



Mello Investor Conference

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Enabling the future of RF Microwave and mmWave communications

- high bandwidth, high speed, secure and low latency data transmission

- ✓ World leading Radio Frequency (RF) technology and roadmap
- ✓ First class engineering team, with decades of experience
- ✓ Loyal, happy workforce
- ✓ Large available market in emerging and fast growing communications sectors
- ✓ Working with market leaders in all markets
- ✓ Strong sales pipeline
- ✓ On a rapid growth trajectory, and business in a transition to scale to the 'next level' and ensure sustained growth



Revenue
£25.4m ▲ (56%)

Adjusted EBITDA*
£4.9m ▲ (285%)

Operating profit
£3.6m ▲ (1,423%)

Cash at bank
£7.2m ▲ (176%)

Net cash (net of all lease obligations
except right of use property lease)
£5.2m ▲ (229%)

* Adjusted EBITDA is adjusted earnings before interest, taxation, depreciation, amortisation and share-based payments

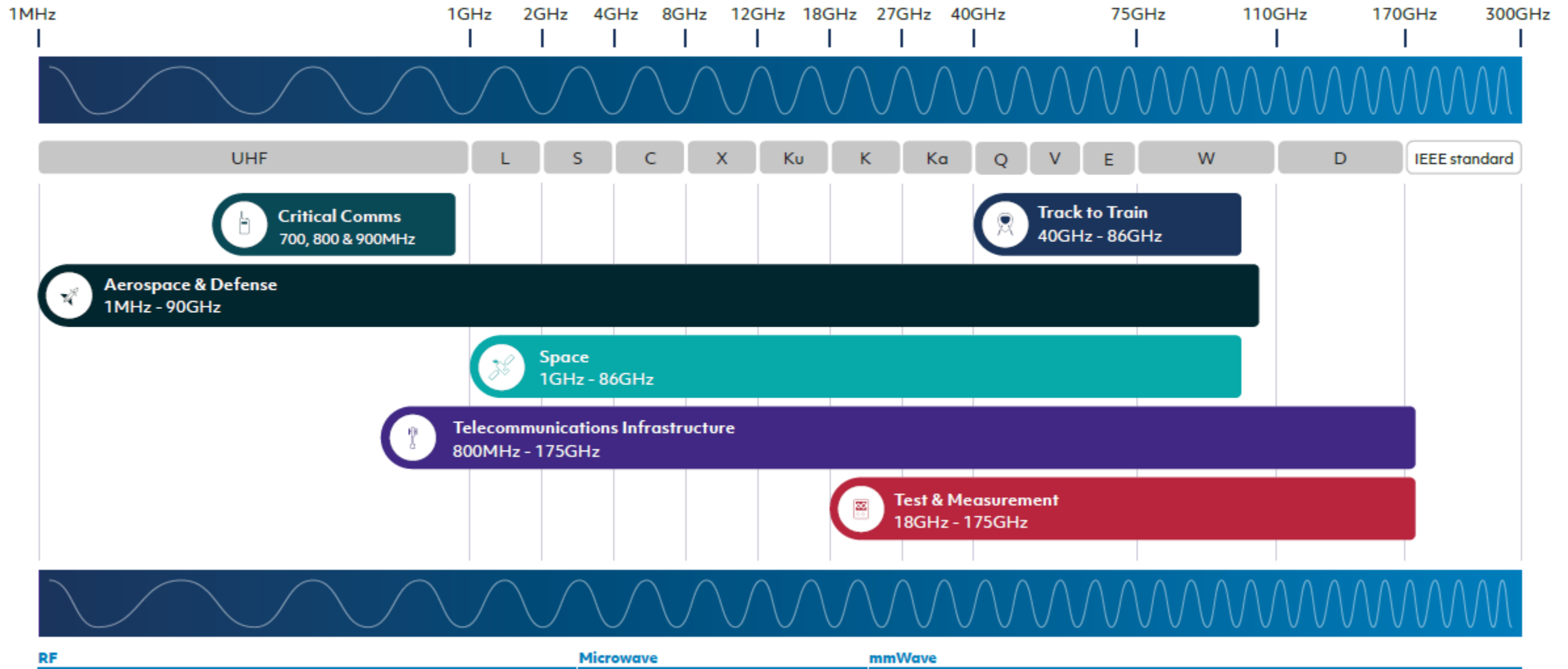
Operational Highlights

- Signed a 5-year Strategic Partnership with SpaceX
- Contract award of £3.2m from the European Space Agency with strategic importance for next generation LEO constellations including payload
- Contract wins from strategic target clients, BAE Maritime Services and QinetiQ, for £4.5m and £2.0m respectively for radar systems
- Launched and secured production orders for E-band derivative products from telecomms infrastructure OEMs and specialist private telecom network providers
- Secured a fourth programme from DSTL to for future defence radar applications
- Won the King's award for Enterprise in Innovation
- Flexed the operation to meet growing market demand, demonstrating our ability to respond and scale the business rapidly and efficiently

FY2025

- Cavendish's market guidance:
£40.5m revenue (▲ 59%) and £9.3m EDITDA ▲ 90%)

RF solutions across the spectrum



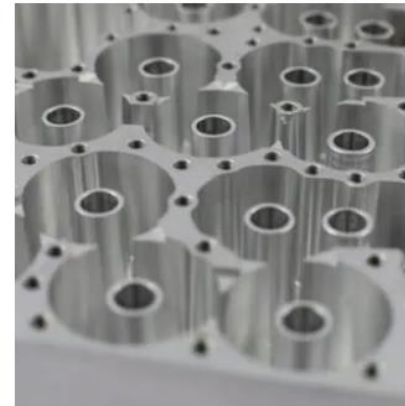
RF design and manufacturing capabilities across the entire spectrum and up to the highly complex challenging frequency bands at E/W and D-band.



