

Investment case

Strong embedded position underpins sustainable growth

Strongly positioned

● See page 18

Differentiated proposition

- Focused portfolio in growth markets: 74% defence and 5% civil nuclear
- Critical supplier to governments
- Own critical assets
- Highly differentiated proposition combining:
 - Engineering know-how
 - Product development capability
 - Customer intimacy
 - Operational asset knowledge
- Strong focus on sustainability

Complex programme delivery

- High barriers to entry
- End-to-end through-life support
- Proven track record
- Long lifecycle assets
- Capability transfer
- High incumbency on critical programmes
- Strategic partnerships
- Sustainability embedded in our strategic framework

Sustainable growth

● See page 19

Growth drivers

- Growing global threat environment
- Defence budget growth in core markets
- Customers' need for military capability:
 - Equipment modernisation
 - Increased value for money
 - Demand for asset availability
- Energy transition driving nuclear
- Clear capital allocation framework
- Value enhancing model – increased military capability and asset availability at affordable price

Clear growth strategy

- £10.4 billion contract backlog
- Growing opportunity set across all sectors, addressed by:
 - Leveraging our technical capabilities to create incremental and adjacent opportunities
 - Developing our people and capabilities
 - New strategic partnerships and collaborations
 - Disciplined and targeted investment

Improving margins and cash flow

● See page 28

Margin improvement

- Contract risk management
- Focus on operational improvement
- Improved programme delivery
- Growth of quality business
- Unwind of legacy contracts
- Upgrades to business systems ongoing

Cash flow improvement and balance sheet

- Programme execution
- Enhanced controls
- Improved bidding governance
- Focus on cash efficiency
- Strong balance sheet: investment-grade credit rating
- Clear capital allocation framework to maximise value for our stakeholders