

# News release



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## QinetiQ Group plc Second Quarter Trading Update

**15 October 2024** - QinetiQ Group plc ("QinetiQ" or the "Group") today issues a trading update covering the second quarter.

### On-track to deliver full year expectations

The Group has delivered good operational performance in the second quarter and for the full year we remain on-track to deliver high single digit organic revenue growth at stable margin with high cash conversion, in line with our guidance. Order intake momentum in the quarter has continued with revenue under contract for the full year in line with this time last year. Cash conversion at the half is consistent with historical levels at c.80% and underpins our expectations for the full year. Our £100m share buyback programme is on track to be completed in the financial year with £62m shares purchased by the end of the second quarter.

### Steve Wadey, Group Chief Executive Officer said:

*"We have delivered a good operational and financial performance in the quarter, and our services and products continue to be of high relevance and significant value to our customers in a heightened threat environment. Against a backdrop of political transition in our core markets, I am pleased that order intake momentum has been maintained, which underpins our long-term sustainable growth."*

### Operational performance update

EMEA Services has maintained a high performance level throughout the quarter characterised by strong programme execution on our long-term contracts in the UK and Australia.

Global Solutions traded in line with our expectations including the legacy Avantus business, with strong delivery across our major contracts with the Space Development Agency and the Office of the Secretary of Defense Strategic Capabilities Office in the US.

As announced on 30th September, we have signed an agreement for the sale and leaseback of our Farnborough site with the cash proceeds of £112m expected in the second half.

### Momentum of order intake underpins our medium and long-term outlook

Reflecting the global threat environment and increasing spending over the long-term by our customers in our core markets we secured a number of highly strategic orders in the quarter. These included:

- A ten-year €284m Aerial Training Services contract with the German Armed Forces Procurement Office, the largest and longest contract yet awarded to our Global Threat Representation business.
- An Aerial Target Systems (ATS-3) contract from the U.S. Army, for the first time entering the US market as prime contractor to provide a comprehensive range of highly sophisticated aerial target systems;
- A contract to deliver critical technology for the Electromagnetic Aircraft Launch System and the Advanced Arresting Gear to be installed on the U.S. Navy's next Ford-class aircraft carrier; and
- A three-year contract, worth up to £150m, to help deliver the next generation of tactical military communications for the British Army, as well as commencing the initial phase of the DragonFire laser directed energy weapon (LDEW) Minimum Deployable Capability programme for the Royal Navy.

### FY25 Interim Results

QinetiQ will publish its full Interim Results on Thursday 14 November 2024. We will be hosting an in-person results presentation at 09:30 GMT at the London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS. Registration to join in-person or via the live webcast will be available via our website at <https://www.qinetiq.com/en/> or at [https://brmedia.news/qq\\_q2\\_24](https://brmedia.news/qq_q2_24)

### About QinetiQ

QinetiQ is an integrated global defence and security company focused on mission-led innovation. QinetiQ employs circa 8,500 highly-skilled people, committed to creating new ways of protecting what matters most; testing technologies, systems, and processes to make sure they meet operational needs; and enabling customers to deploy new and enhanced capabilities with the assurance they will deliver the performance required.

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