



babcock™



Half year results

for the six months ended 30 September 2021

7 December 2021

Disclaimer



This document has been prepared by Babcock International Group PLC (the “Company”) solely for use at a presentation in connection with the Company's half year results announcement for the six months ended 30 September 2021. For the purposes of this notice, the presentation that follows (the “Presentation”) shall mean and include the slides that follow, the oral presentation of the slides by the Company, the question and answer session that follows that oral presentation, hard copies of this document and any materials distributed at, or in connection with, that presentation.

The Presentation does not constitute or form part of and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire, securities of the Company in any jurisdiction or an inducement to enter into investment activity. No part of this Presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

Statements in this Presentation, including those regarding the possible or assumed future or other performance of the Company or its industry or other trend projections, as well as statements about Babcock's or management's beliefs or expectations, may constitute forward-looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors, many of which are beyond Babcock's control. These risks, uncertainties and factors may cause actual results, performance or developments to differ materially from those expressed or implied by such forward-looking statements. Accordingly, no assurance is given that such forward-looking statements will prove to have

been correct. Forward looking statements in the Presentation regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. They speak only as at the date of this Presentation and the Company undertakes no obligation to update these forward-looking statements.

The information and opinions contained in this Presentation do not purport to be comprehensive, are provided as at the date of the Presentation and are subject to change without notice. The Company is not under any obligation to update or keep current the information contained herein.

What we will cover



> Introduction

> Financial performance

> Progress on our strategic priorities



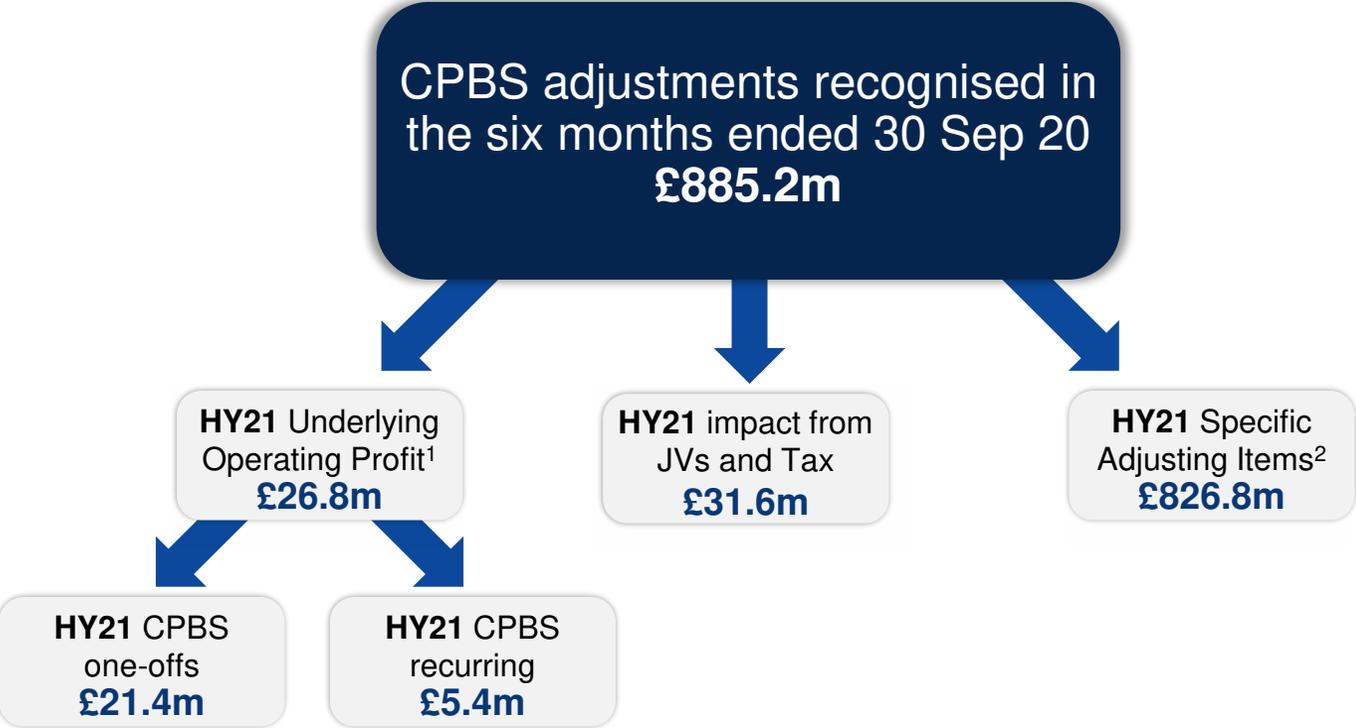
babcockTM



Financial review

David Mellors
CFO

CPBS recap and HY21 restatements



CPBS completed in FY21, recap:

- Scope of work targeted by assessment of risk
 - >100 contracts (c.£2.7bn revenue)
 - Balance sheet items reviewed on risk basis
- **Total adjustments required (c.140) = £2bn**
- Prior year restatements from:
 - Correction of prior year errors
 - **Accounting policy change**

Restatement for 6 months ended 30 September 20 = £885.2m

In addition:

HY21 recurring impact of FY21 'estimate changes' £7.4m

Not restated

- 'Changes in estimates' were made at 31.03.21 (i.e. at year end) and hence HY21 have not been restated for these. This is a variance between HY21 and HY22 reported results

6 1. A detailed breakdown of the CPBS restatements on the income statement is shown in appendix slide 34
 2. Shows statutory loss after tax adjustments

Underlying financial results overview



	HY22	HY21 Restated¹
Revenue	£2,223m	£2,054m
Operating profit¹	£115.3m	£84.5m
Operating margin	5.2%	4.1%
Basic EPS	15.3p	5.8p
Operating cash flow	£(59)m	£111m
Free cash flow	£(161)m	£(4)m
Net debt including lease obligations	£(1,347)m	£(1,609)m
Net debt excluding operating leases	£(938)m	£(990)m
Net debt/EBITDA (covenant basis)²	2.8x	2.5x

