

WELCOME TO ULTRA



making a difference





Ultra Electronics is a world leading **Defence & Aerospace, Security & Cyber, Transport** and **Energy** company. It was formed in October 1993 with annual revenue around £84 million (US\$139m). The Group has since grown, both organically and by acquisition, with revenue in 2017 of £775.4 million and now has over 4,400 employees based mainly in the UK, USA, Canada and Australia. Ultra listed on the London Stock Exchange in October 1996 and is in the FTSE 250.



A note from Simon

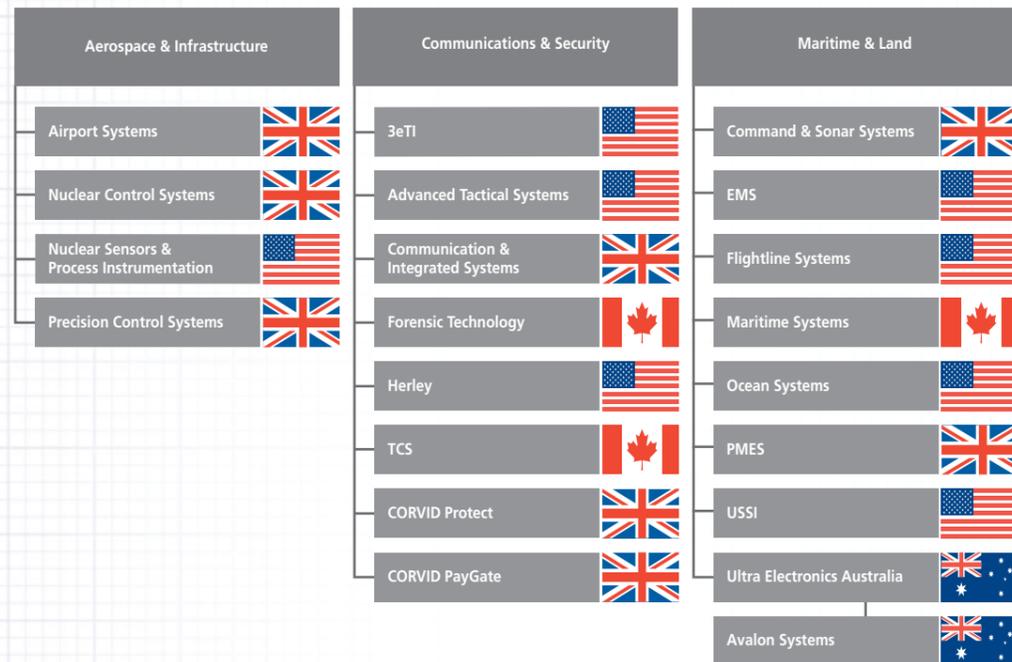
Ultra has established an excellent track record of winning and executing business worldwide, in a range of competitive international environments. Collaborative efforts across the Group make this success possible, putting customers' needs first and providing efficient and innovative solutions. I believe that Ultra has a promising future ahead, which encourages and enables

individual talents to flourish within each of our businesses. Whether you are reading this as a potential employee, as a supplier or as a customer, I am delighted to introduce you to the Group and hope that you have a successful and rewarding association with us.

Simon Pryce Chief Executive Officer



Ultra Electronics Group structure



Why Ultra

We love solving tough problems, beating our competitors and making a difference to our customers, employees and shareholders.

What is Ultra

We offer superior solutions in regulated markets. Ultra Electronics is a group of businesses which manages a wide range of specialist capabilities, generating highly-differentiated solutions and products in the **Defence & Aerospace, Security & Cyber, Transport and Energy** markets. We apply electronic and software technologies in demanding environments and critical applications to meet customer needs.

Customer focus

Ultra places great importance on building long-term relationships with customers, suppliers and strategic teaming partners. Listening to our customers and understanding our marketplace ensures that resources are directed towards the development of new products and services that meet real customer needs.

