

# Land

Tom Newman,  
Chief Executive, Land



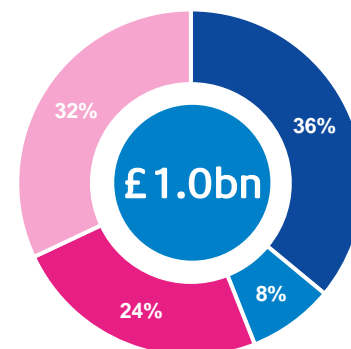


# Land

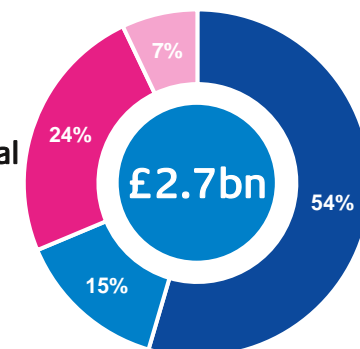
## Our c.8500 strong workforce delivers:

- › Build: military vehicle build, engineering, and systems integration
- › Support: strategic asset management and through-life engineering support for military equipment; engineering services in power generation and transport networks; through-life support of mining equipment
- › Train: modern individual and collective training for customers with critical missions

FY23 revenue



HY24 backlog



# What we do

## Build



- › Military vehicle build and systems integration
- › Civilian armoured and specialist vehicles for agencies

## Support



- › Strategic asset management and engineering support
- › National infrastructure programme delivery

## Train



- › Training design, delivery, assessment and support for mission critical customers
- › Training infrastructure design, construction and management

Key contracts

Civilian armoured vehicles FCDO  
Jackal 3  
Government Agency conversion

DSG (British Army vehicle support)  
London Fire Brigade  
South Africa mining HME and power generation

Royal School Military Engineering  
Armour training support  
Metropolitan Police and London Fire Brigade

Advanced Manufacturing and sourcing



Data synthesis and insight generation



Engineering knowledge

# Global context: strategic shift in Land domain



Achieving 'more for less'  
with existing equipment



Integration and  
exploitation of  
off-the-shelf solutions



Tactical mobility vehicles, increasing  
manoeuvrability and situational awareness



Long-range fires and artillery systems



Maximising value and efficiencies from existing  
systems



Increasing focus on collective,  
multi-domain and inter-partner training



# Global context creates significant opportunities

## Key growth opportunities

## Our competitive advantage

### BUILD

Opportunity size:  
c.£4bn



- › Land Mobility pipeline
- › Mobile Fires Platform; 120mm mortar
- › General Logistics Vehicle UK and export

- › Deep expertise in operational support
- › UK civilian armoured vehicle market leader
- › Customer intimacy drives better product solutions
- › Archer Artillery Alliance (BAE, Babcock, RBSL)

### SUPPORT

Opportunity size:  
c.£6bn



- › Future British Army support (LIOS)
- › Equipment support in Australia, France and Poland
- › Irish rail programme
- › Power generation demand in South Africa

- › Integrated with British Army equipment support and planning
- › Market data leadership through Palantir collaboration
- › Leading industry in deployment of Advanced Manufacturing

### TRAIN

Opportunity size:  
c.£2bn



- › Army Collective Training System
- › Armed Forces Driver Training project
- › UK Fire Fighting training evolution
- › European and NATO military training

- › Largest training supplier to British Army
- › 20+ years of delivering critical mission training to reference customers
- › R&D on human performance in high-pressure environments

# Case study: high potential military product business

From civilian armoured vehicle conversion to the design, build, and through-life upgrade of militarised mobility vehicles

Civilian armoured vehicle  
(LC300)



Babcock General  
Logistics Vehicle



High Mobility  
Transporter (Jackal 3)



Land Mobility  
pipeline



Significant export  
opportunities

Strong UK government  
support through Land  
Industrial Strategy

- › Harnessing reliable commercial/military off-the-shelf platforms
- › Support expertise influences design

- › Sustainable vehicle technologies
- › Freeport facility created to support Land Industrial Strategy

# Case study: Strategic Asset Management

Evolving from MRO to digital sustainment products, material availability services and equipment life extensions

## Past: Manpower substitution



## Present: Leading strategic partner to the British Army



## Developing: Insight and export



- › Unparalleled technical understanding of the Army equipment lifecycle
- › Deep customer intimacy

- › Investment in Advanced Manufacturing to address legacy obsolescence
- › First UK defence industry partnership with Palantir