Transceivers



Solid-state power amplifiers



Filters



Space Communications



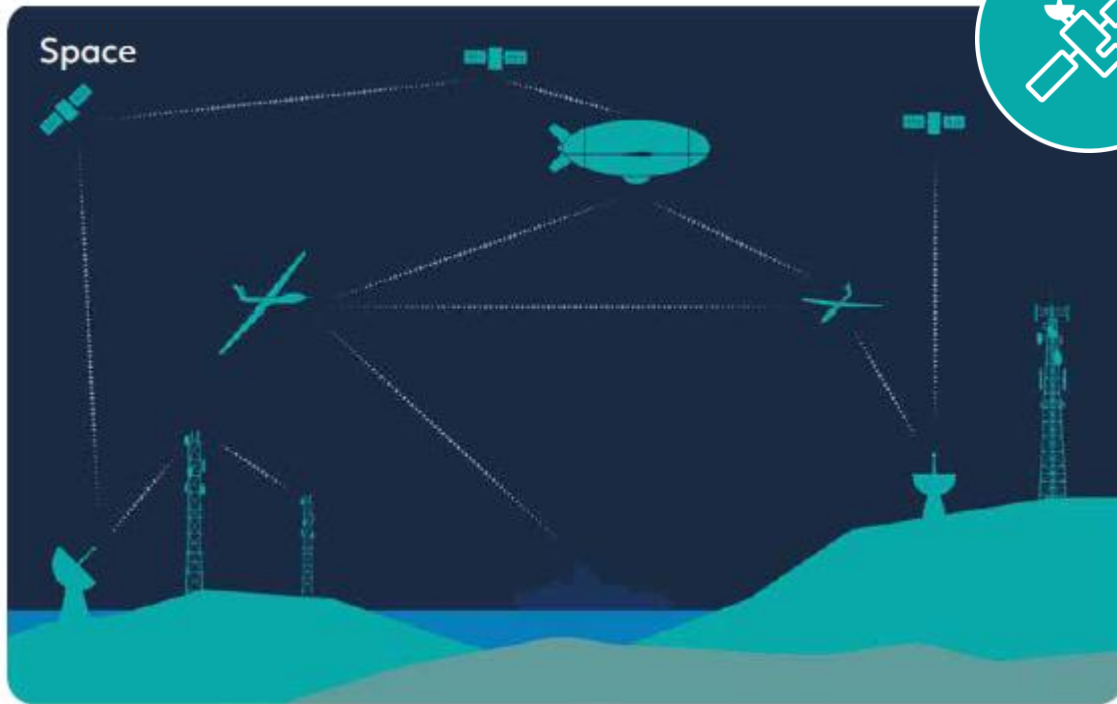
Aerospace & Defence



Telecommunications Infrastructure



Critical Communications



Connecting a converged network

- Low Earth Orbit (LEO) and High Altitude Pseudo Satellites (HAPS) applications
- Commercial and Military solutions
- Transceivers, Power Amplifiers, Filters



RF, Electronic Warfare & AESA Radar

- Unmanned & counter unmanned systems
- Electronic countermeasures
- Space communications solutions
- Transmit-Receive Modules, Switched filter banks, system builds

Market Dynamics



	Telecommunications Infrastructure (<i>X-haul</i>)	LEO Space (<i>Gateway / Payload Links</i>)	Aerospace & Defence (<i>Radar / EW / ECM</i>)	Critical Communications (<i>LMR / P25 Networks</i>)
Primary Applications	<ul style="list-style-type: none"> E-band backhaul transceivers for 5G telecoms infrastructure Private telecom solutions 	<ul style="list-style-type: none"> LEO Gateway communication links – payload and ground station 	<ul style="list-style-type: none"> RF transceiver modules for airborne ASEA radar and EW systems Battlefield communications 	<ul style="list-style-type: none"> Subsystems for LMR secure public safety / first responder communications networks
Market Growth Rate	<ul style="list-style-type: none"> 5G E-band Backhaul growth: 20% p/a CY2024-28 2025/26 outlook less optimistic due to overstocking by telcos 	<ul style="list-style-type: none"> >60,000 LEO satellites launched by 2029 SpaceX setting the pace European constellations will need to accelerate their systems 	<ul style="list-style-type: none"> £750m p/a EW defence budget £16.5bn increase in UK Defence Spending CY2020-27 £850m defence Comms budget £6.6b DSTL S&T budget 	<ul style="list-style-type: none"> LMR market growth: 7% p/a CY2022-26
Market Drivers	<ul style="list-style-type: none"> Global 5G telecoms rollout Release of E-band licences High density urban networks Low installed fibre in backhaul 	<ul style="list-style-type: none"> Ubiquitous broadband access Release of Ka,Q/V E-band licences Economic network coverage Future operating revenues 	<ul style="list-style-type: none"> Outsourced RF design capability Sovereign OSAT hybrid facility UK Defence Strategy / Exports 	<ul style="list-style-type: none"> Reliability P25 LMR solutions Upgrade + MRO installed base Introduction of LTE solutions Integration LTE LMR solutions
Filtronic USP	<ul style="list-style-type: none"> Partnership with market leader Quality /reputation / brand Proven IP / Performance History of volume delivery 	<ul style="list-style-type: none"> Partnership with SpaceX Tx /Rx Power SSPA performance Telecoms reputation / cost Volume manufacture + ramp-up 	<ul style="list-style-type: none"> Partnership with market leaders Accredited UK RF hybrid facility Strong RF design / DFM support Manufacturing processes 	<ul style="list-style-type: none"> Partnership with Motorola Quality /reputation / brand US manufacturing facility



