

**babcock**<sup>TM</sup>

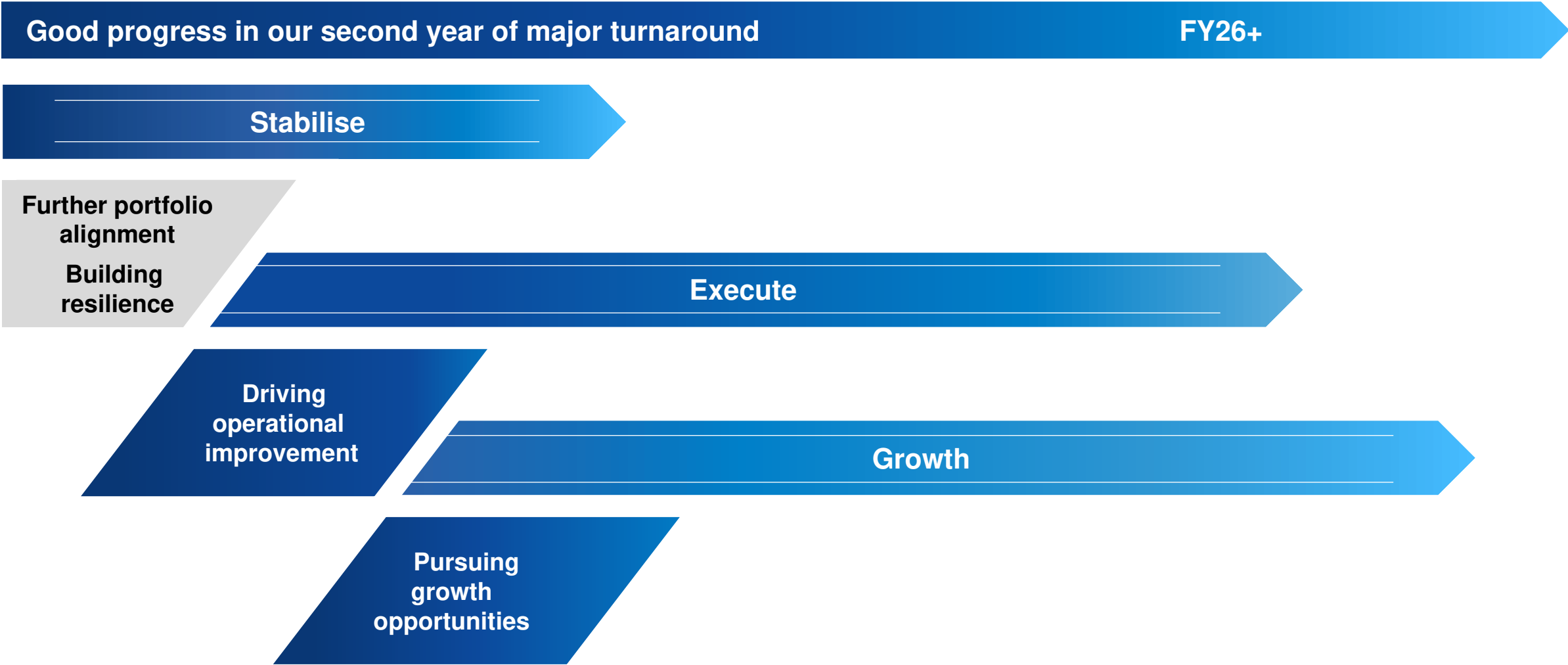


# Half year results

for the six months ended 30 September 2022

22 November 2022

# Focus on execution and growth



**babcock**<sup>TM</sup>

# Financial review

David Mellors  
CFO

# Key financial messages

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➤ HY23 in line with expectations, cash slightly ahead

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➤ Balance sheet strengthened

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➤ FY23 outlook unchanged

# Underlying financial results overview

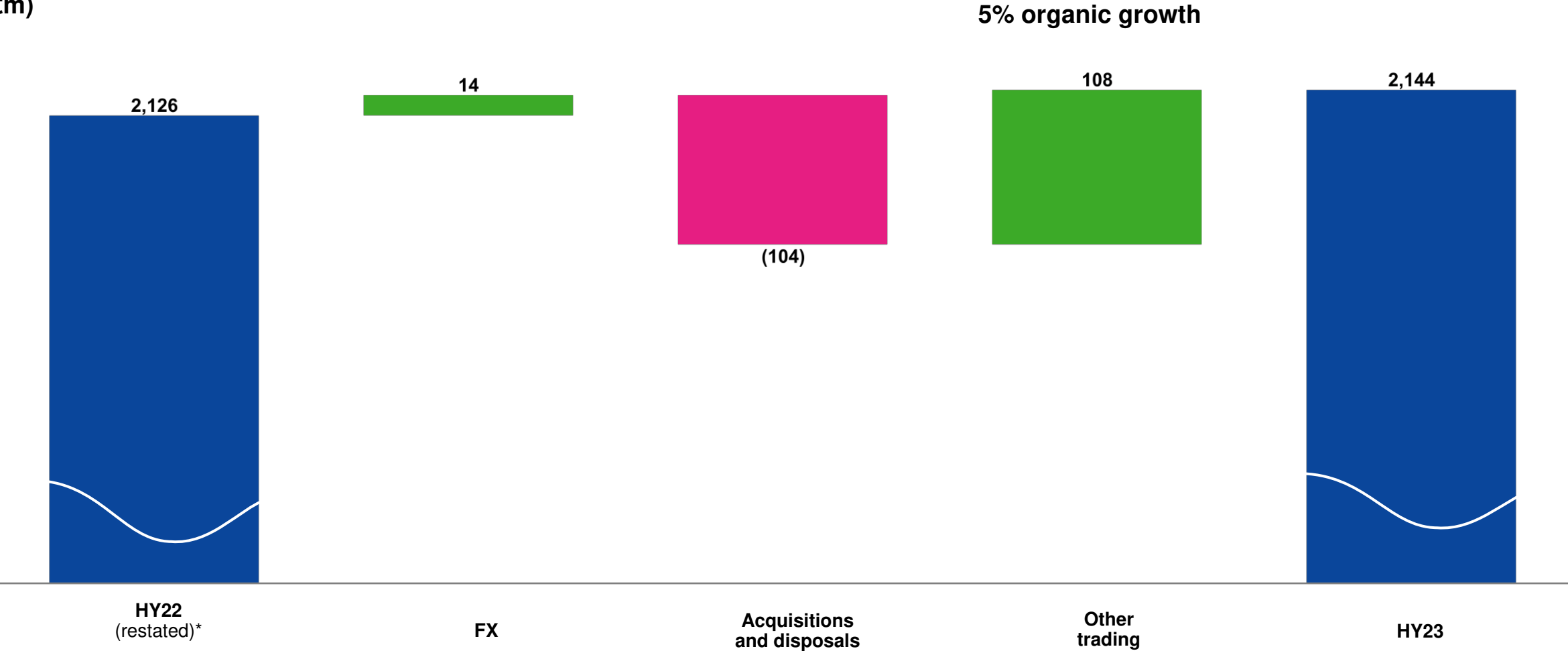
	<b>HY23</b>	<b>HY22</b> (restated)
<b>Revenue<sup>1</sup></b>	<b>£2,144m</b>	£2,126m
<b>Underlying operating profit</b>	<b>£121.7m</b>	£115.3m
<b>Underlying operating profit margin<sup>2</sup></b>	<b>5.7%</b>	5.4%
<b>Underlying basic EPS</b>	<b>15.8p</b>	15.3p
<b>Underlying operating cash flow</b>	<b>£77m</b>	£(59)m
<b>Underlying free cash flow</b>	<b>£(25)m</b>	£(161)m
<b>Net debt</b>	<b>£ (1,039)m</b>	£(1,347)m
<b>Net debt (excluding operating leases)</b>	<b>£(629)m</b>	£(938)m
<b>Net debt/EBITDA (covenant basis)</b>	<b>1.9x</b>	2.8x