How we are organised

Ultra's structure reflects a belief in highly focused autonomous businesses where each management team takes full responsibility and ownership for the strategic development and performance of their business. Budgets, a detailed five-year strategic plan and an Organisation, Succession and Development Plan (OSDP) are agreed annually with the Group head office and business performance is reviewed monthly.

Business performance

Ultra's progress is demonstrated by consistent profitability since its formation. The results below have been achieved through a proactive approach to marketing, investment in innovative product designs and the drive for continuous improvement in all areas – not to mention plenty of hard work! We can point to an impressive record of investing in the future of the business; in 2016 Ultra invested £146.9m (US\$194m) in R&D, acquisitions, new business development and facilities.



Revenue

£775.4m (US\$999.0m)

| | |
|------|-----------------|
| 2017 | 775.4 (999.0) |
| 2016 | 785.8 (1,012.4) |
| 2015 | 726.3 (935.8) |
| 2014 | 713.7 (919.5) |
| 2013 | 745.2 (960.1) |

Underlying operating profit

£120.1m (US\$169.5m)

| | |
|------|---------------|
| 2017 | 120.1 (169.5) |
| 2016 | 131.1 (185.0) |
| 2015 | 120.0 (169.3) |
| 2014 | 118.1 (166.6) |
| 2013 | 121.7 (171.7) |



Companies that have joined the group since its formation are:

- 1995
 - Noise & Vibration Systems (part of PCS)
 - Maritime Systems
- 1996
 - Measurement Systems Inc. (part of EMS)
- 1997
 - Flightline Systems
 - EMS Development Corporation
- 1998
 - PMES
 - USSI
- 1999
 - Advanced Tactical Systems
- 2000
 - Datel (part of PCS)
 - Airport Systems
- 2002
 - Tactical Communication Systems (TCS)
- 2003
 - SML Technologies (part of CIS)
 - Radamec Defence Systems (part of Command and Sonar Systems)
 - Ocean Systems
- 2004
 - DNE Technologies (part of EMS)
 - Videcom Limited (part of Airport Systems)
- 2005
 - Horizon Aerospace (part of Flightline Systems)
 - Audiopack (part of USSI)
 - IO Limited (part of PCS)
- 2006
 - Polyflex (part of PCS)
 - Winfrith Safety Systems (part of Nuclear Control Systems)
- 2007
 - Criticom (part of 3eTI)
 - Telemus (part of TCS)
 - Atkins & Partners (part of CIS)
 - BCF Designs Limited (part of PCS)
- 2008
 - Harris Acoustic Products (part of Ocean Systems)
 - MISL (part of Maritime Systems)
 - ProLogic (part of ATS)
 - Dascam
 - Graytronics (part of CIS)
 - Nuclear Sensors & Process Instrumentation
 - Radmon (part of Nuclear Control Systems)
 - AudioSoft (part of CIS)
- 2009
 - Tisys (part of Airport Systems)
 - Avalon Systems
 - Scytale (part of ATS)
 - Xerion Systems (part of Flightline Systems)
- 2010
 - Extec Integrated Systems (part of Nuclear Control Systems)
 - Transmag Power Transformers (part of PMES)
 - AMI (part of USSI)
- 2011
 - 3eTI
 - AEP Networks (part of CIS)
 - SOTECH (part of ATS)
 - Zu Industries Inc. (part of ATS)
- 2012
 - GigaSat (part of CIS)
 - Barron McCann Technology and BeMac (part of CIS)
 - RFI (part of EMS Development Corporation)
- 2013
 - Varisys (part of PCS)
 - Wood & Douglas (part of CIS)
- 2014
 - 3 Phoenix Inc. (part of Ocean Systems)
 - ICE Corporation Inc. (part of PCS)
 - Forensic Technology WAI Inc.
 - Lab Impex Systems (part of Nuclear Control Systems)
- 2015
 - Electronic Products Division of Kratos Defense & Security Solutions (Herley)
 - Furnace Parts LLC (part of Nuclear Sensors & Process Instrumentation)

Ultra's people

Ultra would not be able to deliver value to customers without the innovative and entrepreneurial spirit of our employees.



