Renewed ambition to accelerate sustainable growth
Agenda

- Introduction
- US growth strategy
- Digital Test & Evaluation
- Environmental, Social & Governance
- Financial summary
- Summary
Renewed ambition to accelerate growth building on strong track record

Strong operational performance

- Revenue: 60% growth
- Operating profit: 28% growth

Good forward visibility

- Orders pipeline for next 5 years: 3x growth
- Revenue under contract for next 2.5 years: 55% growth

60% growth

Growing an integrated global company at stable margins to deliver enhanced shareholder returns

FY16
£755m

FY21E
£1.2bn

FY26+
60% growth

6 FY21 revenue guidance
1. Orders pipeline for next 5 years at end of each FY; FY16 estimated and FY21 at half year
2. Revenue under contract for next 30 months at half year of each FY
Evolved strategy to increase focus and accelerate growth

Vision
The chosen partner around the world for mission-critical solutions, innovating for our customers’ advantage

Mission-led innovation
Create it  Test it  Use it

Customer focused growth strategy
Global leverage
Build an integrated global defence and security company to leverage our capability through single routes to market in UK, US, Australia, Canada, Germany and Belgium

Distinctive offerings
Co-create distinctive products and services to offer exceptional value for our customers in engineering, experimentation, test, training, information and autonomous systems

Disruptive innovation
Invest in and apply disruptive business models, digitisation and advanced technologies to enable our customers’ operational mission at pace

High performance inclusive culture
Our Values  Integrity  |  Collaboration  |  Performance  |  Our Behaviours  |  Listen  |  Focus  |  Keep my promises
We deliver responsibly, sustainably and for the benefit of all our stakeholders
Key enablers to realise our renewed scale of ambition

- US growth strategy to double revenue to $600m+
  - Leader in advanced sensing, robotics and autonomy
  - Organic growth and strategy-led acquisitions

- Digital Test & Evaluation investment to enable next generation products and services for our customers
  - Expanding our live virtual offerings at pace

- Environmental, Social & Governance responsibility is fundamental to how we do business
  - Integral to our growth strategy and delivering benefits for our customers, employees and our shareholders

Growing an integrated global company at stable margins to deliver enhanced shareholder returns

FY21\textsuperscript{E} c.£1.2bn

\textsuperscript{E} FY21 revenue guidance
Today’s speakers

Mary Williams
President: United States

- Joined QinetiQ in December 2019 with the acquisition of MTEQ
- Responsible for United States business unit
- Industry experience
  - Owner and President of Manufacturing Techniques Inc. (MTEQ)
  - Principal, EOIR Technologies
- Other positions & qualifications
  - Hyperspectral expert, engineer & technical leader within the US DoD R&D community for applied sensor technologies

Nic Anderson
Group Managing Director: Air & Space

- Joined QinetiQ in May 2018
- Responsible for Air & Space business unit and delivery of EDP
- Industry experience
  - MD Defence Land, Babcock International Group
  - MD Land and Sea, VT Group
  - MD, CAE UK plc and Chairman, CAE ATS plc
  - Operations Director Naval, Customers Solutions & Support, BAE Systems
- Other positions & qualifications
  - Harvard AMP Alumni
  - Trustee Team Army Sports Foundation

Ian Beresford
Group Functional Director: Technical

- Joined QinetiQ in October 2006
- Responsible for engineering, safety and technical assurance and resources; Group-lead for Environment
- Industry experience
  - Engineering Officer, Royal Air Force
  - Director of Rotary and Fixed Wing aircraft maintenance facilities, MoD
- Other positions & qualifications
  - MBE, Chartered Engineer, Chartered Director, Qualified Exec Coach
  - Trustee & Deputy Chair of the Royal Air Force Charitable Trust
US growth strategy
Fueling growth through Mission-led Innovation

- Closely supporting US modernization priorities
- Leveraging close customer relationships
- Aligned to key customers’ $15B annual investment in autonomy and sensing
- Differentiated through our ‘Mission-led Innovation at Pace’ approach
- Robust operations, progressively aligning with global QinetiQ

"robotics are driving a fundamental change in the character of war."