- **Revenue: up 5% organic**
  - Organic growth across all sectors
  - Net disposals and acquisition impact (5)%
- **Underlying operating profit: up 10% organic**
  - Strong performance in Marine and Land, more than offset Nuclear and Aviation
  - Net disposals and acquisition impact (6)%, FX 1%
- **Underlying margin up 30 bps to 5.7%**
- **Underlying free cash flow better than expected**
  - Lower: working capital outflow, capex timing and fixed asset disposals
- **Net debt to EBITDA** ahead of expectations at HY23

5 1. HY22 revenue restated due to reclassification of pass-through revenue, c.£97m  
2. HY22 margin increases with the removal of pass-through revenue by 23 basis points

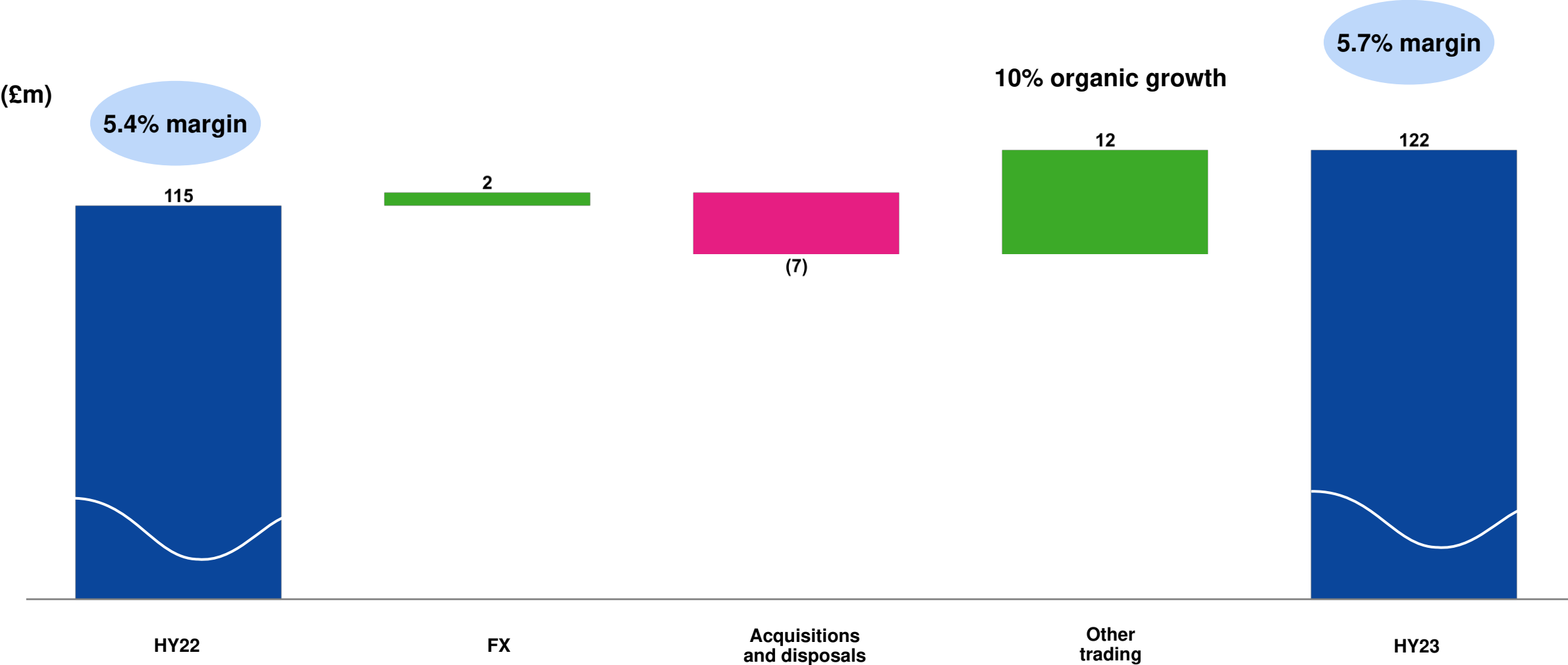
# Revenue bridge

(£m)



6 \* Restated for the removal of pass through revenue, c.£(97)m

# Underlying operating profit bridge



# Marine

	HY22	FX	Acquisitions & disposals	Other trading	HY23
Contract backlog (£bn)	2.6				2.4
Revenue (£m)	627.4	8.2	18.8	12.0	666.4
Underlying operating profit (£m)	38.9	0.6	(0.9)	8.7	47.3
<i>Underlying margin</i>	<b>6.2%</b>				<b>7.1%</b>

## Revenue:

- **Acquisitions & disposals +3%:** NSM c.£65m incremental revenue in HY23; FNC c.£45m in HY22
- **Organic revenue +2%** driven by:
  - Mission systems, South Korea submarine programme and strong LGE demand
  - Lower T31 revenue – phasing as expected
- Around £100m of low or zero margin programme revenue (HY22: c.£120m)

