Taken action to drive short-term performance and long-term growth

QinetiQ Group plc
Interim results for half year ended
30 September 2025

13 November 2025

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Headlines

1 Tough near-term market with robust operational performance and US restructuring on-track

2 Highly relevant capabilities in a growing market gives good visibility of long-term growth

3 Full year guidance unchanged with continued discipline on capital deployment

Well positioned for increasing defence spending to deliver compelling value creation for shareholders

Agenda

1	Half year in review	Steve Wadey – Group CEO
2	Financial results	Martin Cooper – Group CFO
3	Strategic outlook	Steve Wadey – Group CEO
4	Q&A	

Half year in review

Steve Wadey

Group Chief Executive Officer

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Half year in review

- Good progress on US restructuring and improvement actions
- Robust financial performance in tough near-term markets
- Delays to UK framework orders; priority major programmes
- Secured £1.5bn LTPA award[1] to transform for future warfare
- Good long-term visibility; £4.8bn backlog[2] & £11bn+ pipeline
- Launched strengthened AI-enabled EDP partnership
- Increased shareholder returns through multi-year buyback

H1 FY26

Orders	Revenue
£2,416.5m +134% 0.9x book-to-bill[3] H1 FY25: £1,034.8m	£900.4m -5% -3% organic H1 FY25: £946.8m

Profit[4]	Cash
£96.0m -10% 10.7% margin H1 FY25: £106.6m 11.3%	85% conversion 0.6x leverage H1 FY25: 84% 0.6x

Continued focus on delivering consistent operational performance

[1] £1.54bn LTPA extension plus award of £166m relating to current investments [2] Funded and unfunded backlog [3] B2B ratio is orders won divided by revenue recognised, excluding LTPA awards and revenue of £132m (H1 FY25: £131m)
[4] Operating profit from segments Note: glossary of acronyms in Appendix

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EMEA Services

Tough near-term market conditions

- Revenue flat with good margin performance
- Good backlog execution; UK grew 2% due to order delays
- Australia declined due to loss of MSP land work package

Resizing actions taken to build resilience

Successful delivery of long-term contracts

- Strong milestone delivery performance across EDP
- T&E Innovation Gateway to attract SMEs and new entrants
- £25m strategic win to deliver synthetic training for RN

Clear orders pipeline to win and deliver second half forecast

Good strategic progress and well positioned to drive long-term growth

Note: glossary of acronyms in Appendix

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Global Solutions

Addressing market and operational challenges

- Disposal of US Fed IT business and headcount resizing
- Revenue declined with lower margin performance
- Non-US products revenue lower versus strong prior year

Good progress on US restructuring actions

US strategy focused on differentiated capabilities

- Space & missile defence, maritime, sensors, persistent ISR
- US secured $290m funded orders with book-to-bill of 1.5x
- Improving execution and focus on long-term programmes

Strong book-to-bill underpins second half performance

Smaller US business better aligned to national priorities and well positioned for future growth

Note: glossary of acronyms in Appendix

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Financial results

Martin Cooper

Group Chief Financial Officer

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Half Year Summary Financials

Significant backlog → Near-term market challenges & US restructuring → Margin on track for FY → Good cash generation → Increased returns

Order Intake ↑	Revenue ↓	Op' Profit ↓	Cash Conversion[1] ↑	Dividend & Buyback ↑
£2,416.5m	**£900.4m**	**£96.0m**	**85%**	**£100.5m**
134%	**(5)%**	**(10)%**		
H1 FY25: £1,034.8m	H1 FY25: £946.8m	H1 FY25: £106.6m	H1 FY25: 84%	H1 FY25: £78.4m

Order backlog[2]	Book-to-bill[3]	EPS	Leverage	ROCE
£4.8bn	**0.9x**	**14.2p**	**0.6x**	**21.1%**

Good cash conversion and enhanced shareholder returns despite difficult market conditions

All measures on this page are underlying. Operating profit is the total from the operating segments. Definitions of APMs can be found in the Appendix [1] The ratio of underlying net cash from operations to underlying EBITDA
[2] Funded and unfunded backlog [3] B2B ratio is orders won divided by revenue recognised, excluding LTPA awards and non-tasking revenue of £132m (H1 FY25 £131m)

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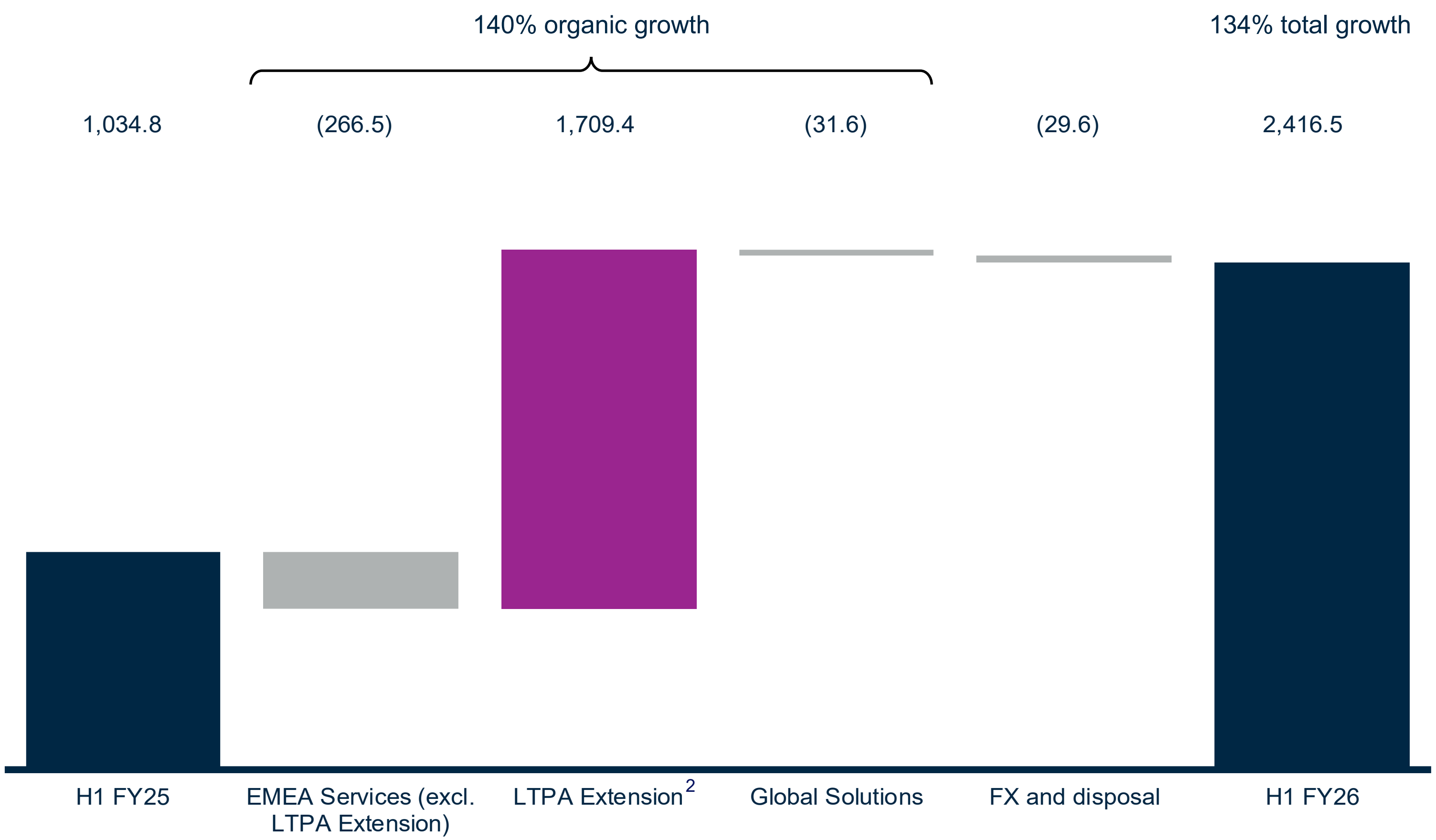
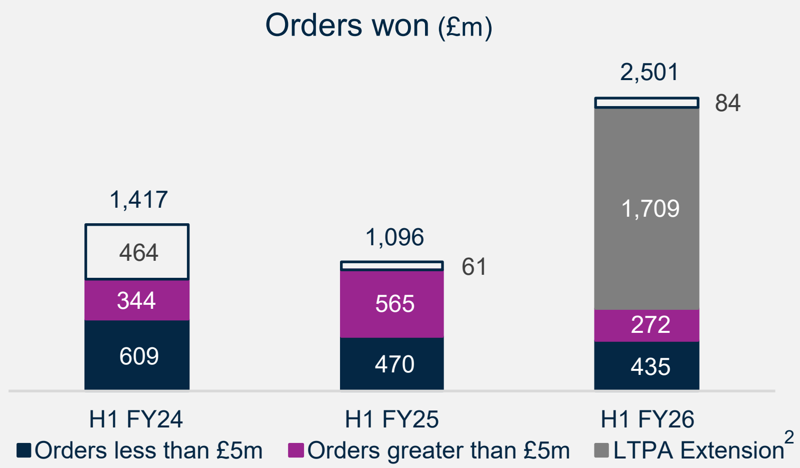
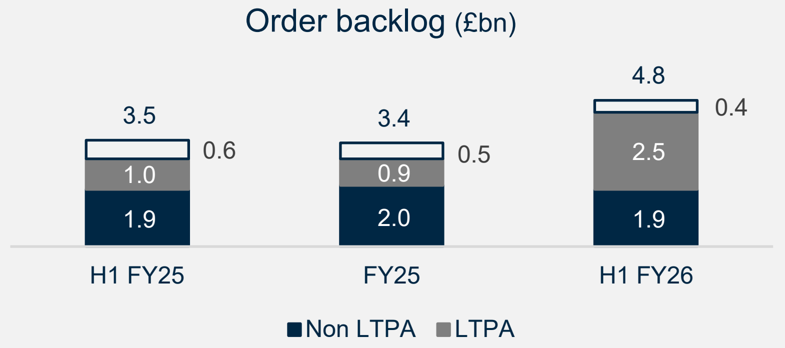
Record order intake with book-to-bill 0.9x[1]