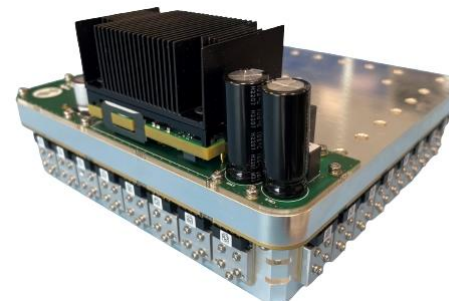
Strategic Partnership - SpaceX

- **SpaceX's Starlink Network** is the clear market leader in LEO Space infrastructure. 6,000 LEO satellites deployed and more than 4m subscribers
- Strategic Partnership announced in April 2024
- Chosen due to world leading performance in mmWave RF solutions
- Includes share warrants to SpaceX for up to 10% share capital:
 - 5% relating E-band Solid State Power Amplifiers ("SSPA")
 - 5% relating to new technology developments for a minimum of \$60m of orders
- Supply of E-band SSPA for ground stations
- Development work started for new technology



Mike Nicolls, SpaceX's Vice President of Starlink Engineering:

"Filtronic has been an outstanding supplier for Starlink ... delivering quality parts in E-band which will enable the Starlink network to continue to grow and connect millions of more people around the world with high-speed, low-latency broadband internet."





Space Market



TAM: \$3B the RF communications element of 60,000 LEO satellites launched in next 5 years

- LEO constellations are **converging with 5G** terrestrial telecom networks to provide low latency and global broadband connectivity' Filtronic has long heritage in traditional telecoms
- **Core IP Reuse** - significant opportunity for Filtronic to supply customised products based on core telecoms semiconductor and manufacturing IP
- **Agile design and development** and the ability to scale quickly into manufacturing
- **Partnership with SpaceX** and growing opportunity pipeline with other key players in the market

Primary LEO Space Constellations

Programme	Target Segments	Target Constellation Size	HQ	Launch Partners	Satellite OEM	Bands	Comments
StarLink	Consumer and Enterprise Internet / Government	42,000	Redmond, USA	SpaceX	SpaceX	Ka, E, others	Service live across, US, EU and SE Asia inc Australia and NZ
Amazon Kuiper	Consumer and Enterprise Internet / Government	3,236	Seattle, USA	Arianespace, Blue Origin, United Launch Alliance	Amazon Kuiper	Ka	Trials ongoing but delayed, expecting launch first satellite in 2024, service starts in 2025/6
OneWeb	Consumer and Enterprise Internet / Government	648	London, UK	SpaceX	Airbus / LHM	Ka	Limited service available / OWG2 under review
TeleSat	Enterprise Internet / Government	188	Ottawa, Canada	Arianespace, SpaceX, ILS (Russian)	Boeing, Space Systems Loral, EADS Astrium, BAE,	Ku, Ka	GEO service available, LEO undergoing trials
AST	Direct to Cellular	95	Texas, USA	SpaceX	AST	Ka, V/Q	Trials - some objections to their 700sq ft satellite
Rivada	Enterprise Internet / Government	600	Munich, Germany	TBA RFQ out	TBA - RFQ out	Ka	Trials, Deployment starts 2025, expected service 2028
Lynk	Direct to Mobile Connections	5000	Washington, USA			Ka	Trials
SES O3B	Media and Private Networking	20	Luxemburg	SpaceX		Ka / E	MEO service for media today

