

Aerospace parts maker Velocity Composites signs \$100m deal

Aerospace components maker Velocity Composites has signed a \$100m deal.

The Burnley-headquartered listed company has made a five-year work package agreement with GKN Aerospace in the United States.

The business said the deal is expected to be worth over \$100m in revenue over the length of the agreement.

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Velocity Composites will also develop its first advanced manufacturing facility outside of the UK, in Alabama, to deliver the agreement.

The work by Velocity will cover a range of high-performance composite structures across military, civil, and business jet programmes.

Chairman Andy Beaden said: "This is a major milestone for Velocity as we make a permanent entry into the US market and expand our long-standing relationship with GKN Aerospace.

"During the pandemic, we worked hard to deepen our relationships with clients and further invest in our technology to prepare for the recovery.

"We believe this agreement will be part of a long-term positive trend from which Velocity will benefit, as customers look to recover from the pandemic and to achieve new and improved ways of working, with a key focus on sustainability,

as production rates increase to pre-pandemic levels.

“We expect a step change in the use of carbon fibre in aircraft structures to improve fuel efficiency and deliver greater sustainability in the move to net zero.

“We believe this will increase the adoption of Velocity’s technology and services to improve manufacturing efficiencies and inventory supply lead times.

“As a company with its roots firmly in the North of England, this agreement is a significant endorsement of both Velocity’s, and the region’s, manufacturing expertise from one of the world’s leading aerospace suppliers. In the future, we look forward to expanding further in the US.”

The deal comes as the company said it expects its sales for the 12 months to October 31, 2022, to have been no less than £11.9m, up from £9.8m in the prior year.

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