

26 March 2025

Babcock awarded five-year British Army strategic support partner contract

Babcock International Group (Babcock), the defence company, has secured a five-year contract extension worth around £1.0 billion* with the UK Ministry of Defence (MOD).

As a strategic partner to the UK MOD, this contract award further underpins Babcock's commitment and long-term relationship with the British Army. Specialising in building new vehicles, supporting its fleet, and training its soldiers, Babcock plays a crucial role in ensuring operational readiness for the British Army. The transformation of the original contract (DSG) over the first 10 years will be further accelerated over the extension period directly supporting the delivery of the Defence Industrial Strategy, delivering significant value to the MOD and growth to the UK economy.

The extension to the existing DSG Service Provision and Transformation Contract (SPTC) will deliver a comprehensive range of support capabilities for the Army in the UK with global reach. Through the course of the extension Babcock will deliver improved readiness, regeneration and asset management services underpinned by extensive engineering and supply chain expertise. This will maximise the availability of critical army equipment whilst delivering increased value for money and better outcomes for both partners.

A comprehensive transformation programme will deliver a step change in support outputs, thereby setting the foundation for the army modernisation programme in the coming decades. In collaboration with the MOD, who have committed to investment in facilities and equipment, Babcock will continue to invest in its workforce of 1,600 highly skilled people across more than 20 sites throughout the UK, including skills development and a robust apprentice scheme dedicated to nurturing talent and building expertise.

Babcock's Chief Executive Officer, David Lockwood said: "In a period of increased global instability, more is being expected of our armed forces. This contract extension ensures that Babcock continues to provide the British Army with the tools to do its job, when and wherever they are needed. Our know-how, application of technology and extensive experience in the land domain help ensure that the British Army is ready to fight and win wars."

Defence Secretary John Healey MP said:

"Tanks, armoured vehicles and kit are the backbone of the British Army. We are taking action to ensure the outstanding service men and women of our Armed Forces are properly equipped and ready to respond to ever-changing global threats.

"Supported by largest sustained increase in defence spending since the Cold War, this substantial investment with Babcock demonstrates how defence is an engine for growth: supporting businesses of all sizes and sustaining more than 1,600 good, well-paid jobs across Britain.

"National security is the bedrock of a successful economy and our Government's Plan for Change."

* The total contract, worth £1.6 billion, includes c.£1.0 billion of revenue that will be taken into our contract backlog and c.£600 million delivered as agent, not recognised through revenue.

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