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**Strong performance,
continued progress**

2020 Interim Results

30 July 2020

Strong first half performance ...

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Pandemic impact mitigated

Order up book 14%, revenue up 5.8%, underlying profit improvement

Strong cash conversion, improved liquidity

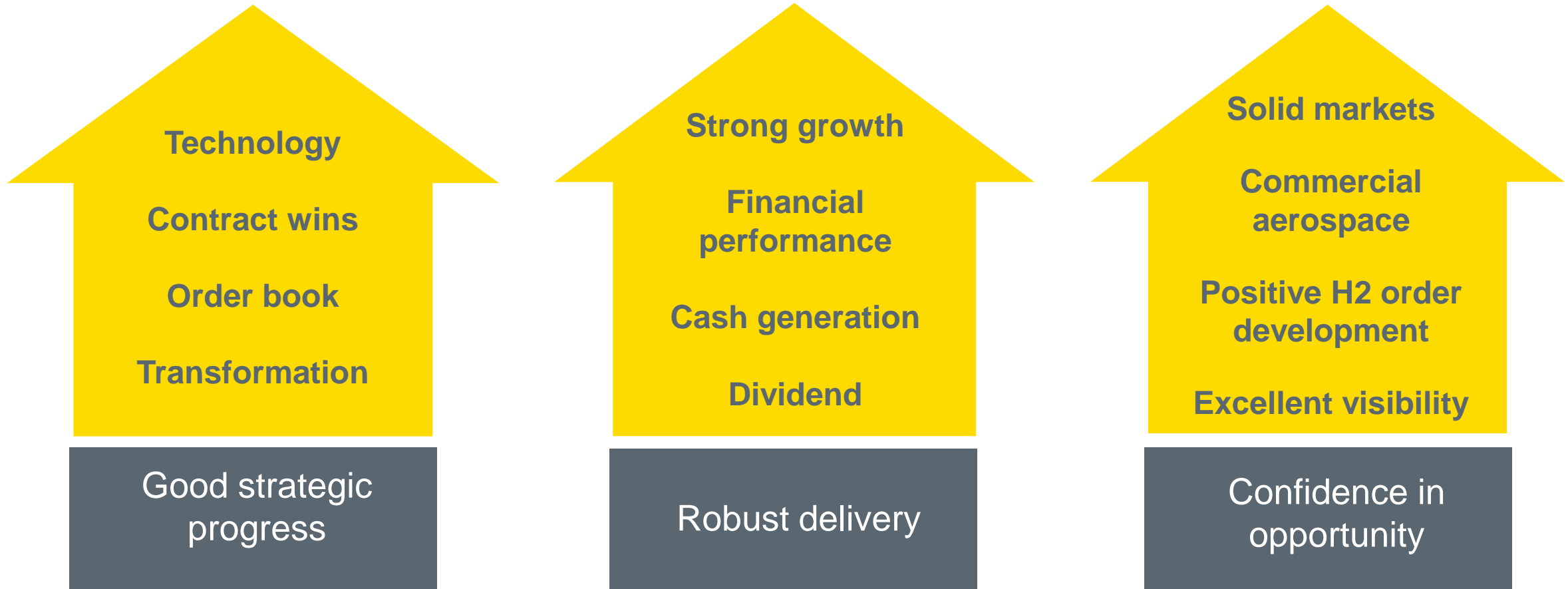
Good momentum and visibility into H2

FY19 final and increased interim dividend to be paid in full

... despite COVID

Good strategic and operational delivery...

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... exciting future

Performance through the pandemic

- Ultra employees demonstrated great agility and flexibility
 - 2,600 people enabled for remote working in 14 days
- Delivering for all stakeholders
 - Business as usual in unusual times
 - Improved operational metrics
 - No COVID related job furloughing or loss
 - No need for Government support
 - Multiple efforts to support pandemic response
 - local community support
 - Multi-site 3D printing of PPE, UK Ventilator Challenge

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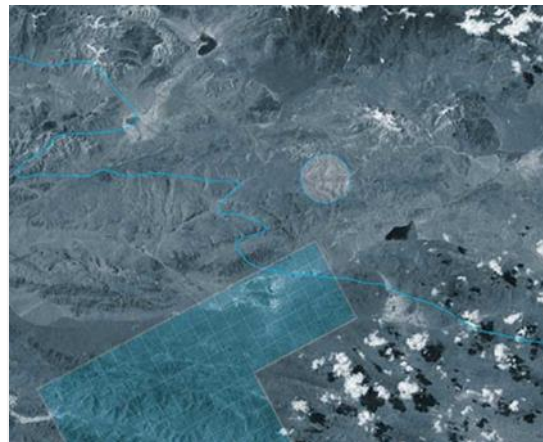
...continuing to deliver