Orders (£m)





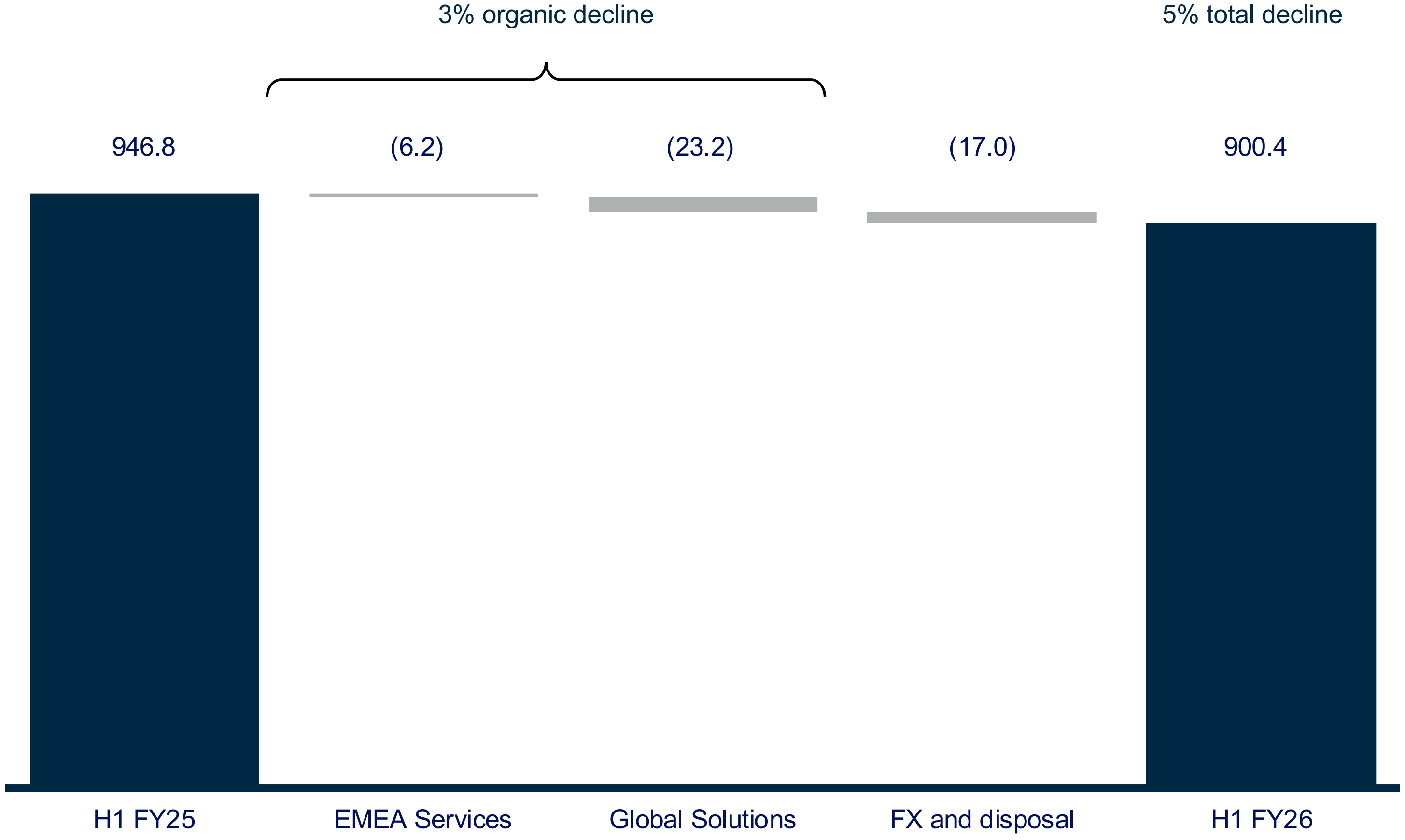


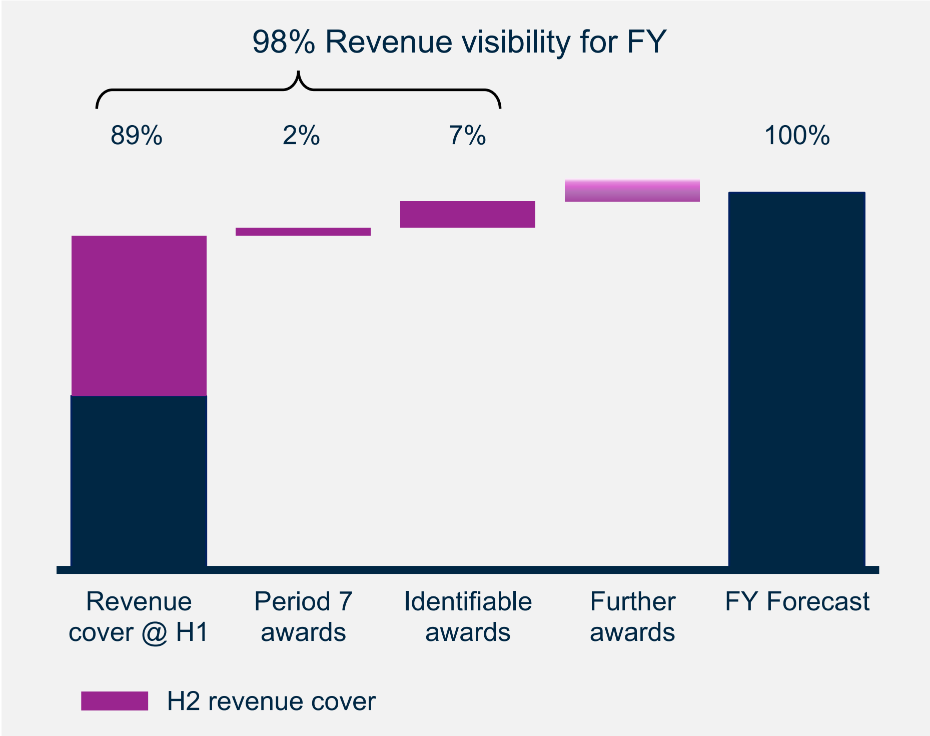
[1]B2B ratio is orders won divided by revenue recognised, excluding LTPA awards and non-tasking revenue of £132m (H1 FY25 £131m) [2]£1.54bn LTPA extension plus award of £166m relating to current investments