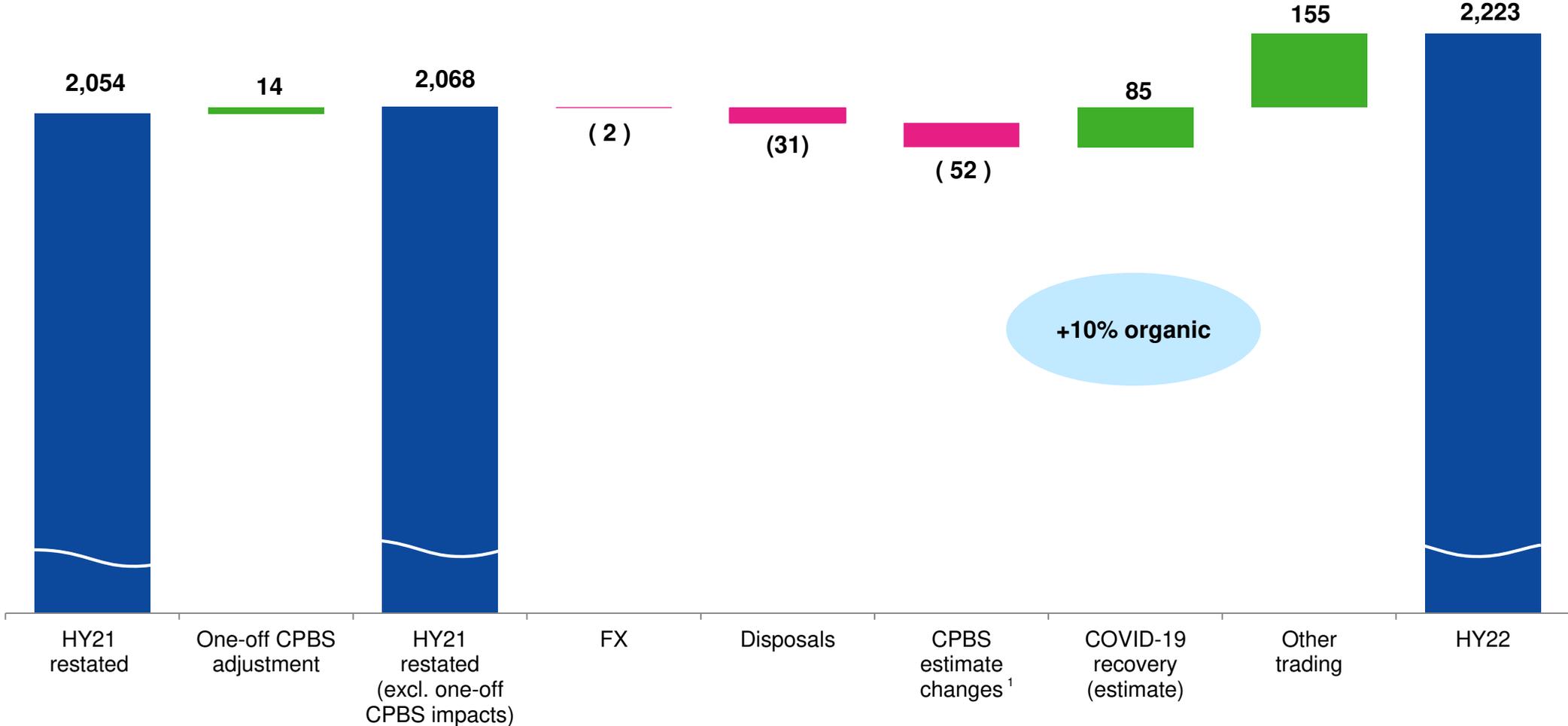
- **Organic revenue +10%**
 - 4ppts COVID-19 recovery from site closures and business interruption in prior period
 - 6ppts increase enhanced by ramp up of existing programmes (Type 31, infrastructure, and submarine support activity)
- **Underlying operating profit increase includes:**
 - £21m of one-off CPBS changes in prior period
 - COVID-19 recovery +£25m (estimate)
 - £(10)m impact from CPBS ‘estimate’ changes and additional pension charge
- EPS assisted by £6.2m ‘other income’; prior period included £18.2m deferred tax write off
- Free cash flow, includes c.£75m unwind of ‘creditor deferrals’ and £88m pension deficit payments
- Net debt at 30 September 2021 (excluding operating leases) of £938m. Only Oil & Gas disposal completed in the period
- Pro forma net debt to EBITDA 2.1x after the disposal of Frazer-Nash (completed in October)

7
 1. See restatement on slides 29 to 32
 2. See slide 37 for calculation of net debt / EBITDA under our covenant basis

Revenue bridge

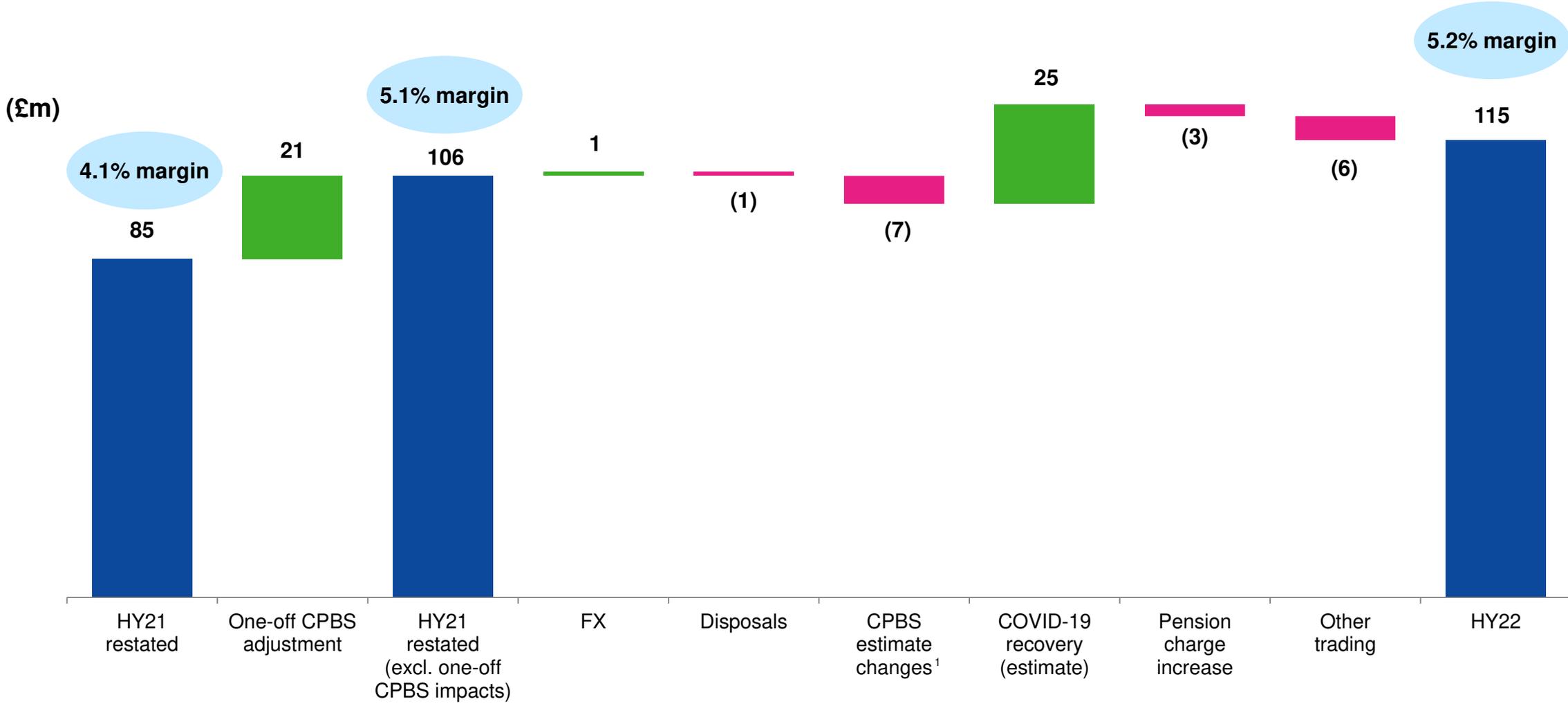


(£m)



