

# Preliminary Results



22 May 2025

## FY25 Group Performance

Results for the year ended 31 March 2025

Long Term Partnering Agreement (LTPA) extension worth £1.54 billion announced today

**Steve Wadey, Group Chief Executive Officer**, said: "Tougher near-term trading conditions impacted performance in our UK Intelligence and US Sectors in the fourth quarter. In response, we have taken decisive action and are focused on reshaping the business for growth, with a clear restructuring plan to strengthen and capture the increasing opportunities within our key markets.

"We finished the year with record order intake and continue to see strong demand for our mission-critical capabilities. Today we announced a five-year extension to the LTPA increasing total order backlog<sup>3</sup> to c. £5bn. The fundamentals of our business are strong, our priority remains on delivering value accretive organic growth. Our strong cashflow enables investment in our people, technology and capability, and the delivery of attractive shareholder returns."

### Financial highlights

	Underlying* results		Statutory results	
	FY25	FY24	FY25	FY24
Revenue	£1,931.6m	£1,912.1m	£1,931.6m	£1,912.1m
Operating profit/(loss) <sup>1</sup>	£185.4m	£215.2m	£(90.5)m	£192.5m
Profit/(loss) after tax	£147.0m	£169.6m	£(185.7)m	£139.6m
Earnings per share	26.1p	29.4p	(33.0)p	24.2p
Full year dividend per share	8.85p	8.25p	8.85p	8.25p
Order intake	£1,954.8m	£1,740.4m		
Funded order backlog	£2,845.1m	£2,873.0m		
Net cash inflow from operations	£316.2m	£320.2m	£286.7m	£294.1m
Net debt	£133.2m	£151.2m		

### Group performance impacted by geopolitical uncertainty and delays to short cycle work

- Revenue up 2% on an organic basis and 1% on a reported basis
- Statutory operating loss includes specific adjusting items of £305.9m primarily comprising impairment of goodwill, restructuring costs, and other impacts predominately related to our legacy US operations and the non-cash loss on the sale and lease back transaction
- Cash performance remains strong with high conversion at 105%, reducing leverage to 0.4x
- Record order intake up 12% at £1.95bn, with a book-to-bill<sup>2</sup> of 1.2x and order backlog of £2.8bn
- Underlying EPS reduced 11.2% to 26.1p
- Dividend growth of 7%, with proposed full year dividend of 6.05p, total dividend for year 8.85p
- £103m of our £150m existing share buyback programmes completed in year

### Focused on operational execution and return to sustainable growth

- Increasing strategic focus to leverage UK base to better serve NATO and its allies
- Launched restructuring to drive improved effectiveness and cost efficiency, including refining the US strategy to align with current national security and defence priorities
- Capital allocation focused on organic investment to drive growth and shareholder returns

## FY26 Outlook

- Revenue growth expected to be c.3% for FY26, with 75% revenue cover<sup>3</sup>
- Margin expected to be c.11% due to phasing of restructuring
- EPS growth expected to be 15-20%
- Additional £200m share buyback over 2 years announced in March, to commence in June

\* Definitions of the Group's 'Alternative Performance Measures' can be found in the glossary

<sup>1</sup> Underlying operating profit refers to operating profit from segments. See note 2 for details.

<sup>2</sup> B2B ratio is orders won divided by revenue recognised, excluding LTPA revenue of £270m (FY24: £266m)

<sup>3</sup> Funded and Unfunded

## Preliminary results presentation:

Management will host a presentation at 09:30 hours BST on Thursday 22 May 2025 at Deutsche Numis, 45 Gresham Street, London, EC2V 7BF. The presentation will also be shared as a live webcast. To register to join this event, please see details on our website here: [FY25 Preliminary Results presentation](#)

You are warmly invited to join, either in person or virtually.

To view the preliminary results document in full, please click on, or paste the following link into your web browser [http://www.rns-pdf.londonstockexchange.com/rns/6870J\\_1-2025-5-21.pdf](http://www.rns-pdf.londonstockexchange.com/rns/6870J_1-2025-5-21.pdf). The preliminary results are also available in full on the corporate website at Investor Relations - QinetiQ

The preliminary results for the year ended 31 March 2025 have been submitted in full unedited text to the Financial Conduct Authority's National Storage Mechanism and will be available shortly for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

## About QinetiQ:

QinetiQ is an integrated global defence and security company focused on mission-led innovation. QinetiQ employs c.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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## Basis of preparation:

Throughout this document, certain measures are used to describe the Group's financial performance, which are not recognised under IFRS or other generally accepted accounting principles (GAAP). The Group's Directors and management assess financial performance based on underlying measures of performance, which are adjusted to exclude certain 'specific adjusting items'. In the judgment of the Directors, the use of alternative performance measures (APMs) such as underlying operating profit and underlying earnings per share are more representative of ongoing trading, facilitate meaningful year-to-year comparison and, therefore, allow the reader to obtain a fuller understanding of the financial information. The adjusted measures used by QinetiQ may differ from adjusted measures used by other companies. Details of QinetiQ's APMs are set out in the glossary to the document.

Year references (FY25, FY24, FY23, 2024, 2023) refer to the year ended 31 March.

## Disclaimer

This document contains certain forward-looking statements relating to the business, strategy, financial performance and results of the Company and/or the industry in which it operates. Actual results, levels of activity, performance, achievements and events are most likely to vary materially from those implied by the forward-looking statements. The forward-looking statements concern future circumstances and results and other statements that are not historical facts, sometimes identified by the words 'believes', 'expects', 'predicts', 'intends', 'projects', 'plans', 'estimates', 'aims', 'foresees', 'anticipates', 'targets', 'goals', 'due', 'could', 'may', 'should', 'potential', 'likely' and similar expressions, although these words are not the exclusive means of doing so. These forward-looking statements include, without limitation, statements regarding the Company's future financial position, income growth, impairment charges, business strategy, projected levels of growth in the relevant markets, projected costs, estimates of capital expenditures, and plans and objectives for future operations. 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. Nothing in this document should be regarded as a profit forecast.

The forward-looking statements, including assumptions, opinions and views of the Company or cited from third party sources, contained in this announcement are solely opinions and forecasts which are uncertain and subject to risks. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to be correct. Actual results may differ materially from those expressed or implied by these forward-looking statements. A number of factors could cause actual events to differ significantly and these are set out in the principal risks and uncertainties section of this document.

Most of these factors are difficult to predict accurately and are generally beyond the control of the Company. Any forward-looking statements made by, or on behalf of, the Company speak only as of the date they are made. Save as required by applicable law, the Company will not publicly release the results of any revisions to any forward-looking statements in this document that may occur due to any change in the Directors' expectations or to reflect events or circumstances after the date of this document. All subsequent written and oral forward-looking statements attributable to either QinetiQ Group plc or to persons acting on its behalf are expressly qualified in their entirety by the cautionary statements referred to in this disclaimer and contained elsewhere in this document.

QinetiQ Group plc and its directors accept no liability to third parties in respect of this document save as would arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with Schedule 10A of the Financial Services and Markets Act 2000. It should be noted that Schedule 10A and Section 463 of the Companies Act 2006 contain limits on the liability of the directors of QinetiQ Group plc so that their liability is solely to QinetiQ Group plc.

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