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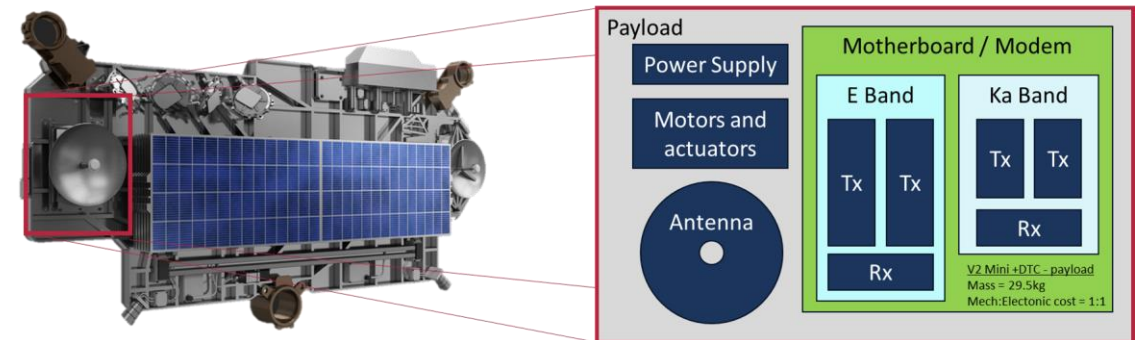
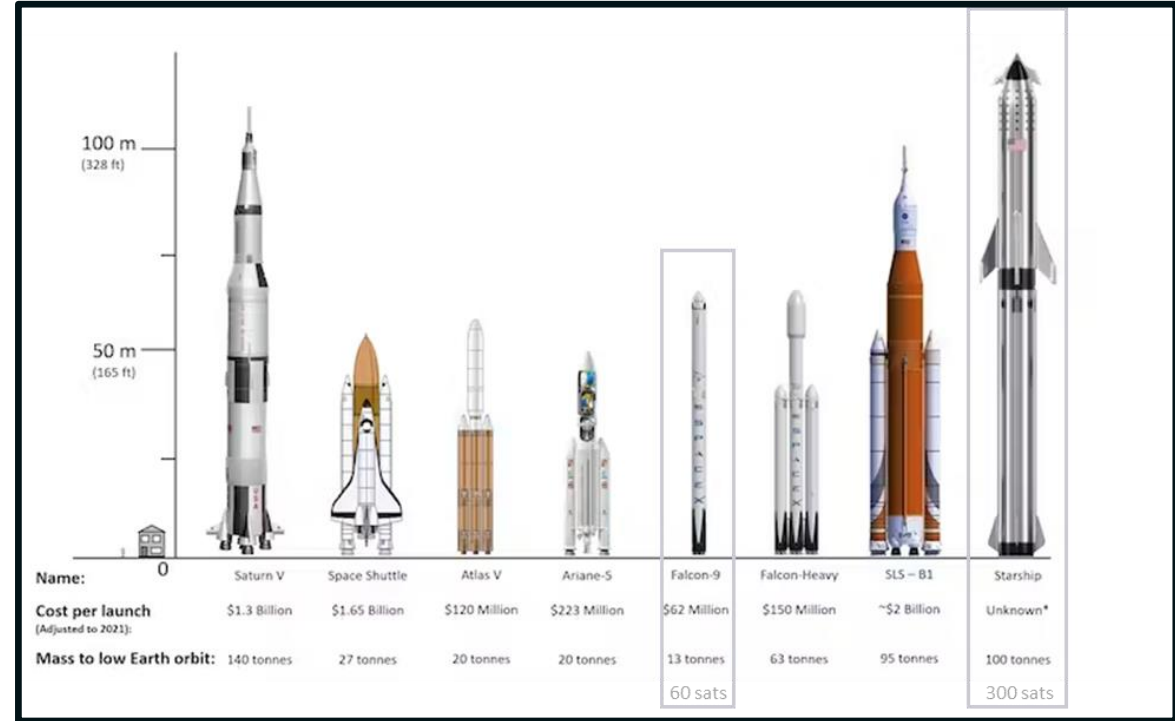


- Ground stations, or **Gateway Links**, links the ground to and from the LEO satellite as it passes overhead
- Uplinks require high performance amplification at mmWave frequencies to expand **network capacity and lower latency**
- LEO deployment will have multifrequency connectivity **Ka, E-band** in a dual-band system with **additional bands** added in the future to maximise capacity and optimise latency
- Ratio of between **1:1 and 4:1 satellites per ground station** depending on user demand, service standards and network configuration



LEO Space - Satellite Payload Opportunity

- Solving the **cost of launch and deployment** has been the key to unlocking the economic potential of LEO satellite constellations
- The speed of network deployment depends on launch capacity - **SpaceX Starship could carry up to 300 Starlink satellites per launch**
- Payload solutions must consider **size, weight, power and cost** and be designed to survive in a radiation environment – this requires significant qualification effort – ref: ESA contract award
- Current market assumption is **60,000 LEO constellation satellites in service by 2028** – between 1 and 5 payload links per satellite





Filtronic investment case

- **Sovereign capability** - Filtronic secure UK facilities with full defence accreditation
- **RF skills shortage in the UK** – defence primes need support on key programmes to deliver
- **Current conflicts** highlight the importance of Electronic Warfare (EW) and Electronic Counter Measures (ECM)
- **Convergence of markets** – space and defence converging with telecoms

UK Defence Budget: approx. 2.3% GDP

- UK Typhoon fleet radar system
- **SkyNet 6** – secure MoD GEO Space communications
- **Tempest** - next generation fast jet platform
- **DSTL** - 5-year budget for Science & Technology £6.6b

New UK radar for Typhoon: ECRS Mk2
Critical to the UK's combat air strategy

LEONARDO **BAE SYSTEMS**

Delivering UK Capability
• Multi-functional array (MFA) that will give UK Typhoons a world leading Electronic Warfare (EW) capability, including wide band Electronic Attack (EA), in addition to traditional radar functions.
• Provides a unique Suppression of Enemy Air Defences (SEAD) capability, allowing Typhoon to operate in a contested and congested electromagnetic environment.
• Greatly enhanced and a wide range of new Air-to-Air and Air-to-Surface capabilities.

