



Completion of the sale of Frazer-Nash and half year trading update

21 October 2021

Babcock International Group PLC ("Babcock" or "the Group") announces the completion of the sale of Frazer-Nash and provides a short trading update for the half year ending 30 September 2021 (HY22).

Completion of the sale of Frazer-Nash

On 20 October 2021, Babcock completed the sale of Frazer-Nash Consultancy to KBR for a cash consideration of £293 million before adjustments and transaction costs. This sale forms part of our portfolio realignment which aims to generate at least £400 million of proceeds, the majority of which will be used to reduce the Group's net debt. The Consultancy was part of Babcock's Marine sector and had revenue of £101 million in FY21 (FY20: £102 million), with profit before interest and tax of £14 million (FY20: £17 million).

Trading update for HY22

Trading for the Group in the first half of the year was in line with our expectations and our full year outlook remains unchanged.

The headline financial performance for the half year ended 30 September 2021, based on our draft management accounts, shows revenue of £2,228 million with underlying operating profit of £115 million.

Based on our draft management accounts, the Group's net debt at 30 September 2021 was £1,347 million (31 March 2021: £1,354 million), and £938 million excluding operating leases (31 March 2021: £772 million). The Group's net debt to EBITDA ratio (covenant basis) at 30 September 2021 was 2.8 times (31 March 2021: 2.5x).

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Note

The financial comparator figures for the half year ended 30 September 2020 (HY21) will be restated to include the results of our Contract Profitability and Balance Sheet review outlined alongside our FY21 results on 30 July 2021. These restatements will be made available ahead of the publication of our half year results on 7 December 2021.