Uncertainty and Diminished Resources
Small Arms Ammunition Industry Perspective

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Nammo Perspective

- Nammo is a medium-sized Multi-National Defense Company
  - $600-700M/yr. operating as both a prime and as a subcontractor
  - About 1/3 of Nammo’s sales in North America

- We are agile and innovative – focusing on specialty munitions that leverage legacy systems:
  - Specialty Ammunition:, MK211/MP, AP, 40mm AB, Tracer/Dim Tracer
  - Shoulder Fired Rockets: Modern M72 & SMAW/BDM variants
  - Rocket/Missile Components: ESSM, AMRAM, 2.75” Warhead

- We are a part of the US Industrial Base
  - We make products unavailable elsewhere
  - Invested about $100M in US production facilities in 4 states
  - Employ more than 350 Americans.
Uncertainty
Uncertainty In Industry
The Customer Must Help Keep us on Track

- We know you don’t know
  - What the budget will be or
  - Which items will be cut/kept or
  - When it will be passed or
  - When sequestration will end

- Please continue to: Keep industry “in-the-loop”

- Don’t let us waste R&D resources solving the wrong problems

- Let us help! Give us opportunities to “weigh in”
  - Some of these issues have been faced before
Diminishing Resources
The Consequences

We all saw this coming, but, are we doing the right things for a healthy base and to continue innovation?

At Nammo we are forced to take negative actions:

- Reducing workforce = Less Brains
- Consolidating = Less Competitors
- Reducing R&D Budgets = Less Innovation
- Releasing Resources = Less Agile
- Watching Other markets = Less US Focused
THE SOLUTION

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- We must continue to find opportunities to exchange information that leads to industry co-innovation with the Military Munitions Community.

- We cannot afford to waste time, energy and money working on the wrong stuff! Neither the Government nor Industry has “excess funds”.

- Industry is prepared to invest and innovate where we are asked to, while we shrink – BUT the projects need to be focused with a clear path, clear objectives and pass/fail criteria.