



trusted to deliver™

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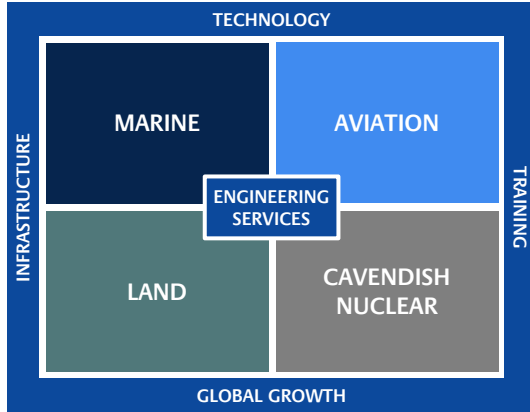
Babcock International Group PLC

BAB.L FTSE100



May 2017

Trusted to deliver



Babcock is an engineering services company:

- we have specialist expertise our customers do not possess;
- we provide skilled, bespoke engineering services in four key sectors;
- we work in highly regulated environments, managing complex assets;
- we have deep expertise in our chosen sectors;
- we maintain, upgrade, operate and manage critical infrastructure and assets;
- we provide our customers with better capability, reliability and availability of their critical assets; and
- we provide them with significant cost savings.

Engineering is in our DNA

What sets us apart

Our technical skills

- deep sector-specific expertise
- risk management
- platform agnostic: we are able to work with any OEM
- ability to identify and integrate innovation and technology
- through-life support expertise

Our infrastructure

- unique owned facilities: Devonport, Rosyth, DSG
- critical air and land fleet
- nuclear licensed sites
- naval, air and army bases
- technical training centres

Our long-term relationships

- trusted partner of blue chip companies and governments
- embedded with our customers
- aligned pain share/gain share
- proven track record of delivery
- second largest supplier to UK MOD

Our contracts

- long-term partnership approach
- framework agreements
- management of risk/reward
- innovative output based model
- incentivised to perform

Full Year Results 2016/17

Underlying revenue
£5,216.6m

Underlying operating profit
£574.8m

Margin
11.0%

Marine

Group revenue

36%

Delivering an array of complex through-life marine engineering

Naval marine

- UK, CAN, AUS submarine fleet support and refits (100% UK & CAN)
- UK, AUS, NZ surface fleet support
- Naval base operations and training
- Vessel Design & build engineering

Technology

- Equipment support
- Engineering consultancy
- Cyber, Intelligence and Security
- Weapons Handling and systems
- Liquid Gas process engineering

Revenue: **£1,901.6m**
 Operating profit: **£233.9m**
 Return on revenue: **12.3%**
 International: **23%**
 Civil/defence split: **17/83**
 Public/private split: **86/14**

Order book

28%

Pipeline

40%

Land

Group revenue

35%

Providing large scale critical fleet management and training

Fleet support

- British Army
- Emergency Services
- Airports
- Mining & construction

Training

- British Army
- Technical
- Emergency Services
- Network Rail

South Africa

- Power generation support
- Equipment
- Networks
- Rail, Power

Revenue: **£1,811.7m**
 Operating profit: **£139.7m**
 Return on revenue: **7.7%**
 International: **24%**
 Civil/defence split: **63/37**
 Public/private split: **67/33**

Order book

35%

Pipeline

40%

Aviation

Group revenue

17%

Delivering a wide array of critical aviation engineering services

Training

- Three UK armed forces, fixed and rotary wing
- French air force
- Rotary wing emergency services

Emergency Services

- Air ambulances
- Firefighting
- SAR and civil protection
- Oil & Gas
- crew change services

Aviation Support

- Aircraft support and availability
- Airbase support
- Airtanker JV

Revenue: **£874.0m**
 Operating profit: **£145.5m**
 Return on revenue: **16.6%**
 International: **53%**
 Civil/defence split: **76/24**
 Public/private split: **90/10**