## Operating profit:

- **Organic operating profit +22%** driven by:
  - Revenue increase and mix in higher margin activity
  - South Korea Submarine programme mix, Indonesian licence fee for AH140
  - Improved cost recovery
- **Underlying operating margin increased 90 bps to 7.1%**

# Nuclear

	HY22	FX	Acquisitions & disposals	Other trading	HY23
Contract backlog (£bn)	3.0				2.5
Revenue (£m)	516.3	-	-	41.9	558.2
Underlying operating profit (£m)	36.2	-	-	(6.1)	30.1
<i>Underlying margin</i>	<i>7.0%</i>				<i>5.4%</i>

## Revenue:

- **Organic revenue +8%** driven by:
  - Strong ramp in infrastructure revenue c.£105m in HY23 (HY22: c.£60m)
  - Civil nuclear: activity increased

## Operating profit:

- **Organic operating profit (17)%** driven by:
  - An additional c.£6m provision on defence programme
  - Lower margin on submarine support and infrastructure revenue
- **Underlying margin decreased 160bp to 5.4%**

# Land

	HY22 (restated <sup>1</sup> )	FX	Acquisitions & disposals	Other trading	HY23
Contract backlog (£bn)	2.4				2.4
Revenue (£m)	510.1	3.6	(43.9)	8.4	478.2
Underlying operating profit (£m)	29.8	0.4	(4.0)	11.8	38.0
<i>Underlying margin</i>	<b>5.8%</b>				<b>7.9%</b>

## Revenue:

- **Disposals (9)%:** UK Power sold December 2021; civil training expected to complete by end of FY23
- **Organic revenue +2%** driven by:
  - Rail, South Africa (vehicle sales and aftermarket)
  - Partially offset by loss of Eskom contract in FY22 (South Africa)
- c.£65m of low or zero margin programme revenue (HY22: c.£80m)

## Operating profit:

- **Organic operating profit 40%** driven by:
  - Vehicle volume increase in South Africa, partially offset by Eskom
  - Better margins in UK fleet management and training programmes
  - One-off profit adjustment of £3m (net) credit
  - Ongoing savings offsetting higher costs
- **Underlying margin increased 210bp to 7.9%**

# Aviation

	HY22	FX	Acquisitions & disposals	Other trading	HY23
Contract backlog (£bn)	2.4				2.4
Revenue (£m)	472.3	2.3	(79.0)	45.6	441.2
Underlying operating profit (£m)	10.4	0.5	(2.2)	(2.4)	6.3
<i>Underlying margin</i>	<i>2.2%</i>				<i>1.4%</i>

## Revenue:

- **Disposals (17)%:**
  - Oil and Gas business sold in August 2021
- **Organic revenue +10%** driven by:
  - Ramp up of French defence contracts (Mentor / H160)
  - Italian emergency services flying hours

## Operating profit

- **Disposals** impact of Oil and Gas disposal (21)% yoy
- **Organic operating profit (23)%** driven by:
  - Costs savings offset by:
    - Bid costs on a tender to be submitted in H2 (£2m)
    - Higher fuel costs in European AES (£4m)
- **Underlying operating margin decreased 80 bps to 1.4%**

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

£m	HY23	HY22
<b>Underlying operating profit</b>	<b>121.7</b>	<b>115.3</b>
Depreciation & amortisation (incl. ROU assets)	98.2	99.6
Net capital expenditure	(36.9)	(72.1)
Capital element of lease payments	(54.2)	(69.6)
Working capital movements	(48.8)	(140.1)
Other	(3.0)	8.0
<b>Operating cash flow (underlying)</b>	<b>77.0</b>	<b>(58.9)</b>
<i>Cash conversion %</i>	<i>63%</i>	<i>(51)%</i>
Retirement benefits in excess of income statement	(76.2)	(88.5)
Interest paid	(14.1)	(18.4)
Tax paid	(12.2)	(10.3)
Dividends from joint ventures	5.1	24.7
Exceptional items	(4.3)	(9.2)
<b>Free cash flow</b>	<b>(24.7)</b>	<b>(160.6)</b>

- **OCF improvement due to:**

- Working capital (incl. earlier than expected customer receipts)
- Lower net capex mainly due to projects phasing and higher asset disposals
- Capital lease payments reduced due to O&G divestment
- Cash conversion improved to 63%

- **FCF**

- Pension deficit payments as expected (£76m)
- Lower interest on reduction in net debt

- **FY23 technical guidance (before disposals):**

- Pensions in excess of income statement c.£100m
- Gross capex to remain at an elevated level
- Tax c.£15m - £20m outflow
- Dividends from JVs c.£5m
- Exceptional restructuring costs (from FY22 programme) up to £10m

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

£m	HY23	HY22
<b>Free cash flow</b>	<b>(24.7)</b>	<b>(160.6)</b>
Acquisitions and disposals (incl. JVs)	(12.1)	8.0
Cash outflow from settlement of derivative	-	(5.4)
<b>Leases</b>		
Capital element of lease payments	54.2	69.6
Leases disposed with subsidiaries	-	129.7
Net new lease arrangements	(37.0)	(19.6)
Other non-cash debt movements	(0.8)	-
Fair value movement in net debt and related derivatives	(4.4)	-
FX	(45.9)	(15.0)
<b>Movement in net debt</b>	<b>(70.7)</b>	<b>6.7</b>
<b>Opening net debt</b>	<b>(968.7)</b>	<b>(1,353.6)</b>
<b>Closing net debt</b>	<b>(1,039.4)</b>	<b>(1,346.9)</b>
<b>Net debt excl. operating leases</b>	<b>(629.3)</b>	<b>(938.3)</b>
<b>Gearing ratio (covenant basis)</b>	<b>1.9x</b>	<b>2.8x</b>

- **FY23 disposals:**

- European AES disposal is expected to complete in FY23, proceeds: c.£115m cash (and c.£200m leases) before completion adjustments
- Land – Civil training expected to complete in FY23: c.£4m proceeds and c.£10m loan notes over five years
- Reduces net debt by more than £300m
- Pro forma gearing post disposals c.1.7x (at 30 September 2022)

