Cavendish Nuclear Teach-in event Tuesday 20 May 2025



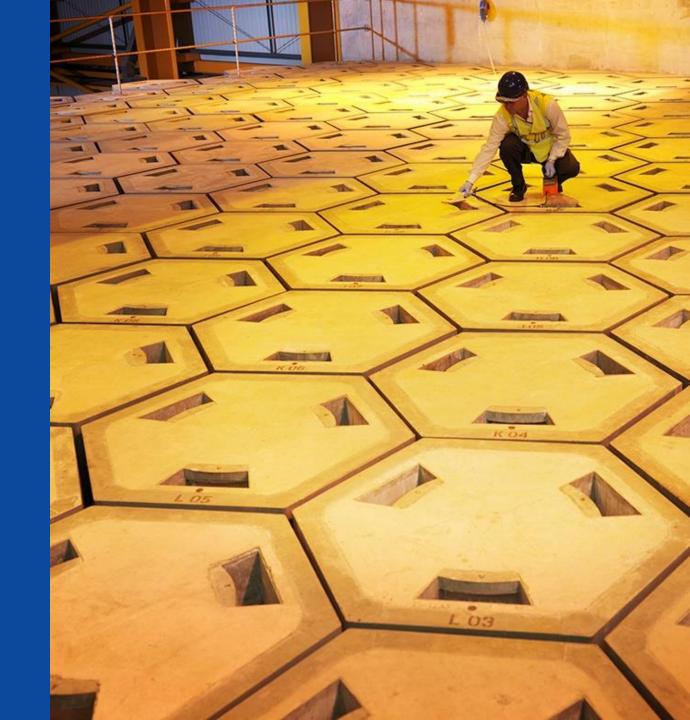
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Cavendish Nuclear teach-in – agenda

› Opening remarks	David Lockwood, CEO, Babcock
› Nuclear sector and market dynamics	Harry Holt, CEO, Nuclear
› Cavendish Nuclear	Mick Gornall, Managing Director, Cavendish Nuclear
› Clean Energy – deep dive	James Ewence, Director, Clean Energy, Cavendish Nuclear

Opening remarks

David Lockwood CEO – Babcock



Nuclear sector and market dynamics

Harry Holt CEO – Nuclear





Key messages - an exciting time for Cavendish Nuclear

Babcock is the UK's largest provider of civil and defence nuclear services

Complexity and regulation provide strong barriers to entry

A new era of growth: powerful, structural market drivers

High conviction in double digit growth and margins over the medium term



Global nuclear market drivers

Nuclear renaissance driven by three global mega trends



Global insecurity



Climate change



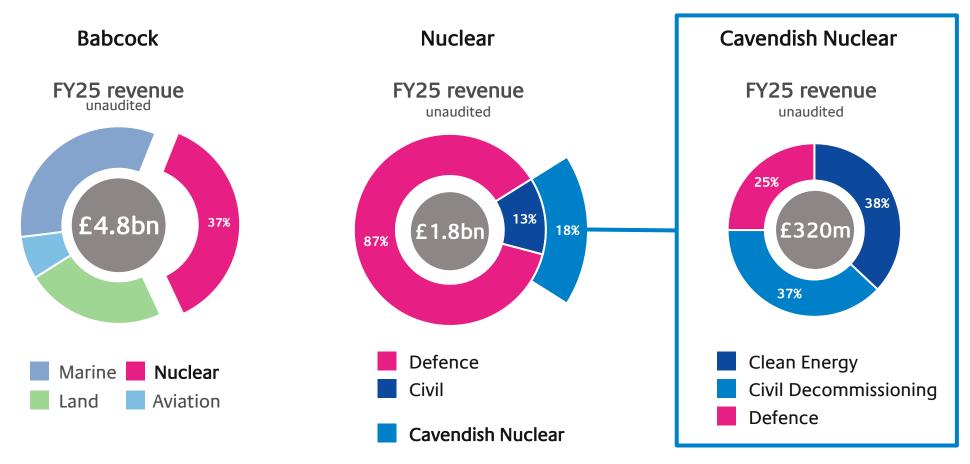
Energy security

- Global insecurity driving prioritisation of UK funding into the Defence Nuclear Enterprise, primarily for the Continuous at Sea Deterrent
- Climate change driving nuclear power resurgence
- > Energy security driving requirement for nuclear power and the sovereign capability to produce nuclear fuel

