



# HII Weekly News Digest

**May 2, 2025**

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 First Quarter Earnings:** Defense Daily reported Thursday that HII tallied \$149 million in net income during its first quarter of 2025. During the period, Mission Technologies benefited from performance on cyber, electronic warfare, space, and unmanned systems while Newport News Shipbuilding's income increased on contract incentives for the Navy's *Virginia*-class nuclear attack submarine program, and volume on the *Columbia*-class nuclear missile submarine. During a call with investors, HII maintained its outlook for 2025, with sales forecast to be between \$11.8 billion and \$12.2 billion. Guidance for operating margin in the shipbuilding business remains between 5.5% and 6.5%, and between 4% and 4.5% at Mission Technologies. HII continues to expect more than \$50 billion in contract awards through the end of 2026, some of which it has already received, driving at least 4-plus percent annual growth to be at \$15 billion in sales in 2030. Reuters reported on Thursday that HII and other similar companies "are expected to receive a boost as President Donald Trump pushes to revitalize American shipbuilding through higher spending in the sector."

**HII Wins *Virginia*-Class Submarine Contract Modification:** USNI News reported on Wednesday that the Navy has awarded contracts worth up to \$18.5 billion to HII and General Dynamics to build the final pair of Block V *Virginia*-class attack boats. Along with the detailed design and construction contract for the future *Baltimore* (SSN 812) and *Atlanta* (SSN 813), the Navy included contracts for workforce development that will raise wages for shipbuilders in both GD's Electric Boat and HII's Newport News Shipbuilding division. The modification total includes \$2.1 billion in long-lead material that Naval Sea Systems Command awarded to both yards last year. Inside Defense reported on Wednesday that Congress appropriated \$9.4 billion for the two boats in fiscal year 2024 and the stop-gap bill added an additional \$1.95 billion to cover the cost of the two boats. GovCon Wire reported on Thursday that the expected completion date is in June 2036.

**Congress Eyes Major Shipbuilding Increase In Fiscal Year 2025 Budget:** The Hill reported on Monday that congressional Republicans have introduced a \$1 trillion defense spending plan for fiscal year 2025, marking a \$150 billion increase over current levels. The proposal includes \$33.8 billion for shipbuilding and \$4.9 billion for unmanned maritime systems. USNI News reported that among the planned investments are a Block VI *Virginia*-class submarine and a *San Antonio*-class amphibious assault ship. The largest addition from the Navy's initial FY2025 budget request was \$1.8 billion for the landing ship medium Block I program. Additional funding is also designated for dry-dock capacity, advanced manufacturing, and the establishment of a naval shipbuilding innovation campus. These investments reflect continued congressional support for expanding and modernizing the Navy's fleet and industrial base. The House Armed Services Committee began a markup of the bill Tuesday.

**Navy Secretary Floats Interest In Dual-Use Ships:** Defense Daily reported on Wednesday that in his first visit abroad as secretary of the Navy, John Phelan highlighted his interest in dual-use ships and promoted the investments of foreign industry partners in domestic U.S. shipbuilding capabilities. Dual-use ships are used primarily for commercial purposes but could have military applications if needed. Phelan pointed to how similarly built ships are being produced by China. During the trip, Phelan visited

Japan's second largest shipbuilder, Japan Marine United, as well as South Korean shipyards Hanwha Ocean Shipbuilding and HD Hyundai Heavy Industries. He told Nikkei Asia that after visiting shipyards along the U.S. East Coast last month that little room for expansion exists and the West Coast may be a better location to invest. Stars and Stripes reported on Friday that Phelan is interested in creating joint ventures with allies to expand the country's shipbuilding capacity.

### Social Media Highlight Of The Week

Posted Thursday on HII's LinkedIn page:

"As Modern Day Marine comes to a close, HII is proud to have engaged with members of the United States Marine Corps throughout the week, including many enlisted Marines whose insights and experiences are vital to shaping the future of defense capabilities and innovation.

We were also honored to welcome a special visitor, Chesty XVI, the official Marine Corps mascot, whose visit to the show floor brought energy and pride to the final day of the event. 🐶🐾

As a committed partner in amphibious ship production, HII is proud to deliver platforms and technologies that provide strategic advantage to the US Navy and Marine Corps teams.

We look forward to participating in Modern Day Marine again next year!

#MDM2025 #Homecoming250"



**NNS Preps *Enterprise* (CVN 65) For Its Eventual Departure:** WAVY reported on Friday, April 25, that HII's Newport News Shipbuilding division is making final preparations for the departure of aircraft carrier *Enterprise* (CVN 65). The ship is the Navy's first nuclear powered carrier and is slated to be dismantled in the next few years. NNS President Kari Wilkinson recently shared on Facebook that one of the ship's aircraft elevators was moved for a final time. The elevators are being permanently attached to the flight deck in preparation for the ship's move to a yet-to-be announced shipyard that will dismantle it. Built from 1958-1961 by NNS, the ship, also known as "The Big E," served for more than 50 years before being decommissioned in 2017.

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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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