Order book

25%

Pipeline

5%

Cavendish Nuclear

Group revenue

12%

Delivering complex nuclear engineering and decommissioning

Decommissioning

- Dounreay
- Magnox
- International
- Oil and gas

Nuclear services

- Sellafeld
- EDF
- AWE

New build

- Hinkley
- Wylfa

Revenue: **£629.3m**
 Operating profit: **£61.4m**
 Return on revenue: **9.8%**
 International: **1%**
 Civil/defence split: **97/3**
 Public/private split: **98/2**

Order book

12%

Pipeline

15%

Unless otherwise stated all figures are underlying



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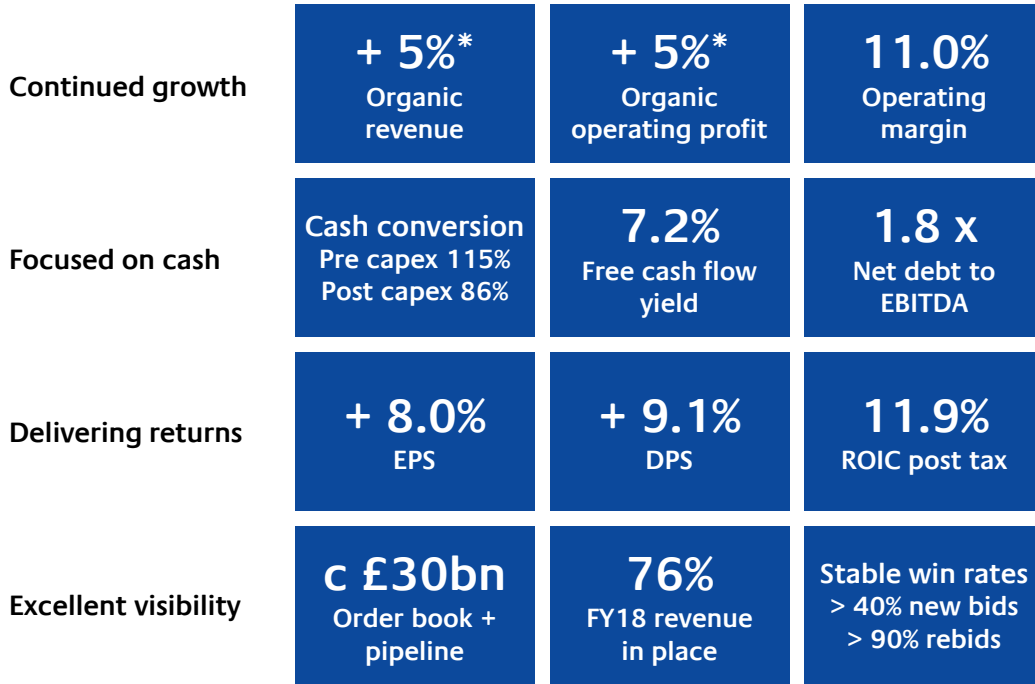
Babcock Performance

Babcock International Group PLC

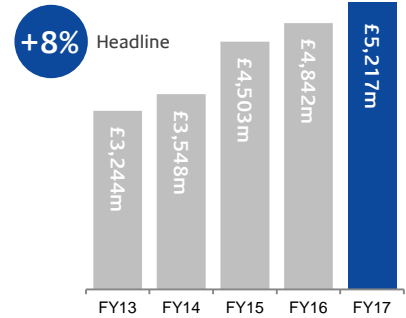
BAB.L FTSE100



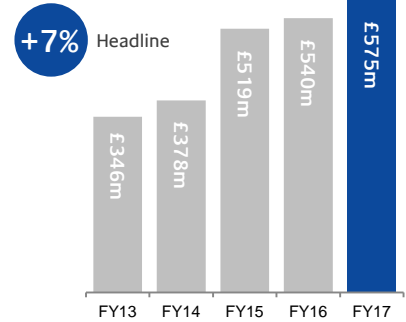
Strong performance in 2016/17



Underlying revenue



Underlying operating profit



Continuing momentum

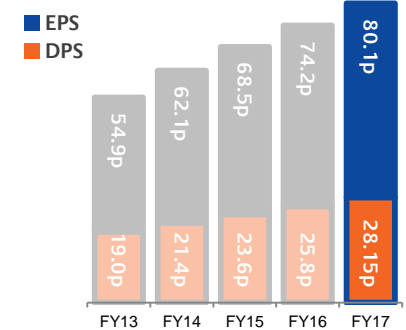
Positioned for the future

- differentiated position: technical expertise and unique infrastructure
- sharper focus on engineering services in four sectors