# Continuing our balance sheet strengthening

£m	HY21	FY21	HY22	FY22	HY23
<b>Net debt</b>	(1,609)	(1,353)	(1,347)	(969)	<b>(1,039)</b>
<b>Net debt to EBITDA</b> (covenant basis)	2.5x	2.4x	2.8x	1.8x	<b>1.9x</b>
<b>Unwind of historic cash flow 'stretches'</b>					
Supply chain financing <sup>1</sup>	(77)	(25)	(13)	(12)	-
Debt factoring	(137)	(102)	(100)	(62)	<b>(68)</b>
Creditor deferrals – VAT	(56)	(56)	(28)	-	-
– Other	(196)	(164)	(105)	(34)	-
	<b>(466)</b>	<b>(347)</b>	<b>(246)</b>	<b>(108)</b>	<b>(68)</b>
<b>Pension</b>					
IAS19 accounting (deficit)/surplus	(104)	(279)	(79)	192	<b>147</b>
Actuarial technical provisions basis (deficit) <sup>2</sup>	c.(700)	c.(580)	c.(425)	c.(350)	<b>c.(300)</b>

- **Net debt and gearing:**

- **Gearing 1.9x**

- Within our medium-term target 1.0x – 2.0x

- European AES and civil training disposals expected to complete in FY23:

- Reduces net debt by more than £300m (proceeds c.£115m and c.£200m leases)

- Unwind of historic cash flow stretches effectively complete

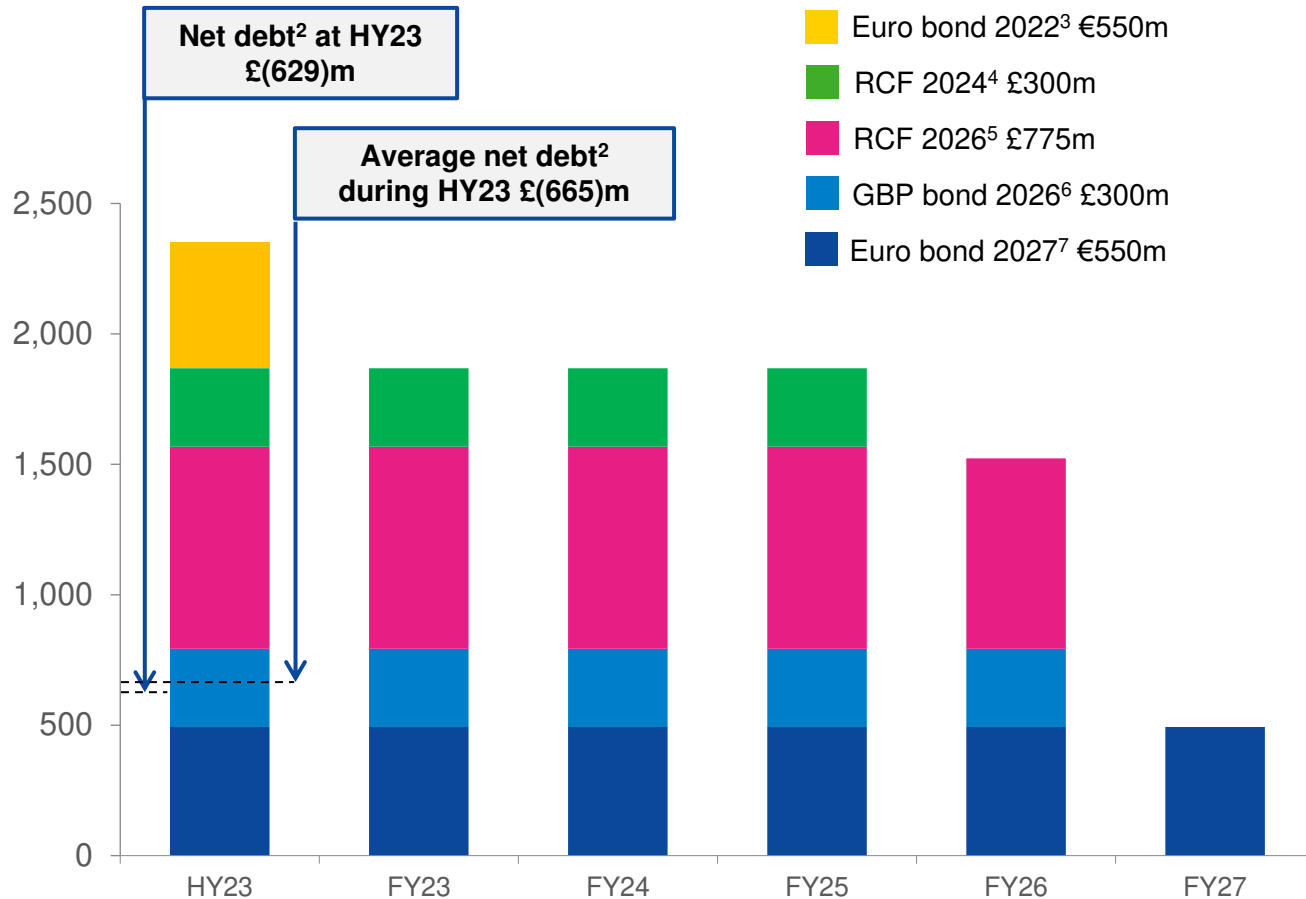
- **Pension deficit:**

- £76m deficit repair payments<sup>3</sup> in HY23

- c.£100m payments<sup>3</sup> expected in FY23

# Liquidity and debt maturity profile

## Debt maturity profile<sup>1</sup> (£m)



- €550m Euro bond (£482m) repaid post HY in October 2022 using cash on the balance sheet
- Reduced exposure to variable debt – c.85% fixed rate from c.70% without action. Only £125m drawn debt is variable rate
- c.£1.9bn of total available borrowings and facilities (post Euro bond paydown)
- Liquidity headroom c.£1.2bn (post Euro bond paydown)
- No refinancing required until 2026 (assuming the 2024 £300m RCF lapses)

**Ample liquidity and covenant headroom to prudently protect downside**

# Managing inflation and supply chain

## Revenue profile

**c.30%**  
(c.£1bn  
revenue p.a.)

## Characteristics

- “Firm” Fixed price
- Majority 1-3 years remaining on contract terms
- Largest cost category: labour (c.50%)

**c.70%**  
(c.£3bn  
revenue p.a.)

- Includes:
  - Indexation allowances
  - Cost plus
  - (Some) hyper-inflation clauses

## Actions being taken

- **Improved terms** on new contracts
- **Back to back pricing and risk allocation** with supply chain
- **Discussions with partners, customers and suppliers** for recovery of cost increases
- **FY23 UK pay award** (back dated to 1 April 2022) to target support for lower paid
- **Other efficiencies targeted** to offset increases in other costs
- **Proactive monitoring** of supply chain performance and risk