US unfunded orders represents the value of contract awards for which funding has not yet been appropriated or authorised

Revenue growth impacted by market conditions, orders timing & US restructuring

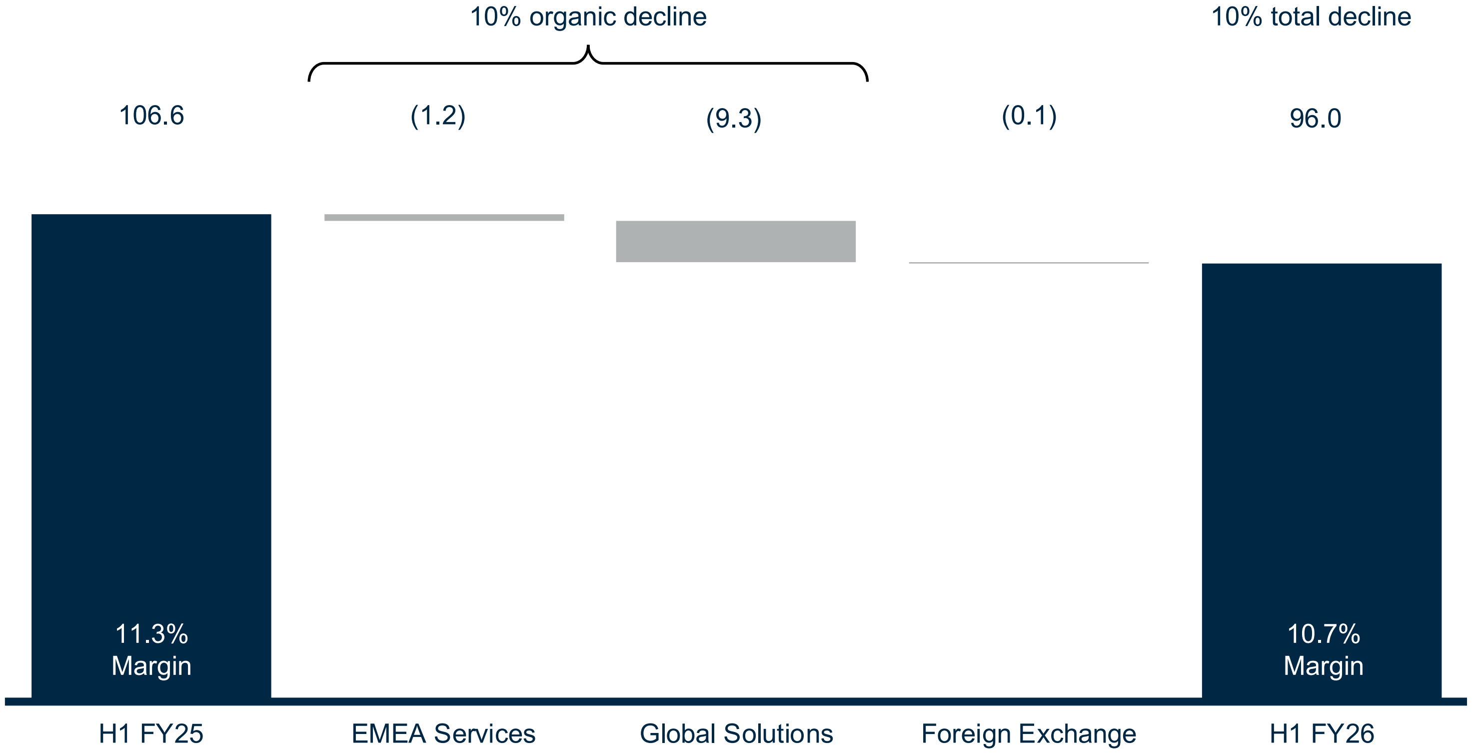
Revenue (£m)





Margin progression in line with FY guidance

Underlying operating profit from segments (£m)



	H1 FY26 £m	H1 FY25 £m
Operating profit from segments	**96.0**	106.6
RDEC Income	**14.8**	12.6
Underlying operating profit before tax	**110.8**	119.2
Digital investment	**(12.1)**	(9.9)
Amortisation of intangible assets arising from acquisitions	**(11.6)**	(12.1)
Impairment of property	**(0.2)**	-
Acquisition and disposal related costs	**-**	(2.9)
Restructuring costs and other impacts	**(22.6)**	-
Specific adjusting items	**(46.5)**	(24.9)
Statutory operating profit	**64.3**	94.3

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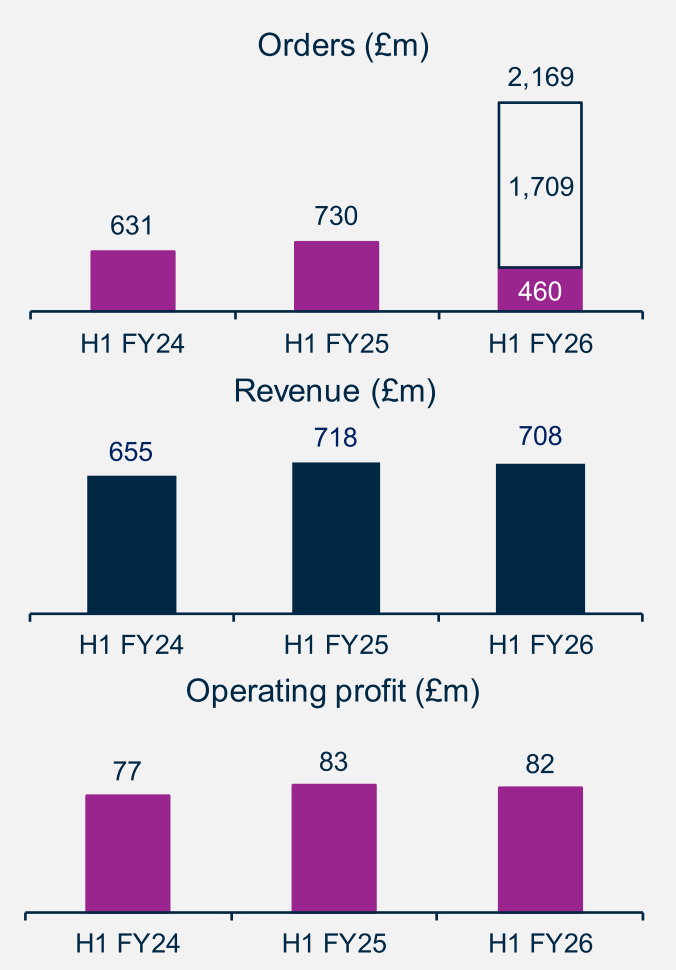
EMEA Services



	H1 FY26 £m	H1 FY25 £m	% change
Orders	**2,169.1**	730.4	197%
Revenue	**708.3**	717.8	(1)%
Underlying operating profit	**81.7**	82.9	(1)%
Underlying operating profit margin	**11.5%**	11.5%	(0)%
Book to bill ratio[1]	**0.8x**	1.2x	(36)%
Total funded order backlog	**3,926.4**	2,559.8	53%
Funded order backlog excl. LTPA amendments	**1,473.6**	1,570.9	(6)%

- Orders increased to £2.2bn driven by LTPA[2] awards
- Book-to-bill ratio[1] of 0.8x – difficult near-term market conditions in UK and Australia
- Funded order backlog increased to £3.9bn
- Revenue decreased by 1% due to order delays and lower expected revenue in Australia following the loss of Land IWP contract
- Operating profit margin at 11.5% in line with expectations, with good programme delivery and cost controls

