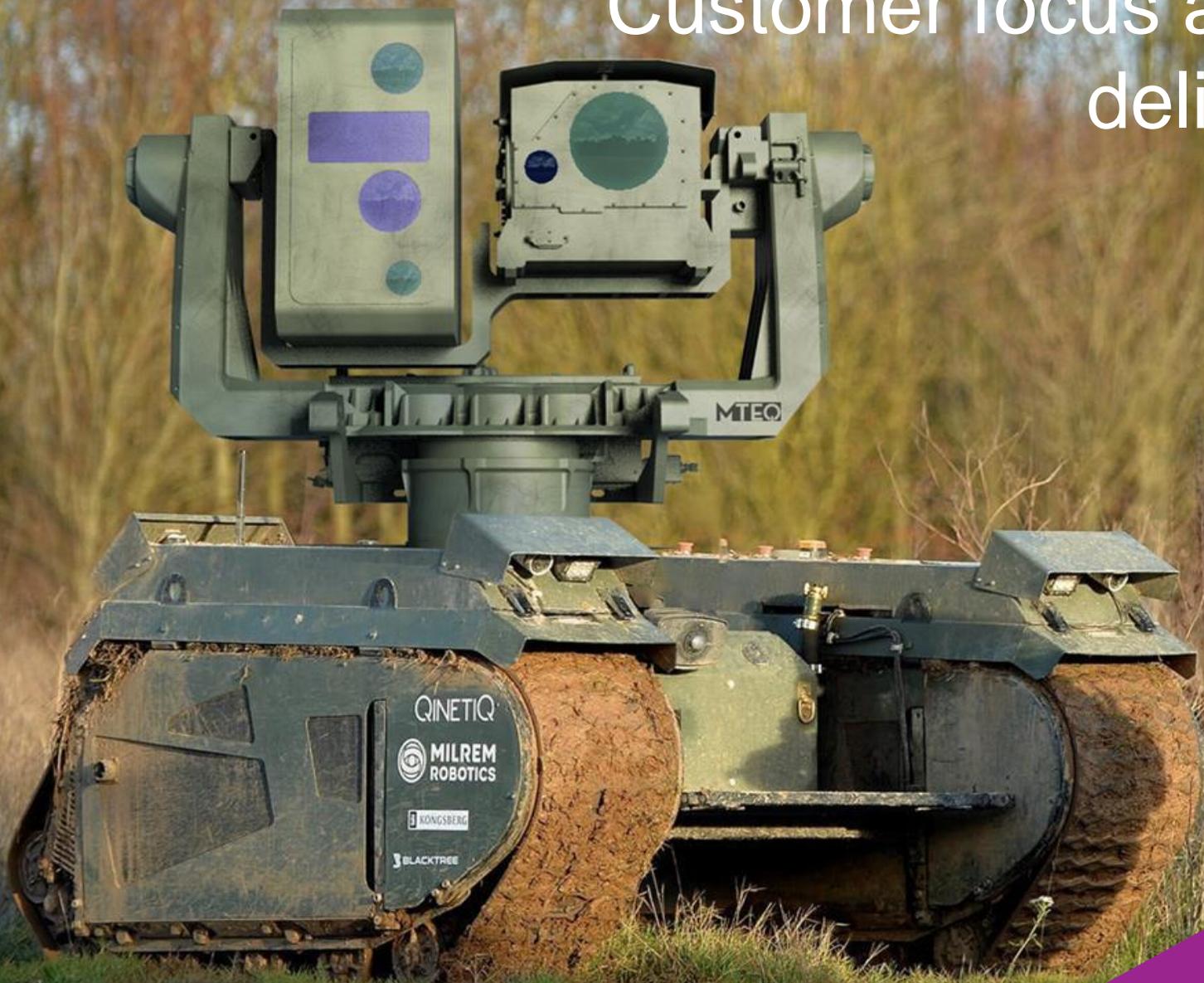


Customer focus and strategic progress delivers profitable growth

QinetiQ Group plc
Interim results for half year ended
30 September 2019

14 November 2019



Agenda

1 Headlines

2 Financial overview

3 Strategic update

4 Q&A

Customer focus and strategic progress delivers profitable growth

- Strong operational performance

- Orders up 38%, 30% on an organic basis
- Revenue up 16%, 10% on an organic basis
- Operating profit up 16%, 8%¹ on an organic basis
- Cash performance strong, 129% conversion pre-capex
- EPS up 14%, interim dividend 1/3 of prior year total

- Focus on strategy implementation

- On-track with delivery of new LTPA contract for UK MOD
- Grown international revenue from £76m to £151m in 3 years
- Won £67m secure navigation programme for UK MOD
- Agreed acquisition of MTEQ, growing US to c.25% of Group

¹ excluding £1.6m non-recurring trading items

	H1 2020	H1 2019
Revenue ²	£486.5m	£420.3m
Operating profit ³	£59.7m	£51.6m
EPS ³	9.2p	8.1p
Dividend	2.2p	2.1p
Order backlog	£3.1bn	£1.9bn

² Excludes contribution from Joint Ventures of £0.9m

³ Underlying performance, before specific adjusting items, as defined in appendix

- Priorities for remainder of the year

- Operational performance, 96% revenue under contract
- Win further competitions & pursue campaigns globally
- Sustainable profitable growth through continued investment
- Maintaining expectations for Group operating profit

