
QinetiQ Group plc

Third Quarter Trading Update

21 January 2025 – QinetiQ Group plc (“QinetiQ” or the “Group”) today issues a trading update covering the third quarter.

Full year and mid-term expectations unchanged

In line with our guidance, for the full year we continue to expect to deliver high single digit organic revenue growth at stable underlying margin with high cash conversion and in the mid-term £2.4bn of organic revenue at c.12% margin by 2027. Our £100m share buyback programme is on-track to complete in early February and on completion we will commence the additional £50m share buyback programme announced at our Interim Results.

Trading environment

We have continued to deliver revenue growth in EMEA Services, where good visibility in the medium term has not changed and the opportunity set of major programmes is strong as outlined at the Interim Results presentation. Short-term order intake in the UK has been slower than expected due to the fiscal environment and we have taken proactive action to resize some of our capabilities in our UK Intelligence business. Our UK Defence business which has greater exposure to longer duration contracts has remained strong.

Order intake remains robust with stable revenue in Global Solutions, despite headwinds in the contracting environment in the US. We are pleased to announce that Tom Vecchiolla has taken over the leadership of our US business, succeeding Shawn Purvis who helped build the business and brand in the US. Tom is a highly experienced and seasoned leader having been President of Raytheon International Inc. and most recently CEO of ST Engineering North America.

With increasing spending over the long-term in our core markets and our capabilities aligned to the evolving threat environment, we continue to secure a number of highly relevant and strategic programmes. Order intake is in line with last year at £1.3bn and notable achievements in the quarter include opening a new forward operating base in Huntsville, Alabama to support our new US Army Aerial Target Systems 3 (ATS-3) contract, supporting the rapid entry into service of the new Archer self-propelled 155 mm howitzer for the British Army through our high value Test and Evaluation services and securing a strategic partner contract in Australia for Engineering Services worth more than \$50m over 5 years.

Steve Wadey, Group Chief Executive Officer said:

“Our expectations for the full year remain unchanged, thanks to the hard work of our talented people who have continued to focus on consistent operational delivery across the Group.

“I am confident that QinetiQ remains well positioned to deliver long-term growth and value creation for shareholders, with highly relevant and differentiated capabilities, an established presence across key growth markets and an orders pipeline worth over £11bn giving us significant long-term visibility.”

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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