## Land summary

- › Refocused and upgraded capabilities – Build, Support, Train
- › Investment in leading technologies to give us a competitive edge
- › Macro environment is generating demand across our customer base
- › Quality of opportunities enable at least 8% sector margin in medium term



# Aviation

Pierre Basquin,  
Chief Executive, Aviation



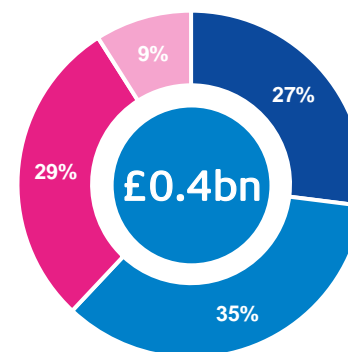


# Aviation

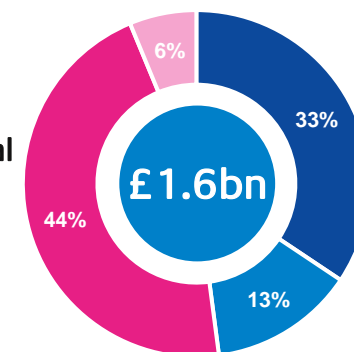
## Our c.3000 strong workforce delivers

- › Military training for the two largest Air Forces in Europe (France and UK), training pilots and operators from university through to combat operations
- › Military support providing through-life support to operational military flying assets
- › Critical air operations for governments, saving lives and protecting communities

FY23 revenue

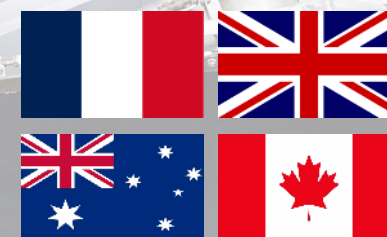


HY24 backlog



62% in Defence 64% International

International business operating in four core countries, well-balanced between defence and civil



# What we do

## Military training



## Military support



## Critical air operations



### Capabilities

- › Global end-to-end military flying training
- › Provide, integrate and maintain training platforms, ground devices and flying assets
- › Train Air Force, Army and Naval personnel
- › Support training on all platforms: fighter aircraft, transport aircraft, helicopters

- › Through-life support of military flying assets, including line, base and overall maintenance, and equipment design and modifications
- › Military air base management and support

- › Operate government programmes to deliver critical air operations:
  - › firefighting
  - › medical evacuation
  - › search and rescue
  - › police, security
  - › fisheries protection



**Largest military flying training supplier in Europe**



# What differentiates us

## Customer intimacy

- › Embedded into Air Forces and their organisations. We deliver alongside them through long-term partnering contracts
- › Our performance directly influences military operational readiness
- › As a critical air missions operator, we understand the operational challenges faced by Air Forces: specialist pilot training and asset availability

## Operational asset understanding

- › Extensive experience of providing operational support and training on multiple fixed wing and rotary wing platforms
- › Not reliant on OEMs to maintain and repair the platforms we fly; we do it ourselves
- › We optimise flying platforms through the life cycle to maximise availability and reduce operational costs

## Engineering know-how

- › Platform agnostic, we deliver tailored solutions to Air Forces
- › Ability to mutualise engineering services to jointly support our assets and those owned by military customers
- › Wide range of in-house engineering capabilities

**Our business spans asset conversion, flying operations, through-life support and training**

# Supportive market dynamics

## Market trends

- › Geopolitical situation driving higher demand from Air Forces for both support and training
- › Increasing military aircraft acquisition driving higher volumes for both support and training
- › Global climate changes driving higher demand for critical air services

## Our strategy for growth

- 1** Focus on core geographies and defence
- 2** Expand into selected territories
- 3** Expand into complementary capabilities



# Targeted growth opportunities

## 1 Focus on core geographies and defence



- › Expand military training: MENTOR2, transport and helicopter
- › Diversify air operations: fixed-wing, intelligence and surveillance



- › Expand in military support: RAF air base technical support
- › Target large military opportunities: Next Generation Operational Training, New Medium Helicopter



- › Expand our air operations
- › Diversify into military aviation

## 2 Expand into selected territories

- › From France into Europe
- › From the UK into NATO
- › Develop Aviation in other Babcock countries

## 3 Expand into complementary capabilities

- › Aerial tactical training and combat readiness
- › Heavier military aircraft platforms
- › Babcock Military Flying Academy





# Near term growth opportunities

Around £3bn of contract opportunities targeted over next three years, of which c.£1.7bn is under active bidding

- › Average contract c.£300m / 12 years duration
- › 80% international
- › 75% in defence



