

Creating a safe and secure world, together

Our Purpose

To create a safe and secure world, together

Our strategy

In growth areas of defence, aerospace and security

Leverage our technical capability

- Grow our UK business through optimising our existing position and entering selective new programmes
- Grow our international business through expanding activity in our focus countries, direct exports and strategic partnerships

Develop our people and capabilities

- Build our engineering capability, enhancing the mobility of our engineers
- Progress our early careers and back to work programmes
- Develop engineering and nuclear skills through the Babcock Skills Academy as well as via national and industry initiatives

Build strategic partnerships

- Work with our customers to deliver critical solutions
- Develop innovative solutions to solve complex customer challenges
- Work with industry partners to enter new markets and programmes

Be a responsible corporate citizen

- Progress our five ESG priorities and apply our framework for integrating sustainability into growth
- Promote the vital role of defence and national security aligned with ESG



Our four sectors

Our capabilities span four key markets, with 74% of our business in defence

Marine

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Nuclear

▶ See page 48

Land

▶ See page 52

Aviation

▶ See page 56



Our strategy aims to deliver

Over the medium and long term, we are focused on delivering value for all our stakeholders

Improved outcomes for our customers

A better place to work

Returns for our shareholders



Our growth strategy in action

We have a sustainable growth strategy. In the UK, where we have a strong position, we are optimising our existing positions and bidding selectively for new programmes.

Internationally, we are expanding our footprint in, and from, our focus countries. We are also developing our exports from the UK, particularly in our Marine sector. And finally, we are forming alliances with strong partners who see value in working with us and who understand the markets we're entering.



Optimise position:
Case study – DSG extension
 The MOD has notified us of its intention to exercise up to five option years on our current contract to deliver equipment and support to over 30,000 British Army vehicles. The transition activity will result in better outcomes for all stakeholders.



Selective new programmes:
Case study – MRSS
 The MOD has begun the first, or concept, phase of a programme to develop Multi Role Support Ships (MRSS), extremely versatile warships which will replace the Royal Navy's current amphibious flagships and support vessels.



Expansion in focus countries:
Case study – Belgium military air
 Babcock France is bidding on a contract to support the training of Belgium's military fighter pilots. We already support training for French military pilots and the two air forces have historically worked closely together.



Direct exports:
Case study – Polish frigate programme
 The Transfer of Knowledge and Technology (TOKAT) framework agreement between Babcock and Poland's PGZ-Miecznik consortium is providing opportunities for us to forge closer ties with our Polish partners.



Strategic partnership:
Case study – HII
 In 2023 we entered into a strategic agreement with Huntington Ingalls Industries (HII) to collaborate on naval and civil nuclear decommissioning and construction opportunities in both the UK and US.