H1 2020 Financial overview

David Smith
Chief Financial Officer

Strong financial performance

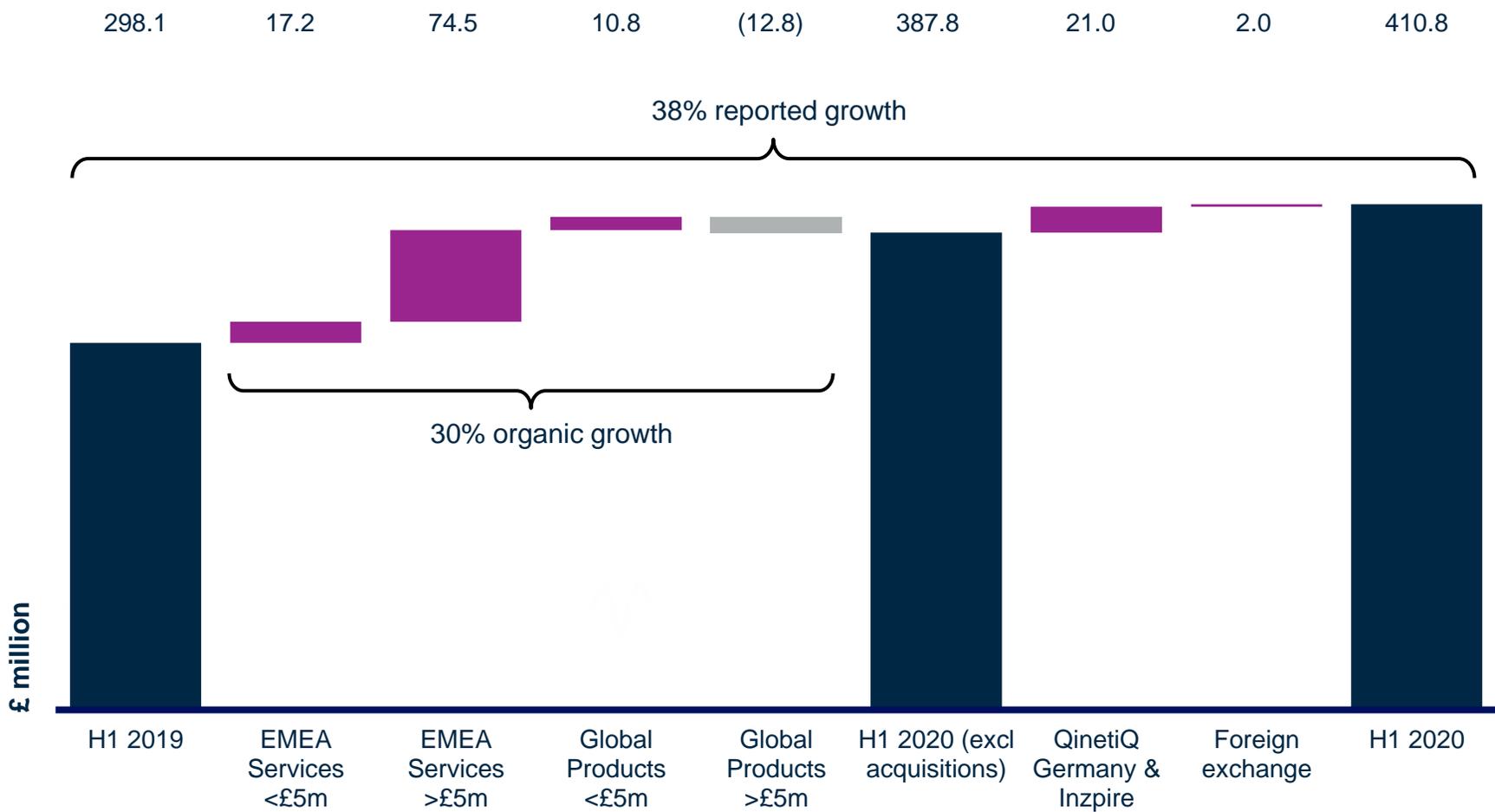
	H1 2020 £m	H1 2019 [^] £m
Revenue	486.5	420.3
Underlying operating profit*	59.7	51.6
Underlying operating margin*	12.3%	12.3%
Earnings per share* (pence)	9.2	8.1
Dividend per share (pence)	2.2	2.1
Total funded order backlog	3,083.6	1,882.1
Total orders	410.8	298.1
Net cash inflow from operations (pre-capex)*	77.0	54.9
Cash conversion (pre-capex)*	129%	106%
Net cash	173.5	220.8

* Underlying performance, before specific adjusting items, as defined in appendix

[^] Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

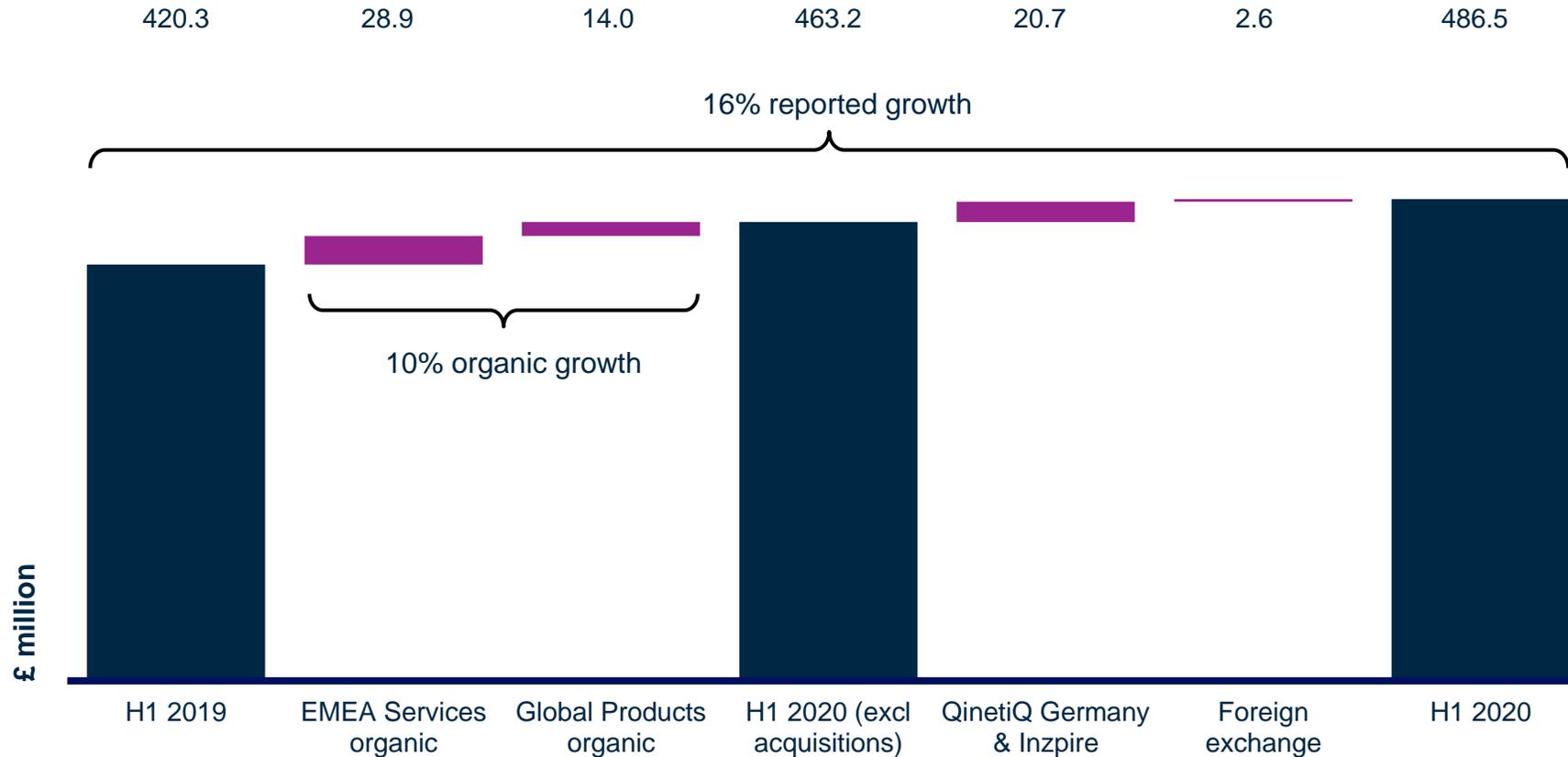
Strong organic order growth driven by EMEA Services