**Multiple, multi-year growth opportunities underpin medium term guidance**

## France – success story

- › Revenue up 10x since FY16, driven primarily by defence opportunities (now c.80% defence)
- › Grown our position as the leading training partner to the French Air Force
- › The largest engineering partner for Armed Forces' medium size helicopters (H160, H145, H135)
- › Strong partnership with leading defence OEMs Dassault Aviation and Airbus Helicopters
- › Successful expansion into supporting military ground assets
- › In France, Babcock is now perceived as a French defence company with appropriate access to classified opportunities and defence investments

### Why we succeed:

- › Differentiated value proposition – combining equipment acquisition and conversion, maintenance, operation and training
- › Strong track record in UK – flexible model adaptable to French requirements
- › We shaped the French Air Force's approach to outsourcing
- › Consistent delivery



## Aviation summary

- › International business delivering training and engineering services to Air Forces and critical air operations to save lives and protect communities
- › The wide range of our activities, from asset conversion, operational and through-life support, and training is a core differentiator
- › Deeply embedded into Air Force organisations, we directly influence their operational readiness
- › Confident in delivering sustainable international growth in military aviation focusing on our core capabilities and core geographies



# Marine

**Paul Armstrong,**  
Chief Executive, Marine

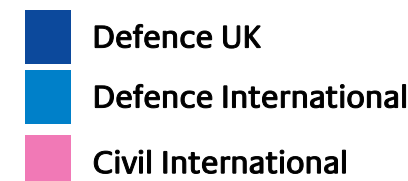
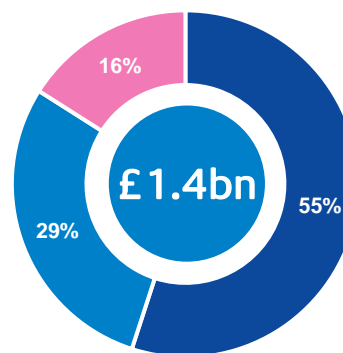


# Who we are

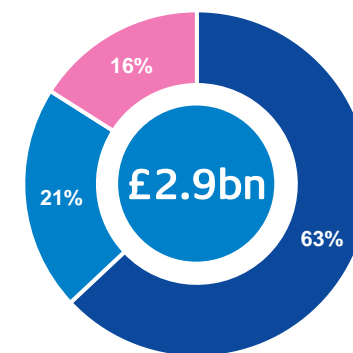
## Our c.5200 strong workforce delivers:

- › Design and build of warships for the UK and international markets
- › Warship through-life support programmes
- › Submarine and equipment through-life design and support
- › World leading commercial liquid gas engineering systems
- › Weapons handling and launch systems for ships and submarines
- › Design, build and support of secure military communications systems
- › The UK's support capability for naval and close-in weapon systems
- › Operation and support UK's military satellite communications system

FY23 revenue



HY24 backlog



c.60% Support 40% Product



**Engineering, advanced manufacturing and systems integration business**



# What We Do

Design, develop, manufacture and integrate specialist systems, and deliver technical through-life support

## Design



Complex platforms, systems and equipment design for through-life affordability, capability, availability

- › Warship design and licencing (UK, IND, POL)
- › Weapons handling and launch systems (WHLS) for ships and submarines
- › Liquid gas engineering (LGE) handling systems
- › Naval design consultancy

## Build



Digitally-enabled, high-integrity advanced manufacturing of platforms, systems and equipment

- › Build and final assembly of Type 31 Inspiration Class frigates
- › Manufacture of ballistic missile tube assemblies for UK and US submarines
- › Warship build programmes
- › LGE handling systems

## Integrate



Integration of complex technology across in-service and future platforms, systems and equipment

- › Next generation electronic warfare system for the UK Royal Navy
- › Technology and WHLS integration
- › Defence secure communications systems
- › Space integration and support
- › Weapons handling systems

## Support



Through-life support, life extension and upgrade of platforms, systems and equipment

- › Warship support (UK, AUS, NZ, BRA, UKR, US)
- › Submarine and equipment support (CAN, AUS)
- › Submarine and weapons systems support (Valves, Mk 8, Phalanx)
- › Naval base management (NZ)



# What differentiates us

## Customer intimacy

- › Long term warship support partner to UK, Canada, Australia and New Zealand
- › Working in alliances with our customers in joint support teams across the same sites
- › Developing additional international long-term partnerships

## Operational asset understanding

- › In-service support to every UK class of warship
- › Deep maintenance support to 50% of UK surface warships
- › Through-life capability partner for all UK naval guns
- › Using digital twin data to improve operational support solutions
- › Technical Babcock personnel deployed internationally

