



**Aug. 2, 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 Second Quarter Earnings:** Reuters reported on Thursday that HII reported better-than-expected second-quarter results, including a profit of \$4.38 per share for the quarter ended June 30, ahead of analysts' estimates of \$3.62. Demand for submarines and aircraft carriers is surging, fueled by China's expanding naval footprint and high global tension, according to the report. HII also reported a 6% rise in revenue to \$2.98 billion, compared with estimates of \$2.84 billion. The company reaffirmed its annual outlook but raised its revenue forecast for the Mission Technologies segment, now seeing it at up to \$2.8 billion, compared with the previous range of \$2.7 billion to \$2.75 billion.

**Navy Stands Up Industrial Base Program Office:** USNI News reported on Friday, July 26, that the Navy has opened a new maritime industrial base program office that focuses on the health of the maritime industrial base centered on construction and sustainment. The office – known as Direct Reporting Program Manager for Maritime Industrial Base (DRPM-MIB) – will be led by Jay Stefany, who previously served as the assistant secretary of the Navy for research, development and acquisition. Both surface and submarine shipbuilding and sustainment will fall under the new office's purview. In the role, Stefany will report to Nickolas Guertin, the Navy's chief acquisition executive. "The DRPM for MIB will play an instrumental role in realizing Secretary Del Toro's vision to engage in a whole-of-government effort to rebuild the Nation's comprehensive maritime power and position the Navy and industry to build the expanded surface and submarine fleet that is required to achieve our National Defense Strategy," according to a Navy announcement about the new office.

**Commission Urges Defense Spending Surge:** Inside Defense reported on Monday that an independent, bipartisan commission is urging Congress to "pass a supplemental appropriation immediately to begin a multiyear investment in the national security innovation and industrial base" and "revoke or override" the defense spending caps Congress agreed to in the 2023 Fiscal Responsibility Act. The eight-person commission is the newest incarnation of the bipartisan National Defense Strategy Commission and is helmed by former Democratic congresswoman Jane Harman. Defense News reported on Monday that the commission's members are recommending the Pentagon reassess its acquisition and innovations systems. The DOD should change its buying practices to fulfill purchases faster and work more with non-traditional defense companies. Congress should pass a supplemental defense bill and ditch budget caps. Finally, Congress must consider politically unpopular ways to pay for reforms such as increasing taxes or reforming entitlement benefits such as Social Security and Medicare.

**Davie Plans To Invest In US Shipbuilding:** Maritime Executive reported on Monday that Canada's largest shipbuilder, Davie, will make a "major investment in a U.S. shipyard," although the company is still finalizing a yet-to-be-named site and partner on the project. The decision was announced simultaneously by the shipbuilder and by the Biden administration, which included it alongside an array of recent shipbuilding initiatives. The Toronto Star reported on Monday that Quebec-based Davie will build icebreakers at its U.S. location. The news follows a pact announced earlier this month under which Canada, the U.S. and Finland will collaborate to build polar icebreakers. Davie landed a Canadian government contract worth \$8.5 billion earlier this year to build seven icebreakers and two hybrid-

powered ferries. The company also recently purchased Finland's Helsinki shipyard, which has built half the world's icebreaker fleet. Marine Link reported on Monday that Davie has also supported several American shipbuilding projects such as *Nimitz*-class aircraft carriers and *Arleigh Burke*-class destroyers.

**Social Media Highlight Of The Week**

Posted Friday on Jennifer Boykin's Facebook page:

"Fourteen educators from across the region spent almost two weeks at Newport News Shipbuilding in July participating in our Teacher Internship Program. It offered hands-on exposure to longstanding shipyard trades, such as welding and pipefitting, as well as newer tools that use virtual or augmented reality. The goal is for the educators to return to their schools and spread the word about the vast career opportunities available at NNS.



Thank you to all of the shipbuilders and educators who took part in this year's program! I'm grateful for your important contributions to our pipeline of future talent. "

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*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.*

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