Increased technology/capability investment



Sonobuoy development

Enhanced capabilities and SWaP for novel deployment



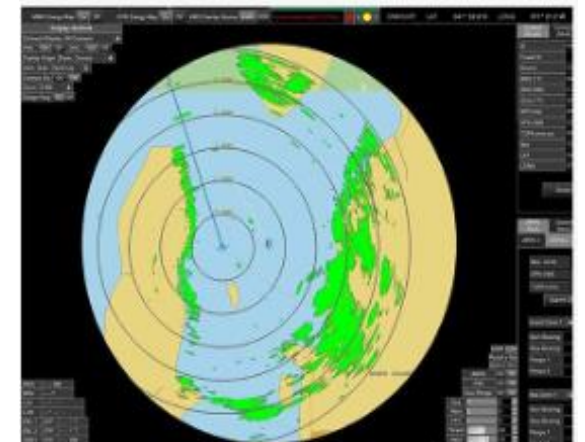
Advanced C2I/comms networking

C2I network management, encryption and machine learning in adaptive networks



Adaptive detection and visualisation

Enhanced adaptive anomaly detection and visualisation for real-time C2 functionality



Technology improvements for surface radar

New features and concepts for radar processing and display

...supporting future opportunity

Important new contract wins



Joint Interface Control Cell (JICC) Extended Trainer (JET) contract

C2 capability used to support simulation need for Air National Guard



Link 16 Program Alaska Support

IDIQ to develop secure, digital, jam-resistant advanced Link 16 network over the Alaskan air space



Counter Air and Counter Unmanned Aerial Systems

Sole source development contract for the MADIS program

...with longer term potential

Good orders on existing platforms..

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Sonobuoy award

\$101m FY20 delivery order under ERAPSCO's 5 year IDIQ



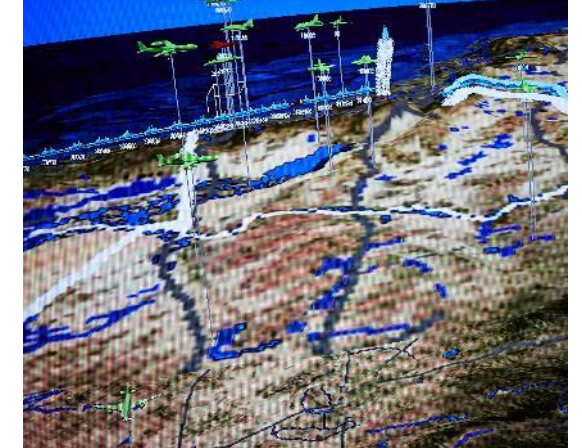
MK 54 lightweight torpedo arrays

\$45m order, two option years remaining



ORION radios

US Marine Corp \$6m order under TRILOS IDIQ

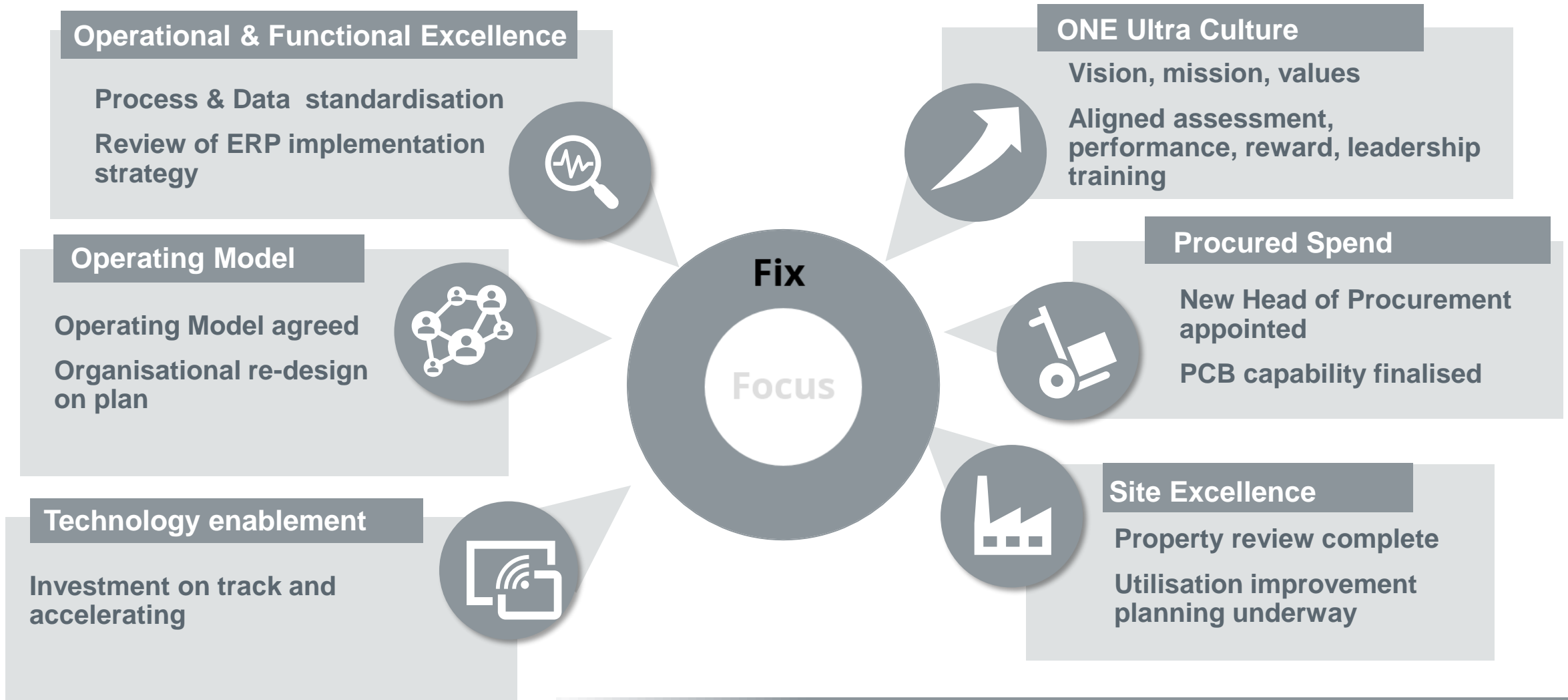


ADSI

ADSI system, license fees & support sales of \$33m

...reflecting robust markets

Transformation on track...