Babcock uniquely positioned for significant opportunities across the nuclear lifecycle

Nuclear – a core underpin to the Group

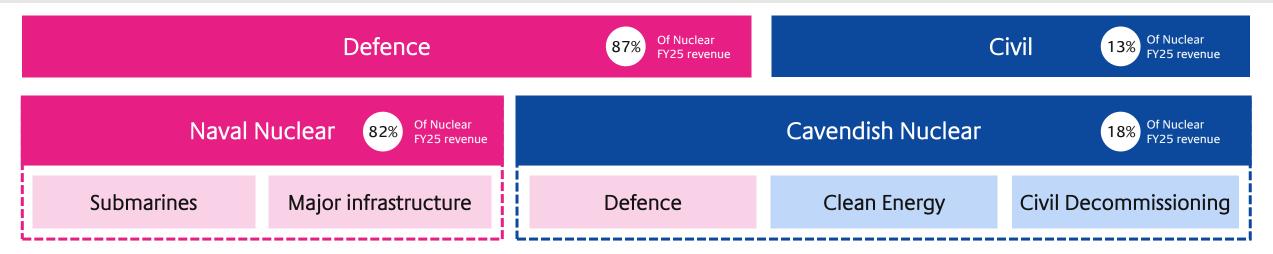
The UK's largest civil and defence nuclear services provider



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Nuclear: what we do

Our c.11,000 workforce supports nuclear assets through life



Leveraging synergies as an integrated sector

- > Experience, expertise and skills of our people is applicable across civil and defence markets
- > Deep knowledge and understanding of the nuclear landscape and regulations
- Customer intimacy as we operate across the full nuclear asset lifecycle
- > Transferrable capabilities e.g. nuclear engineering, complex project delivery and advanced manufacture

Cavendish Nuclear

Mick Gornall
Managing Director – Cavendish Nuclear



Cavendish Nuclear: summary

Nuclear engineering solutions across Clean Energy, Civil Decommissioning and Defence markets

Clean Energy

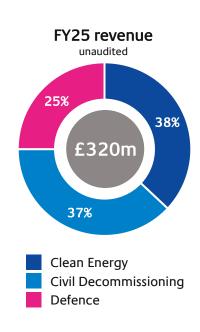
- Support for current UK reactor fleet
- Nuclear new build
- › Nuclear fuel production infrastructure

Civil Decommissioning

- Integrate and deliver first of a kind decommissioning projects
- › Nuclear waste retrieval technologies
- > Specialist laboratory and radiometric services

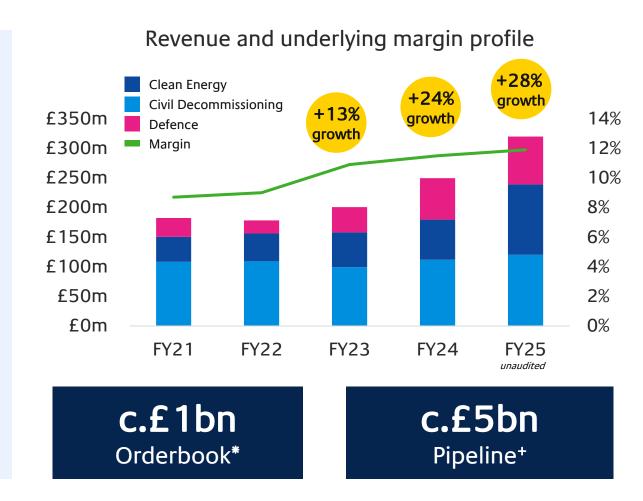
Defence

- > Deliver equipment and facilities engineering for the deterrent
- > Submarine decommissioning support