1. 'Changes in estimates' were made at 31.03.21 (i.e. at year end) and hence HY21 have not been restated for these

Underlying operating profit bridge



9 1. 'Changes in estimates' were made at 31.03.21 (i.e. at year end) and hence HY21 have not been restated for these

	HY21 Restated	One-off CPBS adjust.	HY21 Restated Excl. one-off CPBS	FX	Disposals	CPBS estimate changes	COVID-19 recovery (estimate)	Pension charge increase	Other trading	HY22
Contract backlog (£bn)	2.6		2.6							2.6
Revenue (£m)	593	10	603	(0)	-	(4)	(21)	-	49	627
Underlying operating profit (£m)	32	10	42	0	-	(1)	4	1	(7)	39
<i>Underlying margin</i>	<i>5.4%</i>		<i>7.0%</i>							<i>6.2%</i>

Revenue:

- **Organic revenue +6%** driven by ramp up of Type 31 and warship support, and LGE growth
- COVID-19: prior period benefited from UK ventilator project
- c.£120m of low or zero margin programme revenue in H1

Operating profit:

- **COVID-19:** year-on-year recovery in COVID-19 activity in Frazer-Nash and Oman
- **Other trading:** reflects prior period loss of the UK Royal Navy training contract, increased bidding costs and higher share of corporate costs

	HY21 Restated	One-off CPBS adjust.	HY21 Restated Excl. one-off CPBS	FX	Disposals	CPBS estimate changes	COVID-19 recovery (estimate)	Pension charge increase	Other trading	HY22
Contract backlog (£bn)	0.4		0.4							3.0
Revenue (£m)	456	2	458	-	(1)	(8)	11	-	56	516
Underlying operating profit (£m)	34	2	36	-	(0)	(0)	2	(4)	2	36
<i>Underlying margin</i>	<i>7.5%</i>		<i>7.9%</i>							<i>7.0%</i>

Revenue:

- **Organic revenue +14%**
- Increased activity on submarine support and ramp up of infrastructure programmes

Operating profit:

- Other trading reflects lower margin recognition in the initial period of FMSP contract and on infrastructure work
- Higher IAS19 pension charge as previously announced

	HY21 Restated	One-off CPBS adjust.	HY21 Restated Excl. one-off CPBS	FX	Disposals	CPBS estimate changes	COVID-19 recovery (estimate)	Pension charge increase	Other trading	HY22
Contract backlog (£bn)	3.4		3.4							2.9
Revenue (£m)	564	1	565	8	(18)	(30)	72	-	10	607
Underlying operating profit (£m)	16	6	22	1	(1)	(5)	13	(0)	(0)	30
<i>Underlying margin</i>	<i>2.9%</i>		<i>3.9%</i>							<i>4.9%</i>

Revenue:

- **Organic revenue +9%**
- **COVID-19 recovery** from site closure and business interruption in prior period, especially South Africa and civil training
- **Disposals:** reflects the sale of Conbras in October 2020
- c.£100m of pass-through revenue in HY22 (zero margin)
- c.£80m of low or zero margin programme revenue

Operating profit:

- **COVID-19 recovery:** from site closure and business interruption in prior period, especially South Africa and civil training
- **CPBS estimate changes:** mainly relates to a lower programme profitability in DSG (consistent with FY21 CPBS)
- **Other trading:** reflects improved performances in Rail and training, partly offset by loss of the Heathrow baggage handling contract

	HY21 Restated	One-off CPBS adjust.	HY21 Restated Excl. one-off CPBS	FX	Disposals	CPBS estimate changes	COVID-19 recovery (estimate)	Pension charge increase	Other trading	HY22
Contract backlog (£bn)	3.0		3.0							2.4
Revenue (£m)	441	1	442	(9)	(12)	(9)	23	-	37	472
Underlying operating profit (£m)	2	3	5	(0)	0	(2)	6	-	1	10
<i>Underlying margin</i>	<i>0.4%</i>		<i>1.2%</i>							<i>2.2%</i>

Revenue:

- **Organic revenue +12%**
- **COVID-19** recovery of activity given lower flying hours in HY21
- **Disposals** reflects the sale of Oil & Gas business in August 2021
- **Other trading:** growth, particularly in French defence business

Operating profit:

- **COVID-19 recovery:** as per revenue, although additional costs remain
- **CPBS estimate changes:** reflect estimate changes on margins and impairment of asset values from FY21 year end exercise

Cash flow and movement in net debt: (1/2)



£m	HY22	HY21 restated ¹
Underlying operating profit	115.3	84.5
One-off CPBS adj.	-	21.4
Underlying operating profit excl. one-off CPBS adj.	115.3	105.9
Depreciation & amortisation	39.9	58.7
Right of use asset depreciation	59.7	65.4
Net capital expenditure	(72.1)	(47.6)
Capital element of lease payments	(69.6)	(70.7)
Working capital movements	(140.1)	(8.7)
Other ²	8.0	8.4
Operating cash flow (underlying)	(58.9)	111.4
<i>Cash conversion %</i>	<i>(51)%</i>	<i>105%</i>
Retirement benefits in excess of income statement	(88.5)	(42.2)
Interest paid	(18.4)	(27.7)
Tax paid	(10.3)	(30.0)
Dividends from joint ventures	24.7	15.0
Exceptional items	(9.2)	(30.9)
Free cash flow	(160.6)	(4.4)

- **HY22 comments:**

- High capex due to Type 31 and infrastructure upgrade
- High working capital outflow includes part of the unwind in VAT deferrals (c.£25m) last year and some reversal of deferred creditors (c.£50m), and contract asset increase (c.£40m)
- Pension costs includes a £50m 'additional' payment into Roysth scheme
- Dividends from JVs includes ALC exit dividends

- **FY22 guidance:**

- Pensions in excess of income statement c.£130m outflow
- Tax up to £30m outflow
- Dividends from JVs c.£30m
- Exceptional restructuring costs: up to £40m

Cash flow and movement in net debt: (2/2)



£m	HY22	HY21 restated ¹
Free cash flow	(160.6)	(4.4)
Acquisitions and disposals (incl. JVs)	8.0	84.6
Cash outflow from settlement of derivative	(5.4)	-
Dividends	-	(0.3)
Leases – capital element add back	69.6	70.7
– new commitments	(19.6)	(34.4)
FX	(15.0)	(18.0)
Own shares	-	(2.2)
Leases terminated on disposal of business	129.7	-
Movement in net debt	6.7	96.0
Opening net debt	(1,353.6)	(1,704.8)
Closing net debt	(1,346.9)	(1,608.8)
Net debt excl. operating leases	(938.3)	(990.3)
Gearing ratio (covenant basis)	2.8x	2.5x

