

Rolls-Royce-backed Reaction Engines plots flight-path to £1bn public listing

A British aerospace company backed by Boeing and Rolls-Royce Holdings is plotting a flight-path towards an eventual public flotation.

Sky News has learnt that Oxfordshire-based Reaction Engines has told shareholders that it intends to raise a pre-IPO round of funding in about 18 months, paving the way for the company to sell shares publicly.

In a presentation to investors last month, Reaction Engines said it could seek a listing as soon as 2024, although such a move remains conceptual rather than the subject of a specific plan.

It said it envisaged that a listing could value the business at between £1bn and £2bn.

The company, which was established in 1989 by a trio of entrepreneurs who became nicknamed 'the three rocketeers', is developing a series of propulsion systems called SABRE, with potential applications in hypersonic flight and space access.

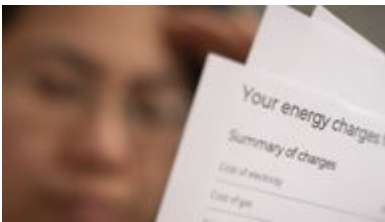
Employing more than 200 people in the UK and Denver, Colorado, Reaction Engines has received funding from the UK Space Agency, European Space Agency and DARPA, the US military's advanced projects agency.

Boeing's venture arm, BAE Systems and Rolls-Royce are also shareholders.

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A £35m funding round in the process of being closed is expected to value Reaction Engines at approximately £320m, according to the investor presentation.

'Exploring multiple future options'

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Responding to an enquiry from Sky News, a spokesman for the company said: "Reaction Engines' near-term focus is on

building a successful private business and developing applications for its unique technology in high-speed flight and a range of commercial opportunities.

“The company is exploring multiple future options for raising capital but there are no firm plans for an IPO at this time.”

Last year, Reaction Engines unveiled its first commercial spinout in the form of a collaboration with the venture investors IP Group to develop products to facilitate the use of ammonia and hydrogen fuels in hard-to-decarbonise applications such as aviation, shipping and power generation.

It recently announced details of a joint programme being undertaken with Rolls-Royce, the Royal Air Force’s Rapid Capabilities Office, the UK Government’s Defence Science and Technology Laboratory and the UK National Security Strategic Investment Fund (NSSIF) to enhance UK defence capabilities through hypersonic technologies.