Orders



Organic revenue growth, complemented by acquisitions

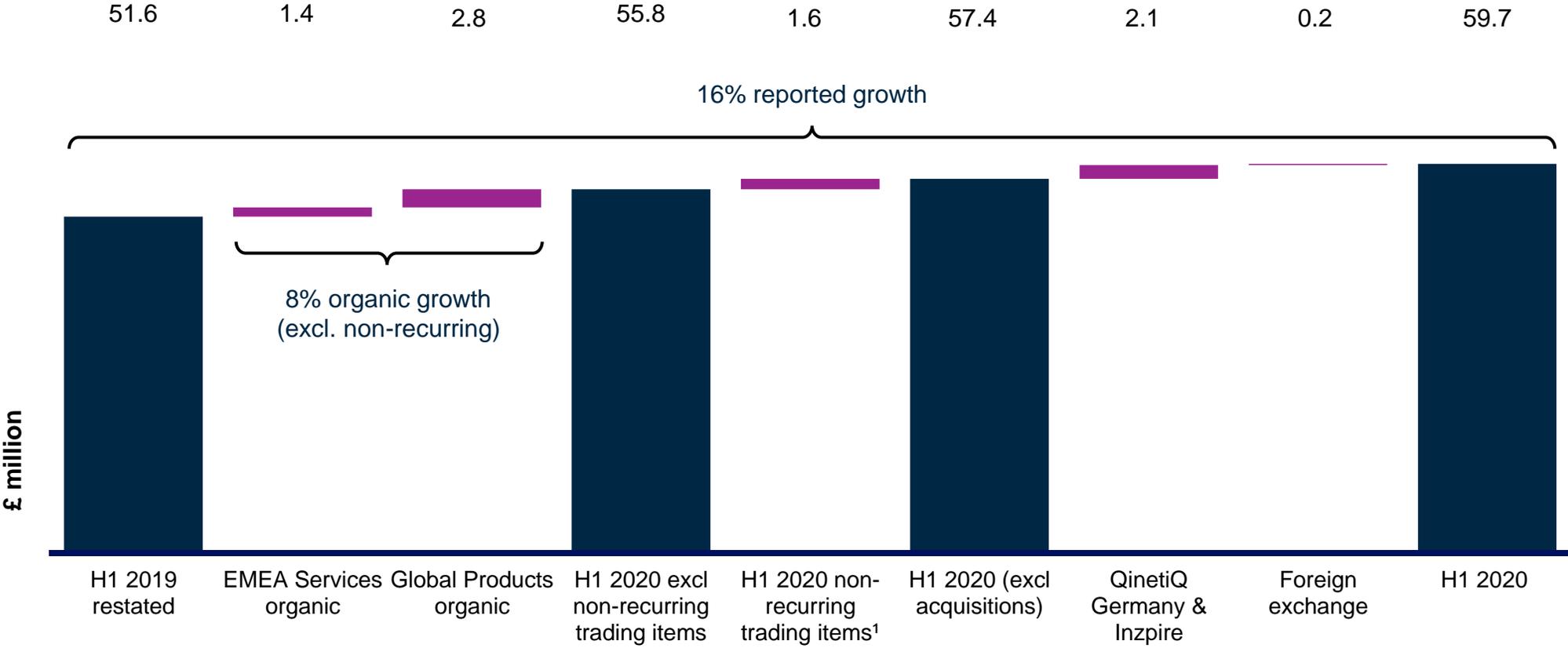
Revenue*



* Excludes contribution from Joint Ventures of £0.9m

Further organic profit growth

Underlying Operating Profit*

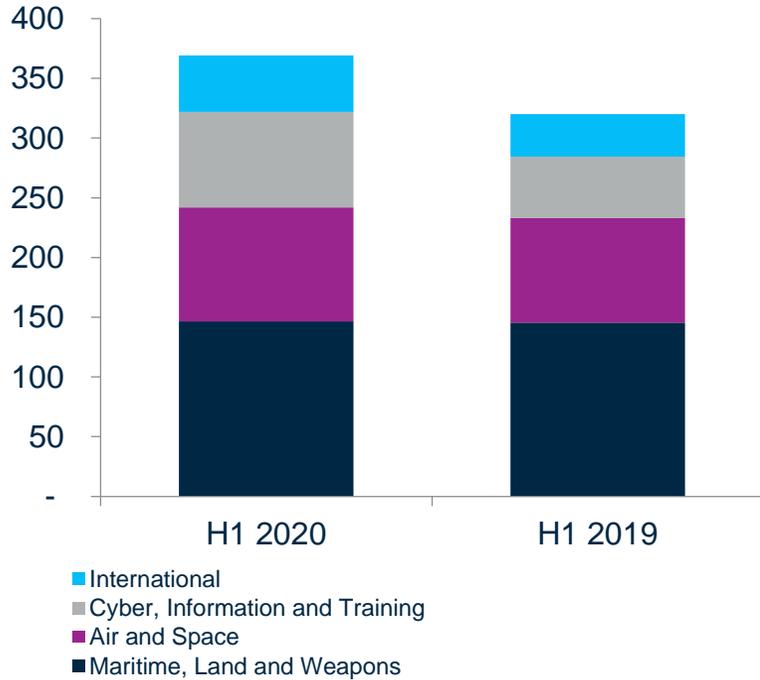


* Underlying performance, before specific adjusting items, as defined in appendix

¹ Gain on sale of aircraft and spares

EMEA Services – strong orders and revenue growth

H1 revenue (£m)



* Underlying performance, before specific adjusting items, as defined in appendix

^ Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

† Adjusted for the impact of acquisitions and disposals and presented on a constant currency basis, as defined in appendix