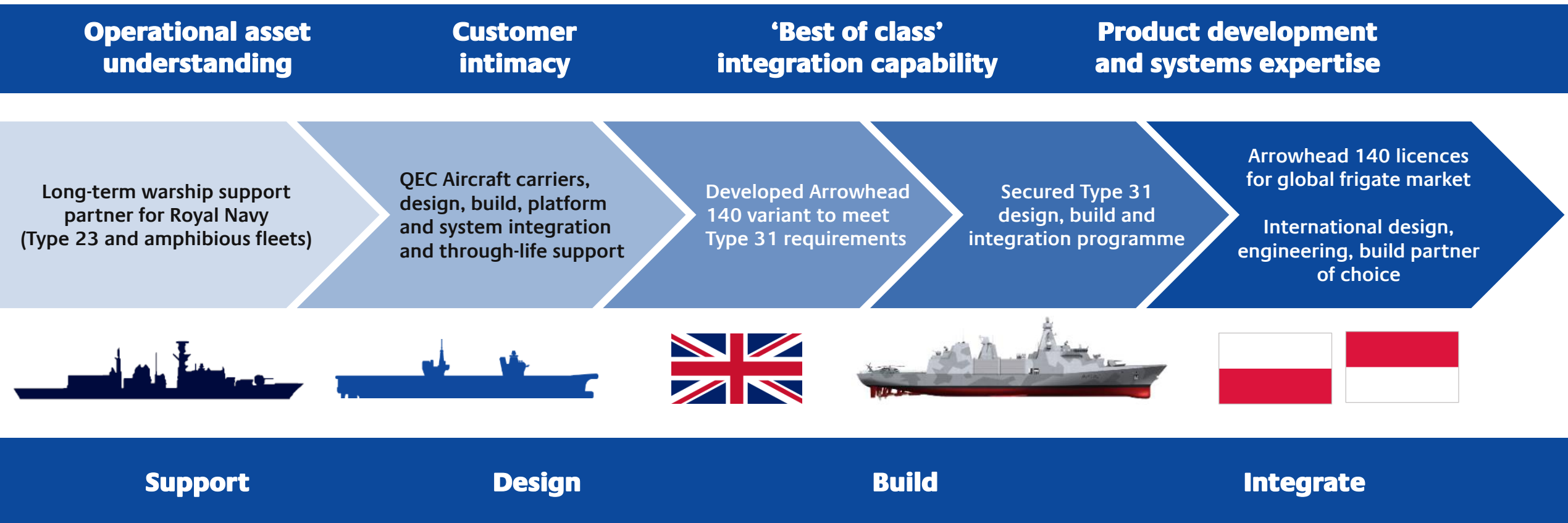
## Product development and systems expertise

- › Market-leading adaptable naval designs for through-life affordability
- › Delivering innovative and complex naval systems and equipment using advanced manufacturing capabilities
- › Leader in marine LGE systems
- › Leading Five Eyes provider of secure defence communications

## 'Best of class' integration capability

- › Delivering multi-OEM solutions which offer better availability, affordability and capability
- › Unique ability to collaborate with a range of international OEM partners
- › Clear focus on customer need, based on intimacy and operational asset knowledge

# Developed capability: support to global design and build

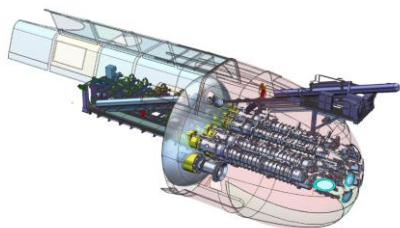


Capability developed through support of complex assets

# Unmatched submarine weapons systems experience

Over 50 years experience in providing weapons handling and launch systems (WHLS) to global navies with safe, proven, effective and reliable solutions

## Babcock-owned IP



Experience of design, manufacture and integration of WHLS for customers around the globe, incorporating unmatched technological IP