"expanding our advantage... field the platforms necessary for Distributed Maritime Operations."

Sensing and Autonomy R&D Investment

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment</th>
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<tbody>
<tr>
<td>FY19</td>
<td>$5B</td>
</tr>
<tr>
<td>FY20</td>
<td>$10B</td>
</tr>
<tr>
<td>FY21</td>
<td>$15B</td>
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</tbody>
</table>

15% growth per annum
Innovating for evolving defence and security needs

- **Robotics and Autonomy Systems (RAS)**
  - *Examples: RCV-L, Talon™ and SPUR™*

- **Sensor solutions and systems**
  - *Example: State-of-the-art airborne surveillance sensing system*

- **Maritime systems**
  - *Examples: EMALS and SEAScout™*

- **Global technology leverage**
  - *Examples: E-X Drive and target systems*
Strategically positioning for growth

<table>
<thead>
<tr>
<th>Strategic objectives</th>
<th>Example projects</th>
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</thead>
<tbody>
<tr>
<td><strong>Integrate</strong></td>
<td>Robust operations as a platform for further acquisitions</td>
</tr>
<tr>
<td><strong>Build</strong></td>
<td>Agile, scalable, and differentiated – with our ‘Mission-led Innovation at Pace’ approach</td>
</tr>
<tr>
<td><strong>Grow Margins</strong></td>
<td>Maturing products that address mission critical modernization needs</td>
</tr>
<tr>
<td><strong>Expand</strong></td>
<td>Winning new contracts across Land, Air, Maritime, Space and Cyber domains</td>
</tr>
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</table>

A clear strategy, driven by a fresh leadership team
Innovating for our customers to grow in the US

• Clear strategy and fresh leadership
  – Focused on our four primary objectives

• Innovating to fulfill evolving market needs
  – Leveraging our proven technologies – that address a new set of threats
  – Concentrating on advanced RAS, ISR and AI solutions and pulling through global technology

• ‘Mission-led Innovation at Pace’ approach
  – Underpinned by rapid solution development, close customer relationships and industry partnerships

Poised to double our US revenues to over $600M by 2026
Questions?
Digital Test & Evaluation
Transforming to stay ahead for our customers’ advantage

Characteristics of warfare drives new global defence and security paradigm

• Proliferation of low cost and asymmetric threats
• Increased systems complexity
• New technologies introduced at pace

Creates growth drivers for Mission-led Innovation

• Increase pace of capability development
• Enhance connectivity and interoperability
• Maximise value of information throughout system lifecycle

Investing in digital T&E to accelerate our next generation global products and services
Enhancing our capabilities with Digital T&E

Mission-led innovation

Create it

Test it

Use it

Traditional test & evaluation

Our Digital Investment Programme will enable

- Digital platforms & synthetic modelling tools to support sharing and testing of digital models as the ‘Create it’ process evolves
- Assure as you go
- Digital brought into trials & exercises to join up ranges and information to enhance our ‘Test it’ capabilities
- Strengthening our core T&E offering
- Digital tools and systems to combine live & virtual training and exercises
- Mission Rehearsal training: ‘Use it’

Establishing the Digital T&E foundations for the long term
Expanding our customer services through Digital T&E

Mission-led innovation

Create it  Test it  Use it

Traditional test & evaluation

Combat ships: *Assure as you go*

5 year USAFE contract: *Mission Rehearsal*

Digital T&E provides enhanced customer offerings supporting sustained growth
Sustained growth through Digital T&E

Create it

- Developing first of type digital T&E platform – Combat Air Acquisition
- To enable rapid capability delivery for customers saving time and cost

Test it

- Transferring expertise from UK to Australia – Queensland Range
- Secure, information rich test and mission training

Use it

- Growing mission simulation in the US - Joint Effects Targeting System
- Supporting customers with mission effectiveness