[1]B2B ratio is orders won divided by revenue recognised, excluding LTPA awards and non-tasking revenue of £132m (H1 FY25 £131m).
[2]£1.54bn LTPA extension plus award of £166m relating to current investments

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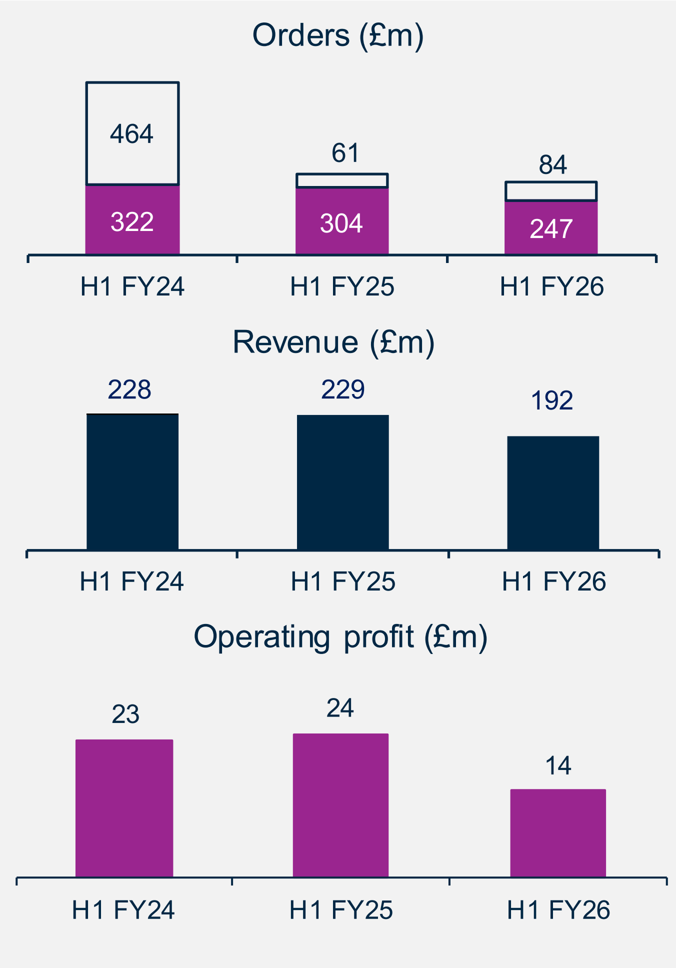
Global Solutions



	H1 FY26 £m	H1 FY25 £m	% change
Orders	**247.4**	304.4	(19)%
Revenue	**192.1**	229.0	(16)%
Underlying operating profit	**14.3**	23.7	(40)%
Underlying operating profit margin	**7.4%**	10.3%	(28)%
Book to bill ratio	**1.3x**	1.3x	(3)%
Funded order backlog	**419.3**	376.3	11%
Unfunded order backlog	**406.9**	529.0	(23)%

- Book-to-bill ratio of 1.3x supporting future revenue outlook. Good on contact growth with Space Development Agency and framework annual awards on TARS, SCO & SDA
- Funded order backlog increased by 11% from H1 FY25
- Revenue down by 16% reflecting the restructuring of US operations, the impact of market conditions on the now disposed Federal IT business and timing on product sales
- Operating profit margin reduced to 7.4% - in line with expectations and improved from FY25 year end as actions taken in the US take positive hold.

US unfunded orders represents the value of contract awards for which funding has not yet been appropriated or authorised   Note: glossary of acronyms in Appendix

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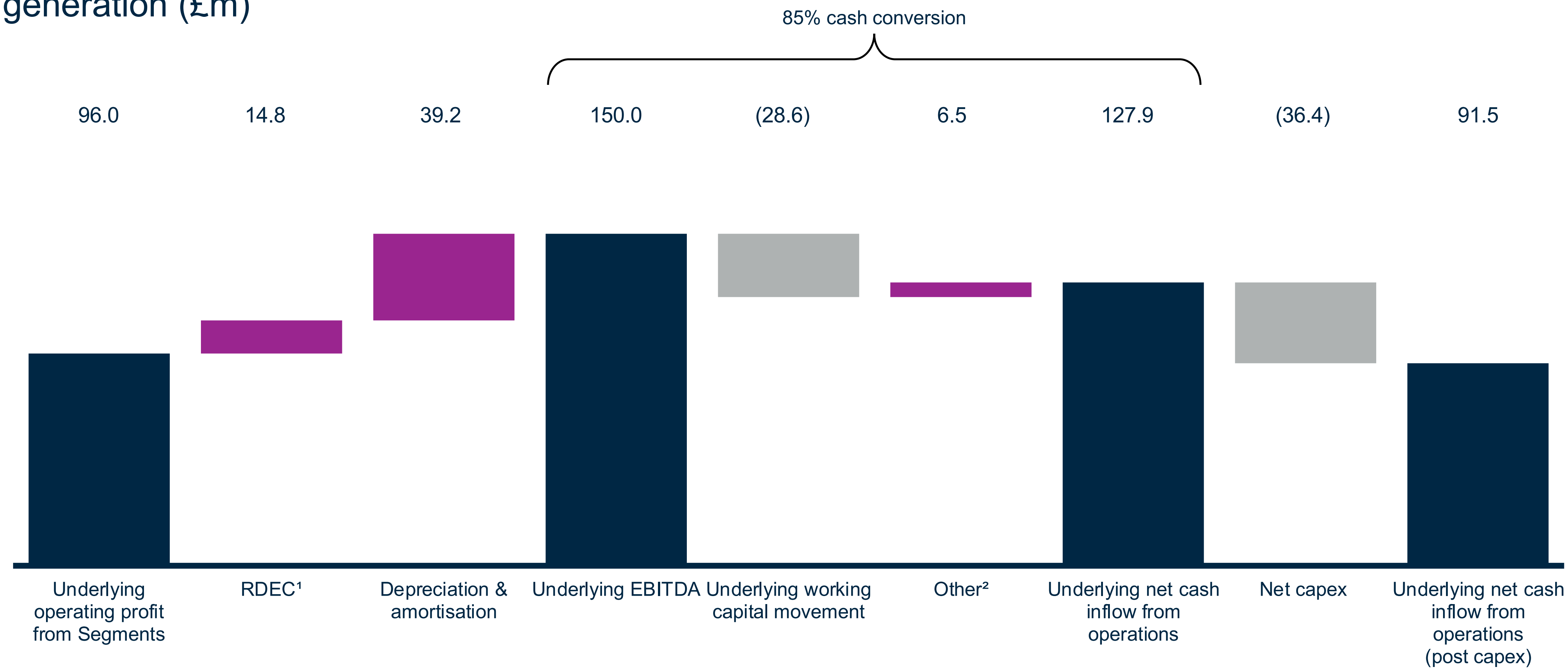
Strong cash generation