Cavendish Nuclear today

- > People: c.2,600 skilled employees
- > Expertise: experience supporting all 36 UK nuclear licensed sites
- > Operations: balanced across nuclear lifecycle phases
- Main customers:
 - Nuclear Decommissioning Authority (NDA), EDF, Atomic Weapons Establishment (AWE)
- > Long-term contracts and frameworks: average duration 5-10 years
 - Cost plus c.40%
 - > Framework tasking c.30%
 - Other c.30% (target cost, short term and service priced work)



^{*}Orderbook: combines firm contract backlog orders and framework orders as at 31 March 2025

⁺ Pipeline: actively bidding (c.£1bn) + tracking (c.£1.5bn) + prospecting (c.£2.5bn) expected to be decided within three years as at 31 March 2025

Delivering across the lifecycle in three key markets

Operations Design Build **Defuel and Dismantle** > SMR and AMR development Clean › Key alliance partner for Maintenance, outage and Defueling support to Hinkley Point C and Sizewell C life extension for EDF reactors **EDF** power stations Energy Designing new fuels facilities Lab based radiological testing > Radioactive waste retrieval support Civil High integrity nuclear Major projects engineering equipment and facility design and integration Decomm > Specialist radiometric services Japan and US decommissioning > AWE delivery partner providing engineering solutions Engineering and project support to Supporting the nuclear submarine **Defence** Clyde and Devonport naval bases dismantling programme

Critical nuclear infrastructure design

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Main contracts across the asset lifecycle

Strong track record of integrating and delivering complex long-cycle projects

Design



Defence

AWE delivery partner

Engineering facilities and equipment to support the UK's nuclear deterrent programme

Framework contract, expected £1bn+ share Duration: 10+ years to 2032+

Build



Clean Energy

Hinkley Point C

Key alliance partner delivering mechanical systems for first-in-ageneration large gigawatt reactor

Alliance framework contract, £300m share, and growing Duration: 10+ years to 2029+

Operations



Clean Energy

EDF Reactor Operations

Supporting through life engineering and operations of EDF's entire fleet

Lifetime strategic partnership, c.£45m pa Duration: 15+ years to 2030+

Defuel and Dismantle



Civil Decommissioning

Pile Fuel Cladding Silo

Engineering highly complex waste retrieval modules to open indefinitely sealed silos

Target cost contract,
JV with Bechtel, £200m share
Duration: 15 years to 2027

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People

> Skilled workforce of c.2,600

> Comprehensive skills agenda to support growth

Engineering capability

- > Deep technical competence and experience as a nuclear site license holder
- > Leading edge technologies and capabilities Lean, Al and Digital Engineering

Assets and infrastructure

- > Advanced modular manufacturing capability Rosyth
- Manufacturing, test and assembly facility Whetstone, Leicester

Credibility and reputation

- Strong reputation and scale within in a highly regulated industry built over 70 years
- > Track record over many years of long-term integrated, performance-based output contracts

Integration and collaboration

- Focused on alliances, collaboration and partnering
- > Strong independent brand, with reach back into Babcock

Strongly positioned, with scale and expertise in a highly regulated industry with high barriers to entry

