

Strategic framework

Positioned for long-term growth



Following a multi-year turnaround focused on portfolio simplification, balance sheet strength, and operational discipline, Babcock has successfully shifted from stabilisation to high-value growth.

Guided by our Purpose, 'to create a safe and secure world, together', our strategic framework prioritises capability, delivery, performance and efficiency, focusing on seven key areas of strategic development to drive and deliver long-term growth and shareholder value.

Our Purpose

To create a safe and secure world, together

Our long-term strategy

To maintain and grow our position as a trusted, long-term partner to the UK and allied governments, delivering critical defence and nuclear capabilities, and strengthening national resilience.

Achieved through our strategic framework

Leverage technical capability

Solve complex customer challenges across defence and nuclear, underpinned by deep domain expertise and regulated capability

Delivery excellence

Execute with discipline – on safety, schedule and quality – to deepen and protect customer relationships

Operational performance efficiency

Drive productivity and efficiency to expand margins, improve cash generation and enhance competitiveness

And a strategic focus to...

Grow in Defence and Nuclear:

Strengthen and expand capabilities aligned to evolving requirements; position in emerging ecosystems

Expand our international business:

Scale in priority markets, build positions in strategic geographies and grow direct exports

Develop and grow product-led capability:

Drive product and integration and through-life support opportunities to deepen customer embed

Increase agility:

Leverage engineering and technology expertise to respond rapidly to changing defence and energy needs

Build strategic partnerships:

Partner with best-in-class primes and OEMs; strengthen our role as a reliable government delivery partner

Invest in our people:

Attract, retain and develop critical skills; maintain a high-performance, safe and inclusive culture

Be a responsible business:

Embed sustainability and responsible practices in all that we do

...to progress against our medium-term targets...

Average annual organic growth

Mid-single digit

Underlying operating margin

≥9%

Average underlying operating cash conversion

≥80%

...and deliver value for all our stakeholders

Customers

improved capability outcomes with high delivery confidence

Colleagues

a safer, more engaging place to work with strong development pathways

Shareholders

sustainable value creation

Suppliers

benefiting from collaborative relationships with those who share our values

Communities

providing positive benefits to the places where we live and work