- **HY22 comments:**

- £130m of leases transferred with the sale of Oil & Gas
- Pro forma net debt to EBITDA 2.1x after the disposal of Frazer-Nash (Oct 2021)
- HY21 disposal proceeds primarily relates to the sale of Holdfast (June 2020)

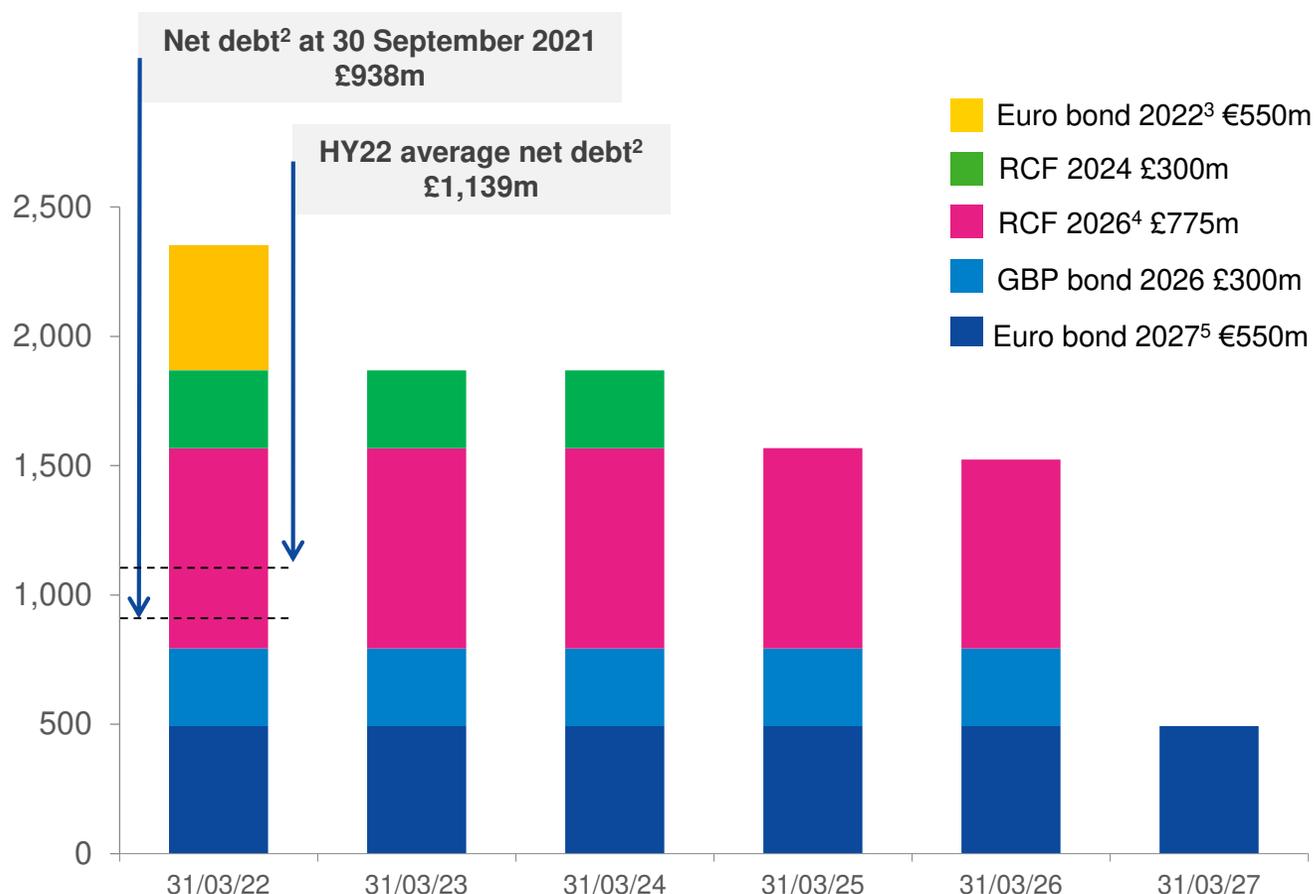
- **FY22 guidance:**

- No dividend for FY22
- Aim to be below 2x net debt to EBITDA by year end

Liquidity and debt maturity profile



Debt maturity profile¹ (£m)



- Liquidity headroom of £1.4bn at 30 September 2021
- £2.4bn of total available borrowing and facilities
- Extended £730m of £775m RCF to 2026
- RCF covenant gearing ratio 4.5x until 31 March 2022
- Disposal proceeds £10m in HY22. Frazer Nash (c.£290m) and Air Tanker (c.£95m) expected to complete by 31 March 2022

Ample liquidity and covenant headroom to prudently protect downside

Outlook

- **Full year outlook unchanged:**
 - Our new operating model is on track to deliver savings of approximately £20 million in this financial year
 - While we have seen a recovery of activity from the heavily COVID-19 impacted prior period, and we have largely been able to recover extra costs, we are cautious about our ability to maintain activity levels and recover all costs in the remainder of this financial year given the uncertainty from new COVID-19 variants and varied government responses
 - We are investing in our business, including business development and strengthening our control environment
 - Some external uncertainty remains for the second half of the year as we manage inflation and supply chain pressures
- The disposals of Frazer-Nash and oil and gas aviation will impact the reported results for this year
- **As stated before, FY22 free cash flow is expected to be significantly negative.** This reflects material cash outflows including additional pension contributions, restructuring costs, investments in facilities and IT upgrades and the unwinding over time of the historical management of working capital around period ends
- **We remain confident in our future prospects.** We believe that our new strategic focus and operating model will significantly improve the Group's profitability, and most importantly its cash generation, over the medium term





babcockTM



**Progress on our
strategic priorities**

David Lockwood, CEO

Progress on our strategic priorities



Strategic priorities

1 Align our portfolio	<ul style="list-style-type: none">• Three disposals: c.£400 million of proceeds expected• Programme to continue
2 Implement our new operating model	<ul style="list-style-type: none">• Continue to expect c.£40 million annualised cost savings• New approach to project management and bidding processes
3 Roll out our new people strategy	<ul style="list-style-type: none">• New Group Principles rolled out from November• Agile working introduced across the Group
4 Develop our ESG strategy	<ul style="list-style-type: none">• Net zero (scope 1 and 2) by 2040• Integrating ESG into risk management and strategy processes
5 Explore growth opportunities	<ul style="list-style-type: none">• Won first Type 31 export order• MOI with Ukraine• Mentor programme in France

Launched our new principles



be curious

We believe in positively challenging the status quo and asking, 'how might we?'



be kind

We believe in being kind to ourselves, kind to each other and kind to the planet.



be courageous

We believe in being brave, ambitious, and determined.



think:outcomes

We believe in measuring success by the results we deliver and the positive impact we make.



collaborate

We believe that Babcock is greater than the sum of its parts.



own & deliver

We believe our collective success depends on individual actions.