Cavendish Nuclear: positive long-term outlook

Powerful market growth drivers

UK target 24GW			
nuclear power			
by 2050			

UK sovereign nuclear fuel capability

Industrial decarbonisation

Energy needs of emerging technologies

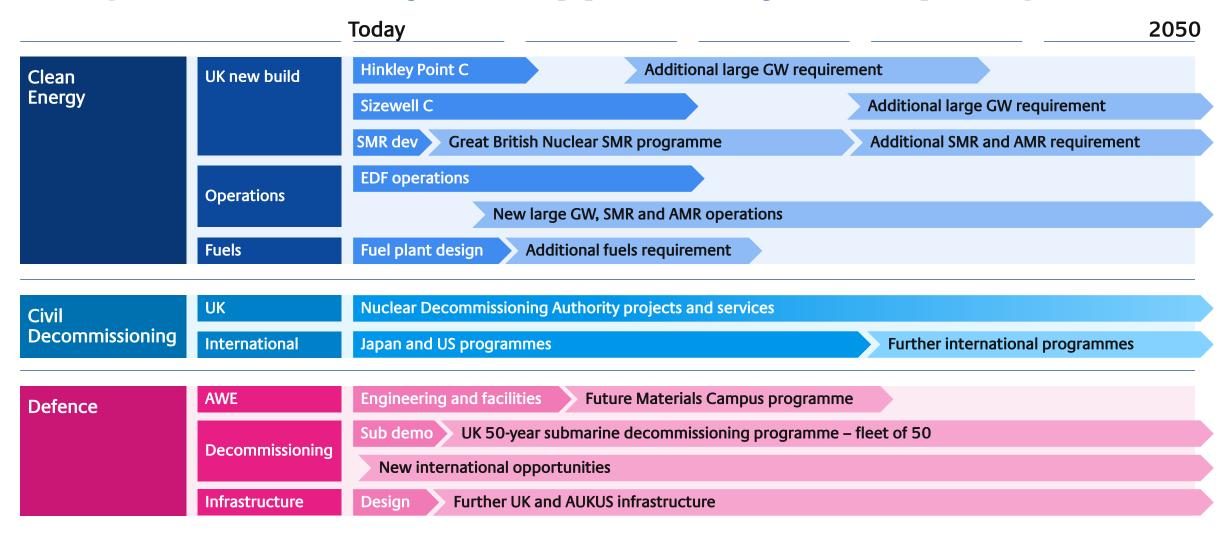
Global aging legacy fleets

Global insecurity and increased defence spending

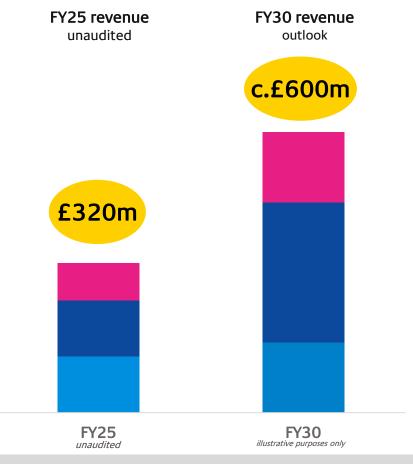
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	Key opportunities	Duration	Addressable market
Clean	UK new build: large and modular reactors	Now to 2050	£25-30bn
Energy	› Fuels: developing UK nuclear fuels capability	Now to 2035	£500m
Civil	UK Nuclear Decommissioning Authority: all programmes	Now to 2050	£10bn
	› International decommissioning: US and Japan	Now to 2040s	£5-10bn
Defence	› AWE: partnership growth - fissile production facilities	Now to 2035	£1-2bn
	› Submarine decommissioning: 50-year disposal capability for UK	Now to 2075	£10-12bn

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Long-term visibility and opportunity underpins growth



Cavendish Nuclear: medium-term growth outlook



Defence

- Engineering and facilities for AWE
- Submarine decommissioning

Clean Energy

- > Hinkley Point C, Sizewell C, SMR and AMR development
- Facilities for fuel processing