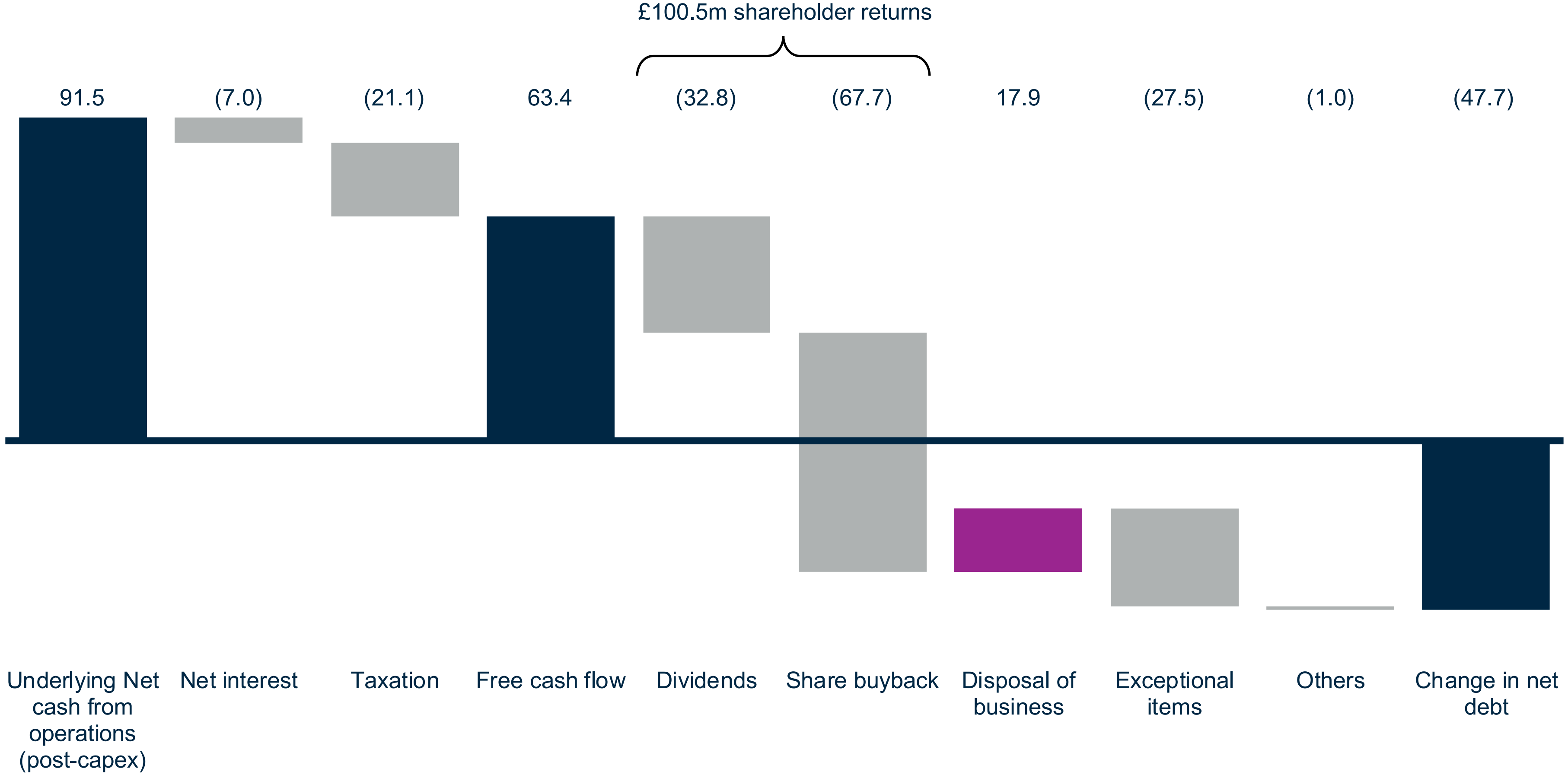
Cash generation (£m)



[1] Research and Development Expenditure Credit [2] Other movements driven by share based payments

Strong balance sheet supporting shareholder returns

Change in net debt (£m)



Leverage 0.6x

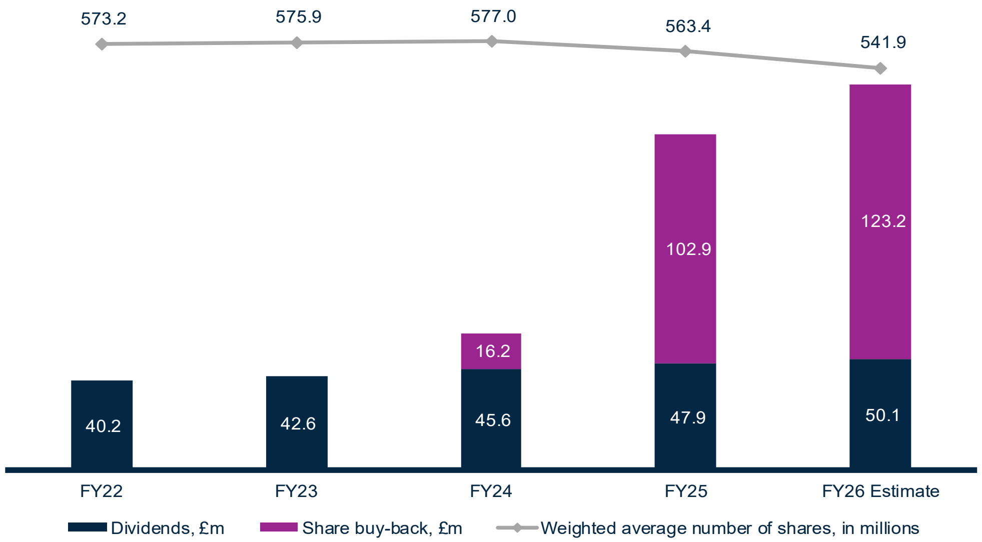
Net Debt £180.9m

[1] Exceptional items includes digital, restructuring costs and acquisition and disposal costs [2] Others includes movements relating to leases and foreign exchange

Disciplined capital allocation

Capital allocation policy	
Invest in our organic growth	Return excess cash to shareholders
Provide a progressive dividend to shareholders	Complement with value accretive acquisitions

- Progressive dividend growth of 7%, with interim dividend at 3.0p
- Average number of shares for H1 FY25 as used in EPS calculation reduced to 541.9m (H1 FY26: 569.1m)



Strong balance sheet with optionality for investment in growth and further shareholder returns

FY26 Guidance

	FY25	FY26	
Revenue	£1.9bn	c.3% organic growth	FX headwind and disposal of Federal IT Business
Profit margin	9.6%	c.11.0%	
Operating cash conversion[1]	105%	c.90%	Continued good cash generation
Underlying EPS	26.1p	15-20% growth	Margin recovery and share buy-back

Near-term markets remain challenging, strong cash generation enabling further shareholder returns

[1] The ratio of underlying net cash from operations to underlying EBITDA
GBP:USD average FX rate for FY25 was £1 : $1.28, the assumed average FX rate for FY26 is £1 : $1.34

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Strategic outlook

Steve Wadey

Group Chief Executive Officer

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Differentiated company highly relevant to increasing threat

Threat driving market dynamics

- NATO increasing spend to 3.5% of GDP
- Defence reform and greater competition
- New technology scaling at wartime pace

- Driving partnering and innovation
- Growing our domestic markets
- Expanding internationally

Customer focused strategy

R&D for technological superiority

Engineering services accelerating capability

Mission support for national security

Test & training for warfighting readiness

Our strategy and capabilities are structurally aligned to increasing global market opportunity

● FY25 total revenue £1,932m ● FY25 revenue share by capability

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Driving partnering and innovation to create competitive advantage

Government

- Strategic partner to UK across HMG and 4th largest defence supplier
- SDR aligned to our capabilities, inc. export focus e.g. Typhoon Türkiye

Industry

- EDP expanded with KBR / FNC, 25% SMEs and skills augmented by AI
- Teaming with Helsing for disruptive AI anti-submarine warfare capability

Investment

- Successfully transitioned to new digital platform in UK and Australia
- Developing cutting-edge defence technology e.g. laser weapons

Differentiated portfolio well positioned for increasing defence spending

Note: glossary of acronyms in Appendix

Growing our domestic markets through focus on mission critical capabilities

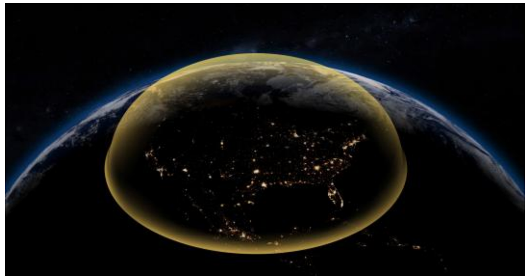
EMEA Services

- DroneWorks launched to accelerate drone development
- New award for next generation laser weapon technology
- Growth in secure comms and operational networks


Deep expertise across full breadth of programmes

Global Solutions

- Significant on-contract growth with SCO, TARS and SDA
- Capabilities aligned with multiple US space programmes
- Focus on maritime, targets, sensors and secure navigation




