



6 February 2025

This announcement contains inside information

Third quarter trading update and upgrade of full year expectations

Babcock International Group PLC ("Babcock" or "the Group") provides an update on trading for the nine months of the financial year ending 31 March 2025 and upgrade of full year expectations.

The strong trading performance reported at HY25 continued throughout the third quarter of the year, and the preliminary view of performance in the month of January is also encouraging.

The majority of revenue for the year is now under contract and, having reviewed the delivery forecast for the remainder of the year, the Board now expects both revenue and underlying operating profit to exceed the top end of the range of analyst expectations¹. Accordingly, we are upgrading our expectations for FY25 to c.£4.9 billion of revenue, with the expected overperformance due to double-digit organic growth in Nuclear and strong growth in Marine.

In Nuclear, growth is driven by increased new build and decommissioning work in civil nuclear, as well as increased submarine support activity and higher than originally expected infrastructure revenues. In Marine, the growth is enhanced by higher LGE volumes as well as the ramp-up of the Skynet programme.

Babcock Chief Executive David Lockwood said: "Today's announcement demonstrates that successful execution of our strategy is continuing to deliver value for all our stakeholders. Our engineering skills and know-how are in ever greater demand and with significant opportunities before us, I look forward to further profitable growth."

Operational momentum

We continue to make good operational and strategic progress in the UK and internationally.

In January, HMS VICTORIOUS entered our 9-Dock facility in Devonport, marking a major milestone in the £560 million programme to modernise and refit the submarine. HMS VICTORIOUS is the second of the UK's four Vanguard Class submarines, which play a vital role as part of the UK's continuous at sea deterrent, to undergo a life extension programme. Moving the submarine into the dock enables us to deliver the work required to return this critical national defence asset back to the Royal Navy to continue operational patrols into the 2030s.

We are progressing the build of the first three ships in the Type 31 Inspiration Class frigate programme. We expect the float-off of the first ship, HMS Venturer, to be in the first half of FY26 and float-off of the second ship, HMS Active, in the second half of FY26.

In January, we were awarded a new 17-year contract (Mentor 2) by the Direction Générale de l'Armement for the provision and support of military air training solutions for the French Air and Space Force and the French Navy. The contract, worth up to c. €800 million, including c.€200 million of options, comprises the provision of aircraft, simulators and initial pilot training as well as the through-life support of the aircraft, and infrastructure². This agreement represents a significant expansion of our military activity in France, one of our focus countries.

ENDS

The person responsible for arranging the release of this announcement on behalf of Babcock is Jack Borrett as Company Secretary.

¹. As at 4 February 2025, the average of Vuma compiled analysts' forecasts for FY25 revenue was £4.67 billion, with a range of £4.51 billion to £4.78 billion and for underlying operating profit, £333.5 million, with a range of £327.1 million to £339.7 million.

². We expect c.£180 million of initial revenue relating to new infrastructure and delivery of assets over the three-year period FY26-FY28. The programme will then have transitioned to the long-term service. In FY26, the programme will require c.£30 million of working capital investment from Babcock, which we expect to recover in FY27.

For further information:

Andrew Gollan, Director of Investor Relations
Kate Hill, Group Head of Financial Communications
Olivia Peters / Harry Cameron, Teneo

+44 (0)7936 039004
+44 (0)20 7355 5312
+44 (0)20 7353 4200

Forward-looking statements

Certain statements in this announcement are forward-looking statements. Such statements may relate to Babcock's business, strategy and plans. Statements that are not historical facts, including statements about Babcock's or its management's beliefs and expectations, are forward-looking statements. Words such as 'believe', 'anticipate', 'estimates', 'expects', 'intends', 'aims', 'potential', 'will', 'would', 'could', 'considered', 'likely', and variations of these words and similar future or conditional expressions are intended to identify forward-looking statements but are not the exclusive means of doing so. By definition, forward-looking statements involve a number of risks, uncertainties or assumptions, some known and

exclusive means of doing so. By their nature, forward-looking statements involve a number of risks, uncertainties or assumptions, some known and some unknown, many of which are beyond Babcock's control that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties or assumptions could adversely affect the outcome and financial effects of the plans and events described herein. Forward-looking statements contained in this announcement regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. Nor are they indicative of future performance and Babcock's actual results of operations and financial condition and the development of the industry and markets in which Babcock operates may differ materially from those made in or suggested by the forward-looking statements. You should not place undue reliance on forward-looking statements because such statements relate to events and depend on circumstances that may or may not occur in the future. Except as required by law, Babcock is under no obligation to update (and will not) or keep current the forward-looking statements contained herein or to correct any inaccuracies which may become apparent in such forward-looking statements.

Forward-looking statements reflect Babcock's judgement at the time of preparation of this announcement and are not intended to give any assurance as to future results.

This information is provided by RNS, the news service of the London Stock Exchange. RNS is approved by the Financial Conduct Authority to act as a Primary Information Provider in the United Kingdom. Terms and conditions relating to the use and distribution of this information may apply. For further information, please contact ms@seg.com or visit www.ms.com.

RNS may use your IP address to confirm compliance with the terms and conditions, to analyse how you engage with the information contained in this communication, and to share such analysis on an anonymised basis with others as part of our commercial services. For further information about how RNS and the London Stock Exchange use the personal data you provide us, please see our [Privacy Policy](#).

END

TSTAEASEFASEAA