

# Investment case

Creating enduring value for our customers and shareholders



## Unique capabilities critical to national sovereignty

- Key partner to UK defence
- Leading expertise and facilities
- At the centre of creating, testing and training defence capability

Over

# 3,000

scientists and engineers globally

# 34

sites across the UK



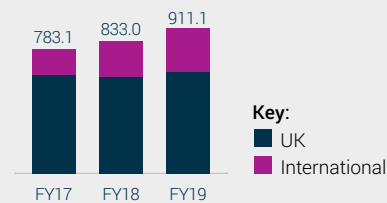
# 16

sites under the Long Term Partnering Agreement

## Increasing exposure to attractive international markets

- Significant presence in high-growth home countries – the US and Australia, as well as the UK
- Growing presence in the Middle East, Europe and Canada
- Ambition to increase international revenue to 50% of Group
- Addressable market of >£8bn

Group revenue (£m)



# 30%

international revenue (FY18: 27%)

# 4

acquisitions since the launch of new strategy

# 41%

revenue increase for QinetiQ Target Systems in FY19

## A clear growth strategy

- Lead and modernise UK test and evaluation
- Build an international company
- Innovating for our customers' advantage

£3.1bn\*

total order backlog  
(FY18: £2.0bn)

£370m

investment into the Long Term Partnering Agreement

3

years of revenue growth

\* Includes LTPA amendment signed post year end on 5 April 2019.

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Strategic progress

## Strong financial profile

- Long-term contracts
- Cash generative model
- Strong balance sheet
- Ability to self-fund organic and inorganic investment
- Clear capital allocation policy

74%

revenue cover  
(FY18: 69%)

102%

cash conversion  
(FY18: 103%)

£188.5m

of net cash  
(FY18: £266.8m)

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Chief Financial Officer's review

## Increasing returns to our shareholders

- Three years of revenue growth following five years of decline
- Sustainable increase in key financial metrics
- Progressive dividend policy

9%

revenue growth  
(FY18: 6%)

2%

underlying EPS growth  
(FY18: 7%)

5%

increase in full year dividend  
(FY18: 5%)

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Chairman's statement