Investing to support organic growth opportunity

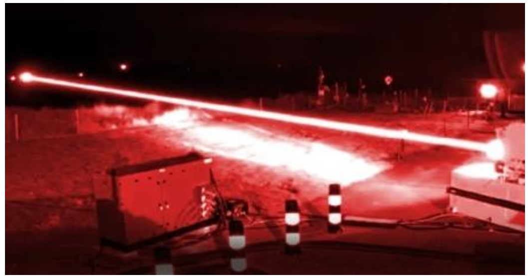
Structurally aligned to national defence and security priorities

Note: glossary of acronyms in Appendix

Expanding internationally by leveraging our core capabilities

AUKUS nations

- Technology sharing on Australia and UK laser weapons
- Exchanging experience across future EDP and MSP
- Applying maritime T&E capability to deliver AUKUS Pillar I



Developing opportunities across our customers

European NATO and allies

- Growing use of UK test & training e.g. Germany and Japan
- Exporting EW and mission data for operations e.g. Belgium
- Persistent surveillance solutions for Europe & Middle-East

Well positioned to grow our addressable market

Creating value across the company to drive organic growth

Note: glossary of acronyms in Appendix

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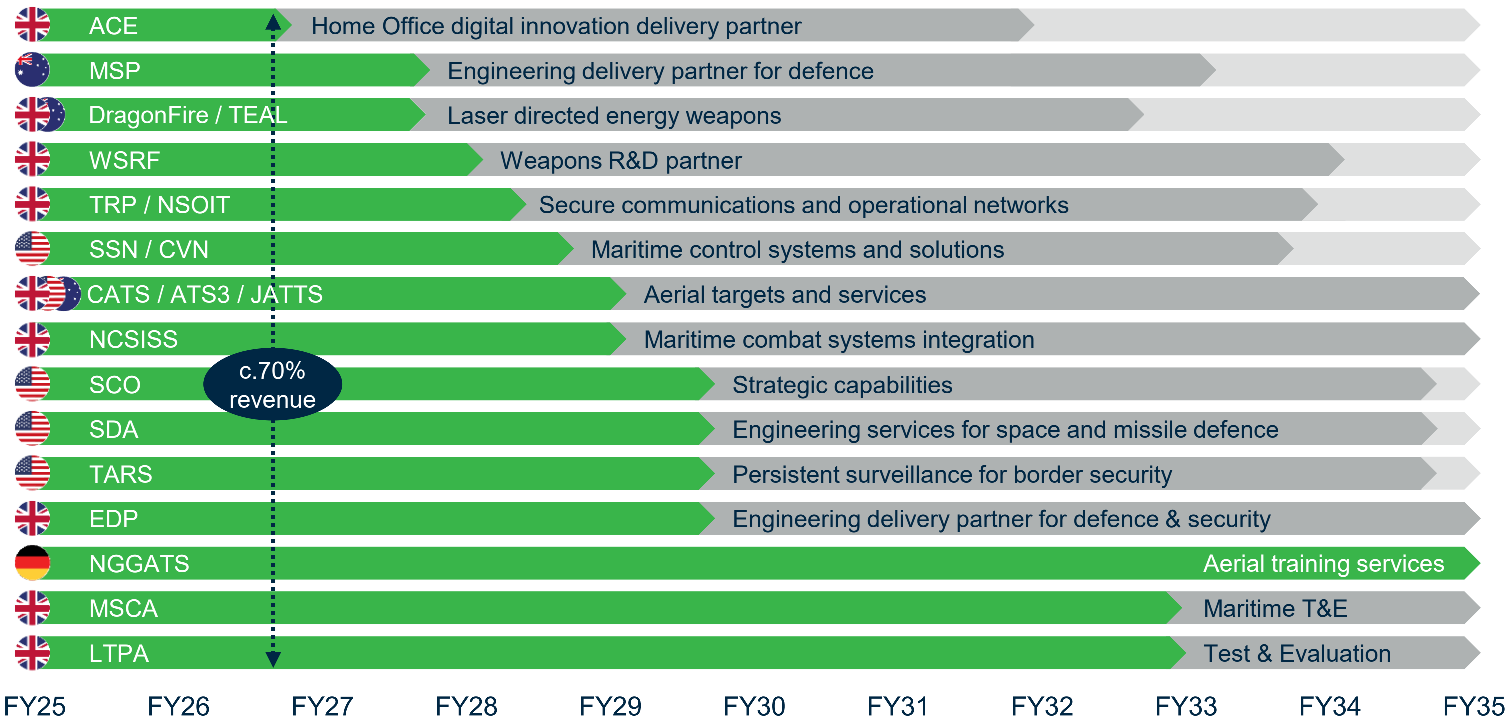
Significant £4.8bn backlog[1] plus £11bn+ pipeline underpins future growth

Grow domestic programmes and opportunities



Expand internationally

Laser weapon technology	£100m+
Drones and targets	£200m+
Secure navigation	£50m+
Maritime engineering services	£100m+
Air engineering services	£100m+
Space engineering services	£50m+
Test & Evaluation	£150m+
EW and mission data	£100m+
Persistent ISR	£250m+

Good visibility with >8x revenue driving long-term growth

[1] Funded and unfunded backlog   Backlog programmes   Domestic pipeline opportunities   International pipeline opportunities   Note: glossary of acronyms in Appendix

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Summary

Steve Wadey

Group Chief Executive Officer

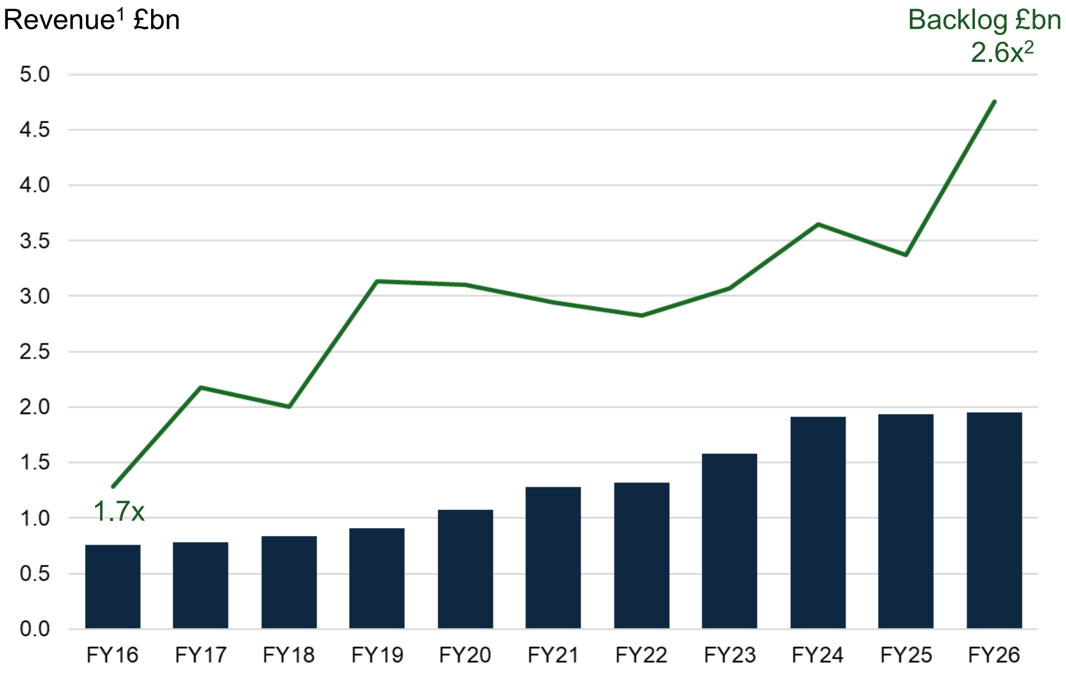
Summary

1 Tough near-term market with robust operational performance and US restructuring on-track

2 Highly relevant capabilities in a growing market gives good visibility of long-term growth

3 Full year guidance unchanged with continued discipline on capital deployment

Financial performance



Well positioned for increasing defence spending to deliver compelling value creation for shareholders