...increasingly confident in the opportunity



Financial Review

Jos Sclater, CFO

Highlights...

£'m

Order book

Revenue

Operating profit⁽¹⁾

Operating margin⁽¹⁾

H1 2020	H1 2019*	Organic Growth ⁽³⁾
1,173.2	1,029.0	+14.0%
413.1	390.5	+5.8%
53.4	54.3	-1.7%
12.9%	13.9%	

+6.6%
excluding bonus
phasing impact

14.0%
excluding bonus
phasing impact

Profit before tax⁽²⁾

Earnings per share (p)⁽²⁾

Cash Conversion

ROIC⁽⁴⁾

H1 2020	H1 2019	Growth
47.9	46.5	+3.0%
54.7	52.5	+4.2%
98%	25%	
17.5%	16.7%	

* Comparative period presented at constant currency translation and adjusted for disposals to reflect the comparable period of ownership.

(1) Underlying profit and margin are before amortisation of intangibles arising on acquisition, acquisition and disposal related costs, and significant legal charges and expenses.

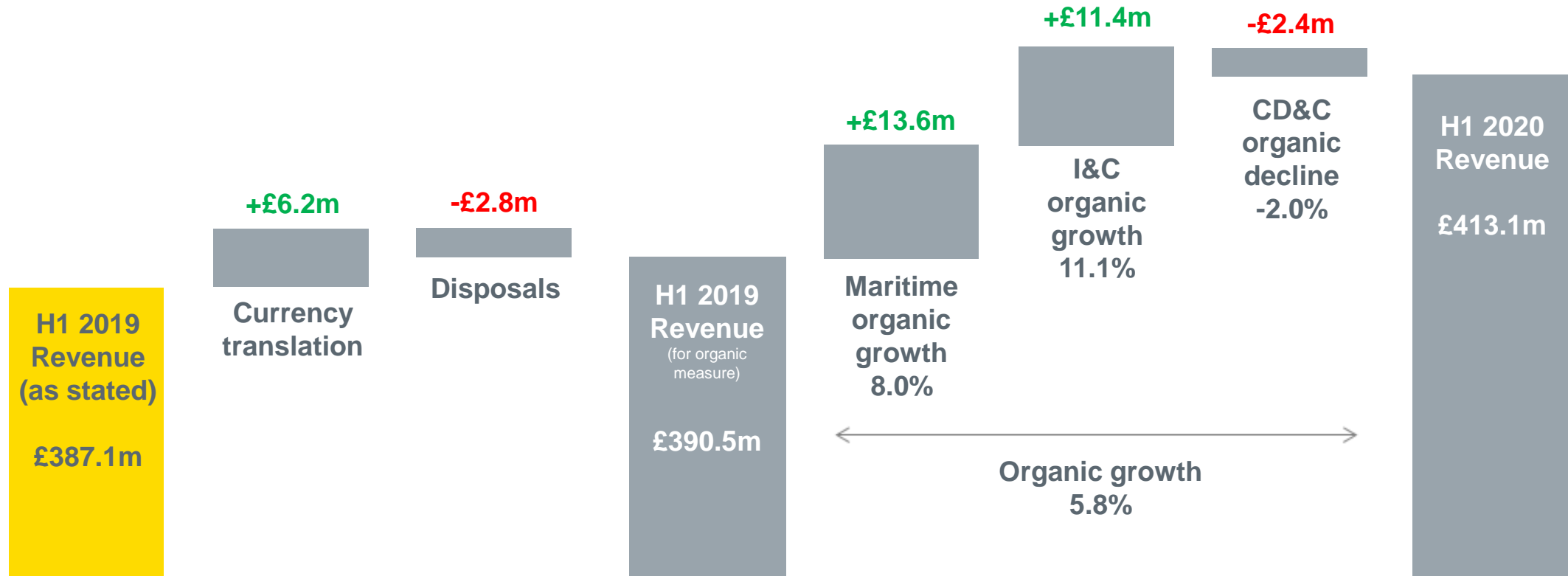
(2) Underlying profit before tax and earnings per share are before amortisation of intangibles arising on acquisition, fair value movements on derivatives, acquisition and disposal related costs, gain or loss on disposal, and significant legal charges and expenses.

(3) Organic movements are the change in revenue, operating profit and order book at constant currency translation when compared to the prior period results and adjusted for acquisitions or disposals to reflect the comparable period of ownership.

