



28 September 2023

Babcock International Group PLC

AGM trading update – strong start to the year, full year expectations unchanged

Babcock International Group PLC (“Babcock” or “the Group”) provides a trading update for the first five months of the financial year ahead of its Annual General Meeting to be held at 10.30 am today.

Trading has been encouraging since the start of the financial year, with good organic revenue growth, improved operational performance and higher cash flow compared to the same period in the previous year.

Overall, including the impact of contract phasing in Marine and further growth in Nuclear infrastructure programmes, organic revenue growth is offsetting the impact of disposals in the prior year.

Underlying operating profit increased year-on-year, driven by revenue growth and continued operational improvement driving underlying operating margin expansion. Operating profit also benefitted from the earlier than anticipated receipt of initial licence fees associated with the Polish MIECZNIK frigate programme. Underlying operating cash flow in the period was higher than expected, largely due to contract phasing.

Outlook

New programme wins, contract renewals and progress on the Group’s opportunity pipeline remain strong, supporting the Board’s unchanged expectations for another year of organic revenue growth, further underlying margin expansion, improved free cash flow and progress towards the Group’s medium-term guidance.

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