# Outlook

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**FY23 outlook. We are maintaining our overall financial expectations for the current year:**

- With over 90% of FY23 revenue contracted as at 30 September 2022, we have good visibility of the top line
- External macroeconomic challenges remain, including ongoing wage inflation challenges. For FY23, we continue to expect to offset inflationary pressure through operating efficiencies
- Turning free cash flow positive in the second half of FY23 (for the retained Group)

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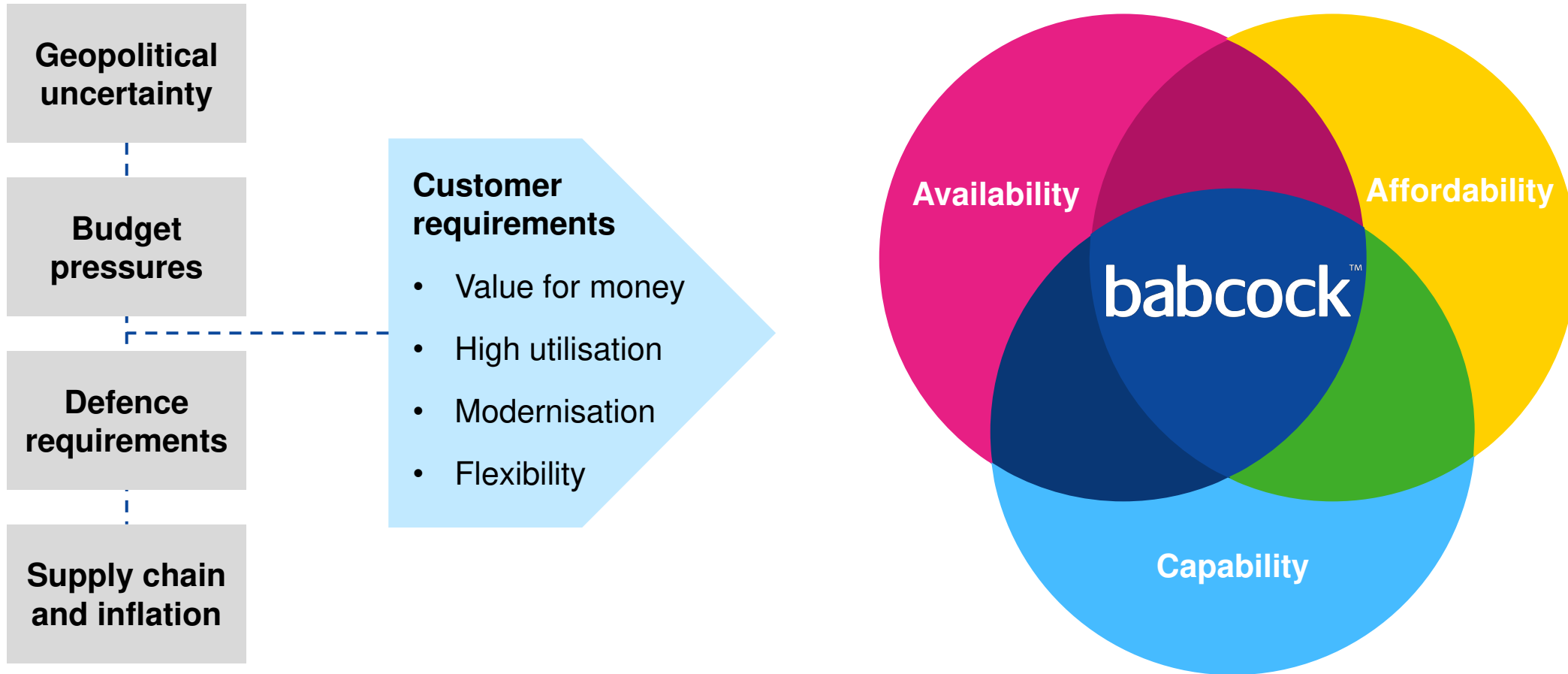


**Execute and grow**

**David Lockwood**  
CEO

**C2 36**

# Supportive market dynamics



**Attractive offering in a supportive market**

# Execute: driving operational improvement

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## Efficiency and process

- Launched a global Business Management System to standardise Group processes
- New functions
  - Project management
  - Procurement
  - Commercial
  - Internal audit
- Bidding governance

## People

- Developing detailed people plan by sector
- First Group-wide survey of employees, with high response rates
- Developing a role framework providing a consistent underpin for capability and career development, workforce planning, mobility and leadership
- Recently welcomed c.300 apprentices and c.150 graduates

**Focus on execution driving progress in delivery and culture change**

# Execute: improving delivery

Strengthened bidding governance throughout a five gate bidding process



Improved contract outcomes can be largely linked to early bidding controls

## ~50% Pre-contract signing

Contract phasing actions

- Risk assessment
- Risk allocation
- Estimation
- Contract terms

## ~30% Mobilisation

- Contract handover
- Resourcing
- Risk management
- Schedule

## ~20% Delivery

- Change management
- External parties
- Progress monitoring
- Course correction

**Strong focus** on cash-positive and margin-positive structures

**Drive to mitigate and monitor risk,** only taking on manageable risk

**Improving our efficiency, process and our people**

**New focus will aim to improve margins over medium to long-term**

# Growth: capturing opportunities

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## Addressing customers' requirements

- Affordable naval solutions
- Defence readiness and agility
- Urgent operational requirements (UOR)
- Defence digital capability
- Fleet modernisation
- Leading nuclear capability