(4) ROIC is calculated as underlying operating profit for the twelve months preceding the period end expressed as a percentage of invested capital (average of opening and closing balance sheets). Invested capital is defined as net assets of the Group, excluding net debt and lease liability, pension obligations, tax and derivatives.

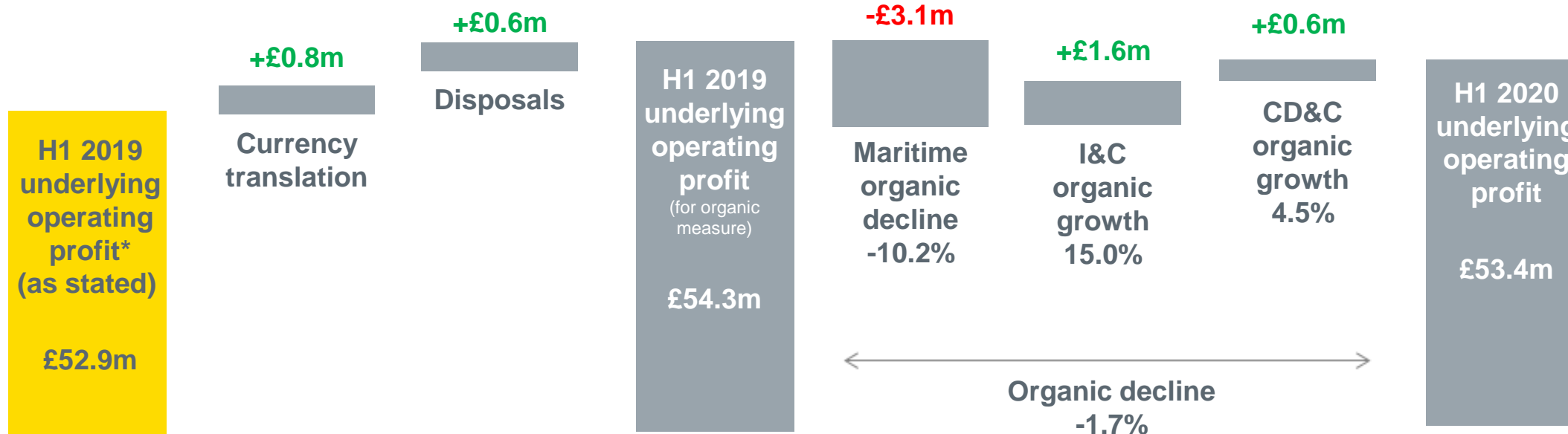
...delivering growth

Strong revenue performance



...despite some headwinds

Good underlying profit growth



Additional charge of £4.5m (£3m in Maritime) in H1 2020 compared to H1 2019 arising from phasing of H1 bonus accruals. Excluding the impact of this, the organic movement would have been growth of +7.2%.

* before amortisation of intangibles arising on acquisition, acquisition and disposal related costs, and significant legal charges and expenses

...before impact of bonus accrual change

£'m	H1 2020	H1 2019*	Organic Growth ⁽²⁾
Order book	605.8	456.3	+32.8%
Revenue	184.3	170.7	+8.0%
Operating profit ⁽¹⁾	27.3	30.4	-10.2%
Operating margin ⁽¹⁾	14.8%	17.8%	

Excellent order book, driven by Sonobuoy, MK54 & NGSSR awards

Revenue growth driven by Sonobuoy receivers, torpedo arrays, NGSSR & strong countermeasure sales

Operating profit decline due to phasing of H1 bonus accruals, increased R&D & transformation costs

* Comparative period presented at constant currency translation and adjusted for disposals to reflect the comparable period of ownership

(1) Underlying profit and margin are before amortisation of intangibles arising on acquisition, acquisition and disposal related costs, and significant legal charges and expenses

(2) Organic movements are the change in revenue, operating profit and order book at constant currency translation when compared to the prior period results and adjusted for acquisitions or disposals to reflect the comparable period of ownership.

...margins stable excluding increased bonus accrual

Intelligence & Communications

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£'m	H1 2020	H1 2019*	Organic Growth ⁽²⁾
Order book	230.9	241.1	-4.2%
Revenue	114.1	102.7	+11.1%
Operating profit ⁽¹⁾	12.3	10.7	+15.0%
Operating margin ⁽¹⁾	10.8%	10.4%	

Strong ORION radio sales versus H1 2019

Higher R&D and transformation costs more than offset by performance in Radios, Specialist RF and ADSI

* Comparative period presented at constant currency translation and adjusted for disposals to reflect the comparable period of ownership

(1) Underlying profit and margin are before amortisation of intangibles arising on acquisition, acquisition and disposal related costs, and significant legal charges and expenses

(2) Organic movements are the change in revenue, operating profit and order book at constant currency translation when compared to the prior period results and adjusted for acquisitions or disposals to reflect the comparable period of ownership.