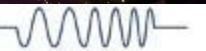
Sustaining Critical Skill Sets in the UK
Development of the ECRS Mk 2 radar will sustain more than **600 highly skilled jobs** across the country.
The investment will **deliver the right people and technology** to support the UK's future **Combat Air Strategy** including Tempest.

Capability Bridge to Tempest
The technologies and skills developed for the ECRS Mk 2 radar cross over into Leonardo's and BAE Systems' on-going development work as members of **Team Tempest**. This will **reduce the cost and time** of Tempest developments and improve the overall performance of the system.

Supporting Typhoon Export Campaigns
ECRS Mk2 is UK-led but open to **international partners** and therefore supports future Typhoon exports and follow on sales.
ECRS Mk2 can be retrofitted to the large existing Typhoon fleet

AIRBUS

Skynet



Key Financial Themes and Investment

- Aerospace & defence
- Critical comms
- Space

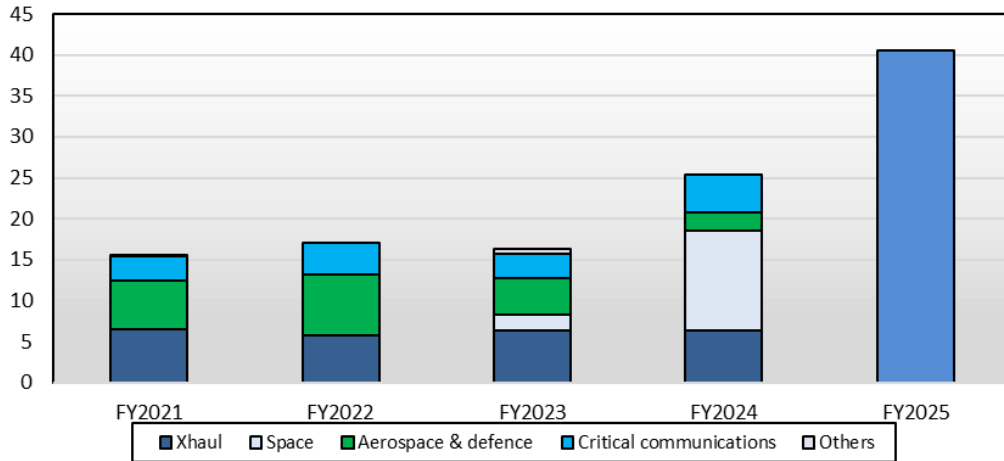
- Telecoms



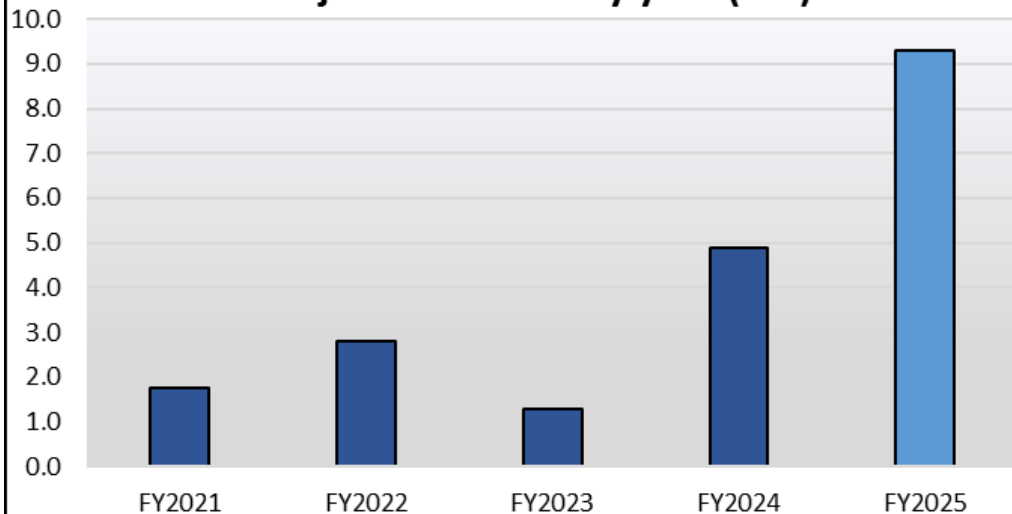
Investment	
Strengthening business development team	Strengthening of the direct channels to market and building of the indirect, variable cost, channels
Engineering investment – capacity and capability	Target to maintain investment at 13% of revenue each year <ul style="list-style-type: none"> • Advance technology roadmap • Chipset development • Broaden product portfolio at other frequency bands • Support bespoke customer developments • Added another design centre in Cambridge
Manufacturing capacity and engineering capex requirements	<ul style="list-style-type: none"> • Manufacturing capacity has increased with a new line added and further line arriving in November • Additional engineering capability to be added to support new market-driven frequency bands in LEO space • New purpose-built factory ready for 2025
EBITDA margin	EBITDA margin can be driven to 25% range in the near-term by continuing to leverage the operating cost base.

Revenue Growth of 56% in FY2024 and 60% in FY2025

Revenue By Market By Year (£m)



Adjusted EBITDA by year (£m)



Group revenue £25.4m (2023: £16.3m)

- The emerging Space market is driving strong growth where the technology is highly relevant
 - supported by contract wins from SpaceX .
- Robust aerospace & defence projects growth anticipated from BAE, QinetiQ and demand for airborne radar expected to return from our lead customer.
- EBITDA margin moving above 22% as we benefit from economies of scale despite investment in engineering and BD opex.