**Affordable  
naval ships**

Poland

**Defence  
digital**

Australia DHFC

**Asset  
availability**

UOR

**Asset  
availability**

Regional Maintenance  
Provider West

**Increasing opportunity set both in the UK and internationally, to sustain growth**

# Summary: good progress, outlook unchanged

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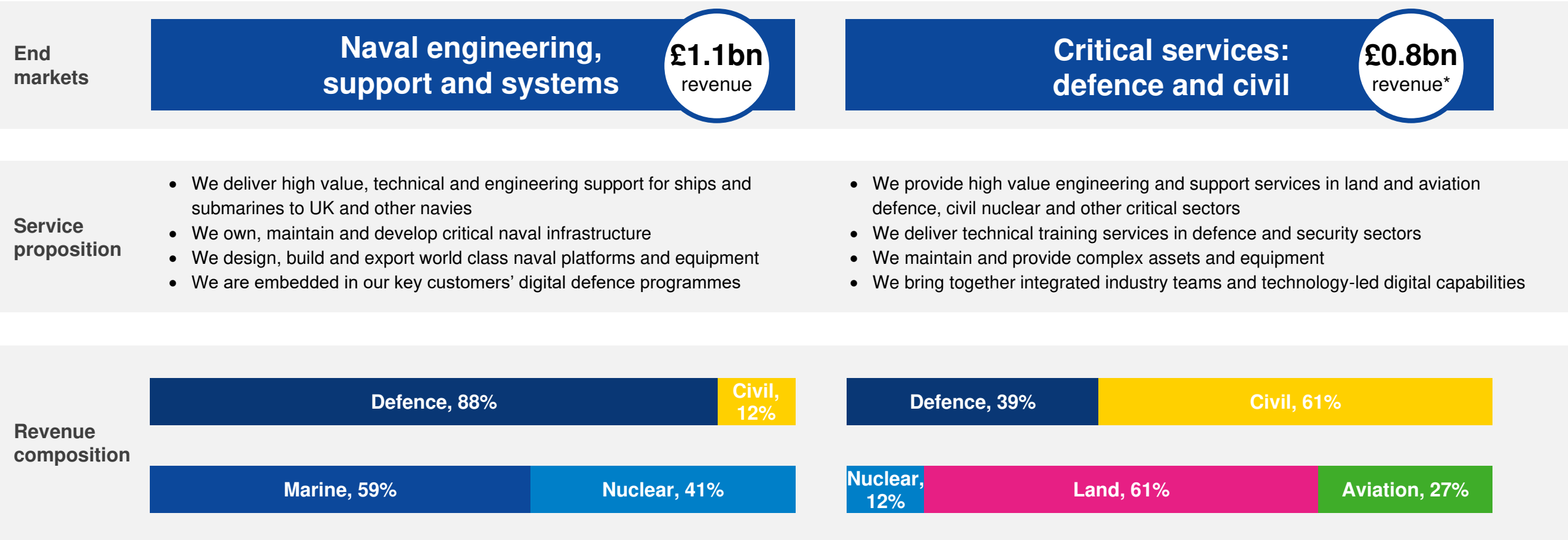
- Good momentum
  - Improving execution, delivery and managing risks
- Improved financial performance:
  - HY23 in line with expectations, cash slightly ahead
- Confidence in the future
  - Increasing growth potential
  - FY23 outlook unchanged



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**Appendix**

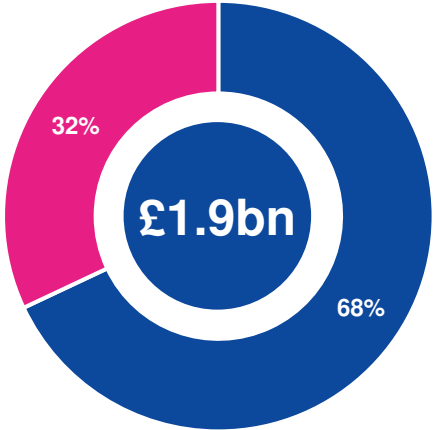
# Stabilise: realigned portfolio will be over 2/3rds defence



**The right capabilities to deliver high value solutions in core markets**

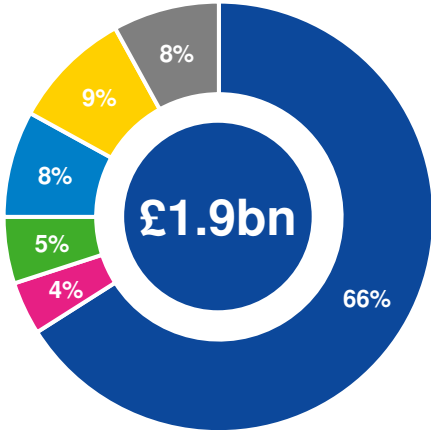
# How we look post disposals - HY23 proforma

### Defence revenue



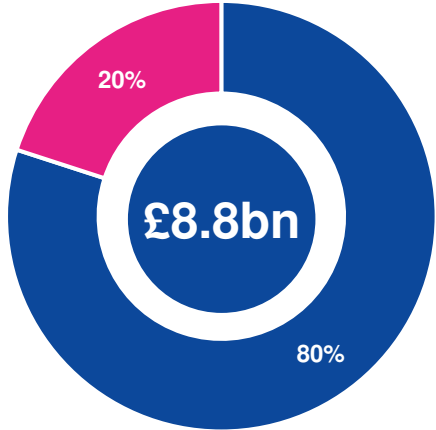
- Defence
- Civil

### Geographical revenue



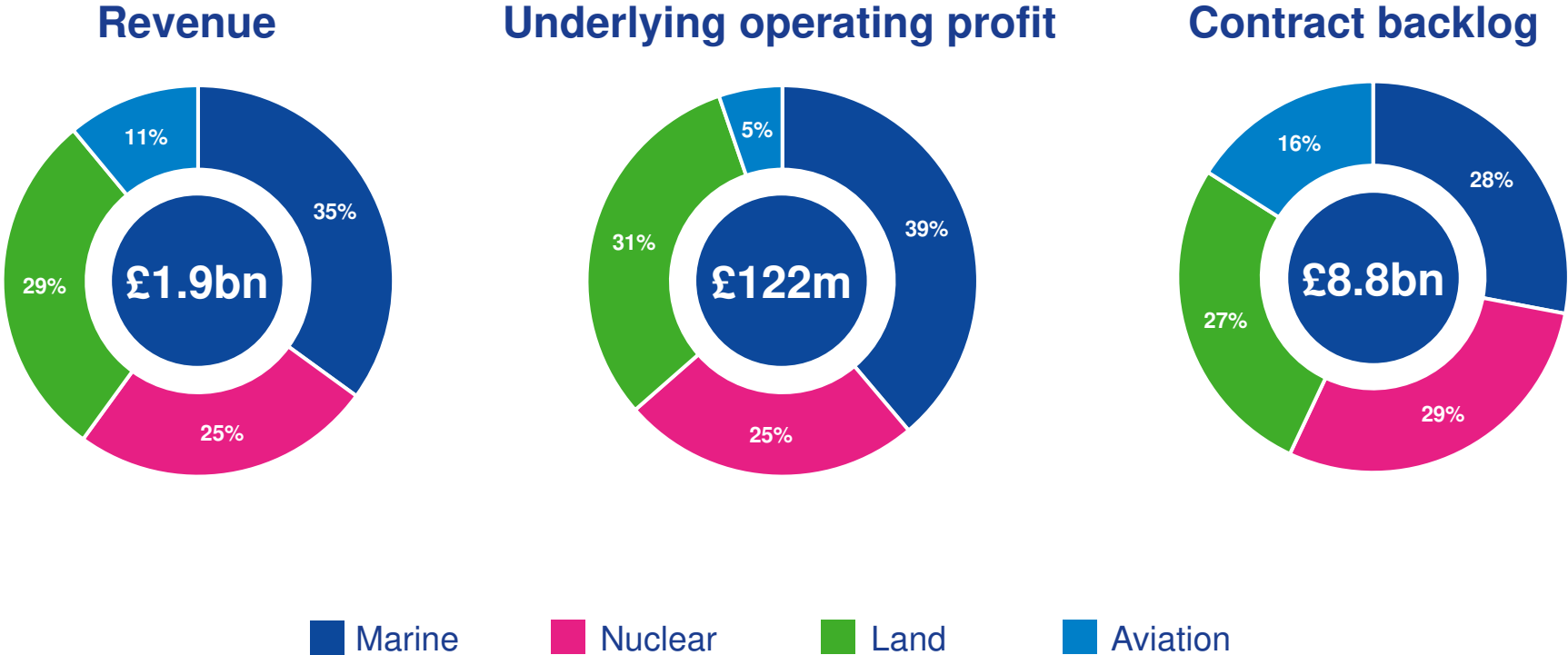
- UK
- Canada
- France
- South Africa
- Aus + NZ
- ROW