...ahead of expectations

Other Critical Detection & Control businesses

(PCS, Forensic Technology & Energy)

£'m	H1 2020	H1 2019*	Organic Growth ⁽²⁾
Order book	336.5	331.6	+1.5%
Revenue	114.7	117.1	-2.0%
Operating profit ⁽¹⁾	13.8	13.2	+4.5%
Operating margin ⁽¹⁾	12.0%	11.3%	

Higher Forensic Technology and Military aerospace sales more than offset by shortfalls in Nuclear Sensor sales

Improved operating margins mainly due to FX tailwinds, reduced R&D and good cost control

* Comparative period presented at constant currency translation and adjusted for disposals to reflect the comparable period of ownership

(1) Underlying profit and margin are before amortisation of intangibles arising on acquisition, acquisition and disposal related costs, and significant legal charges and expenses

(2) Organic movements are the change in revenue, operating profit and order book at constant currency translation when compared to the prior period results and adjusted for acquisitions or disposals to reflect the comparable period of ownership.

...most impacted by COVID-19

Adjusting items

£'m	H1 2020	H1 2019
Underlying profit before tax⁽¹⁾	47.9	46.5
(Loss)/gain on derivatives mark to market	(10.0)	2.5
Amortisation of intangibles arising on acquisition	(6.6)	(10.5)
Acquisition and disposal related costs	(0.8)	(0.7)
Gain on disposal	-	0.8
Significant legal charges and expenses	(0.7)	(0.7)
Statutory profit before tax	29.8	37.9

Statutory PBT decreased due to mark to market loss on forward foreign exchange contracts as GBP weakened relative to our USD forward contract rate.

(1) Underlying profit before tax is before amortisation of intangibles arising on acquisition, fair value movements on derivatives, acquisition and disposal-related costs, gains or losses on disposal, and significant legal charges and expenses

mark to market loss reduced PBT

Operating cash flow

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£'m	H1 2020	H1 2019
Underlying operating profit ⁽¹⁾	53.4	52.9
Depreciation* and amortisation	11.8	11.0
EBITDA*	65.2	63.9
Lease payments (IFRS 16)	(5.4)	(4.5)
Working capital and provisions	7.5	(32.6)
Capital expenditure	(9.9)	(9.2)
Pension contributions	(5.6)	(5.4)
Other flows	0.6	1.2
Underlying operating cash flow⁽²⁾	52.4	13.4
Operating cash conversion⁽³⁾	98%	25%

Lower investment in Working Capital driven by increased advanced payments from customers and improved Days Sales Outstanding

⁽¹⁾ before amortisation of intangibles arising on acquisition, acquisition and disposal related costs, and significant legal charges and expenses

⁽²⁾ underlying operating cash flow is cash generated by operations and dividends from associates, less net capital expenditure, R&D, and excluding the cash outflows from acquisition and disposal related payments and significant legal charges and expenses.

⁽³⁾ operating cash conversion is underlying operating cash flow as a percentage of underlying operating profit.

* including depreciation of IFRS 16 leased assets

...strong operating cash flow in H1

Liquidity and Balance Sheet position

	H1 2020	H1 2019
Average 12m working capital turn	8.54x	6.82x
Cash conversion	98%	25%
Free cash flow	£51.5m	£4.9m
Net debt*	£176m	£277m
Net debt to EBITDA*	1.20x	1.96x
Liquidity headroom available	£259m	£214m

Excellent cash conversion and free cash flow, helped by a one-off deferral of sales tax.

Leverage for covenant purposes is x0.46 (net debt £63m)

If FY2019 Dividend had been paid:

- Net debt of £203m (x1.39 Net debt to EBITDA),
- Net debt on a covenant basis: £91m (x0.67 EBITDA)

...robust position, despite COVID

Transformation investments

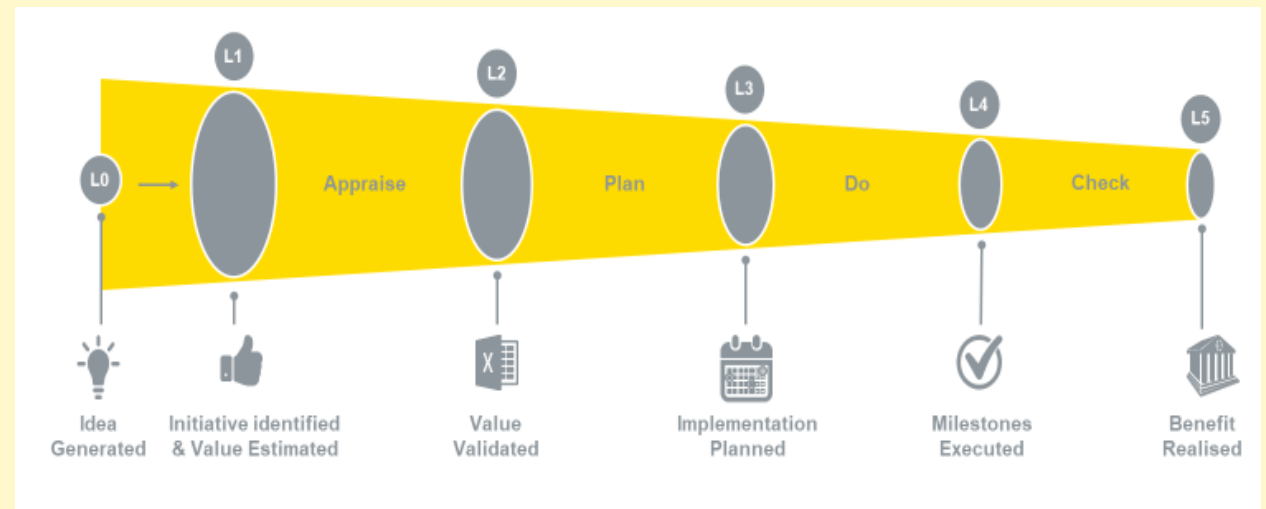
£'m	H1 2020
Cash costs (to be taken above the line)	3.4
Capital Expenditure	4.0
Total	7.4