	May-24	May-23
	£m	£m
Goodwill and intangible assets	2.3	1.8
Right of use assets	3.7	2.9
Property, plant and equipment	1.2	1.4
Deferred tax	1.0	1.3
Non-current assets	8.2	7.4
Inventory	3.3	2.8
Trade and other receivables	6.5	5.3
Cash and cash equivalents	7.2	2.6
Current Assets	17.0	10.7
Trade creditors and other payables	5.4	3.7
Provisions	0.5	0.4
Deferred income	1.5	0.2
Lease liabilities	3.0	2.3
Total liabilities	10.4	6.6
Net assets	14.8	11.5
Share capital and reserves	14.8	11.5

Capitalised development costs

- Prudent approach to capitalisation of development costs.

Capital expenditure

- Manufacturing model is not capital intensive with additional lines of ~£750k adding additional revenue of over £10m.
- Planned investment in FY2025 for factory move and new capability to support technology advancements.

Working capital

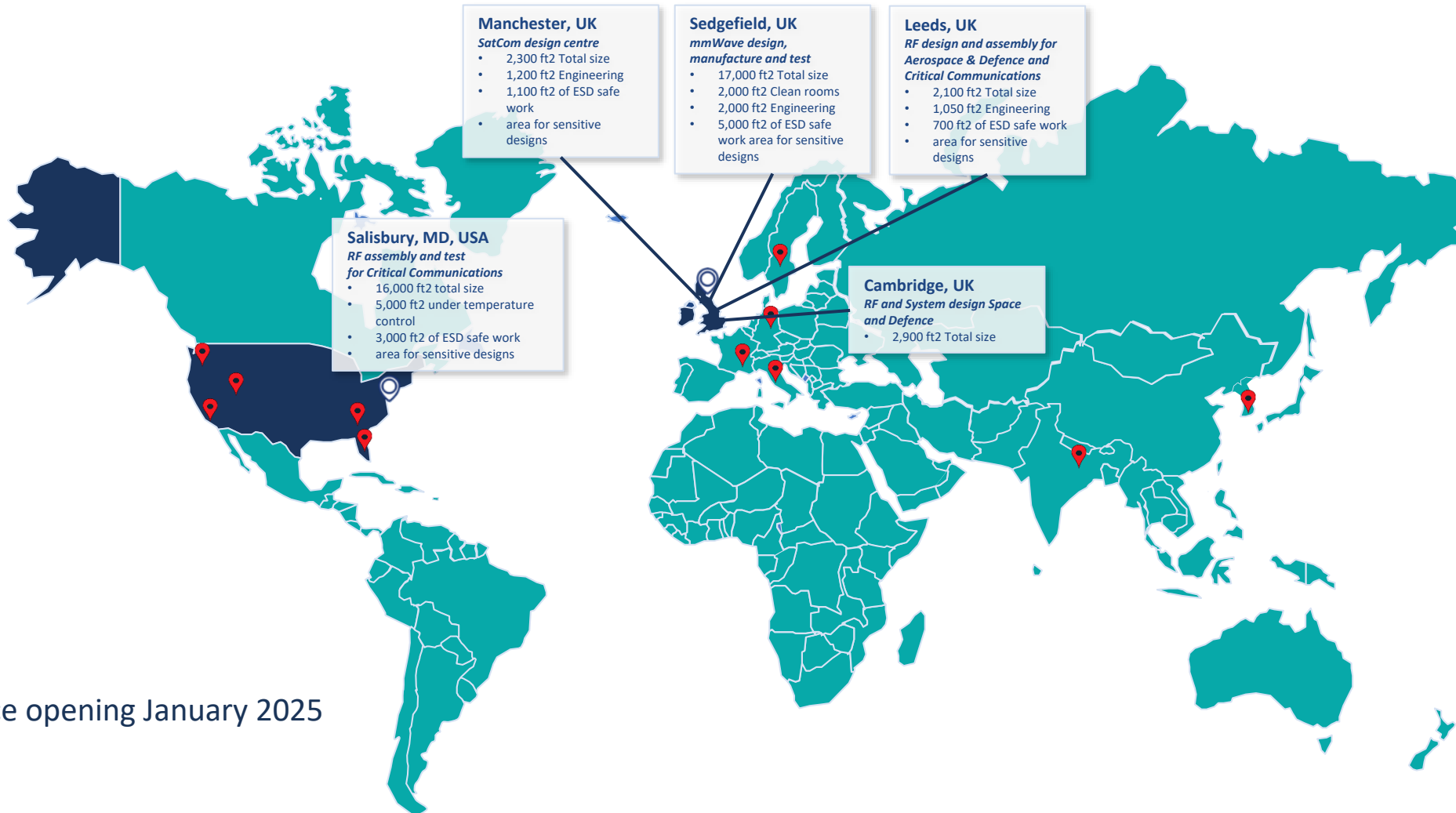
- Efficient working capital model with growth not consuming large amounts of cash.

Deferred income

- Cash favourable NRE model enables us to be cash positive throughout life of our customer product developments.

Debt facilities

- Undrawn debt facilities of £5m.