## Global leader in WHLS



Trafalgar, Vanguard, Astute, Dreadnought, SSN-A



S-80



Jangbogo-III



Collins Class



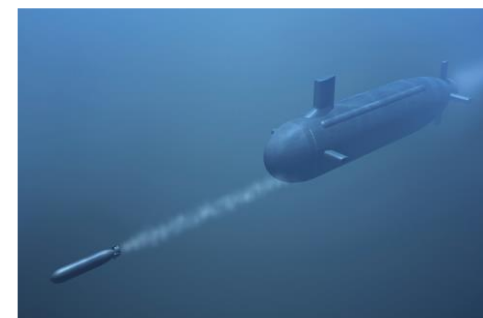
Victoria Class

## Critical UK supplier



Technical Authority for WHLS on all classes of UK submarines

## New-build opportunities



Opportunities in Netherlands, Poland, Canada and AUKUS

- › Experienced OEM of complex mechanical handling systems, designing and manufacturing WHLS solutions meeting varying demands of global customers
- › A deep understanding of both the platform and weapon systems interfaces, in a highly complex domain

- › Positive Launch capability: proven compatibility with wide range of torpedoes, missiles and mines maximising platform operating envelope
- › Continuous development of the next generation of WHLS to provide enhanced capabilities for the next generation of submarines

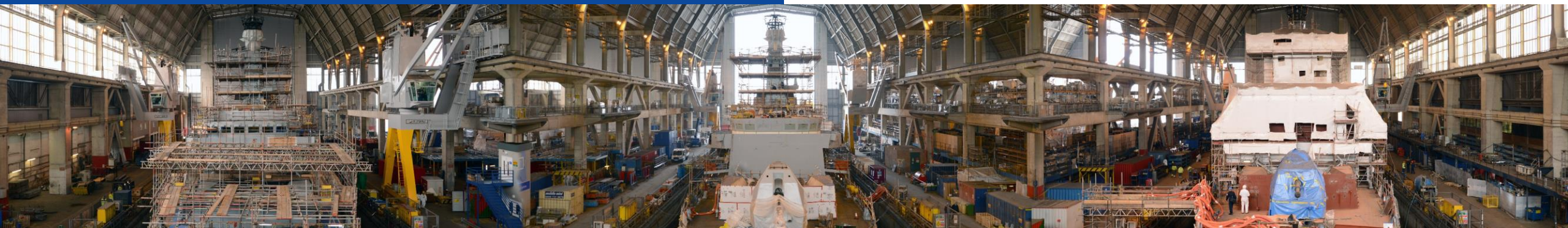


# Supportive market dynamics

- › Growing focus on defence capability due to ongoing conflicts supported by increasing defence budget, NATO expansion and global instability
- › Desire for affordable indigenous sovereign shipbuilding and in-service support capability
- › Speed of technology development
- › Increasing demand for digital products and services
- › Emerging demand in autonomous systems and space
- › Net Zero and emissions targets

## Our growth strategy

- 1** Optimise position
- 2** Selective new programmes
- 3** Expansion in focus countries
- 4** Direct exports
- 5** Strategic partnerships



# Marine growth strategy

| UK   |  | International  |  |   |
|--|--|--|--|---|
| Optimise position  | Selective new programmes   | Expansion in focus countries   | Direct exports   | Strategic partnerships  |
| <ul style="list-style-type: none"> <li>› Platforms, systems and equipment support</li> <li>› Vessel disposal and second owners</li> <li>› Growth in advanced manufacturing (US/UK)</li> <li>› Submarine systems</li> </ul> | <ul style="list-style-type: none"> <li>› New ship programmes</li> <li>› Space and defence communications</li> <li>› Autonomous systems</li> <li>› Naval Support Integrated Global Network (NSIGN)</li> <li>› Marine Systems Transformation (MaST)</li> </ul> | <ul style="list-style-type: none"> <li>› Canadian future submarine programme</li> <li>› AUKUS submarine systems</li> <li>› Space and secure defence comms</li> <li>› Support to second owners</li> </ul> | <ul style="list-style-type: none"> <li>› Ukraine opportunities</li> <li>› AH140 customers</li> <li>› Netherlands submarine systems</li> <li>› Broaden LGE customer base</li> </ul> | <ul style="list-style-type: none"> <li>› Advanced corvette design</li> <li>› Developing the product family</li> <li>› Partner on submarine systems</li> <li>› NSIGN</li> <li>› Global support at reach</li> <li>› Module build</li> </ul> |