Digital T&E provides global opportunities leveraging our Home Countries
Summary – transforming to stay ahead for our customers’ advantage

• Characteristics of warfare drives new opportunities for Mission-led Innovation
  – Need new and complex products delivered at pace
  – Seeking advantage through exploitation of information
  – Requirement for opaque and secure mission rehearsal environments

• Creates growth drivers for Digital Test & Evaluation
  – Disruptive digital T&E platform to enable transformation
  – Expands use of live T&E assets through live virtual connectivity
  – Enables global leverage; develop once, use many times

• Investing in global products and services to exploit the growth drivers
  – Committed to digital investment for growth
  – Enabling new growth building on our long term customer partnerships
  – Co-creating new capabilities with customers

Investing in digital T&E to accelerate our next generation global products and services
Questions?
Environmental, Social & Governance
Our Core Purpose is at the heart of our business

Our Purpose
Protecting lives, defending sovereign capability and securing the vital interests of our customers

Mission-led innovation

Create it
Test it
Use it

How our customer offerings positively contribute to society

- Take troops out of harms way
- Novel R&D to improve efficiency and emissions
- Improving safety, reliability and accuracy
- Making our troops safer in theatre
- Virtual training: Safe, cost effective, reduced emissions
- Solving security threats

We deliver responsibly, sustainably and for the benefit of all our stakeholders
Environment – what we are doing for QinetiQ and for our customers

Customer solutions

- Innovative fuel efficient engines
- Enhanced operational performance
- Live-virtual training
- Reduced physical exercises: improved safety, lower cost & reduced emissions
- ALTIUS satellite development
- To monitor and map stratospheric ozone

Business operations

- Science based target: GHG Scope 1 + 2 emissions 25% reduction by 2025
- New Non-financial KPI
- Net zero plan
- Deliver complex T&E whilst caring for environment
- Manage and operate 53 conservation sites
- Global Environment, Health & Safety strategy
- Leadership and empowerment
Society – what we are doing for QinetiQ and for our customers

Customer solutions

- IP exploitation to combat COVID-19
- C-19 air respirator, airflow modelling
- Technology to solve policing & security threats quicker
- Cyber security for critical assets
- Robotics & autonomy
- Taking the troops out of harms way
- Robotic Appliqué Kit

Business operations

- High performance inclusive culture
- Wellbeing: mental health & resilience
- Employee engagement
- Global Employee Voice
- Personal development apprentices to PhDs
- Inspirational STEM Outreach
- Local volunteering
- Contribution to society
 Governance – what we are doing for QinetiQ and for our customers

<table>
<thead>
<tr>
<th>Customer solutions</th>
<th>Business operations</th>
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</thead>
<tbody>
<tr>
<td>• Ensuring safety of military platforms</td>
<td>• Ethics of defence: where we do business &amp; with whom</td>
</tr>
<tr>
<td>• Release to service</td>
<td>• Leadership role across defence: ADS &amp; DSF</td>
</tr>
<tr>
<td>• Weapons safety and advice</td>
<td>• Code of Conduct</td>
</tr>
<tr>
<td>• Advise on safe, storage and disposal of weapons</td>
<td>• Tackling modern slavery</td>
</tr>
<tr>
<td>• Manage multi-national Formidable Shield exercises</td>
<td>• Anti-bribery &amp; corruption programme</td>
</tr>
<tr>
<td>• Conduct complex hazardous activities safely</td>
<td>• Recognised as ‘best practice’ for approach to autonomous systems</td>
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24 Investor seminar 4 March 2021
Our Purpose

Protecting lives, defending sovereign capability and securing the vital interests of our customers

Environmental
- Climate Change/Net Zero
- Environmental Management
- Waste and Resources
- Conservation and Biodiversity
- Sustainable solutions for customers
- Financing linked to GHG targets

Social
- Employee Engagement
- Diversity & Inclusion
- Employee Health Safety & Wellbeing
- Employee Learning & Development
- Employee Reward and Recognition
- Community investment & STEM outreach