Cambridge office opening January 2025

 Sales network

New Purpose-Built Facility

- Move of headquarters to new state of the art facility on the same site
- 44,000 sqft manufacturing and office space (current is 17,000 sqft)
- Opening Summer 2025
- 6x cleanroom area – ISO7, 8 and 9 zones
- Secure cell
- Investment in 2 new manufacturing lines to ensure capacity for growing demand
- >150 office staff area



Re-energised Growth Strategy

- **Growth Markets focus** – Space and Aerospace & Defence, while continuing to support other markets
- **Moving up the value chain** – expanding core technology into the digital RF domain, and subsystems offering
- **Enhancing our UK manufacturing capabilities**, advanced packaging and processes
- **Aggressive technology development** in MMICs and modules in new frequency bands (W/V/D) and wafer processes (GaN) to ensure we remain at the leading edge
- **Expand manufacturing capacity** to support growth, and move to a new state-of-the-art facility
- **Enhance senior leadership and business development teams** to support business scaling to the next level
- **Expand partnership program** with academia and industry partners to accelerate technology developments and product offerings
- **Accelerate engineering recruitment** to service growing opportunities and accelerate product developments

Market
Focus

Accelerated
technology
development

Manufacturing
capabilities &
scaling

Leadership &
Business
Development

Moving up the
value chain

Summary





Investment Proposition

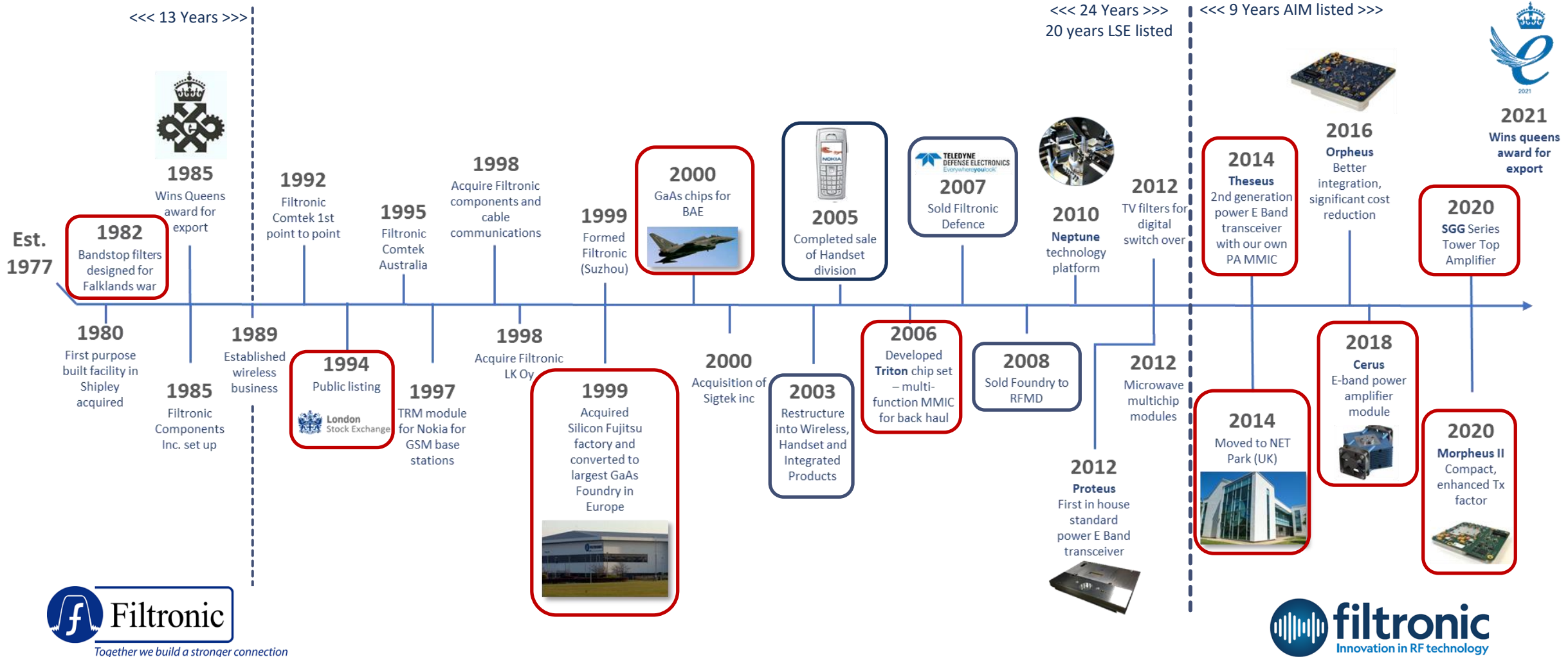
- On a significant growth trajectory
- Focused strategy designed for major revenue growth and shareholder value
- Significant and growing orderbook and opportunity pipeline for FY2025 and beyond
- Controlled investment in leadership, business development, engineering
- Global technology leaders in high growth markets, innovating at pace
- Aligned with UK Government investment priorities – UK defence - sovereign supply chains - space



