



We are a leading provider of critical, complex engineering services across defence, emergency services and civil nuclear markets in the UK and increasingly internationally

We apply our core strengths:

Technology and expertise

Owned infrastructure

Successful operating model

To solve customer challenges:

Maintain national security and save lives

Sustain critical and complex assets

Deliver critical services

Across three focus markets:

Defence

Emergency services

Civil nuclear

Supported by our focus strategy:

1

Deliver operational excellence for our customer

2

Grow our international businesses in our focus markets

3

Grow market share and expand offering in the UK

4

Develop our people

5

Use technology to strengthen our offering

6

Focus on value creation

Delivered through our four sectors: Marine, Nuclear, Land, Aviation

Medium term targets



Marine
Revenue
CAGR
c.4%



Nuclear
Revenue
CAGR
c.4%



Land
Revenue
CAGR
c.3%



Aviation
Revenue
CAGR
c.5%

3% - 4% earnings CAGR for the Group

Given the uncertain impact of COVID-19, these medium term targets will not be achieved in the current financial year. The drivers of our strategy remain unchanged and the long term characteristics of our business remain strong. We will continually assess our medium term targets as we emerge from the pandemic and they are aiming points for us to return to.

Capital allocation priorities

Organically invest in the business



Ensure group liquidity

Given the current challenging environment from the impact of COVID-19, our immediate focus is ensuring the group has sufficient capital and liquidity to cope with COVID-19 and other risks. If these are met then the capital allocation policy we set out in November 2019 still applies.

If the above are satisfied, then...

Fund pension schemes / safeguard credit rating



Sustainable ordinary dividend to shareholders



Highly selective bolt on acquisitive growth

Bolt on M&A considered against hurdle rates and current group valuation



Capital return to shareholders

Share buyback / special dividend

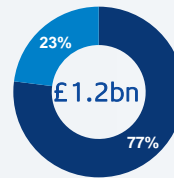
Our sectors



Marine

- UK and international warship through-life support
- International submarine through-life support
- UK and international weapons handling and launch systems
- Naval engineering, design, build and assembly
- Energy and Marine equipment and support

% of FY20 revenue

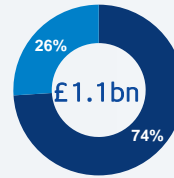


- Defence
- Energy and Marine



Nuclear

- Support all UK nuclear submarines and infrastructure
- Own or manage nuclear licensed dockyards and naval bases
- Nuclear submarine dismantling
- Support UK decommissioning projects
- Civil Nuclear services, projects and new build support

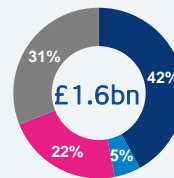


- Defence
- Civil Nuclear*



Land

- Vehicle support for over 34,000 British Army vehicles
- Technical training for over 20,000 military personnel
- Emergency Services technical training and fleet management
- South Africa power support and equipment businesses
- Adjacent businesses in Rail, Power, Airports and Training

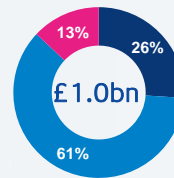


- Defence
- Emergency Services
- South Africa
- Adjacent



Aviation

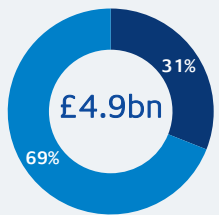
- UK and French pilot training
- Defence aircraft availability and airbase support
- Defence and Emergency Services maintenance and overhaul
- Air ambulance, search and rescue and firefighting services
- Oil and Gas crew change services



- Defence
- Emergency Services
- Oil and Gas

*split rebased to exclude Magnox contract (ended Aug 2019)

International revenue



- UK
- International

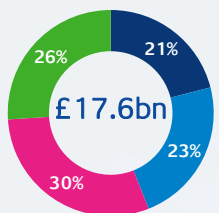
Increasing to over

40%

over the medium term

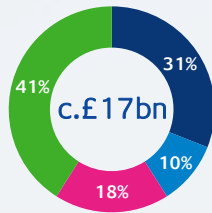
- Developing multi-sector, multi-market opportunities in Australia, Canada, France and Spain
- Aviation in Italy, Portugal and Scandinavia
- Marine in South Korea, New Zealand and Oman
- Developing Nuclear presence in Canada and Japan
- South African Land business

Order book



- Marine
- Nuclear
- Land
- Aviation

Bid pipeline



Pipeline includes only bids in a formal process

FY20 highlights

Performance metrics

	FY20
Underlying revenue (£bn)	4.9
Underlying operating profit (£m)	524
Margin (%)	10.8
Free cash flow (£m)	192
Net debt (£m)	922

- Results in line with expectations apart from COVID-19 impact in final two months of the year
- No financial guidance given uncertainty of COVID-19
- Deferred the decision on our final dividend
- Remain confident in the medium term given our strong liquidity position, robust business model, record order book and pipeline, and focus on critical, non discretionary services

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