‡ Excludes LTPA contract amendments

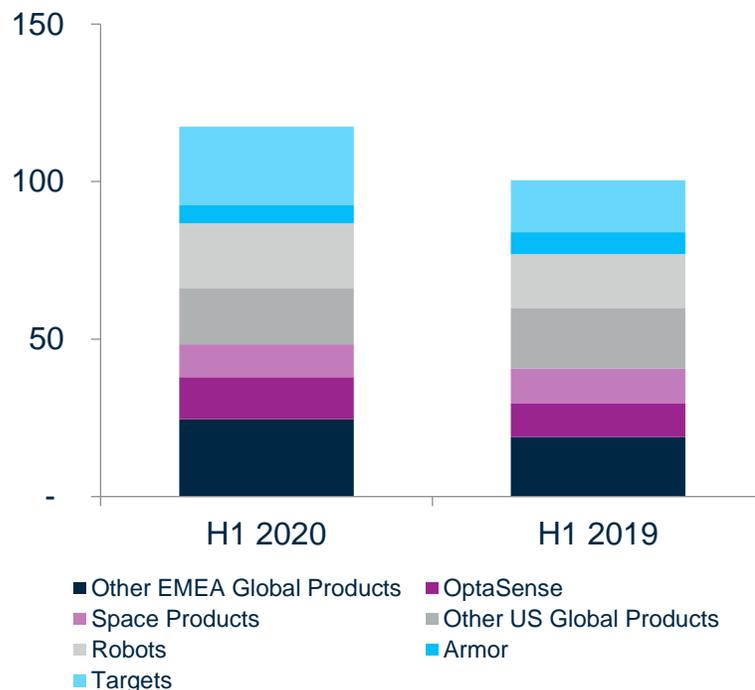
Book to Bill ratio is orders won divided by revenue recognised excluding the LTPA contract

	H1 2020 £m	H1 2019 [^] £m
Total orders	308.4	196.1
Revenue	369.1	319.9
Underlying operating profit*	46.2	41.2
Underlying operating profit margin*	12.5%	12.9%
Book to bill ratio [†]	1.2x	0.9x
Total funded order backlog	2,872.0	1,674.6
Funded order backlog [†]	823.8	683.7
Full year revenue under contract	98%	91%

- Strong orders performance driven by £67m UK Robust Global Navigation System (R-GNS) order and £60m under the EDP contract
- Revenue up 15%, 9% on an organic¹ basis as a result of new work under EDP and BATCIS contracts
- Profit assisted by £1.6m (2019: nil) of non-recurring trading items in respect of sale of aircraft and spares
- Excluding non-recurring trading items, acquisitions and foreign exchange, underlying operating profit was up £1.4m (3%). % profit growth was lower than % revenue growth due to higher volume work under the EDP contract

Global Products – good revenue and profit growth

H1 revenue (£m)



* Underlying performance, before specific adjusting items, as defined in appendix

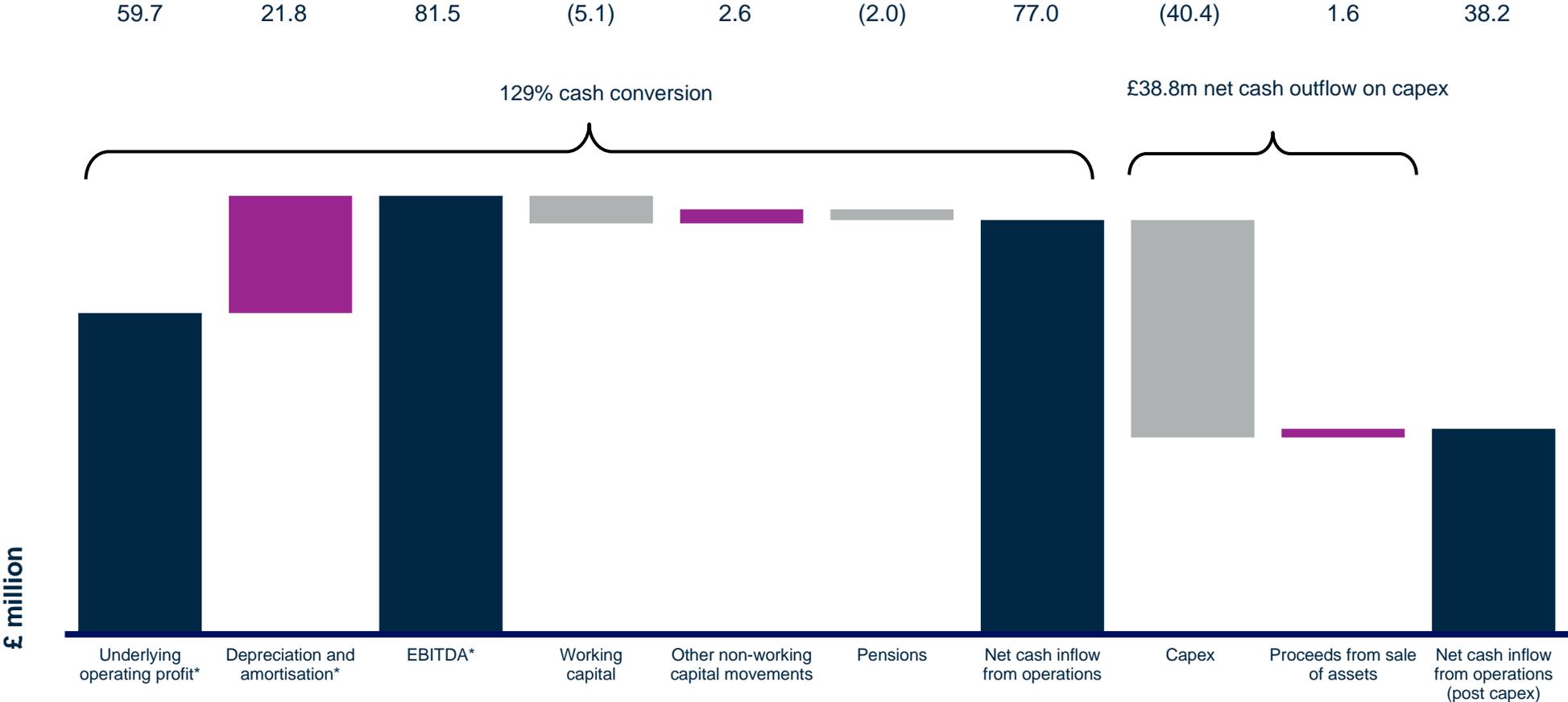
^ Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

¹ Adjusted for the impact of acquisitions and disposals and presented on a constant currency basis, as defined in appendix

	H1 2020 £m	H1 2019 [^] £m
Orders	102.4	102.0
Revenue	117.4	100.4
Underlying operating profit*	13.5	10.4
Underlying operating profit margin*	11.5%	10.4%
Book to bill ratio	0.9x	1.0x
Funded order backlog	211.6	207.5
Full year revenue under contract	89%	86%