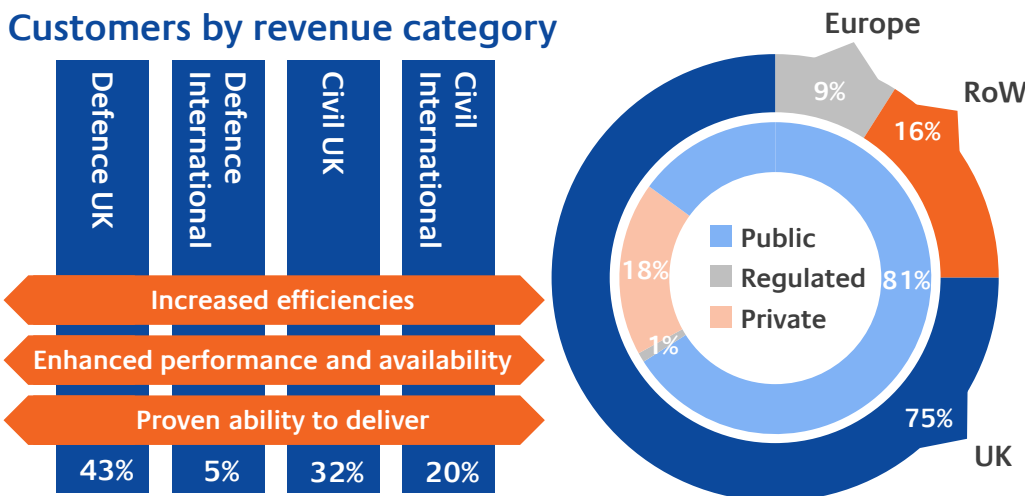
Opportunities across all our markets

- continuing outsourcing in UK
- broadening base of international business
- buoyant tracking pipeline

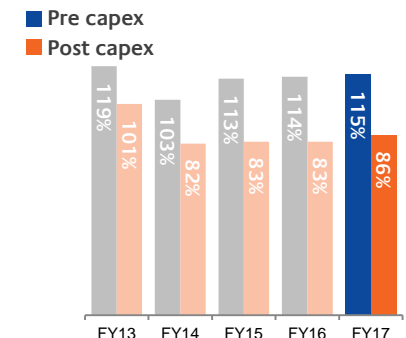
Shareholder return*



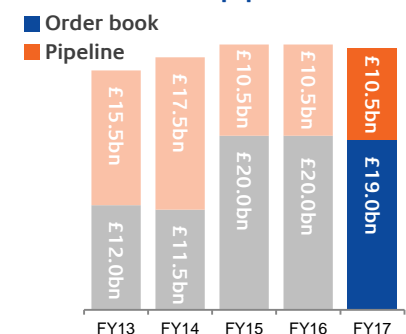
Customers by revenue category



Cash Conversion



Order book and pipeline



Performance Metrics	FY17	FY16	FY15	FY14	FY13
Revenue growth (%)	8	8	27	9	6
Organic revenue growth* (%)	5	8	12	11	7
Organic profit growth* (%)	5	6	11	11	15
Net debt/EBITDA (X)	1.8	2.0	2.2	1.3	1.3
Operating return on revenue (%)	11.0	11.1	11.5	10.7	10.7
Total injuries rate (per 100k hrs worked)	1.58	1.92	2.23	2.51	2.64

* Organic at constant FX
 • FY 14 and FY 13 DPS and EPS data restated to reflect impact of 2014 Rights Issue.

Contact us

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