H2 2020 investments expected to continue at similar run rate as H1

Our Transformation is broad based, process improvement is a core pillar

We have reviewed the ERP implementation strategy and, in most cases, we can update existing ERPs to implement improved processes

The Standard Improvement Funnel



...fully accounted for

FY19 dividend and 2020 Interim dividend to be paid in full

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Postponed FY 2019
dividend of 39.2p
(+5.0% versus 2018)
to be paid in
September

H1 2020 dividend of
15.4p, (2.7%
increase versus H1
2019: 15.0p) to be
paid on the same
date

Strong liquidity
positioned
maintained

...2020 a good year of progress for Ultra

A reminder: What you should expect from ONE Ultra

	2020
Growth	Robust underlying market, converting strong order book
Fix and IT investments	Transformation related investments accelerating to around £8 -12m
Internal R&D	Internal Research & Development around 4% of revenue
Resilience	Broadly stable year on year margins
Returns	Strong visibility
Cash flow and capital allocation	> 18% ROIC ⁽¹⁾
	Operating cash conversion more in line with medium term guidance of 80 – 90%
	Capital Expenditure around £20m - £25m, factoring in change in ERP strategy

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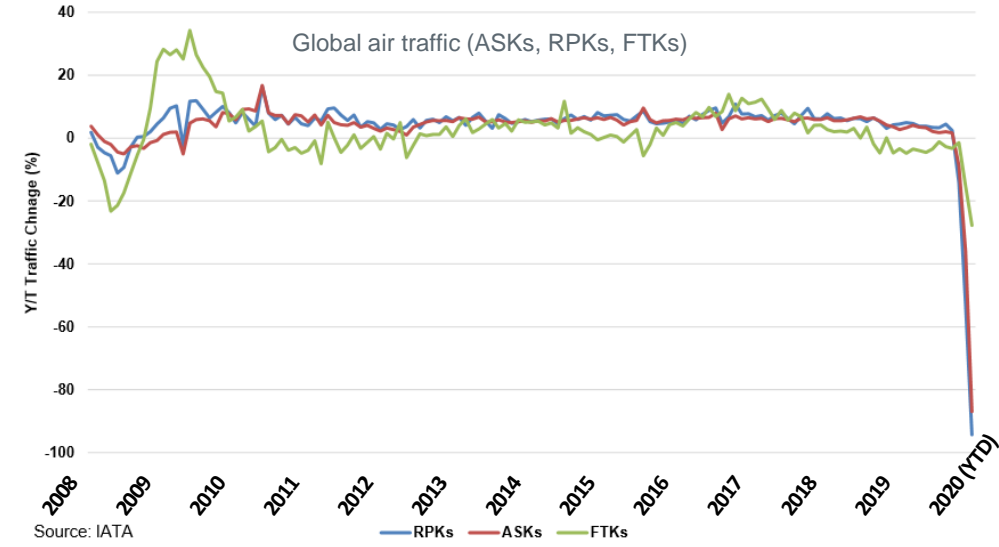
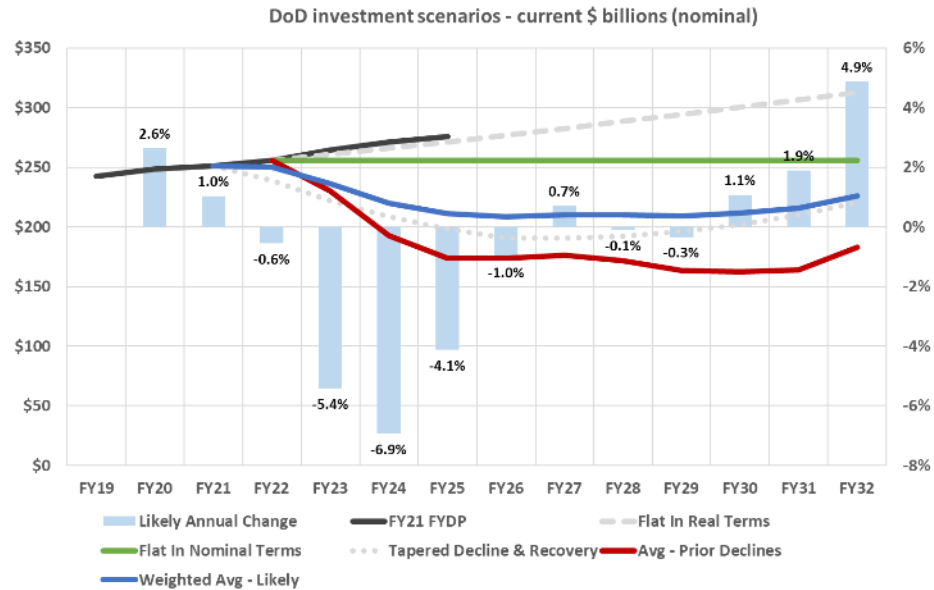
... no changes to medium or long-term expectations

Positive momentum into H2

Simon Pryce, CEO



Major markets solid



- Near-term US DoD clarity
- Good medium-term visibility
- Longer term threat environment vs affordability
- Ultra resilient

- Significant COVID impact on commercial aerospace
- Mitigation in H1, greater headwind in H2

...some civil aerospace challenges

Further orderbook progression...