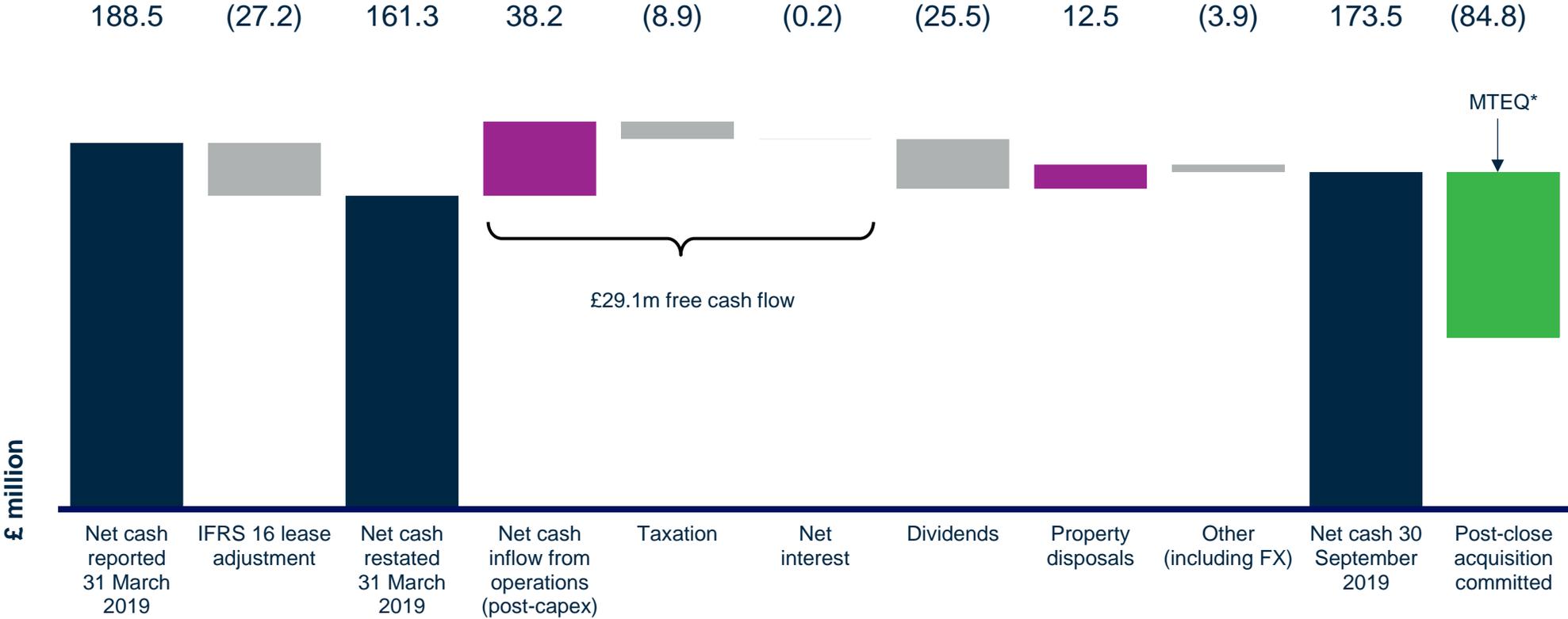
- Orders stable year-on-year at £102.4m
- Revenue up 17%, 14% on an organic¹ basis, principally driven by QinetiQ Target System sales
- Underlying operating profit was up £2.8m (27%) on an organic¹ basis
- Margins of 11.5% up 1% driven by increased sales of higher margin products in QTS

Strong cash generation



* Underlying performance, before specific adjusting items, as defined in appendix

Balance sheet strength continues to support strategy



* MTEQ completion subject to US Government approval

MTEQ acquisition – an impressive track record

- Delivered double digit revenue growth each year over the past three financial years
 - Revenue of \$131.0m, EBITDA of \$8.4m and EBITA of \$8.3m in the year to 31 December 2018, audited
 - Revenue of \$167.4m, EBITDA of \$11.4m and EBITA of \$11.0m in the year to 31 August 2019, unaudited
- Acquisition evaluated through our rigorous capital allocation methodology
 - Initial consideration of \$105m* to be funded from existing cash balance with net cash position retained post completion
 - Attractive EV to EBITDA multiple of 9.2x and 11.0x if stretching earn-out targets are met
 - Will enhance QinetiQ's earnings per share in the first full financial year
- Expect MTEQ to deliver low-teens revenue growth and operating margins of just over 7% in FY21 with opportunities to enhance profitability over time with move into higher rate production

* Additional earn-out of up to \$20 million payable in cash and shares dependent on delivering stretching financial targets over three years



FY20 Outlook – technical factors

	FY19 [^]	FY20	
Net finance expense*	£0.9m	➡	Expected to be flat subject to timing of capex spend and acquisitions
Effective tax rate*	10.1%	↗	Expected to increase with greater proportion of international revenues
Tax cash outflow	£10.7m	↗	Cash tax is expected to be higher
Net working capital outflow	£27.5m	➡	Expect outflow of net working capital, excluding non-recurring items, of £20-30m
DB pension contributions	£2.8m	➡	Expected to be flat
Capital expenditure	£80.7m	➡	Investment in LTPA and Canadian UAS contracts, with capex of £80-100m

* Underlying performance, before specific adjusting items, as defined in appendix

[^] Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

Outlook Statement

Outlook – FY20

- We delivered a strong first half result, with organic growth in orders, revenue and profit driven by good performance in all our businesses, both in the UK and internationally.
- We are maintaining expectations for full year operating profit with high single digit revenue growth.

