
QinetiQ Group plc First Quarter Trading Update

18 July 2024 – QinetiQ Group plc (“QinetiQ” or the “Group”) today issues a trading update covering its first quarter to 30 June 2024.

On-track to deliver FY25 expectations – good first quarter performance

Operational performance in the first quarter has been good and we remain on-track to deliver high single digit organic revenue growth at stable margin with good cash conversion, in line with our FY25 guidance. Order intake performance was good with revenue under contract for the full year increasing to 73%, up from 64% at April 2024.

As part of our continued focus on disciplined capital allocation, our £100m share buyback programme is on-track to be completed in the financial year with £32m shares purchased by the end of the first quarter.

Steve Wadey, Group Chief Executive Officer said:

“I am pleased that we have delivered a good start to the year, with performance for the first quarter in line with our expectations and attractive shareholder returns. The relevance and demand for our services and products remains high in the elevated threat environment, as we continue to focus on consistent operational delivery for our customers and disciplined capital allocation. These three factors underpin our confidence in delivering our FY27 target of c.£2.4bn of organic revenue at c. 12% margin and compelling value for our shareholders.”

Good operational performance in EMEA Services

EMEA Services continues to deliver good operational performance with revenue growth in line with our expectations. Our long-term contracts, such as Engineering Delivery Partner in the UK and Major Service Provider in Australia, continue to perform well for our customers. We have also won a new framework contract for NATO customers to utilise our Test & Evaluation services in the UK provided under the Long Term Partnering Agreement.

Strong order intake in Global Solutions

Global Solutions delivered strong order intake with revenue performance in line with our expectations. In the US, we have won a contract to be the sole source provider of the survivability solution for the long-term Future Long Range Assault Aircraft (FLRAA) programme, with our Light-appliqué Armour Systems Technology. Through good delivery performance on our Tethered Aerostat Radar System contract we have also won an initial 10% growth in contract value, and we are continuing to realise the benefits of our integrated US platform by winning framework contracts with two new National Security customers.

Board Changes and AGM

As announced on 16th April 2024, Martin Cooper has been appointed as Group CFO. We are pleased to confirm that Martin will join QinetiQ at the start of September, sooner than originally anticipated.

QinetiQ's 2024 Annual General Meeting (AGM) will be held at 11am on Thursday 18th July at Ashurst LLP, London Fruit & Wool Exchange, 1 Duval Square, London E1 6PW.

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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