**Breadth of product and support with geographic diversification underpins sustainable long-term growth**

# Expertise driving international opportunities

## Our long-standing support expertise driving international growth

### UK Royal Navy mine counter measure vessel (MCMV) support



Long-standing  
through-life  
support the UK  
MCMV fleet

### Babcock, UK and Ukraine MOD tripartite memorandum



Memorandum of  
Implementation  
signed in Odesa,  
June 2021

### Ukrainian Naval Capabilities Enhancement Programme (UNCEP)



UK industrial lead  
for broad ranging  
programme

### Platform capability upgrade



Reconfiguring and  
recommissioning  
former UK MCMVs  
for Ukraine

### Ukraine MCMV support contract award



Support and  
maintain Ukraine  
MCMVs Cherkasy  
and Chernihiv

### Office opened in country



Dedicated Babcock  
support to Ukraine  
and other sector  
opportunities

**New customer entry point creating 2nd lifecycle and future design,  
build, integrate and support opportunities**



# Marine summary

## Positioned for profitable growth

- › New market entrant and disruptor in global frigate segment with proven export credentials
  - › Significant pipeline of UK and International shipbuilding opportunities
- › Future profitability will improve over time from mix of new contracts entered under good principle
- › Largest support provider in the UK and internationally across platform, systems and equipment
- › Offering 'best of class' technology integration solutions
- › Market leader in key operationally-critical technologies

# Nuclear

Harry Holt,  
Chief Executive, Nuclear

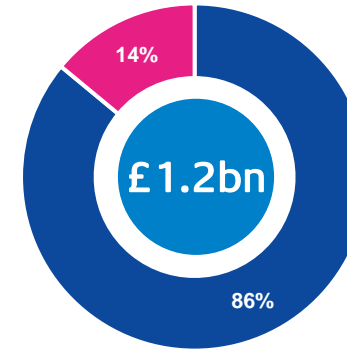


# Nuclear

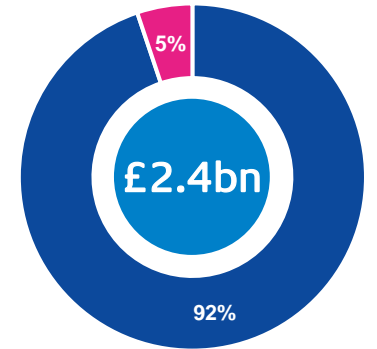
Our c.10000 strong workforce supports nuclear assets through life:

- › Complex engineering support to the entire UK nuclear submarine fleet
- › Management of critical national infrastructure at Devonport, Faslane and Rosyth
- › The world's first nuclear submarine dismantling pilot, and ongoing disposal
- › End to end engineering integration partnership for AWE deterrent production
- › UK civil nuclear new build, generation support and decommissioning projects
- › Growing international nuclear services portfolio and partnerships

FY23 revenue



HY24 backlog



■ Defence UK

■ Civil UK



UK's largest civil and defence nuclear services provider



# What We Do

## Whole life support to nuclear assets

### Design



### Build



### In-Service operations



### Defuel and dismantle



#### Defence

- › SSN-AUKUS and Dreadnought submarine design (not build)
- › Fissile production facilities

- › Major infrastructure capital projects for new submarine classes
- › Specialist nuclear equipment manufacture and install

- › Maintain the whole UK submarine fleet
- › Operate HMNB Devonport and HMNB Faslane critical national infrastructure

- › Nuclear submarine dismantling
- › Defuel and disposal of 22 legacy UK submarines

#### Civil

- › High integrity Magnox nuclear waste management solutions
- › New UK fuel processing facilities

- › Delivery alliance lead for Hinkley Point C and Sizewell C
- › Partner to all prospective UK modular reactor technologies

- › Lifetime extensions to all EDF UK power stations
- › Provision of specialist radiometric services for Sellafield

- › Major projects for UK Nuclear Decommissioning Authority
- › International decommissioning (USA and Japan)

# What differentiates us

## Customer intimacy

- › Long term UK MOD submarine support partner
- › Strong nuclear regulator relationships
- › Growing international portfolio and partnerships eg Huntington Ingalls Industries (HII)

## Operational asset understanding

- › Support to every class of UK nuclear submarine
- › Deploying innovative technology AWE fissile production facilities
- › OEM for fuel route and primary control systems for EDF-Energy UK fleet
- › AUKUS – SSN-A platform design for maximum support efficiency