[1] Revenue shows continuing operations only [2] Backlog cover of in-year revenue

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Q&A

COMMERCIAL IN CONFIDENCE

Appendix

Glossary

Term	Definition
ACE	Accelerated Capability Environment
ATS	Aerial Target Systems
AUKUS	Australia, United Kingdom, United States
B2B	Book-to-Bill
CATS	Combined Aerial Target Service
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortisation
EDP	Engineering Delivery Partner
EMEA	Europe, Middle East and Australasia
EPS	Earnings Per Share
EW	Electronic Warfare
FNC	Frazer-Nash Consultancy
HMG	His Majesty’s Government
ISR	Intelligence, Surveillance and Reconnaissance
IWP	Integrated Work Package
JATTS	Joint Adversarial Test & Training Services
LTPA	Long-Term Partnering Agreement
MSCA	Maritime Strategic Capabilities Agreement
MSP	Major Service Provider

Term	Definition
NCSISS	Naval Combat Systems Integration Support Service
NGGATS	Next Generation German Aerial Training Services
NSOIT	National Security Online Information Team
PPE	Property Plant and Equipment
RDEC	Research and Development Expenditure Credits
ROCE	Return on Capital Employed
RN	Royal Navy
R&D	Research and Development
SCO	Strategic Capabilities Office
SDA	Space Development Agency
SDR	Strategic Defence Review
SME	Small to Medium Enterprise
SSN	Ship Submersible Nuclear
TARS	Tethered Aerostat Radar System
TRP	TacSys Resource Partner
T&E	Test & Evaluation
WSRF	Weapons Sector Research Framework

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Purpose driven strategy aligned to AUKUS nations and NATO allies

Protecting lives by serving the national security interests of our customers

Invest in core capabilities	Grow in core markets	Expand across markets	Drive innovation and partnering
High-value and differentiated	**Enable critical national priorities**	**Deep multi-domain expertise**	**Co-create innovative solutions**
1. Research & Development	1. Australia	1. NATO and allies	1. Advanced technologies
2. Engineering Services	2. United Kingdom	2. AUKUS partnership	2. Digital transformation
3. Test & Training	3. United States	3. Leverage capabilities	3. New business models
4. Mission Support & Operations			

Our strategy is well matched to evolving customer needs

Note: glossary of acronyms in Appendix

Definitions

- Underlying performance is stated before:
  - Amortisation of intangibles arising from acquisitions
  - Pension net finance income
  - Gains/(losses) on disposal of businesses, investments and property
  - Transaction, integration and one-off remuneration costs in respect of business acquisitions and disposals
  - Impairment of property and goodwill
  - One-off period of digital investment
  - Costs and associated impacts of group-wide restructuring programmes
  - Tax impacts of the above items
  - Other significant non-recurring tax and RDEC movements
- Book-to-bill:
  - Orders won divided by revenue recognised excluding the LTPA contract
- Organic growth:
  - The level of year-on-year growth, expressed as a percentage, calculated at constant prior year foreign exchange rates, adjusting for business acquisitions and disposals to reflect equivalent composition of the Group
- Underlying cash conversion or cash conversion ratio
  - The ratio of underlying net cash from operations to underlying EBITDA

Note: glossary of acronyms in Appendix

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Additional technical guidance

	FY25	FY26
Underlying net finance expense	£16.8m	→
Effective tax rate[1]	12.8%	↘
Tax cash outflow	£48.6m	↘
Capital expenditure	£108.4m	→
Leverage	0.4x	↗
Share buy-back	£102.9m	↑

1 Illustrative tax rate to reflect RDEC credit included in the tax line (to be used on Underlying Operating Profit from Segments). Equivalent published tax rate of 26.0% excluding the benefit of RDEC in the tax rate

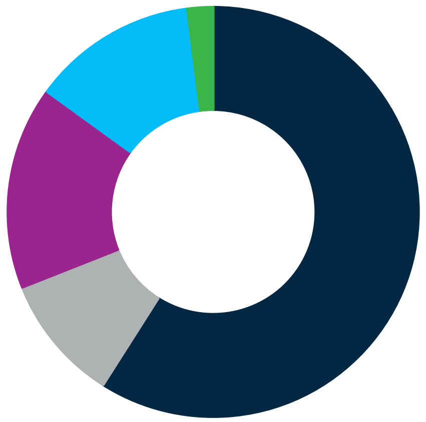
Revenue by customer and country

Revenue by customer (%)

H1 FY26

£900.4m

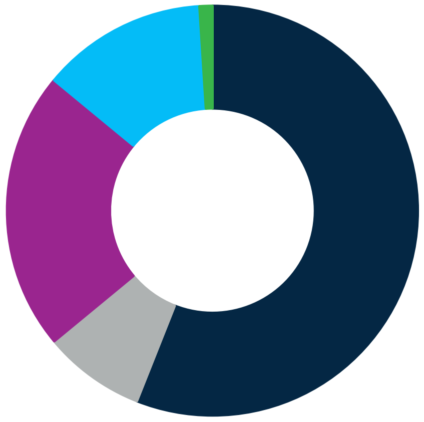
	%
MOD	**59%**
DoW	**10%**
Government agencies	**16%**
Defence Other	**13%**
Commercial	**2%**



H1 FY25

£946.8m

	%
MOD	**56%**
DoW	**8%**
Government agencies	**22%**
Defence Other	**13%**
Commercial	**1%**

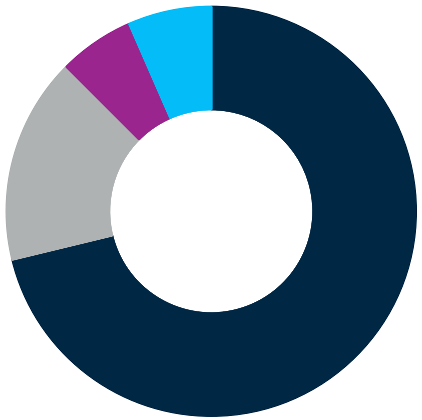


Revenue by destination country (%)

H1 FY26

£900.4m

	%
UK	**71%**
US	**16%**
Australia	**6%**
Other	**7%**



H1 FY25

£946.8m

	%
UK	**66%**
US	**18%**
Australia	**9%**
Other	**6%**

Income statement including specific adjusting items*

	H1 FY26 £m	H1 FY25 £m
Operating profit from segments	**96.0**	106.6
RDEC Income	**14.8**	12.6
Underlying operating profit before tax	**110.8**	119.2
Amortisation of intangible assets arising from acquisitions	**(11.6)**	(12.1)
Digital investment	**(12.1)**	(9.9)
Acquisition and disposal related costs	**-**	(2.9)
Impairment of property	**(0.2)**	-
Restructuring costs and other impacts	**(22.6)**	-
Statutory operating profit	**64.3**	**94.3**
Disposal of business	**0.5**	-
Pension net finance income	**1.1**	0.4
Underlying net finance expense	**(8.6)**	(8.2)
Profit before tax	**57.3**	86.5
Taxation	**(19.0)**	(23.5)
Profit after tax	**38.3**	63.0

* Definitions of APMs can be found in the Appendix

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Impact of foreign exchange translation

	H1 FY26 **£m**	H1 FY25 £m	**H1 FY26 Restated at H1 FY25 rates** **£m**	FY25 FX headwind £m	**FY25 FX headwind** **%**
Orders	**707.1**	1,034.8	**719.8**	(12.7)	(1.2%)
Revenue	**900.4**	946.8	**910.8**	(10.4)	(1.1%)
Underlying* operating profit	**96.0**	106.6	**96.1**	(0.1)	(0.1%)

- Key driver of FX change in the year was the translation of US dollars. The average USD rate for H1 FY26 was 1.34, compared to 1.29 in FY25
- US revenue was 16% of the H1 FY26 total
- A 5 cent movement in the USD rate would impact annual revenue by c.£15m