Progressing our ESG strategy



Environmental



- Net zero (scope 1 and 2) by 2040
- Integrating climate-related risks and opportunities into strategic processes

Social



- New Group Principles launched
- Agile working being rolled out
- 30% of senior managers to be female by 2025

Governance



- Improved internal controls
- New Delegation of Authority
- New Sustainable Procurement policy

ESG ratings* gradually improving

1

MEWSIC

- 13-year UK MOD contract for design, manufacture, delivery and in-service support for the Maritime Electronic Warfare Systems Integrated Capability (MEWSIC)
- Delivered as prime contractor with Elbit and QinetiQ
- Part of wider programme

2

LE TacCIS

- Land Environment Tactical Communications and Information Systems
- Programme of opportunities to deliver the next generation tactical communications and information systems
- Part of wider programme

3

Defence HF comms

- Defence Strategic Radio Service in UK
- Australia HF comms
- New Zealand capability
- Opportunities with Five Eyes operations



babcockTM



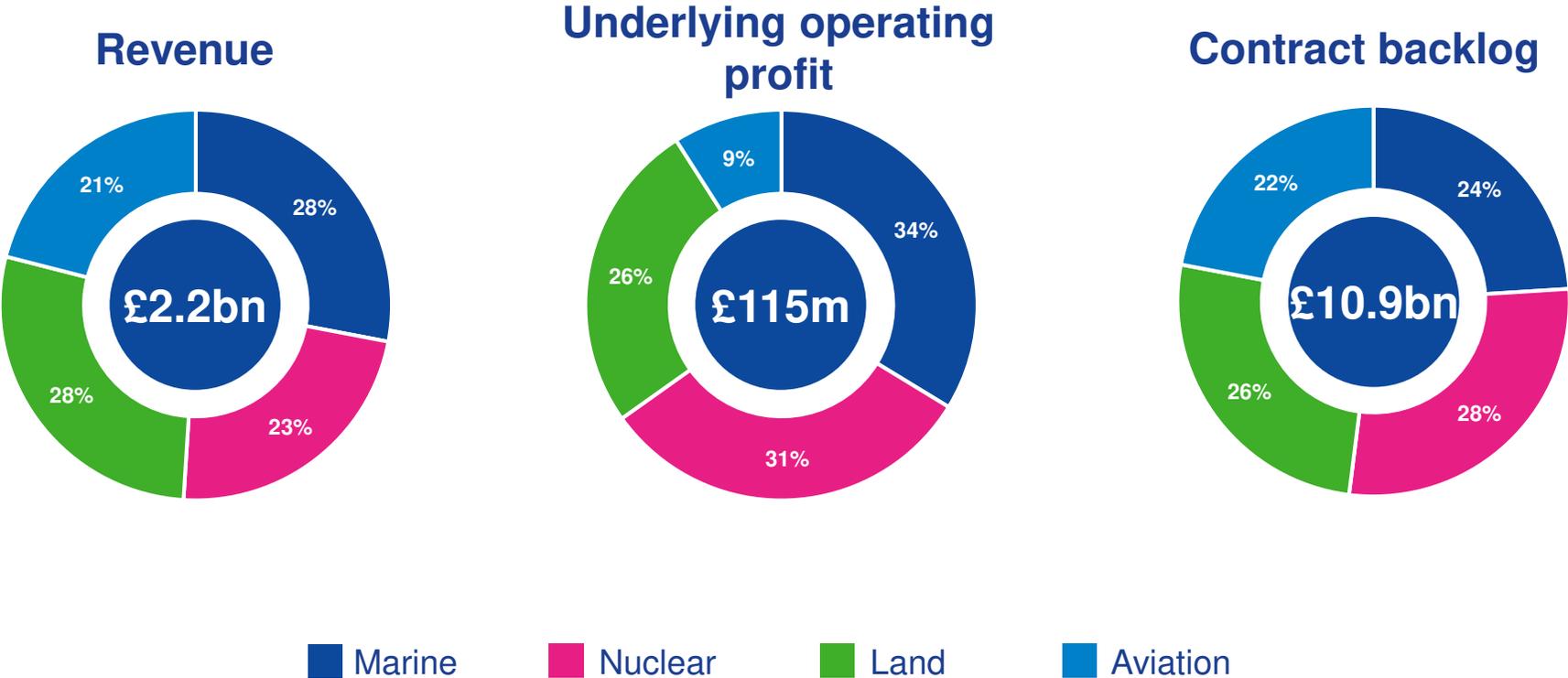
Q&A

babcockTM



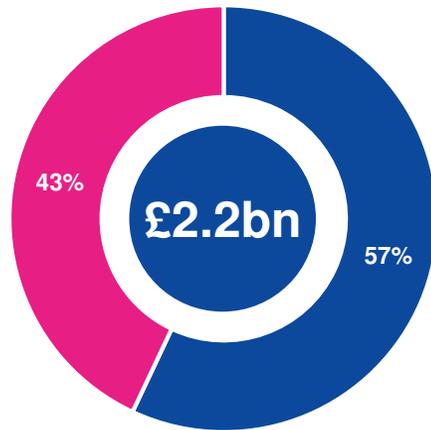
Appendix

HY22 results split by sector

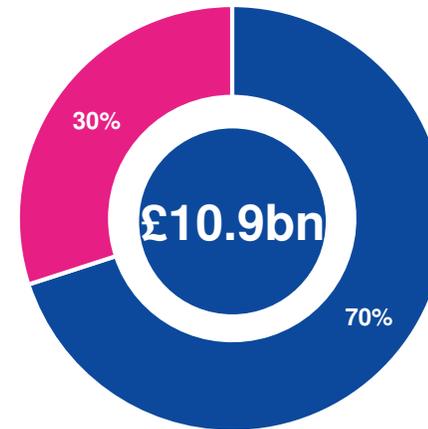


HY22 results split by market

Revenue

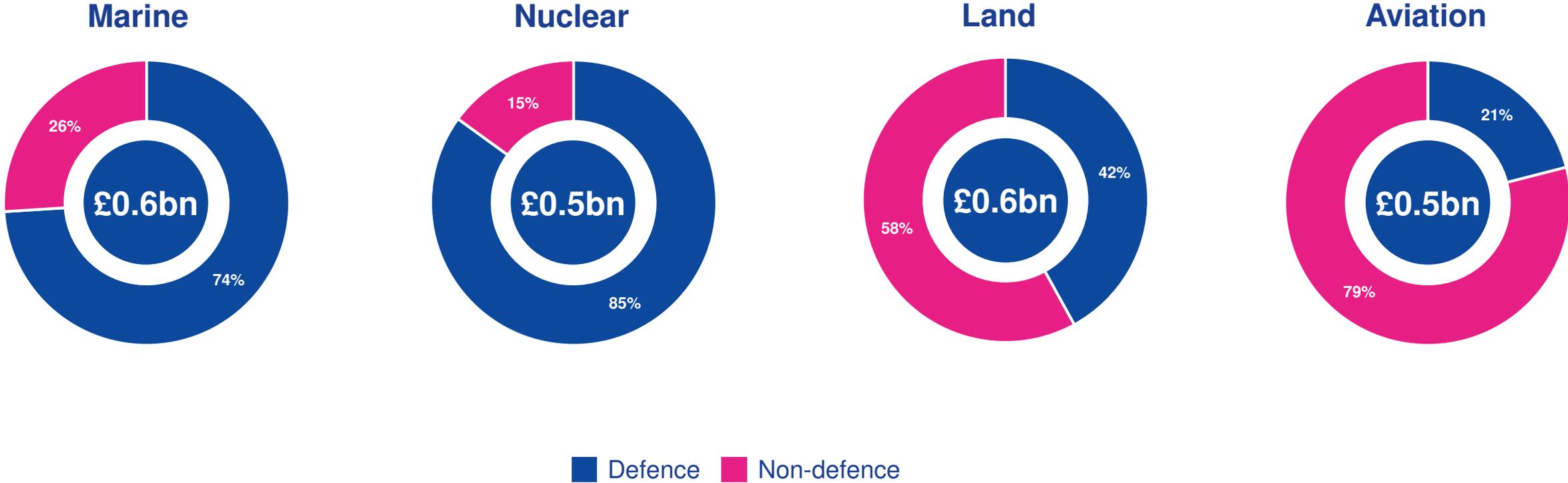


Contract backlog



■ Defence ■ Non-defence

HY22 sector revenue splits



Recap of changes in the presentation of underlying results



- 1** Treatment of JVs and associates:
 - Single line in income statement (not in underlying operating profit)
 - Aligns with IFRS

- 2** IFRIC 12 investment income:
 - Taken out of underlying operating profit

- 3** Three column P&L:
 - Underlying results
 - Defined 'Specific Adjusting Items'
 - Statutory results

- 4** Cash flow presentation:
 - Lease cash flows ('capital element' split out in operating cash flow)
 - New lease commitments = change in debt below free cash flow
 - 'Exceptional cash flows' no longer excluded from free cash flow

HY21 underlying income statement restatement



£m	HY21 previous reported	Presentation changes			HY21 Restated
		Change to JV accounting	Change to IFRIC 12 presentation and tax	Prior year restatements ¹	
Underlying revenue	2,243.7	(134.1)	–	(56.1)	2,053.5
Underlying operating profit	143.1	(31.2)	(0.5)	(26.9)	84.5
Share of results from joint ventures and associates	–	11.6	–	(5.3)	6.3
Net finance costs	(44.2)	11.2	0.5	(0.1)	(32.6)
Underlying profit before tax	98.9	(8.4)	–	(32.3)	58.2
Tax	(19.8)	3.9	–	(12.9)	(28.8)
Underlying profit after tax	79.1	(4.5)	–	(45.2)	29.4
Underlying basic EPS	15.7p				5.8p

- Presentation changes:
 - JVs & associates share of results shown as one line as per IFRS
 - IFRIC 12 income shown in net finance costs
- CPBS restatements:
 - Correction of prior year errors
 - Accounting policy change

HY21 restatement underlying cash flow: (1/2)