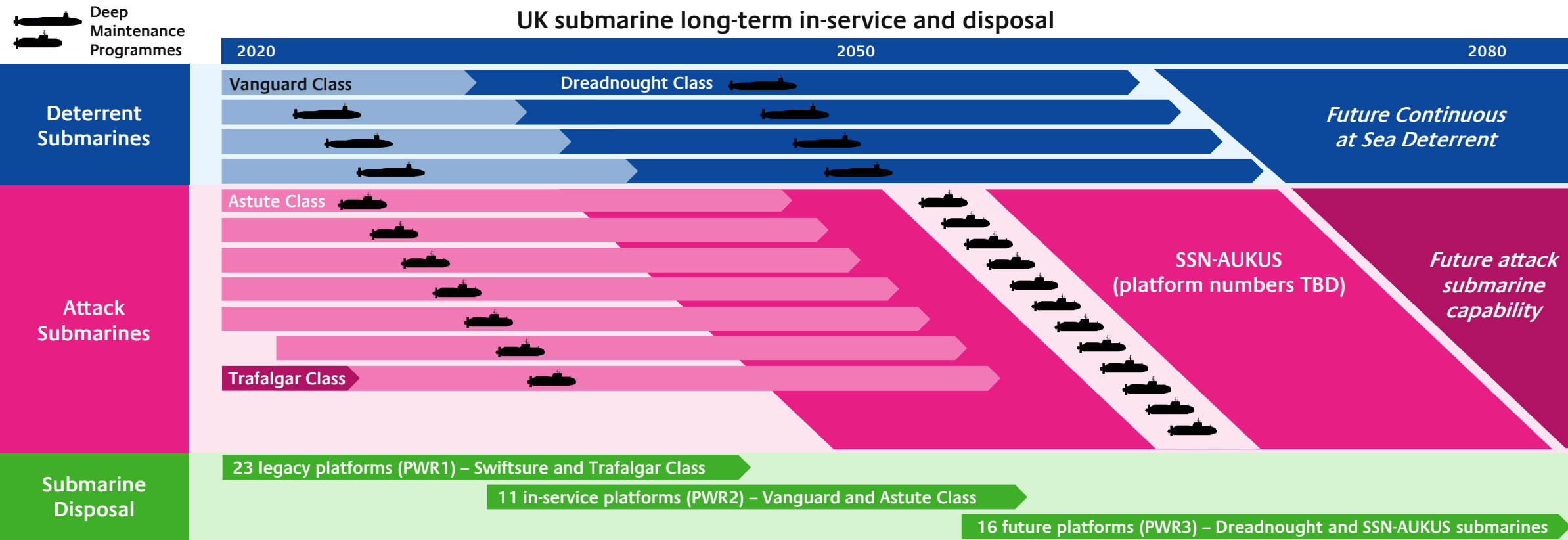
## Engineering know-how

- › UK's largest nuclear workforce for civil and defence (10,000)
- › Prime partner for Nuclear Skills Taskforce
- › Babcock Skills Academy to train 10,000 people in next five years
- › Leveraging digital asset data to improve engineering decisions

## Unique infrastructure

- › Own and operate highly regulated nuclear sites – Devonport and Rosyth
- › Management of critical national infrastructure at Devonport, Faslane and Rosyth Naval Bases

# UK submarine fleet transition underpins growth



**A c.60-year UK defence pipeline including:**

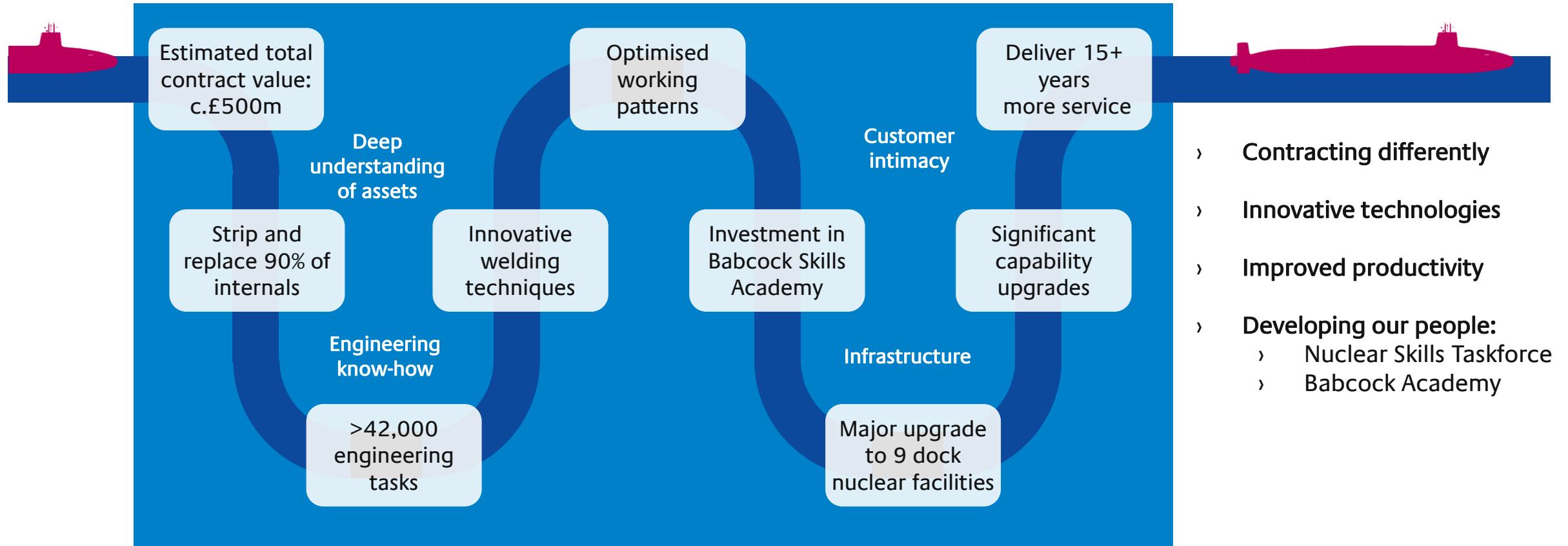
- Fleet growth from 11 up to 16 submarines
- Two submarine class transitions
- Two major infrastructure re-capitalisation programmes
- A new deterrent to bring into service
- Fifty submarines to defuel and dispose