The right people

The success which Ultra achieves in innovating to meet our customers' needs is based on the broad range of skills and capabilities of our employees.

Ultra understands and recognises that our employees are our most important asset. We strive for an efficient organisation with engaged and skillful people.

Domain expertise

Ultra's deep understanding of the specialist capability areas across the Group, combined with knowledge of the users' environment, are key factors in delivering innovative solutions to meet customers' needs. We are continuously developing our domain expertise to ensure that we have the right people available who are best able to support customers in understanding and creating solutions which fulfil their needs.



How Ultra manages its businesses

Ultra focuses on delivering agile and responsive support to customers through a high degree of operational autonomy.

As much authority and responsibility as possible is devolved to the Managing Directors and Presidents of the individual businesses and their management teams. With this autonomy, the Group ensures that the teams maintain the agility and sharp focus that are typical of owner-managed businesses, on customers' requirements.

Developing people

Ultra is committed to developing people and securing the talent pipeline to ensure the continued growth and success of the Group. Each business is responsible for continuously developing their team and individuals, so that they grow with the business. Great focus is placed on ensuring that the right people are in the right roles throughout the Group.



Ultra's LEAP behaviours

We have identified four cultural behaviours which are highly valued and encouraged within the Group. These are leadership, entrepreneurship, audacity and paranoia. Together they are known as **LEAP**...

Leadership

- determining the future direction and vision for the business
- communicating our future to inspire others
- inspiring and energising the business team, customers, suppliers and colleagues
- stimulating an innovative culture to release creativity
- enabling change to provide a greater and faster return to the business

Entrepreneurship

- encouraging the whole business to be entrepreneurial
- seeking competitive advantage through the differentiation of offerings
- ensuring competitions skewed in Ultra's favour, while behaving ethically
- seeking to enhance the offering by teaming either internally or externally

Audacity

- embracing innovation to inject rapid growth into the business
- being daring or bold
- thinking of the bigger picture or opportunity
- being prepared to take a leap forward

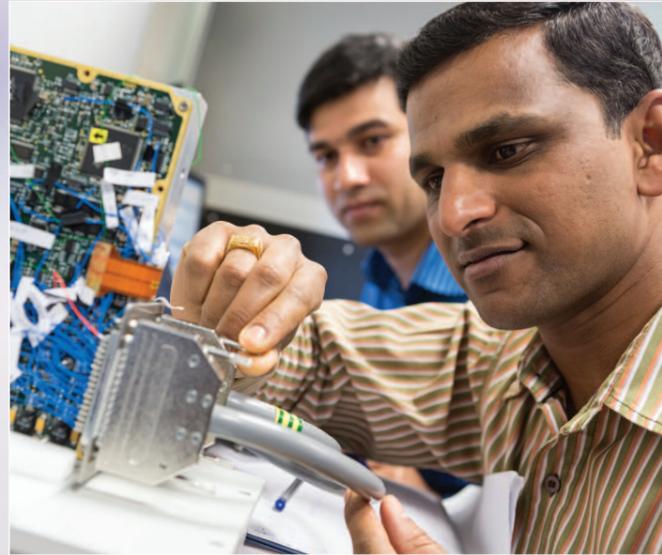
Paranoia

- considering risks and leaving no stone unturned to secure market opportunities
- recognising threats and making it difficult for competitors to steal Ultra's established position
- constantly worrying about satisfying customers' real needs
- considering every possible angle when strategising bids to enhance Ultra's competitive position



Working at Ultra

The success we achieve in innovating to meet customer needs is based on the broad range of skills and capabilities of the Group's employees. We are committed to having an efficient organisation, with an engaged and competent group of people.



Training and development

Across the Group we actively support and invest in training and development, linked to business needs. Each business is responsible for identifying the training needs of its employees and managing its own training budget. This typically takes place through individual employee performance and development reviews, which are held at least annually. To support this, we have our Learning Academy, an online portal, available to all of the Group's businesses, which enables the scheduling of training, hosts online courses and retains the training records of all employees.