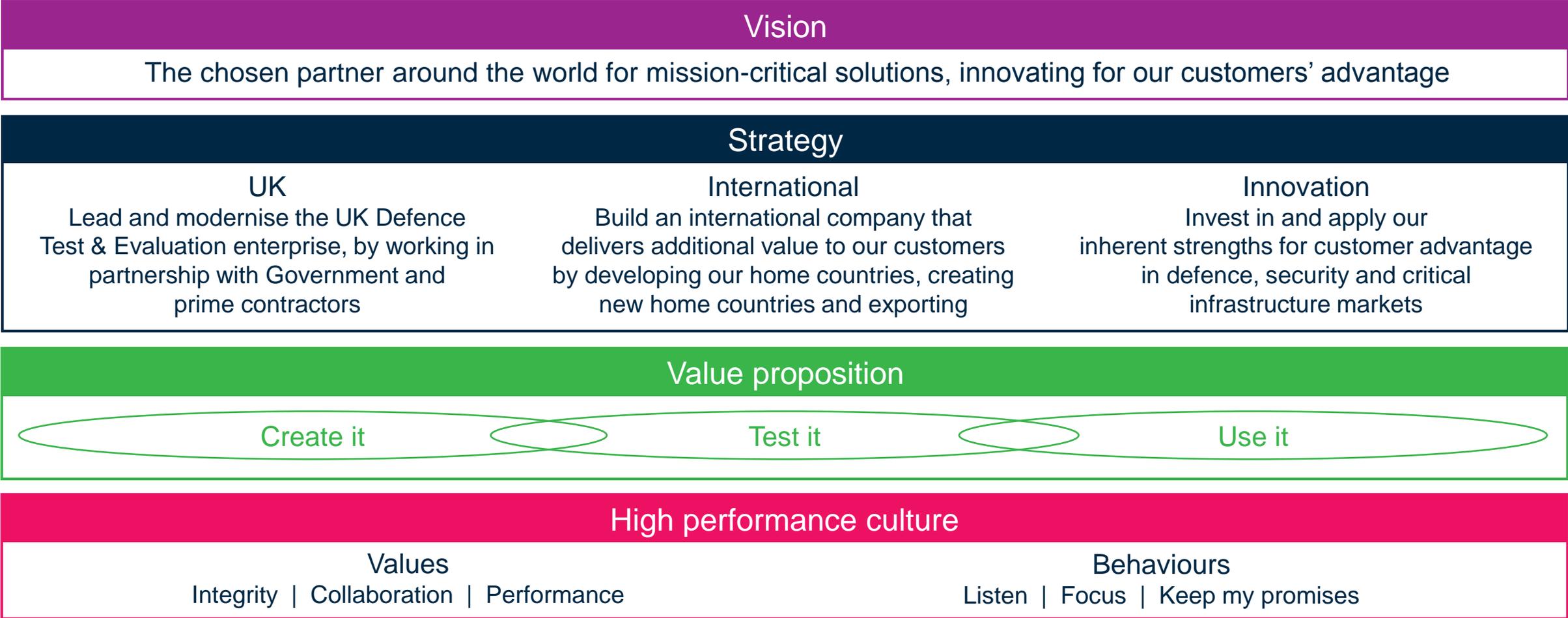
Outlook – Longer Term

- We will continue to grow by implementing our strategy and investing in our people, technology, systems and infrastructure.
- By doing so, our objective is to deliver continued organic revenue growth, further supported by acquisitions, resulting in sustainable profitable growth at stable margins.

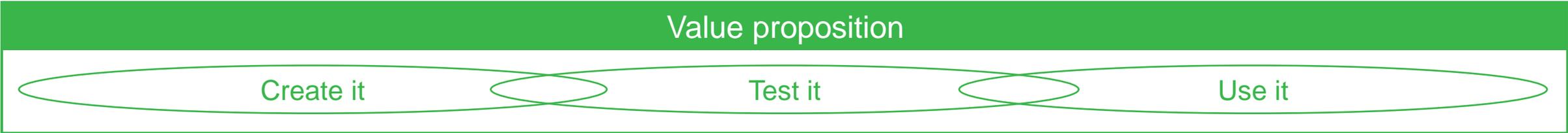
Strategic update

Steve Wadey
Chief Executive Officer

Delivering our vision and strategy through a relevant customer value proposition



Example of integrating investments and capabilities to deliver value for customers



Example

QinetiQ Target Systems



State-of-the-art targets

Testing and training against realistic threats

LTPA contract



Modernising UK ranges

Airborne surveillance for safe operations

QinetiQ Germany



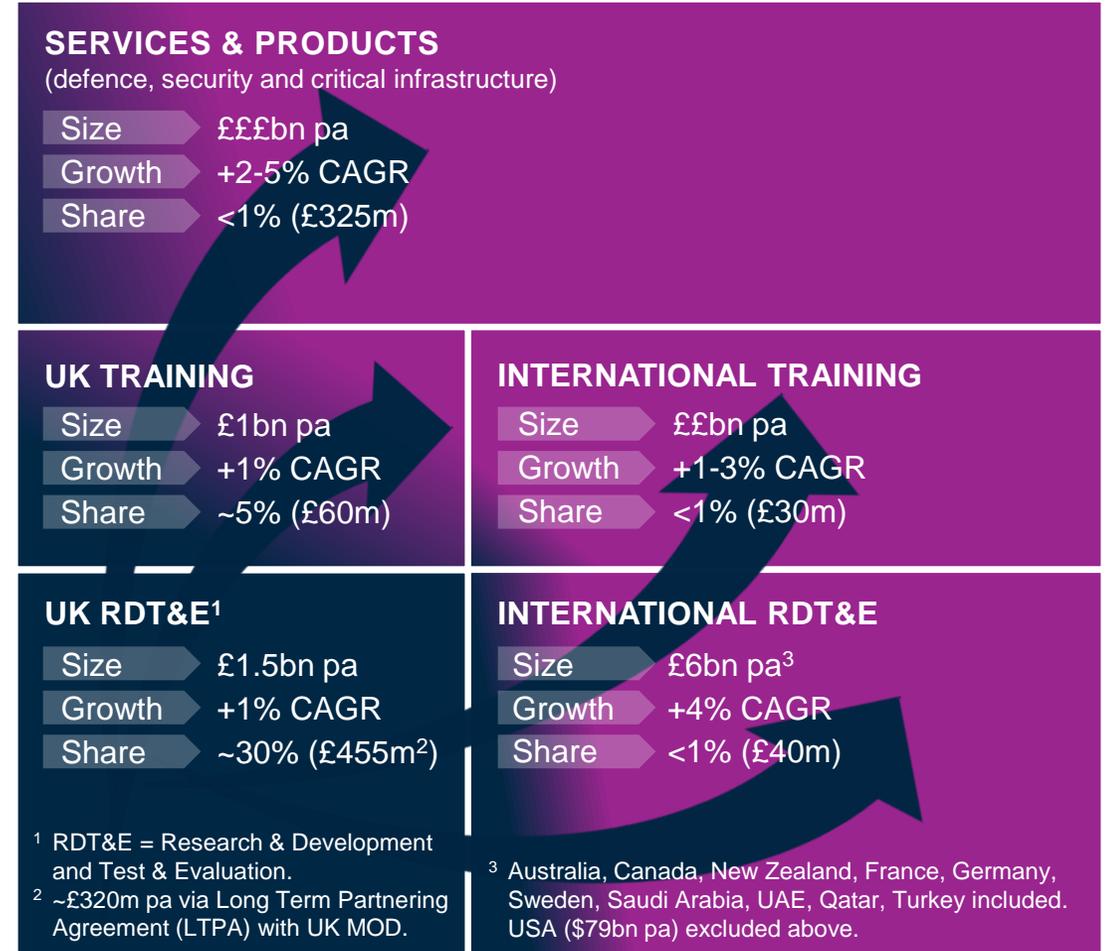
Special missions & training

Enabling our customers to develop and field new capabilities at pace

Driving growth by building an integrated global defence & security company

- Significant growth potential by executing our strategy and expanding into our >£8bn addressable market
 - Coherent offerings to customers in our selected markets
- Strategy-led investments to deliver value for customers, engaging work for employees and returns for shareholders
 - Organic e.g. modernisation of LTPA, CRS-I, global campaigns
 - Inorganic e.g. QinetiQ Target Systems, QinetiQ Germany
 - Company e.g. people, technology, systems, infrastructure
- Disciplined execution to deliver growth at stable margins
 - Continued focus on productivity and efficiency programmes
 - Effective bidding, programme delivery and acquisition integration

Delivering profitable growth through customer focus



Sources: Jane's Market Forecast FY19 market sizing (USD/GBP exchange rate of 0.77), UK MOD. QinetiQ market share based on FY19 revenue. CAGR = compound annual growth rate (FY19-23)