### Contract backlog

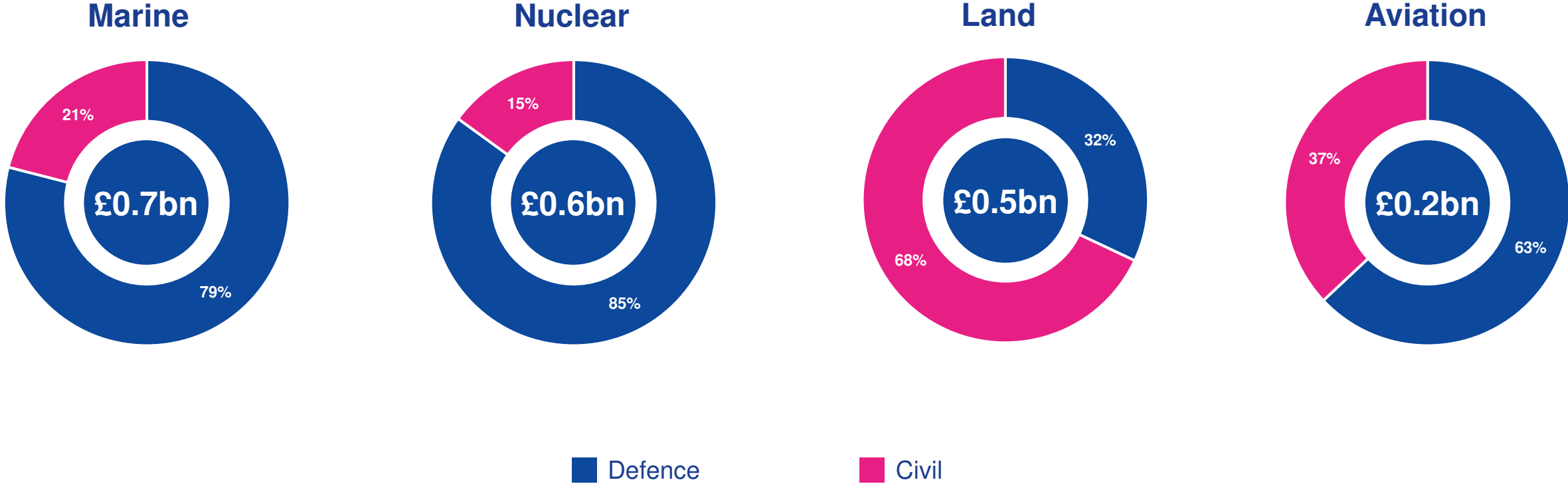


- Defence
- Civil

# HY23 results split by sector proforma



# HY23 sector revenue splits proforma



# Statutory to underlying reconciliation

(£m)	HY23			HY22 (restated)*		
	Underlying	Specific Adjusting Items	Statutory	Underlying	Specific Adjusting Items	Statutory
<b>Revenue</b>	<b>2,144.0</b>	-	<b>2,144.0</b>	2,126.1	-	2,126.1
<b>Operating profit / (loss)</b>	<b>121.7</b>	<b>(48.9)</b>	<b>72.8</b>	<b>115.3</b>	<b>(39.9)</b>	<b>75.4</b>
Other income	-	-	-	6.2	-	6.2
Share of results of joint ventures and associates	6.6	-	6.6	9.6	-	9.6
Investment income	0.4	-	0.4	0.4	-	0.4
Net finance costs	(23.1)	(5.5)	(28.6)	(32.8)	-	(32.8)
<b>Profit / (loss) before tax</b>	<b>105.6</b>	<b>(54.4)</b>	<b>51.2</b>	<b>98.7</b>	<b>(39.9)</b>	<b>58.8</b>
Income tax benefit / (expense)	(23.1)	8.9	(14.2)	(19.6)	15.0	(4.6)
<b>Profit / (loss) after tax for the year</b>	<b>82.5</b>	<b>(45.5)</b>	<b>37.0</b>	<b>79.1</b>	<b>(24.9)</b>	<b>54.2</b>
<b>Basic EPS</b>	<b>15.8p</b>	<b>(9.0)p</b>	<b>6.8p</b>	<b>15.3p</b>	<b>(5.0)p</b>	<b>10.3p</b>
<b>Diluted EPS</b>	<b>15.5p</b>	<b>(8.8)p</b>	<b>6.7p</b>	<b>15.1p</b>	<b>(4.9)p</b>	<b>10.2p</b>

29 \*HY22 revenue restated due to reclassification of pass-through revenue, c.£(97)m

