows

ELAC SONAR's New Facility in Kiel, Germany

December 2023



PROGRESS UPDATE, 10 DECEMBER 2024



OPPORTUNITY PIPELINE



Italy Boat 4; German Navy frigate upgrade; submarine programmes in Europe, Canada and Asia



Communications and networks for Portuguese Offshore Patrol Vessels; promising co-operation with Damen



Multiple opportunities for KraitSense; communications for SSN AUKUS; partnership with Terma for Ancilia



Multiple urgent operational requirements



Extension to JCAST training contract



Multiple opportunities for C-UAS systems via partners Rheinmetall and Bofors

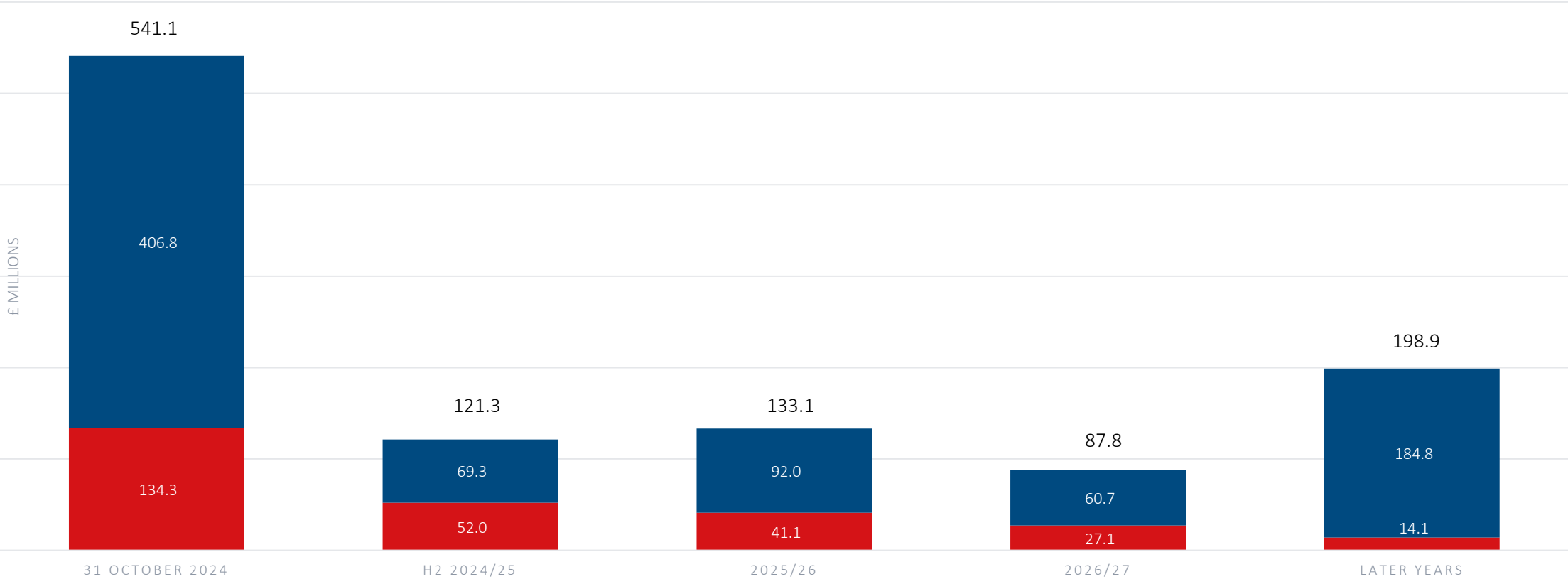


Will investigate opportunities with EM Solutions as soon as the transaction completes

RECORD ORDER BOOK

DELIVERY OF THE GROUP'S ORDER BOOK INTO REVENUE

■ Communications and Intelligence ■ Sensors and Effectors



STRONG REVENUE VISIBILITY

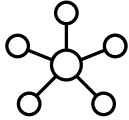
ORDER BOOK

	31 October 2024 £m	To be delivered H2 2024/25 £m	31 October 2023 £m	To be delivered H2 2023/24 £m
Communications and Intelligence	134.3	52.0	108.3	30.5
Sensors and Effectors	406.8	69.3	245.6	60.3
	541.1	121.3	353.9	90.8

KEY NOTES

- >99% of 2024/25 consensus revenue forecast now on order

COMPELLING PROPOSED ACQUISITION – EM SOLUTIONS



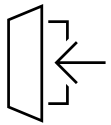
Enhance and diversify the Group’s proposition with a complementary defence communication offering



Gain exposure to the growing satellite communications market



Further broaden the Group’s naval systems offering



Accelerate EM Solutions’ growth with enhanced position in UK, NATO Europe, Asia and South America



Strengthen Cohort’s presence in Australia, a key growing strategic region for the Group



SUMMARY & OUTLOOK



Continued growth in revenue and profit, on track to achieve full year expectations



Dividend increased 10% once again



Materially accretive acquisition of EM Solutions to accelerate growth and give access to new markets



Strong balance sheet for investing in growth opportunities



Record order book and strong pipeline of opportunities to sustain the pace of growth

QUESTIONS



APPENDICES



EARNINGS PER SHARE

- 93% increase in adjusted earnings per share from 69% growth in adjusted operating profit

Reconciled as follows:

	Adjusted operating profit £m	Adjusted earnings per share Pence
Six months ended 31 Oct 2023	6.0	10.36
100% owned businesses throughout the year	4.9	9.69
Impact of businesses with minority holding	(0.8)	(1.27)
Other (mostly lower net interest charge)	-	1.22
Six months ended 31 Oct 2024	10.1	20.00

ORDER BOOK MOVEMENT

