
QinetiQ Group plc

Third Quarter Trading Update

18 January 2023 – QinetiQ Group plc (“QinetiQ” or “the Group”) today issues a trading update covering its third quarter of trading to 31 December 2022.

Good third quarter performance – on track to deliver expectations

The Group has continued to deliver good operational performance in Q3. Order intake has continued to remain strong, with orders and revenue year-to-date now at more than £1bn, and with profit and cash performance in line with expectations. We remain on track to deliver in line with expectations for FY23, as outlined at our interim results on 10 November 2022.

With the successful completion of both the Air Affairs and Avantus acquisitions in October and November 2022 respectively, we are focused on integration of both businesses, to create opportunities for our customers and employees. Both businesses have continued to perform consistently and we are progressing well with early stages of our integration plan.

We have seen good progress across both EMEA Services and Global Products. Overall, the Group is showing good growth and profitability in-line with our expectations, both in the short and medium term.

Strategy Update

Our strategy to build an integrated global defence and security company with revenues of more than £2.3bn is on track. Building on our successful six year track record of growth, we are continuing to deliver for our customers and on our promises. We are committed to enhancing our six distinctive offerings, with a particular focus on growth in the UK, US and Australia. We remain active in driving both strong organic growth as well as executing on our inorganic growth strategy. In the third quarter, we achieved a number of successes that demonstrate delivery of our strategic objectives:

- **Successful delivery of Robotic Combat Vehicle Light (RCV-L) platforms in the US** – we have recently delivered four additional RCV-L prototype vehicles to the US Army for expanded testing. This enables the customer to collect soldier feedback and demonstrate improved capabilities to define and validate final user requirements for the next phase of procurement. The multi-year selection process is expected to begin in FY24, with selection in FY25, and completion of testing and outcome determination in FY27.
- **Won £80m mission data programme in the UK** – we have won a 10 year contract with the UK MOD, worth £80m for mission data services. The contract will provide expertise, training and support to accelerate and transform mission data production; this will enable military platforms and personnel, from the UK and its allies, to be better protected in a rapidly changing threat landscape and enhance the performance of our advanced military systems. This win is a great example of our cyber and information advantage distinctive offering and the strength of our partnering across industry, bringing together extensive experience of electronic warfare, mission data analysis, communication and information services and data-led transformation to achieve operational advantage over our adversaries.

- **Secured A\$13m directed energy laser weapon development contract in Australia** – we have won a three year contract to develop and manufacture a high energy defensive laser weapon system prototype, to establish a sovereign in-country High Energy Laser manufacturing capability for Australia. This win is a great example of global leverage of our technology across our home countries, deploying our UK directed energy expertise into Australia to support the development of this critical sovereign industrial capability for the Australian Department of Defence.
- **QinetiQ Target Systems (QTS) delivers on Dutch and German training exercise** – led by Royal Netherlands Army, QTS provided products and services to support a bi-national Tactical Firing event with Germany at the NATO Missile Firing Installation on Crete. The event enabled training of the combined bi-national air defence task force in a live environment with multiple targets simultaneously airborne, providing realistic threats that tested end-to-end processes including the launch of weapons.

About QinetiQ

QinetiQ (QQ.L) is a leading science and engineering company operating primarily in the defence and security markets. We work in partnership with our customers to solve real world problems through innovative solutions delivering operational and competitive advantage. Visit our website www.QinetiQ.com. Follow us on LinkedIn and Twitter @QinetiQ. Visit our blog www.QinetiQ-blogs.com.

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