£m	HY21 previously reported	Prior year restatements	Presentation changes	HY21 restated
Operating profit (excl. JVs)	111.4	(26.9)	-	84.5
One-off CPBS adjustments	-	21.4	-	21.4
Operating profit (excl. JVs) excl. one-off CPBS adjustments	111.4	(5.5)	-	105.9
Depreciation & amortisation	55.5	3.2	-	58.7
ROU asset depreciation	69.0	(3.6)	-	65.4
Non-cash items	2.9	4.5	(0.5)	6.9
Working capital	(14.7)	6.0	-	(8.7)
Provisions	1.5	-	-	1.5
Net capital expenditure	(47.6)	-	-	(47.6)
New lease commitments	(34.4)	8.1	26.3	-
Capital element of lease payments	-	-	(70.7)	(70.7)
Operating cash flow	143.6	12.7	(44.9)	111.4
<i>Cash conversion %</i>	129%			105%
Retirement benefits in excess of income statement	(42.2)	-	-	(42.2)
Interest paid	(28.0)	(0.2)	0.5	(27.7)
Tax paid	(30.0)	-	-	(30.0)
Dividends from joint ventures	15.0	-	-	15.0
Exceptional items	-	-	(30.9)	(30.9)
Free cash flow	58.4	12.5	(75.3)	(4.4)

- Presentation changes:
 - Capital elements of lease payments within operating cash flow
 - New lease commitments now a 'change in debt' not in operating cash flow
 - Cash flow from exceptional items included in free cash flow

HY21 restatement underlying cash flow: (2/2)



£m	HY21 previously reported	Prior year restatements	Presentation changes	HY21 restated
Free cash flow	58.4	12.5	(75.3)	(4.4)
Acquisitions and disposals net of cash acquired	84.6	-	-	84.6
Exceptional cash flow	(30.9)	-	30.9	-
Capital element of lease payments	-	-	70.7	70.7
New lease commitments	-	(8.1)	(26.3)	(34.4)
Own shares	(2.2)	-	-	(2.2)
Dividends paid	(0.3)	-	-	(0.3)
Net cash outflow	109.6	4.4	-	114.0
Opening net debt	(1,594.9)	-	-	(1,594.9)
Supply chain financing - opening adjustment	-	(93.3)	-	(93.3)
Lease liability – opening adjustments	-	(16.6)	-	(16.6)
Opening net debt (restated)	(1,594.9)	(109.9)	-	(1,704.8)
Exchange movements	(33.7)	15.7	-	(18.0)
Movement in net debt	109.6	4.4	-	114.0
Closing net debt	(1,519.0)	(89.8)	-	(1,608.8)

- CPBS restatements:
 - Supply chain financing now included in debt (£93.3m at Sep 20)
 - £16.6m of lease liabilities previously not included
- Presentational changes:
 - Lease commitments/capital element of leases as per previous slide

Statutory to underlying reconciliation



(£m)	HY22			HY21 restated		
	Underlying	Specific Adjusting Items	Statutory	Underlying	Specific Adjusting Items	Statutory
Revenue	2,223.0	–	2,223.0	2,053.5	–	2,053.5
Operating (loss)/profit	115.3	(39.9)	75.4	84.5	(869.8)	(785.3)
Other income	6.2	-	6.2	-	-	-
Share of results of joint ventures and associates	9.6	-	9.6	6.3	–	6.3
Investment income	0.4	-	0.4	0.5	–	0.5
Net finance costs	(32.8)	–	(32.8)	(33.1)	–	(33.1)
(Loss)/profit before tax	98.7	(39.9)	58.8	58.2	(869.8)	(811.6)
Income tax benefit/(expense)	(19.6)	15.0	(4.6)	(28.8)	8.1	(20.7)
(Loss)/profit after tax for the year	79.1	(24.9)	54.2	29.4	(861.7)	(832.3)
Basic EPS	15.3p	(5.0)p	10.3p	5.8p	(170.6)p	(164.8)p
Diluted EPS	15.1p	(4.9)p	10.2	5.8p	(170.6)p	(164.8)p