We also run tailored internal training and development courses covering management and leadership. These are supported by a variety of functional workshops, including areas such as programme management, marketing and systems engineering.



“ Ultra businesses have developed partnerships with professional institutions to support and encourage employees in the pursuit of professional recognition and development in their field of expertise. ”

“ Ultra is committed to ensuring that its culture is not diluted as the Group grows. ”



Securing the talent pipeline

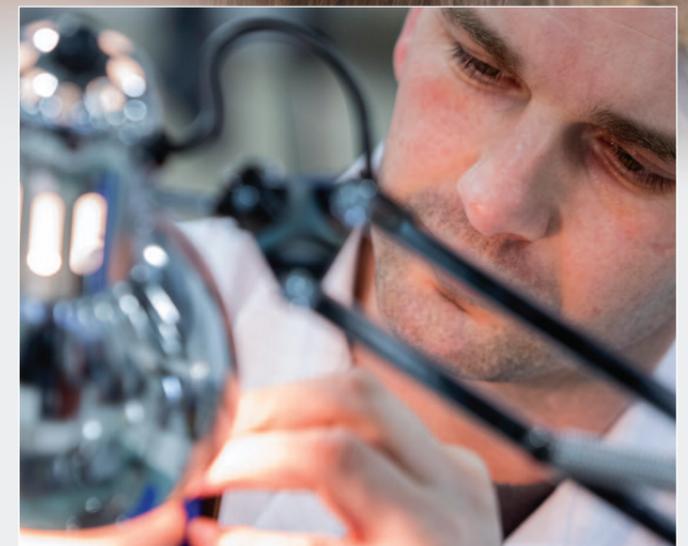
Ultra has been committed to developing people ever since it was formed in 1993. With a number of different programmes, the Group attracts the best individuals and successfully encourages students to develop careers in engineering or business.

The Group actively engages with schools, colleges and universities in the local community to access leading research and to form relationships with students well before graduation. The Group benefits from working with universities as it can collaborate on innovation and recruit students who can make a difference.

“ By developing and retaining high potential employees, the Group is creating its next generation of business leaders to take on the challenge of continuing the growth and expansion of Ultra. ”



“ The Group actively works with universities and schools to encourage, develop and attract talented students into STEM* careers. ”



*STEM: Science, Technology, Engineering and Mathematics

Ultra Electronics
Worldwide locations
(Main business locations only shown)



North America

3eTI
Rockville, Maryland, USA

Advanced Tactical Systems
Austin, Texas, USA

EMS Development Corporation
Yaphank, New York, USA

Flightline Systems
Rochester, New York, USA

Forensic Technology
Côte St-Luc, Quebec, Canada

Herley
Woburn, Massachusetts, USA

Maritime Systems
Dartmouth, Nova Scotia, Canada

Nuclear Sensors & Process Instrumentation
Round Rock, Texas, USA

Ocean Systems
Braintree, Massachusetts, USA

TCS
Montreal, Quebec, Canada

USSI
Columbia City, Indiana, USA

United Kingdom

Head Office
Greenford, UK

Airport Systems
Manchester, UK

Command & Sonar Systems
High Wycombe, UK

Communication & Integrated Systems
Greenford, UK

Corvid Paygate
Stevenage, UK

Corvid Protect
Cheltenham, UK

Nuclear Control Systems
Wimborne, UK

PMES
Rugeley, UK

Precision Control Systems
Cheltenham, UK

Asia Pacific

Avalon Systems
Adelaide, Australia

Ultra's products and services are used on aircraft, ships, submarines, armoured vehicles, surveillance and communication systems, nuclear power systems, airports and transport systems around the world. Increasingly, Ultra undertakes specialist system and sub-system design and integration using the combined expertise of the Group's businesses and by teaming with world-class partners, often internationally.

Join our talent network at:
ultra-electronics.com/careers

For further info, visit us at:
ultra-electronics.com



making a difference

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