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\$42m production contract award for NGSSR



\$33m Q125 award development contract



\$28m ER-DIFAR sonobuoy development contract

1st new development award outside of ERAPSCO



Further ORION application opportunities

...excellent full-year visibility

Great progress in H1 ...

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An agile player in cyclical but stable defence and detection markets

Sustainable technology advantage

Robust business model with good visibility

Multi-year culture change and transformation opportunity

Strong cash generation and value creation focus

... increased confidence in our exciting future

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Questions?

Appendices



ULTRA

Why we exist?

**Innovating
today for a safer
tomorrow**

Our vision

**A leading partner
delivering outstanding
solutions to customers'
most complex problems in
defence, security, critical
detection & control**

Our values



Agile

We embrace change - adapting to the conditions and making decisions at the right level.



Sharing

We win as a team - sharing ideas and resources to achieve great things.



Performing

We are relentless about quality - we're never satisfied until we've done what we said we'd do.



Innovating

We're open and questioning - and we challenge each other to think in new ways.



Rewarding

We love to celebrate success - seeking out and rewarding positive contributions at every level.



Empowering

We trust and empower each other - acting safely, ethically and with integrity..

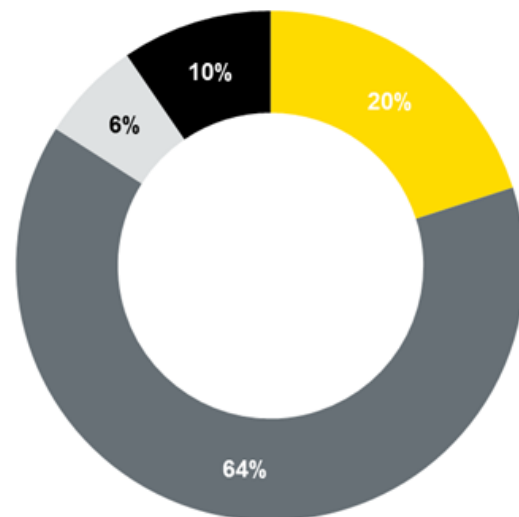
Creating value for all stakeholders...

Employees	Customers	Suppliers	Communities	Shareholders
Winning culture Investing in people Strengthened capability Diversity & inclusion	Supplier of choice Delivering on commitments Agile, flexible & responsive Investment & innovation	Long-term partnering approach Focus on total cost of supply	Clear ESG strategy Managed environmental impact Ethical, safe, sustainable behaviour Community contribution	Clear strategy Parenting advantage Managed risk taking Disciplined resource allocation