CPBS impacts on Income Statement



£m	Six months ended 30 Sep 2020 £m		
	Underlying	Specific adjusting items	Statutory
Revenue	(56.1)	-	(56.1)
Operating profit	(26.8)	(834.9)	(861.7)
JVs & associates	(5.3)	-	(5.3)
PBT	(32.1)	(834.9)	(867.0)
Tax adjustments	(28.8)	8.1	(20.7)
Tax effect	2.5	-	2.5
Loss after tax impacts	(58.4)	(826.8)	(885.2)

HY22 underlying EPS calculation



	Underlying
Underlying operating profit	115.3
Other income	6.2
Investment income	0.4
Finance costs	(32.8)
Underlying PBT (excl. JVs)	89.1
Income tax	(19.6)
Share of JV and associates (net of tax)	9.6
Non controlling interests	-
Net Income	79.1
Weighted average number of shares	505.0
EPS basic	15.3

IAS 19 position

(£m)	30 Sep 2021	31 Mar 2021
Assets	5,010.6	4,745.1
Obligations	(5,089.6)	(5,078.0)
Net deficit	(79.0)	(332.9)

Key assumptions	30 Sep 2021	31 Mar 2021
Discount rate	2.0%	2.0%
Inflation (RPI)	3.4%	3.2%

Movement in IAS 19 net position due to:

- Higher inflation and salary increase assumptions
- Contributions in the period of £89m over the value of benefits accrued
- Asset performance exceeding increase in liabilities

Technical provisions position (incl. longevity swap funding gaps)

September 2021: c.£(400)m deficit



Why different to IAS 19 position:

- RPI reform changes not yet fully allowed for in funding valuations
- Discount rates linked to gilt yields

Why the actuarial deficit has decreased in HY22:

- Payment of deficit recovery contributions, asset performance and increase in gilt yields
- Hedging has mitigated the impact of increase in inflation expectations

Cash payments:

- Pension contributions in excess of income statement: around **£130m** expected in FY22
- Normal service cost contributions included in underlying free cash flow

Net debt / EBITDA (covenant basis)



(£m)	30 September 2021 (£m) Last 12 months	30 September 2020 (£m) Last 12 months
Underlying operating profit excl. one-off CPBS adjustments	232	317
Depreciation and amortisation	99	108
Other covenant adjustments	(16)	(20)
EBITDA	315	405
JV and associate dividends	47	30
EBITDA + JV and associate dividends	362	435
Net debt	(938)	(990)
Covenant adjustments (adding back finance lease receivables, loans to JVs, avg FX)	(78)	(80)
Net debt (covenant basis)	(1,016)	(1,070)
Net debt / EBITDA	2.8x	2.5X

Joint ventures: summary

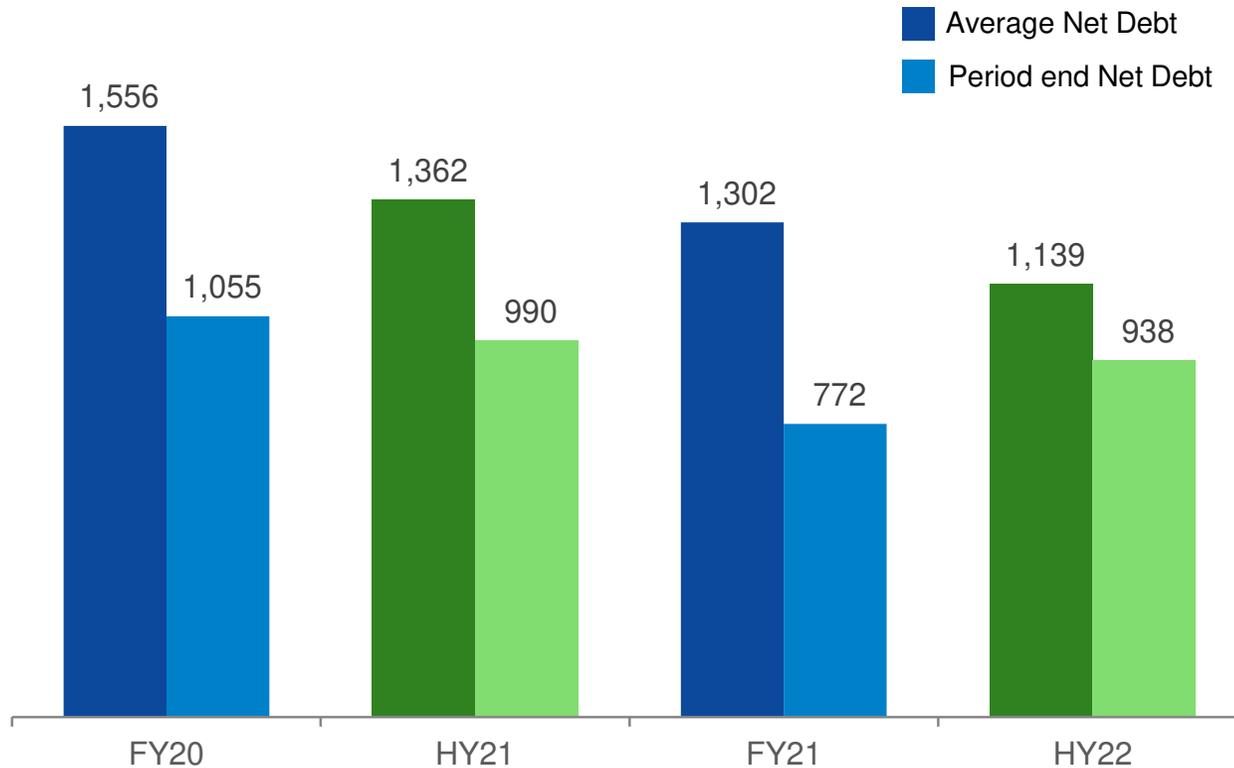


	Babcock JVs	Share	Country	Sector	Start	End	
Asset JVs	Ascent	50%	UK	Aviation	2016	2033	Asset JVs <ul style="list-style-type: none"> • Typically assets and debt • Dividends follow after paying down JV debt • Typically long-term
	AirTanker	15%	UK	Aviation	2008	2035	
Operational JVs	Bernhard Schulte	50%	Germany	Marine	2017	2027	Operational JVs <ul style="list-style-type: none"> • Capability partnerships • No debt • Dividends follow profits, subject to short-term phasing
	Naval Ship Management Australia	50%	Australia	Marine	2018	2024	
	AirTanker Services	22%	UK	Aviation	2008	2035	

Gap between average and year end net debt



Net debt excluding operating leases (£m)