* Definitions of APMs can be found in the Appendix

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Understanding our different underlying profit and tax rates

	H1 FY26 £m	H1 FY25 £m
Operating profit from segments	**96.0**	106.6
RDEC income	**14.8**	12.6
Underlying operating profit*	**110.8**	119.2
Underlying tax charge*	**25.4**	30.1
Tax income on other specific adjusting items	**(6.4)**	(6.6)
Headline tax charge	**19.0**	23.5
*Underlying tax rate**	***24.9%***	*27.1%*
Illustrative effective tax rate, with impact of RDEC income included in the tax charge		
Operating profit from segments*	**96.0**	106.6
Underlying tax charge including RDEC income	**10.6**	17.5
Effective tax rate including RDEC income	***12.1%***	*17.8%*

* Definitions of APMs can be found in the Appendix

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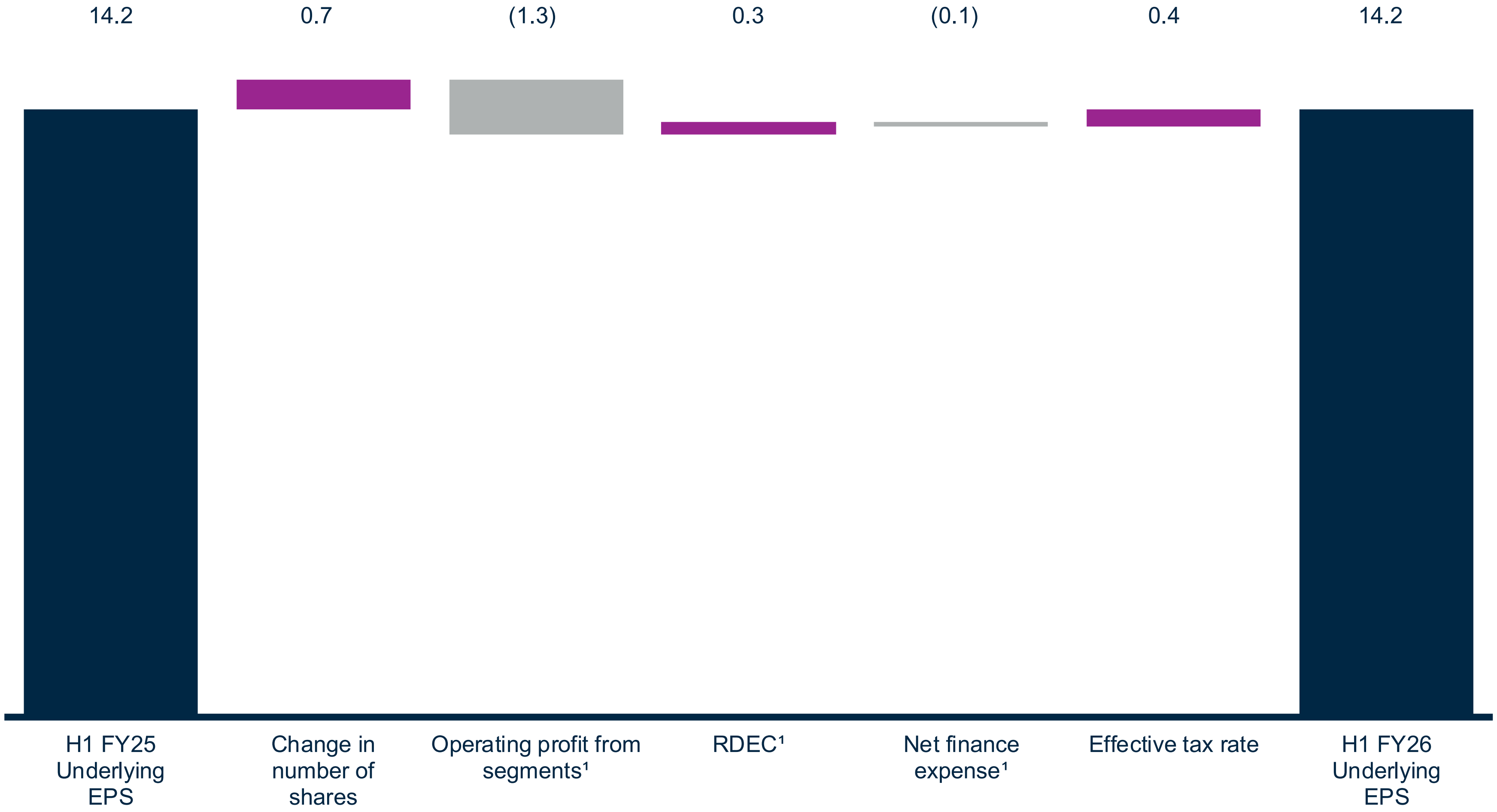
Underlying earnings per share (pence)



[1] Post-tax

Cash conversion

	H1 FY26 £m	H1 FY25 £m
Operating profit from segments	**96.0**	106.6
Underlying RDEC income	**14.8**	12.6
Underlying operating profit	**110.8**	119.2
Depreciation and amortisation	**39.2**	36.9
EBITDA	**150.0**	156.1
Underlying changes in working capital	**(28.6)**	(32.4)
Underlying profit on disposal of PPE	**-**	(0.3)
Share-based payments charge	**6.6**	6.8
Share of post-tax (loss)/profit from equity accounted entities	**0.4**	(0.3)
Underlying net movement in provisions	**(1.0)**	0.3
Retirement benefit contributions lower than income statement expense	**0.5**	0.7
Net cash inflow from operations	**127.9**	130.9
Cash conversion %	***85%***	*84%*
Net capex	**(36.4)**	(48.6)
Underlying net cash inflow from operations (post-capex)	**91.5**	82.3
Net interest	**(7.0)**	(7.3)
Taxation	**(21.1)**	(27.8)
Free cash flow	**63.4**	47.2

* Definitions of APMs can be found in the Appendix

Movements in net debt

	H1 FY26 £m	H1 FY25 £m
Free cash flow	**63.4**	47.2
Dividends	**(32.8)**	(32.2)
Disposal of business and acquisitions	**17.9**	(0.2)
Acquisition & disposal costs	**(1.3)**	(2.9)
Digital investment	**(12.1)**	(9.9)
Restructuring costs and other impacts	**(14.1)**	-
Purchase of own shares	**(73.2)**	(46.2)
Other (including FX & leases)	**4.5**	4.5
Change in net debt	**(47.7)**	(39.7)
Opening net debt - 1 April	**(133.2)**	(151.2)
Closing net debt - 30 September	**(180.9)**	(190.9)

Balance sheet

	H1 FY26 £m	FY25 £m
Goodwill	**233.3**	249.8
Intangible assets	**265.6**	293.9
Property, plant and equipment	**454.9**	473.3
Working capital	**(118.2)**	(146.8)
Net pension asset (net of deferred tax)	**30.8**	24.8
Other assets and liabilities	**(126.7)**	(135.3)
Net debt	**(180.9)**	(133.2)
Net assets	**558.8**	626.5

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Net pension asset

	H1 FY26 £m	FY25 £m
Equities	**10.1**	11.2
LDI investment	**401.2**	351.1
Asset backed security investments	**77.1**	75.0
Bonds	**285.3**	326.7
Cash and cash equivalents	**22.1**	46.1
Derivatives	**1.2**	10.9
Insurance buy-in policies	**454.1**	450.7
Borrowings	**(70.0)**	(95.0)
Market value of assets	**1,181.1**	1,176.7
Present value of scheme liabilities	**(1,133.4)**	(1,137.3)
Net pension asset before deferred tax	**47.7**	39.4
Deferred tax liability	**(16.9)**	(14.6)
Net pension asset	**30.8**	24.8

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Share buy-back programme

1. The £100m share buy-back programme announced on the 16th January 2024 completed in February 2025

2. The additional £50m share buy-back programme announced on the 14th November 2024 completed in May 2025

3. The £200m share buy-back programme announced on the 17th March 2025 is in progress with £36m completed during H1 FY26

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