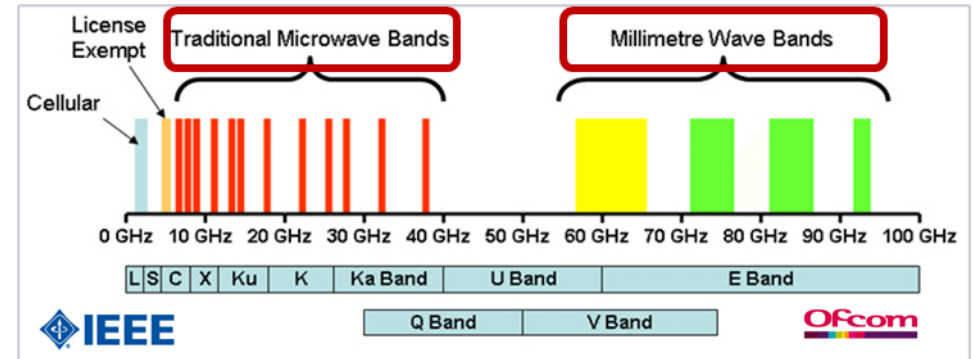
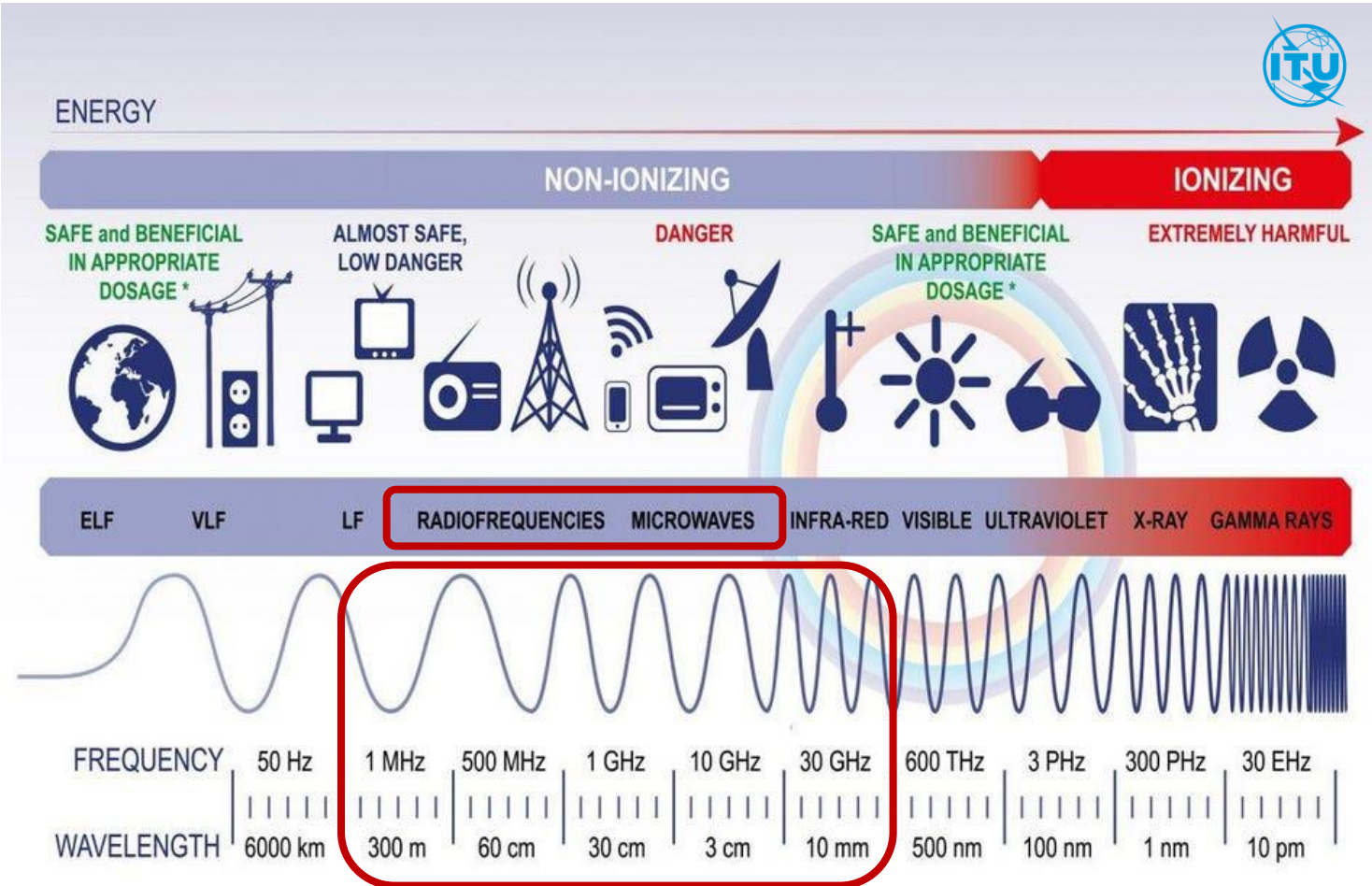
Appendices



Filtronic Timeline



The EM Spectrum – RF Frequencies



- Frequency / spectrum allocation is coordinated by a United Nations body the International Telecommunication Union (ITU) and local regulating agencies (ie: FCC and OFCOM)
- Terrestrial telecommunications take advantage of well-defined frequencies where atmospheric absorption is lower
- Stratospheric and Space communications are not as constrained by atmospheric absorption
- The ability to commercialise mmWave frequency bands is limited by advances in compound semiconductor technology