- Gap between average and closing net debt in HY22 of c.£200m

Key contracts: Marine



Contract	Customer	Start	End	Country	Notes
Type 31	UK MOD	2019	2028	UK	Design, build and assembly of five general purpose frigates for the Royal Navy
Future Maritime Support Programme (FMSP)	UK MOD	2021	2026	UK	Through-life ship engineering management and support delivery for the Royal Navy
Victoria In Service Support Contract (VISSC)	RCN	2008	2023	Canada	Victoria In Service Support Contract to sustain Royal Canadian Navy's submarine programme
Marine Systems Support Partner (MSSP)	UK MOD	2017	2024	UK	Technical Authority and equipment support package for QEC aircraft carriers and T45 classes
Dreadnought systems	UK MOD	2006	2031	UK	A suite of contracts to design and manufacture weapons handling launch systems and signal ejectors for the UK's Dreadnought Class submarine build programme
NZ dockyard management	RNZN	2015	2022	New Zealand	Management of Devonport Dockyard in Auckland and sustainment of Royal New Zealand Navy fleet
UK/US CMC tube assemblies	General Dynamic	2014	2026	UK/US	Manufacturing tube assemblies for the joint UK US submarine programme to be used in the common missile compartments (CMC) for Dreadnought and Columbia Class submarines
Defence Strategic Radio Service (DSRS)	UK MOD	2021	2030	UK	Provision of worldwide high frequency critical radio services for the UK MOD
Maritime Electronic Warfare Systems Integrator (MEWSIC)	UK MOD	2021	2034	UK	Design, manufacture, delivery and in-service support of maritime electronic warfare capability
Canberra Class support (NSM JV)	RAN	2019	2025	Australia	Support contract for the Royal Australian Navy's two largest warships, the Canberra Class Landing Helicopter Docks (LHDs) five-year contract with two five-year options (through our NSM JV)
Warship Asset Management Agreement (WAMA) (NSM JV)	RAN	2018	2024	Australia	Sustainment of the Royal Australian Navy's ANZAC class frigates (through our NSM JV)

Key contracts: Nuclear



Contract	Customer	Start	End	Country	Notes
Future Maritime Support Programme (FMSP)	UK MOD	2021	2026	UK	Nuclear submarine, infrastructure and license site elements of FMSP for the Royal Navy
10 Dock Assessment Phase	UK MOD	2019	2022	UK	Programme management and design phase activity for the upgrade works to Devonport Dockyard's 10 Dock to enable future deep maintenance for Astute Class submarines
Future Submarine Design Phase Services Contract	UK MOD	2012	2023	UK	Contract to deliver design support services for the future Dreadnought Class submarine fleet
EDF Energy Lifetime Enterprise Agreement	EDF	2015	2030	UK	Framework agreement providing fuel route and other services to advanced gas cooled reactors until the last of seven reactors ceases power generation in 2028
Hinkley Point C MEH Alliance	EDF	2019	2028	UK	JV alliance to deliver mechanical, electrical, heating, ventilation and air conditioning (MEH) at Hinkley Point C
Sellafield Glove boxes	Sellafield	2017	2027	UK	Glove box systems to process nuclear material

Key contracts: Land



Contract	Customer	Start	End	Country	Notes
DSG - Defence Support Group	UK MOD	2015	2025	UK	Maintenance, repair and overhaul to over 35,000 vehicles of the British Army's A and B vehicle fleets. Option for five, one-year extensions
Phoenix II – White fleet	UK MOD	2016	2022	UK	Fleet management services for the MOD's c.15,000 vehicle white fleet, including procurement of vehicles and services
RSME - Royal School of Mechanical Engineers	Holdfast	2008	2038	UK	Provision of training and associated support services for the UK MOD
Control Period 6&7	Network Rail	2019	2029	UK	Track and rail systems projects in Scotland through an Alliance with Network Rail
National Grid	National Grid	2021	2026	UK	Supporting new build, reconductoring, refurbishment, decommissioning and dismantling work for the high voltage overhead line network in England and Wales
Eskom power support	Eskom	2011	2021	South Africa	Maintenance and engineering support for the national power generator, Eskom, on their existing and new-build power stations with option to extend to 2022
London Metropolitan Police Service (MPS) fleet management	MPS	2006	2022	UK	Managing and overseeing the repair and maintenance for the fleet, and specialist equipment
London Metropolitan Police Service (MPS) training	MPS	2020	2028	UK	Policing Education Qualifications Framework (PEQF) providing initial training to police recruits
London Fire Brigade (LFB) fleet management	LFB	2014	2035	UK	Technical fleet management of over 400 LFB vehicles and around 45,000 pieces of firefighting equipment
London Fire Brigade (LFB) training	LFB	2012	2037	UK	Delivering over 200 training programmes to c.5,000 firefighters from two state of the art facilities, 97,000 delegate days of training per annum

Key contracts: Aviation



Contract	Customer	Start	End	Country	Notes
Victoria Air Ambulance	Victoria Gov	2016	2026	Australia	Helicopter Emergency Medical Services (HEMS) contract with six specially configured AW139 aircraft
Salvamento Sasemar	Spanish Coastguard	2018	2022	Spain	Spanish coastguard search and rescue contract, 14 aircraft, 13 bases. Option to extend by further two years
Italy Firefighting	Ministry of Interior	2018	2022	Italy	Operation and maintenance of 19 Government owned CL-415 Canadair aircraft. Option to extend by further four years
Hades air base support	UK MOD	2018	2023	UK	Provision of engineering services and technical aviation support to 17 air stations across the UK, with two single year extension options
Hawk T1&T2	BAE Systems	2004	2022	UK	Delivering engine maintenance and technical support for 54 Hawk T1 jets supporting the RAF's advanced jet training programme, T1 to be taken out of service but potential for a follow on T2 contract for a minimum of four years
H160 French Navy SAR	French DOD	2021	2032	France	Providing six H160 helicopters, technical modifications and through-life support for the French Navy search and rescue operations
Light Aircraft Flying Task II (LAFT)	UK MOD	2009	2022	UK	Provision of 91 aircraft, instructors and services to deliver RAF air squadrons up to 35,000 flying training hours across 14 sites
Manitoba - Firefighting	Manitoba state Government	2018	2028	Canada	Firefighting in Manitoba operated with Babcock surveillance aircraft and customer owned Canadair water bombers. Option to extend by further three years
FOMEDEC	French DOD	2017	2028	France	Provision of aircraft, training support and maintenance to the French Air Force
Mentor	French DOD	2021	2027	France	Provision of aircraft, training support and maintenance to the French Air Force contract includes five one-year options for extension
UK Military Flying Training System (UKMFTS) (Ascent JV)	UK MOD	2008	2033	UK	Ascent 50/50 JV with Lockheed Martin - rotary and fixed-wing flight training
Future Strategic Tanker Aircraft (FSTA) (AirTanker JV)	UK MOD	2008	2035	UK	JV with Thales, Rolls-Royce and Airbus. Infrastructure that supports air-to-air refueling and air-transport operations