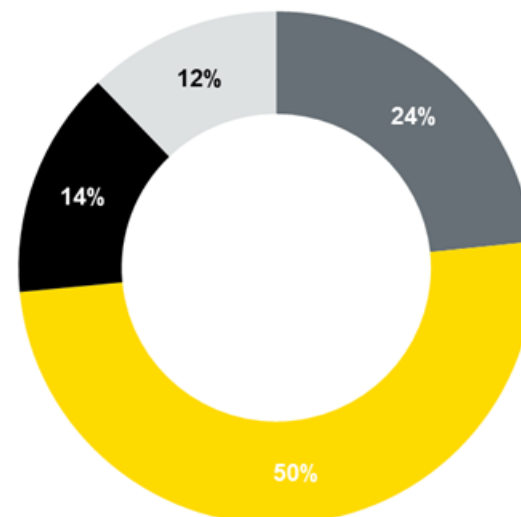
...with clear measures defining success

H1 2020 revenue breakdown

By destination



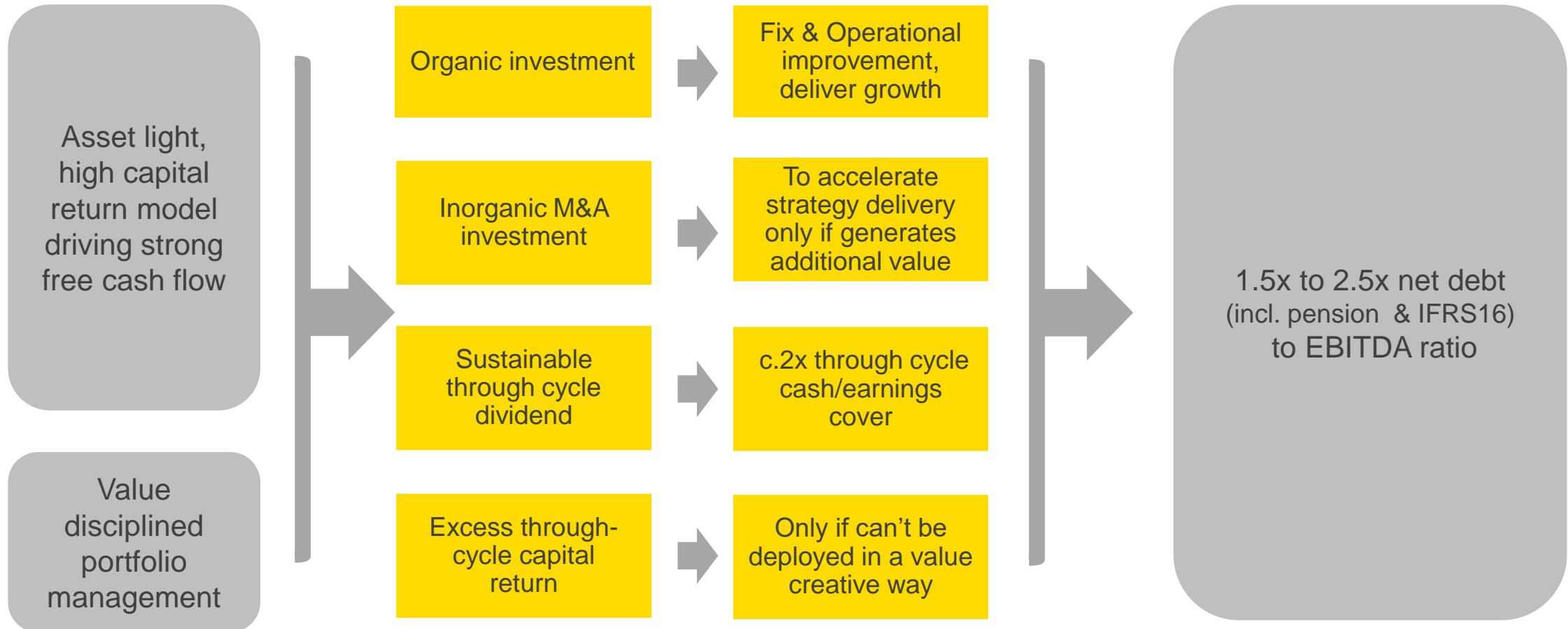
By market



- North America**
£264.3m
(2019: £236.8m; 61%)
- UK**
£82.8m
(2019: £84.3m; 22%)
- Rest of the World**
£39.4m
(2019: £42.4m; 11%)
- Mainland Europe**
£26.6m
(2019: £23.6m; 6%)

- Defence (Air)**
£96.6m
(2019: £102.1m; 26%)
- Defence (Naval & Army)**
£207.0m
(2019: £178.9m; 46%)
- Security & Cyber**
£59.3m
(2019: £49.8m; 13%)
- Transport & Energy**
£50.2m
(2019: £56.3m; 15%)

A more disciplined approach to capital allocation ...



...supporting strategic delivery

Balance sheet

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£'m	30 Jun 20	30 Jun 19	31 Dec 19
Intangible assets	479.1	488.5	458.6
Property, plant and equipment	67.3	61.2	64.2
Leased assets	40.0	34.3	36.1
Other non-current assets	24.3	38.3	25.4
Non-current assets	610.7	622.3	584.3
Inventories	110.0	99.7	90.7
Trade and other receivables < 1 year	210.2	216.8	205.4
Trade and other payables < 1 year	(225.9)	(191.5)	(192.3)
Current working capital	94.3	125.0	103.8
Net current tax assets	11.9	6.9	14.8
Net debt*	(107.4)	(208.3)	(154.8)
Provisions	(22.2)	(18.1)	(24.8)
Retirement benefit obligations	(68.7)	(68.5)	(73.3)
Other assets/liabilities	(33.4)	(35.1)	(19.4)
Net assets	485.2	424.2	430.6

Shares in Issue	Jun 2020	Jun 2019	Dec 2019
End of period	71.0m	70.8m	71.0m
Weighted average	71.0m	70.9m	70.9m

Foreign exchange

- Translational FX: A 1 cent movement in the USD exchange rate is a £3.9m impact on revenue and £0.6m impact on profit.
- c. 52% (H1 2019: 51%) of Group revenue is in US\$ businesses.
- c. 14% (H1 2019: 13%) of Group revenue is US\$ revenue from UK businesses.

Future hedge rates

	US\$:£	% covered
2020	1.29	100%
2021	1.29	80%
2022	1.28	25%

Safe harbour statement

Ultra Electronics Holdings plc (the 'Group') is providing the following cautionary statement. This document contains certain statements that are or may be forward-looking with respect to the financial condition, results or operations and business of the Group. These statements are sometimes, but not always, identified by the words 'may', 'anticipates', 'believes', 'expects' or 'estimates'. By their nature forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. A number of factors exist that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements. These factors include, but are not limited to: (i) changes to the current outlook for the world market for defence, security, transport and energy systems; (ii) changes in tax laws and regulations; (iii) the risks associated with the introduction of new products and services; (iv) significant global disturbances such as terrorism or prolonged healthcare concerns; (v) the termination or delay of key contracts; (vi) long-term fluctuations in exchange rates; (vii) regulatory and shareholder approvals; (viii) unanticipated liabilities; and (ix) actions of competitors. Subject to the Listing Rules of the UK Listing Authority, Ultra Electronics Holdings plc assumes no responsibility to update any of the forward-looking statements herein.