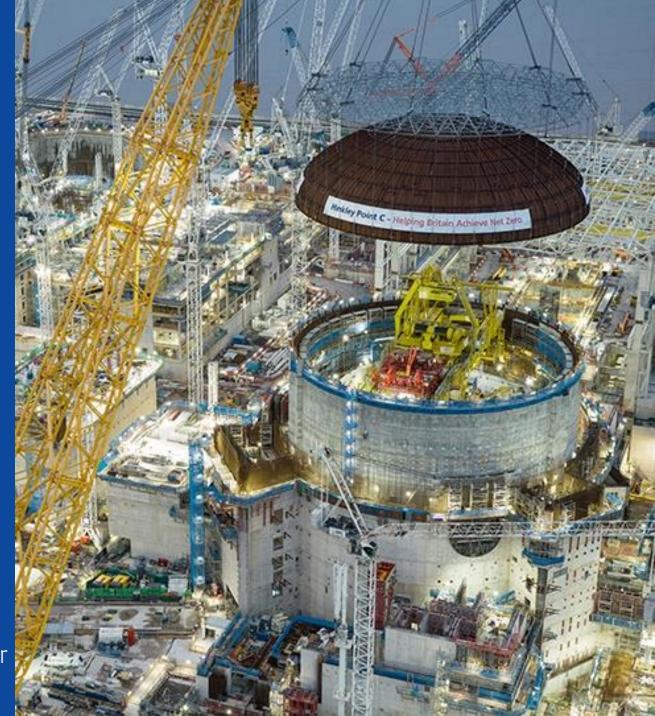
Civil Decommissioning

- > NDA: Sellafield and Nuclear Restoration Services
- International partnerships in US and Japan

Strong growth underpinned by high incumbency at double digit margins

Clean Energy

James Ewence Business Director – Clean Energy, Cavendish Nuclear



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Clean Energy: what we do



- > Operations: spread over fuel, power generation, and new build
- Customer split: 10% UK government, 90% commercial (100% UK)
- > Long-term contracts and frameworks: average duration 10 years
- Contract types:
 - Cost plus c.60%
 - Framework tasking c.40% (EDF ops)

Design	Build	Operations	Defuel
 SMR and AMR development Designing new fuels facilities Optimising Sizewell C replication 	› Key alliance partner for	 Maintenance, outage and life	Defueling support to
	Hinkley Point C and Sizewell C	extension for EDF reactors	EDF power stations

High growth market: UK nuclear renaissance



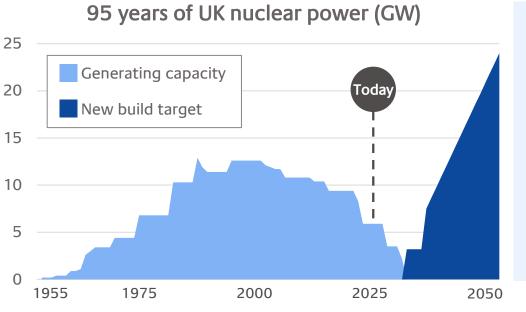
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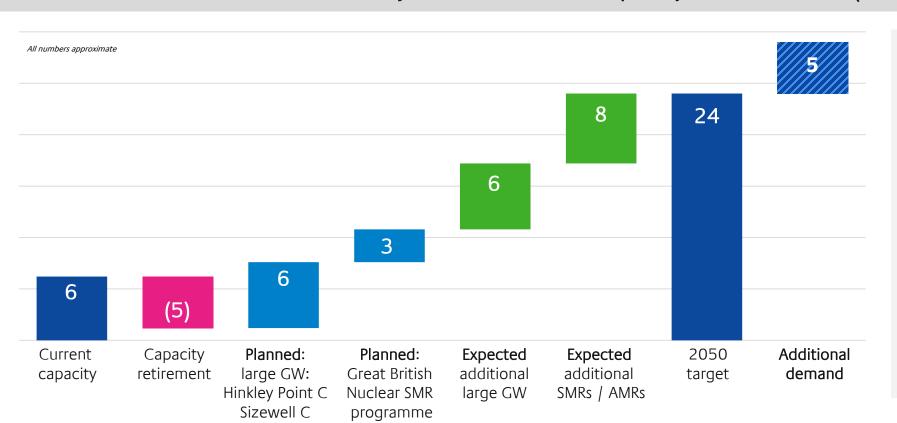