Governance
- Business Ethics
- Code of Conduct
- Anti-bribery and Corruption
- Tackling Modern Slavery
- Trading Policy
- Responsible & Sustainable Procurement
- Leadership Remuneration

Our values

Integrity
- Fully supported by Board & GLT

Collaboration
- Industry leadership: ADS & DSF
- Cross-functional approach

Performance
- MSCI: AA rating
- Sustainalytics: A&D Sector Leader

We deliver responsibly, sustainably and for the benefit of all our stakeholders
Questions?
Financial summary
Delivering growth and shareholder return

• Successful track record & foundations in place to support continued growth:
  – Last 5yrs: 60% revenue growth & 28% operating profit growth
  – Set up for next 5yrs+: Significant increase in order pipeline and forward visibility
  – Balance sheet strength: £113m net cash (30 Sept 2020) + 2 disposals (c.£35m) + £275m RCF available; leverage optionality for larger M&A

• Ambition to deliver at least the same level of growth in the next 5+ years as we have in the last 5 years:
  – Mid-term organic revenue growth of mid-single digit percentage, plus strategic M&A

• Balanced investment needs to support growth:
  – >£750m* invested & committed in organic growth & acquisitions over the last 5 years
  – Lower organic investment required to deliver the next phase of growth
  – Strong Return on Capital Employed (ROCE) forecast

• Existing guidance includes growth and investment discussed in this Seminar – no change to guidance:
  – Increasing international revenue from ~35% to over 50%
  – Organic growth at stable margins (12-13%); FY22 & FY23 100bps lower (Digital)
  – Proactive strategy-led acquisitions to further accelerate growth

* Over FY16 to FY21: includes LTPA £370m committed, £266m acquisitions completed
Resilient performance through FY21

• Took decisive action early in the pandemic to protect safety and customer delivery and position for growth as we emerge from the crisis

• Continued strong order intake and delivery through COVID-19 pandemic – supporting critical sovereign defence capabilities

• We remain on track to deliver our fifth consecutive year of organic growth

• We maintain our expectations:
  – We expect to deliver low double-digit revenue growth (low to mid-single digit revenue growth on an organic basis) with operating profit margins broadly consistent with our first half performance, reflecting lower COVID-19 impacts but higher digital transformation investment in the second half

• Preliminary results on 20 May 2021
Financial strategy: growing sustainably and profitably to drive shareholder value

<table>
<thead>
<tr>
<th>1. Revenue Growth</th>
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<tbody>
<tr>
<td>• Selectively winning business in our key focus areas including UK, US and International</td>
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<tr>
<td>• Longer-term contracts providing greater visibility and stability</td>
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<tr>
<td>• Attractive high growth niche markets</td>
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<tr>
<td>• Creating incremental opportunities from carefully considered approach to risk</td>
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<tr>
<td>• Organic growth plus complementary and strategically aligned bolt-on acquisitions</td>
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<table>
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<th>2. Stable margins</th>
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<tbody>
<tr>
<td>• SSRO profit headwind in EMEA Services now stabilised</td>
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<tr>
<td>• Increasing product portfolio and longer-term contracts will improve margin stability in Global Products</td>
</tr>
<tr>
<td>• Output based contracts provide greater cost flexibility and revenue opportunities</td>
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<tr>
<td>• Continuing to invest in business to support growth</td>
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<tr>
<td>• Maintaining overall cost discipline</td>
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<tr>
<th>3. Appropriate Returns</th>
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<tbody>
<tr>
<td>• Clear framework for evaluating opportunities: organic and M&amp;A</td>
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<tr>
<td>• Thoughtful use of our balance sheet</td>
</tr>
<tr>
<td>• Ensuring investment returns commensurate with level of risk</td>
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<tr>
<td>• Delivering appropriate return on capital to shareholders</td>
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Summary
Key enablers to realise our renewed scale of ambition

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Growing an integrated global company at stable margins to deliver enhanced shareholder returns

*FY21 revenue guidance*
Questions?
Thank you