■ current market share ■ future market potential



Delivering modern UK Defence Test & Evaluation (1/2)

- Long Term Partnering Agreement (LTPA) contract, c.£320m p.a.
 - c.£220m p.a. core capabilities e.g. sites + c.£100m p.a. project tasks e.g. trials
 - 16 maritime, land, air and weapons T&E ranges and facilities across the UK
 - Critical skills & facilities to generate & assure national defence capabilities
- Transformed test aircrew training fully operational and delivering growth
 - State-of-the-art fleet and training syllabus delivering more cost effective training
 - Strong demand for new courses, especially international customers c.10% growth
- Modernised air ranges attracting new UK and international customers
 - Testing and training in realistic scenarios with more demanding threats
 - Secured US Navy commitment to Formidable Shield through to 2025



LTPA investment delivering UK and international growth

Delivering modern UK Defence Test & Evaluation (2/2)

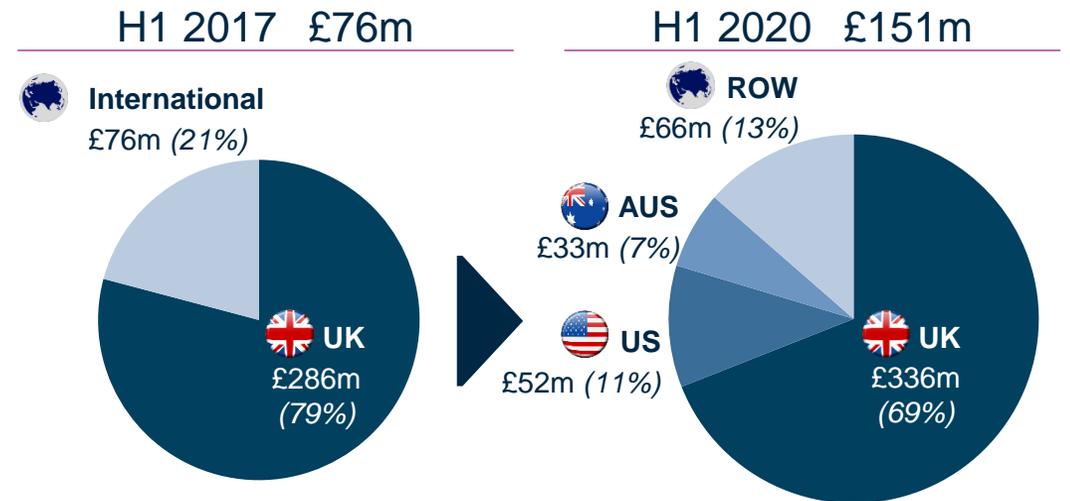
- New LTPA contract to drive efficiency and greater relevance for customers
 - Greater operational and commercial flexibility enables capacity to grow
 - Modern ways of working, infrastructure and equipment to attract new work
- Successfully delivered first six months of two-year transition programme
 - Demonstrating our ability to deliver new processes and ways of working
 - Launching next phase of investment projects e.g. digitising T&E to combine live, synthetic and virtual assets and threats
- New opportunities to enable delivery of major UK Defence programmes
 - Queen Elizabeth e.g. end-to-end testing of Carrier Strike Group
 - Dreadnought e.g. £19m contract to reduce detectability of ships and submarines
 - Future Combat Aircraft e.g. supporting TEMPEST with innovative technologies

Enabling agile capability development to meet future customer needs



Building an international company (1/2)

- Long-term ambition to grow international revenue to 50%
 - Investing in home countries and selected priority countries
 - QinetiQ Germany and Inzpire delivered revenue and profit growth
 - QinetiQ Target Systems delivered 50% revenue growth
- United States business continues to perform and grow
 - Completed first set of deliveries under CRS-I production contract
 - Bidding for Robotic Combat Vehicle (RCV) program of record
- Australian business secures record order intake, up 40%
 - New engineering services work through Major Service Provider (MSP) contract in partnership with Nova Systems
 - Pursuing T&E opportunities for sovereign ship building programme



International revenue doubled over the last 3 years

Charts show revenue by customer destination: UK, US, Australia and Rest of World (ROW) countries, where international covers US, Australia and ROW

Building an international company (2/2)

- Agreement to acquire MTEQ, with strong track record and growth potential
 - State-of-the-art sensing technology to counter emerging threats
 - Customer-centric approach to rapidly innovate and field new capabilities
 - Investing to improve profitability and win longer-term programmes
- Accelerates our growth in the US, the world's largest defence market
 - Leader in advanced sensing, robotics and autonomy, critical to modern warfare
 - Creates a US operation of c.\$300m p.a. and c.750 employees
 - Objective to win larger longer-term programmes by combining US capabilities
- Strengthens our international growth and innovation strategy
 - Builds rapid development capability to create and field new capabilities
 - Leveraging capabilities and international routes to market across the Group

Increasing our US home country to c.25% of Group



Innovating for our customers' advantage (1/2)

- Engineering Delivery Partner (EDP) delivering and growing rapidly
 - 10-year contract as chosen provider of engineering services for UK MOD
 - Secured £60m new orders, including £11m for F-35 safety case support
- Battlefield & Tactical Communication Systems (BATCIS) delivering growth
 - 5-year contract up to £95m for programme and engineering services for UK MOD
 - Delivering results, including £4m customer savings and secured £5m new orders
- Delivering £80m Accelerated Capability Environment (ACE) programme, established in 2017 and jointly led by QinetiQ and the UK Home Office
 - Vivace community of 180+ companies to access best thinking & latest technology
 - Mission to solve digital challenges in front-line law enforcement at pace



Delivering mission-led innovation through collaboration

Innovating for our customers' advantage (2/2)