# Growth

| Macro trends   | Programmes                  | Opportunities  | Duration     | Total value* | Status      |
|--|-----------------------------|--|--------------|--------------|-------------|
| Global security  | CASD 50+ years              | Long term submarine partnership: in-service support for increased UK fleet (11 up to 16 boats)     | 2026 - 2050s | £30-50bn     | Incumbent   |
|  |                             | Naval infrastructure: Devonport and Clyde major infrastructure programmes for new classes          | Now - 2035   | £6-8bn       | Incumbent   |
| Climate change   | AUKUS                       | AWE: partnership scope growth in delivery of new fissile production facilities                     | Now - 2035   | £1-2bn       | Incumbent   |
|  | Legacy fleet disposal       | AUKUS: build of up to 8 SSN-As for Australia plus enabling infrastructure and through-life support | Now - 2070s  | £10-20bn     | Competitive |
| Submarine disposal: 50-year disposal capability for the UK's 22 laid-up and 28 future submarines |                             | 2025 - 2070s   | £10-12bn     | Competitive  |             |
| International decommissioning: incremental growth through partnerships in US and Japan           |                             | Now - 2040s  | £5-10bn      | Competitive  |             |
| Energy security  | 24GW new UK nuclear by 2050 | New UK nuclear: delivery against UK Government roadmap for large and modular reactors              | Now - 2050   | £25-30bn     | Competitive |

# Case study: HMS Victorious deep maintenance period



- › Contracting differently
- › Innovative technologies
- › Improved productivity
- › Developing our people:
  - › Nuclear Skills Taskforce
  - › Babcock Academy

## Case study: Partnering with HII

### Rationale

Complementary capabilities  
in nuclear maritime asset  
build and support

Shared challenge of  
dealing with legacy  
nuclear platforms

Strong infrastructure  
and support proposition  
for AUKUS

Mutually beneficial  
access in UK and US  
markets

### Partnership status

- › Strategic agreement signed in July 2023 to explore mutually beneficial growth opportunities in international civil and defence nuclear domains
- › AUKUS memorandum of understanding signed in Dec 23 between Babcock, HII and Bechtel in support of Australia's conventionally-armed nuclear-powered submarine programme

### Mutually beneficial growth opportunities identified

- › US and UK Navy nuclear ship and submarine dismantlement
- › North American and UK Government nuclear contracts
- › Civil nuclear power plant component design, fabrication and construction in North America, UK and Europe
- › UK and US dockyard infrastructure upgrades
- › AUKUS Submarine infrastructure and maintenance in Australia



# Nuclear summary

## Market Trends and Position

- › Global insecurity is driving the prioritisation of UK MOD funding into nuclear defence enterprise (submarines and AWE) both of which are core, long term markets for Babcock which has strong incumbent positions
- › Net Zero and Energy Security agenda are catalysing the civil nuclear power renaissance, where Cavendish Nuclear is uniquely positioned across both large scale and modular technologies

## Growth momentum

- › Key defence opportunities include: long term submarine support agreement in development with MOD; major nuclear infrastructure re-capitalisation; and an enduring UK submarine disposals capability
- › AUKUS presents the largest international growth opportunity – Babcock and HII have formed a global alliance to secure the enabling infrastructure delivery and enduring in-service submarine support
- › UK Government's new nuclear roadmap (large scale and modular) provides further confidence in nuclear power renaissance