- UK Civil Nuclear Roadmap to 24GW by 2050 (6GW today)
- Creation of Great British Nuclear (GBN)
 - New nuclear to be financed through a Regulated Asset Base (RAB) model
- > Reforms to regulation, planning, and site policy to accelerate deployment
- Government commitment to reinstate sovereign nuclear fuel capability

Capacity gap presents significant opportunities across new build, fuel and decommissioning

High growth market: UK nuclear energy targets to 2050

Projected UK nuclear capacity 2025 to 2050 (GW)

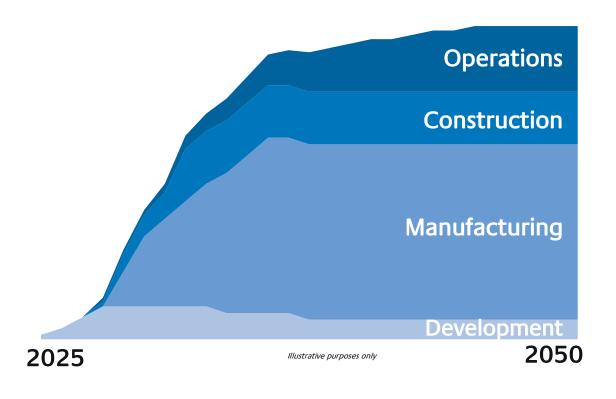


- Today UK nuclear capacity is 6GW, 13% of UK power supply
- Target of 24GW by 2050,
 to be 25% of supply
- Requires four large GW power stations and 20-30 SMRs
- Additional 5GW demand for Al and data centres over next 25 years, (an additional 10-15 SMRs)

Cavendish Nuclear involved in all solutions to achieve UK targets

New build opportunities: UK Small Modular Reactors

10GW SMR Programme – £15bn addressable market to 2050



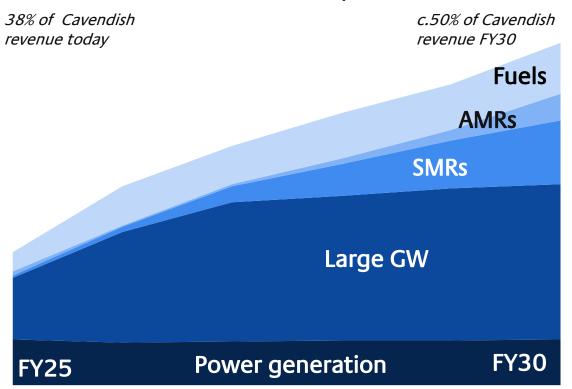
How we access, capture and deliver the opportunity:

- Engaged with SMR and AMR technology vendors
- › Leverage
 - Large scale advanced manufacturing capabilities
 - > EDF fleet support
 - Naval nuclear capabilities
- Direct opportunities with Great British Nuclear

Cavendish Clean Energy: medium term outlook

Strong growth supported by incumbent positions in new build, fuel and power generation

Indicative revenue profile



- > Fuel production and infrastructure
- Won first AMR contract with X-Energy
- Deployment support to AMR vendors
- > SMR collaboration with technology vendors
- Track record of support for other technologies
- > Engaged with **Great British Nuclear**
- > Hinkley Point C 600 people today, growing to 1,400 in next few years
- Sizewell C early support work contract placed (£300m+ opportunity)
- Continued operational support to EDF

Illustrative purposes or

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Clean Energy: summary

- > Strong growth supported by incumbent positions with double digit margins
- > Capacity gap presents significant opportunities across new build, fuel and power generation
- > Cavendish Nuclear involved in large GW, SMRs and AMRs to achieve UK targets/capacity
- › Significant upside potential across Clean Energy over the long-term
- › Government committed to nuclear as a complement to renewables in a secure clean energy system

Summary

Harry Holt CEO – Nuclear



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Key messages - an exciting time for Cavendish Nuclear

Babcock is the UK's largest provider of civil and defence nuclear services

Complexity and regulation provide strong barriers to entry

A new era of growth: powerful, structural market drivers

High conviction in double digit growth and margins over the medium term







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