# Sector detail

	Revenue <sup>1</sup>		Underlying operating profit		Underlying margin <sup>2</sup>		Contract backlog <sup>3</sup>	
	HY23	HY22	HY23	HY22	HY23	HY22	HY23	HY22
<b>Marine</b>	<b>£666.4m</b>	£627.4m	<b>£47.3m</b>	£38.9m	<b>7.1%</b>	6.2%	<b>£2,426m</b>	£2,620m
<b>Nuclear</b>	<b>£558.2m</b>	£516.3m	<b>£30.1m</b>	£36.2m	<b>5.4%</b>	7.0%	<b>£2,547m</b>	£3,044m
<b>Land</b>	<b>£478.2m</b>	£510.1m	<b>£38.0m</b>	£29.8m	<b>7.9%</b>	5.8%	<b>£2,429m</b>	£2,375m
<b>Aviation</b>	<b>£441.2m</b>	£472.3m	<b>£6.3m</b>	£10.4m	<b>1.4%</b>	2.2%	<b>£2,450m</b>	£2,386m
<b>Group total</b>	<b>£2,144.0m</b>	£2,126.1m	<b>£121.7m</b>	£115.3m	<b>5.7%</b>	5.4%	<b>£9,852m</b>	£10,425m

1. HY22 revenue restated to remove pass-through revenue, c.£97m
2. Margin optically increased due to restatement of revenue
3. HY22 backlog restated to remove pass-through contract revenue, c.£510m

# Net debt / EBITDA (covenant basis)

(£m)	HY23 (Rolling 12 months)	HY22 (Rolling 12 months)
<b>Underlying operating profit</b>	<b>244.1</b>	<b>231.6</b>
Depreciation and amortisation	80.2	99.0
Other covenant adjustments	16.4	(15.2)
<b>EBITDA</b>	<b>340.7</b>	<b>315.4</b>
JV and associate dividends	22.0	46.5
<b>EBITDA + JV and associate dividends</b>	<b>362.7</b>	<b>361.9</b>
<b>Net debt</b>	<b>(629.3)</b>	<b>(938.3)</b>
Covenant adjustments (adding back finance lease receivables, loans to JVs, avg FX)	(56.4)	(77.9)
<b>Net debt (covenant basis)</b>	<b>(685.7)</b>	<b>(1,016.2)</b>
<b>Net debt / EBITDA</b>	<b>1.9x</b>	<b>2.8x</b>

# Pensions

## IAS 19 position

(£m)	30 Sep 2022	31 Mar 2022	30 Sep 2021
Assets	3,482.1	4,733.1	5,010.6
Obligations	(3,334.7)	(4,541.5)	(5,089.6)
Net surplus / (deficit)	147.4	191.6	(79.0)

Key assumptions	30 Sep 2022	31 Mar 2022	30 Sep 2021
Discount rate	4.7% - 5.1%	2.7%	2.0%
Inflation (RPI)	3.7%	3.7%	3.4%

## Technical provision for defined benefit schemes (including longevity swaps)

September 2022:	c.£300m deficit
March 2022:	c.£350m deficit
September 2021:	c.£580m deficit

### Why is movement different to IAS 19 position:

- Technical provision discount rates linked to gilt yields, whereas IAS 19 position is linked to movements in corporate bond yields
- Slightly different impacts from movements in other market conditions

### Why the actuarial deficit has decreased in HY23:

- Payment of deficit recovery contributions and net of asset returns and higher discount rates on liabilities valuation

### HY23 and FY23 cash payments:

- Pension contributions in excess of income statement, £76m in HY23
- Guidance unchanged for FY23, around £100m expected

# Disposals programme

	Date	Proceeds	Income statement impact
<b>Completed:</b>			
1) Oil and Gas	Sep 2021	£10m (+ £137m leases)	– £154m revenue, £2m underlying operating profit (FY21)
2) Frazer Nash	Oct 2021	£293m	– £101m revenue, £14m underlying operating profit (FY21)
3) UK Power	Dec 2021	£50m	– £70m revenue, £7m underlying operating profit (FY21)
4) AirTanker Holdings	Feb 2022	£95m (+ £31m shareholder loan repayment)	– Share of associate income after tax £2.8m* (FY21)
<b>Announced, due to complete in FY23:</b>			
5) European AES (part)	In FY23	c.£115m (+ c.£200m leases)	– £405m revenue, £13m operating profit contribution (FY22)
6) Civil training	In FY23	c.£4m + £10m loan notes over five years	– c.£40m revenue, c.£1m operating profit contribution (FY22)

**Total proceeds\*\* expected - c.£570m (+ c.£340m leases transferred)**

# Joint ventures: summary

	Babcock underlying JVs	Share	Country	Sector	Start	End	
<b>Asset JVs</b>	<b>Ascent</b> Aviation JV with Lockheed Martin to deliver UK rotary and fixed-wing flight training and support	<b>50%</b>	UK	Aviation	2016	2033	<b>Asset JVs</b> <ul style="list-style-type: none"> <li>• Typically assets and debt</li> <li>• Dividends follow after paying down JV debt</li> <li>• Typically long-term</li> </ul>
<b>Operational JVs</b>	<b>AirTanker Services</b> JV to deliver services and maintenance for air to air refuelling aircraft for the UK RAF	<b>23.5%</b>	UK	Aviation	2008	2035	<b>Operational JVs</b> <ul style="list-style-type: none"> <li>• Capability partnerships</li> <li>• No debt</li> <li>• Dividends follow profits, subject to short-term phasing</li> </ul>

# 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	2025	Canada	Victoria In Service Support Contract to sustain Royal Canadian Navy's submarine programme. 2x one-year extension options
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	2029	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	UK MOD	2021	2034	UK	Design, manufacture, delivery and in-service support of maritime electronic warfare capability
Canberra Class support (NSM)	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
Warship Asset Management Agreement (WAMA) (NSM)	RAN	2018	2024	Australia	Sustainment of the Royal Australian Navy's ANZAC class frigates
JP9101 – Enhanced Defence High Frequency Communications	ADF	2023	2033	Australia	Operation, support and technology upgrade programme for the Australian Defence Force

# 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
Major Infrastructure Programme	UK MOD	2019	2025	UK	Project delivery for the upgrade works to Devonport Dockyard's 9, 10 and 15 Docks to enable future maintenance for UK 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 is defuelled 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	2024	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
London Metropolitan Police Service (MPS) fleet management	MPS	2006	2023	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	2024	Spain	Spanish coastguard search and rescue contract, 14 aircraft, 13 bases. Option to extend by further two years
Italy Firefighting	Ministry of Interior	2018	2024	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	2025	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	2033	UK	Engine maintenance and technical support for 54 Hawk T1 jets supporting the RAF's advanced jet training programme
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	2026	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

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