



May 3, 2024

HII's Weekly News Digest is compiled every Friday by the Corporate Communications team to summarize and highlight news stories of significance to the company.

HII Reports Record First Quarter Earnings: MarineLink reported on Thursday that HII has reported better-than-expected first quarter earnings. HII's first-quarter revenue rose 4.9% from a year earlier to \$2.81 billion, ahead of analysts' estimate of \$2.79 billion. The company reaffirmed its 2024 shipbuilding revenue target to be between \$8.8 billion and \$9.1 billion. Defense Daily reported on Thursday that HII credited work on C5ISR and cyber, electronic warfare, and space for driving performance at its Mission Technologies division, and higher volumes for Navy surface combatants and amphibious ships at its Ingalls Shipbuilding division. Inside Defense reported on Thursday that CEO Chris Kastner told earnings call participants that HII is working with apprentice schools and community colleges, among other groups, to encourage people coming out of college to join the shipbuilding workforce. In terms of hiring, Kastner said HII is on its way to meeting its goal of hiring 6,000 workers in 2024, with 1,700 hired in the first quarter. HII's first quarter earnings results are available at [HII.com](https://www.hii.com).

Lawmakers Push For Second Sub In FY25 Budget: Defense News reported on Wednesday that a bipartisan group of House lawmakers signed a letter pushing back against the Pentagon's proposal to fund the procurement of just one *Virginia*-class attack submarine in fiscal year 2025 instead of two boats. Reps. Joe Courtney, D-Conn., and Rob Wittman, R-Va., were joined by 118 other lawmakers who made the case in a May 1 letter to the chamber's top defense appropriators as Congress drafts its fiscal 2025 defense budget. USNI News reported on Wednesday that the Navy has said it needs to procure two *Virginia*-class attack vessels and one *Columbia*-class ballistic missile submarine per year to meet its requirements. The AUKUS agreement, in which the U.S. will transfer at least three and as many as five attack submarines to Australia in the next decade, would require a production boost of 2.3 to 2.5 *Virginia*-class vessels per year, on average. Breaking Defense reported on Wednesday that the letter also urged the appropriators to fully fund the *Columbia*-class program's second increment for the second boat in the class.

Boxer Repairs Highlight Need For Amphibs: Defense News reported on Thursday that needed repairs to the starboard rudder and roller bearing system on USS *Boxer* (LHD 4) and a lack of repair capacity are highlighting the Navy's need for more amphibious assault ships. Navy Secretary Carlos Del Toro told reporters following a speech at the Modern Day Marine conference this week that waiting for a dry dock would cause further delays to the ship's redeployment to the Pacific. Despite showing hesitance in recent years, the Navy is nearing an agreement with HII's Ingalls Shipbuilding division for a multi-ship contract. National Defense reported on Thursday that Gen. Eric Smith, commandant of the Marine Corps, said he and Chief of Naval Operations Adm. Lisa Franchetti have "locked shields" on the need for 31 amphibious ships with an 80% readiness rate. Capacity at shipyards to do overhaul and repair – such as the work needed on USS *Boxer* – is limited. That's why Smith is advocating for new builds, rather than service life extensions. Meanwhile, USNI News reported on Thursday that Secretary of the Navy Carlos Del Toro has named the next *America*-class big deck amphibious warship after the Helmand province campaign in Afghanistan. "I am honored to announce today that the future LHA 10 will be named USS *Helmand Province*, recognizing the bravery and sacrifice of our Marines and Sailors who fought for almost 20 years in the mountains of Afghanistan," Del Toro told participants at Modern Day Marine. The

45,000-ton ship will be the third Flight I *America*-class ship following *Bougainville* (LHA 8) and *Fallujah* (LHA 9).

Social Media Highlight Of The Week

Posted Thursday on HII's Facebook page:

"#MilitaryAppreciationMonth in May is dedicated to honor the brave men and women who have served and continue to serve in our nation's military.

Let us all take a moment to thank those who serve in every branch of the U.S. military, as well as their families, for their commitment, sacrifices and service.

As a top employer of veterans, HII is proud to honor those who are active duty and the more than 8,000 men and women who make up our workforce who have served in the U.S. Armed Forces. This Military Appreciation Month, we thank you for your service – then and now."



Bartlett, Boilermakers Reach Shipbuilding Deal: Marine Link reported on Wednesday that International Brotherhood of Boilermakers and the Bartlett Maritime Corporation have signed an agreement as part of ongoing efforts to mobilize skilled workers across the Midwest in support of critical Navy programs. The agreement permits Bartlett to recruit Boilermaker construction sector members to work in naval shipbuilding as part of rotational teams to be trained by Bartlett Maritime under a contract with NAVSEA and deployed to public naval shipyards nationwide. The first stage will focus on the more than 7,000 Boilermakers eligible for this training program across Wisconsin, Michigan, North Dakota and Minnesota. News5Cleveland reported on Monday that, if approved, a Bartlett plant in Lorain, Ohio, would handle the repair, rebuilding, and refurbishing of components of a sub being overhauled. The components then would be shipped to a kitting center in Lordstown. That's where the items used in a sub's overhaul would be shipped out ready to go ahead of its arrival, shaving 100 days off of the eventual repair time. Maritime Executive reported on Wednesday that Bartlett has a \$3 million contract with the Navy's BlueForge Alliance to set up the program and provide the retraining needed to prepare construction welders for the needs of submarine construction and repair.

Electronic Warfare Becomes More Prevalent In Ukraine/Russia Conflict: Inside Defense reported on Wednesday that Vice Chairman of the Joint Chiefs of Staff Adm. Christopher Grady believes electronic warfare has become a "defining feature" in the battlespace between Ukraine and Russia. USNI News reported on Wednesday that Grady, speaking at the Center for Strategic and International Studies in Washington, said electronic warfare is being used to jam GPS targeting by both sides in the conflict. Meanwhile, the Air Force Times reported on Thursday that two new Air Force squadrons are joining the service's growing cadre of software coders focused on rushing new electronic warfare tools to the field. The 388th Electronic Warfare Squadron at Eglin Air Force Base, Florida, and 563rd EWS launched across the country at Joint Base San Antonio-Lackland, Texas, will aim to bolster the military's ability to disrupt the networked weapons, navigation tools and communications systems that form the backbone of

modern warfare. The service is also mulling fresh tactics that would allow its combat missions to succeed even if airmen can't communicate, if navigation systems go down, or if command centers are cut off from forces in the field.

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Please note: Social media is blocked on HII computers for most employees. Employees are encouraged to visit HII's Facebook page and other social media sites on personal time and from non-work devices.

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