



HII Weekly News Digest

July 26, 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 Added To Australia's Global Supply Chain Program: Australian Manufacturing reported on Monday that HII is now included in Australia's expanded Global Supply Chain (GSC) program under which defense prime contractors help their suppliers penetrate international defense markets. HII will identify, assess and connect Australian suppliers to opportunities across HII's global supply chain; facilitate international and domestic visits between Australian suppliers and HII; and facilitate the export licensing process. Since its inception, the program has delivered 2,450 contracts worth over \$1.9 billion to 258 Australian suppliers. Expanding the program will provide Australian businesses with greater access to the broader export markets, and will increase opportunities to integrate into the international supply chains of the program partners, Australia Minister for Defence Industry Pat Conroy said. Australia Defence Magazine reported on Monday that the program is expanding from seven to 13 companies. The program's expansion was a commitment made in Australia's Defence Industry Development Strategy, released in February of this year.

Defense Companies Report Q2 Earnings: Inside Defense reported on Wednesday that General Dynamics' shipbuilding businesses have experienced improved hiring and reduced attrition over the past year, helping the company build momentum toward meeting the Navy's production and maintenance demands. GD CEO Phebe Novakovic told Wall Street analysts during the company's second-quarter earnings call that supply chain investments from Congress and the Pentagon are helping to stabilize suppliers. Overall, the company recorded revenue of \$12 billion in the second quarter of 2024 — up 18% from this time last year — and \$1.2 billion in operating earnings, a 20% increase compared to the prior year. Novakovic forecasted continued improvement in shipbuilding and growth in munitions and combat systems business over the next one-to-two years. Meanwhile, Defense Daily reported on Tuesday that Lockheed Martin reported strong sales growth in its second quarter driven by its mission systems, missiles, and aircraft businesses, although net income dipped 2% to \$1.6 billion, from a year ago. Still, Lockheed's sales increased 9% to \$18.1 billion from \$16.7 billion a year ago. All four of Lockheed's operating segments posted higher income and sales. On Thursday, Defense Daily reported that Northrop Grumman's net income in the quarter increased 16% to \$940 million from \$812 million a year ago. Operating income was higher across the Defense Systems, Space Systems, and Aeronautics segments. Segment operating margin declined 20 basis points to 10.8%.

Navy Secretary Announces Michigan Workforce Initiative: Inside Defense reported on Monday that Navy Secretary Carlos Del Toro has announced the start of a \$50 million shipbuilding jobs program that aims to build a training pipeline to staff thousands of defense industry jobs across Michigan and the larger Great Lakes region. Known as the Michigan Maritime Manufacturing Initiative or the M3 initiative, the partnership will "implement a tailored and accelerated training curriculum focused on maritime welding and machining at key community programs, including Macomb and Oakland Community Colleges," Del Toro said. The partnership will focus on teaching submarine production skillsets before expanding to other types of ships. Additionally, the Navy has already announced a \$14.5 million investment from the Office of Naval Research to build a Center for Naval Research and Education at the University of Michigan intended to educate naval engineers and architects. This investment is included

under the M3 initiative.

Social Media Highlight Of The Week

Posted Thursday on HII's Facebook page:

"July 25 is #NationalHireAVetDay. As a top employer of veterans, HII is a proud recipient of the 2023 Honoring Investments in Recruiting and Employing (HIRE) Vets Medallion Award, awarded by the U.S. Department of Labor.



NATIONAL HIRE A VETERAN DAY



While this is just a small group of the more than 8,000 men and women in our workforce who have served in the U.S. Armed Forces and there's no way to accurately represent them all, we're grateful for all you do to help our mission of delivering the world's most powerful ships and all domain solutions in service of the nation.

If you're a veteran who's looking to build your career, explore open opportunities at [#BuildIt](http://HII.com/careers)

CVNs *Ronald Reagan* and *George Washington* Perform Hull Swap: USNI News reported on Thursday that aircraft carriers USS *Ronald Reagan* (CVN 76) and USS *George Washington* (CVN 73) have started the hull swap that will formally mark the changeover of the Navy's next forward-deployed aircraft carrier in Japan. On Monday, the crews of both ships started the transition for *George Washington* to assume the role as the Navy's only forward-deployed carrier while both ships are docked at Naval Air Station North Island. The San Diego Union-Tribune reported on Wednesday that *Reagan* is transferring both equipment and personnel to *George Washington*. Carrier Air Wing 5 and Destroyer Squadron 15 are crossing the deck to *George Washington*. That includes nearly 350 sailors or 13% of *Reagan*'s crew. *Reagan*, which has been the forward-deployed carrier based in Yokosuka, Japan, since 2015, will now head to Bremerton, Washington, for maintenance. *George Washington* was redelivered by HII's Newport News Shipbuilding division to the Navy in May of 2023 following the ship's refueling and complex overhaul. This will be *George Washington*'s second time forward-deployed in Japan, where the carrier was based from 2008 to 2015.

Pearl Harbor Shipyard Hosts Australian Maintenance Personnel: Defense Daily reported on Wednesday that Pearl Harbor Naval Shipyard and Intermediate Maintenance Facility has started hosting the first cohort of 28 Australian ASC employees who are training on nuclear-powered submarine maintenance as part of the trilateral AUKUS agreement involving Australia, the United Kingdom and United States. The team will learn to support U.S. and U.K. submarines posted to Australia in the lead up to Australia eventually fielding its own fleet of nuclear-powered attack submarines. Last year, the Navy named the Pearl Harbor shipyard as the Naval Supervising Authority and Lead Maintenance Activity for a new Western Australian-based submarine force. In that role, the shipyard will support the U.S. Navy in establishing a Submarine Rotational Force-West, which is a significant phase of AUKUS Pillar I.

HII's Weekly News Digest is produced by HII's Corporate Communications team and posted to Homeport every Friday.

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.

Send feedback to: HII_Communications@hii-co.com.