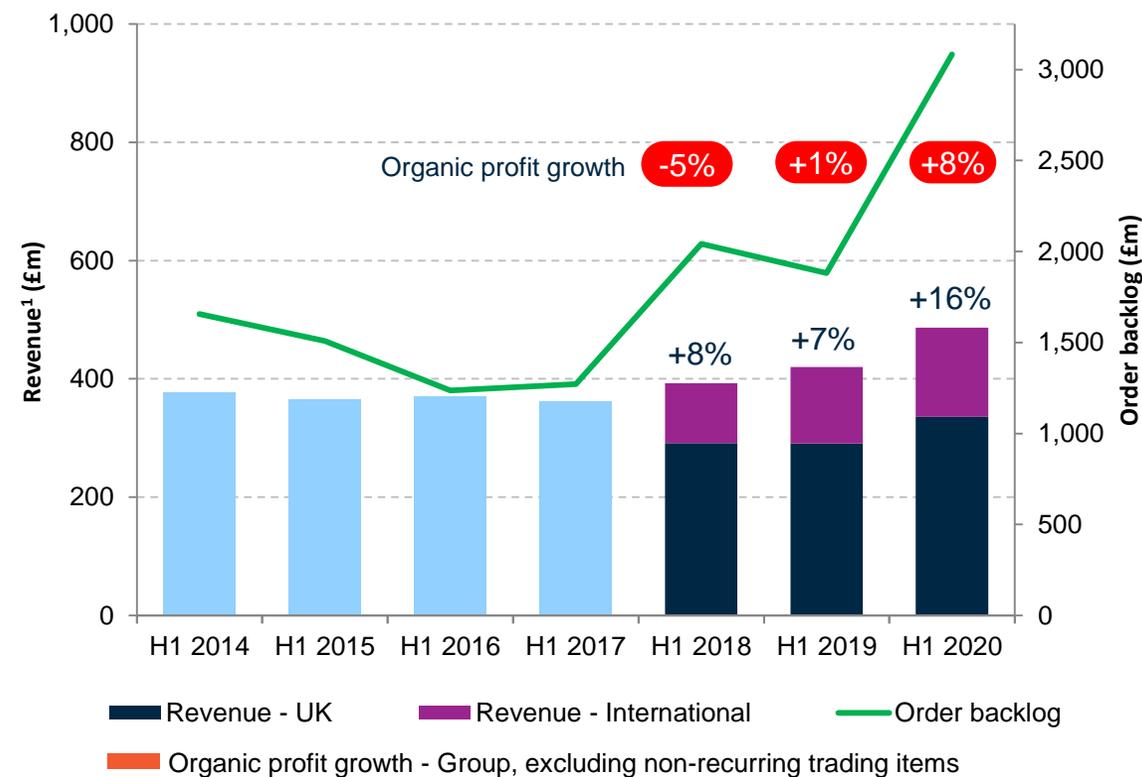
- Won £67m Robust-Global Navigation System programme for UK MOD
 - Delivers sovereign capability to UK Defence platforms, systems and users
 - Opportunity for commercial exploitation in partnership with Collins Aerospace
- Won £20m UK Emergency Services Air Communication System (ACS) programme for UK Home Office
 - Delivers world's first 4G network mission critical voice and data services
 - Opportunity for commercial exploitation with other emergency services
- Successful first large scale maritime autonomy experiment for NATO
 - Delivered command & control, overall exercise coordination and safety
 - Demonstrating our strengths in experimentation with disruptive technology and collaborating with industry to prototype military capability at pace

Winning competitive programmes through campaigns



Customer focus and strategic progress delivers profitable growth

- Delivered strong operational performance, with 10% revenue growth & 8%² profit growth on an organic basis
 - Enhancing revenue visibility with order backlog of £3.1bn
- Clear focus on strategy implementation driving investment choices and operational performance
 - Maintaining bid, programme delivery & acquisition discipline
- Driving growth by building an integrated global defence & security company
 - Leveraging our strengths into >£8bn addressable market
 - Growing revenue at stable margins to drive profit growth



Delivering sustainable profitable growth

¹ Graph shows revenue based on continuing operations only and incremental growth on a reported basis

² excluding £1.6m non-recurring trading items

Questions?

Appendices



Delivering our vision and strategy

Vision

The chosen partner around the world for mission-critical solutions, innovating for our customers' advantage

Strategy



UK

Lead and modernise the UK Defence Test & Evaluation enterprise, by working in partnership with Government and prime contractors



International

Build an international company that delivers additional value to our customers by developing our home countries, creating new home countries and exporting



Innovation

Invest in and apply our inherent strengths for customer advantage in defence, security and critical infrastructure markets

Performance

Winning

- Improving customer & commercial focus
- Partnering to enable major competitive bids
- Leveraging Group-wide capabilities

Delivering

- Improving customer satisfaction
- Effective programme & risk management
- Focusing on efficiency & cost reduction

Investing

- Modernising our core capabilities
- Strategic bolt-on acquisitions
- Developing culture, people & technology

How we create value

Create It → Test It → Use It

Capability Generation & Assurance - *integrated*

Research & Experimentation | Test & Evaluation | Training & Rehearsal

Capability integration | Threat representation | Operational readiness

Systems | Systems of systems | Live | Virtual | Cyber | Team | Group | Joint

Services & Products - *distinctive*

e.g. advice, intelligence, information systems, protection, unmanned systems, space systems

Technology - *disruptive*

e.g. advanced materials, sensing, communications, cyber, analytics, autonomy, directed energy

Inherent Strengths

Academic & industrial partnerships | Science & engineering expertise | Domain knowledge & experience

Delivering operational advantage to defence, security and critical infrastructure customers

Understanding future needs

Example

Typhoon released to service



e.g. Test & Evaluation

Threat representation



e.g. Targets

Disruptive technology



e.g. Autonomy

Expanding into our addressable market

- Focus on core offerings
 - RDT&E¹ + Training: integrated capability generation & assurance
 - Services & Products: distinctive
 - Technology: disruptive
- Focus on target markets
 - Primary sectors: Defence, Security, Critical Infrastructure
 - Home countries: UK, US, Australia
 - Selected new countries in Europe, Middle East and Asia-Pacific
- Addressable market > £8bn pa: significant growth potential
 - Increasing share in existing markets
 - Leveraging strengths into attractive near-adjacent markets

Driving campaigns, joint ventures & acquisitions

¹ RDT&E = Research & Development and Test & Evaluation.



¹ RDT&E = Research & Development and Test & Evaluation
 ■ current market share ■ future market potential

Definitions

- Underlying performance is stated before:
 - Amortisation of intangibles arising from acquisitions
 - Pension net finance income
 - Gains/losses on investments, property and intellectual property
 - Transaction costs in respect of business acquisitions
 - Impairment of property
 - Tax impacts of the above items
 - Significant non-recurring deferred tax movements
- Organic revenue 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
- Organic operating profit growth:
 - The level of year on year growth, expressed as a percentage, calculated at constant prior year foreign exchange rates, adjusted for business acquisitions and disposals to reflect equivalent composition of the Group

Revenue by customer and country

Revenue by customer (%)

H1 2020
£486.5m

	%
MOD	58%
DoD	9%
Government agencies	17%
Commercial defence	9%
Commercial	7%



H1 2019
£420.3m

	%
MOD	57%
DoD	9%
Government agencies	19%
Commercial defence	6%
Commercial	9%



Revenue by destination country (%)

H1 2020
£486.5m

	%
UK	69%
US	11%
Australia	7%
Other	13%



H1 2019
£420.3m

	%
UK	69%
US	11%
Australia	7%
Other	13%



A clear capital allocation policy

Priority 1

Invest in our organic capabilities, complemented by bolt-on acquisitions where there is a strong strategic fit

Priority 2

Maintain the necessary balance sheet strength

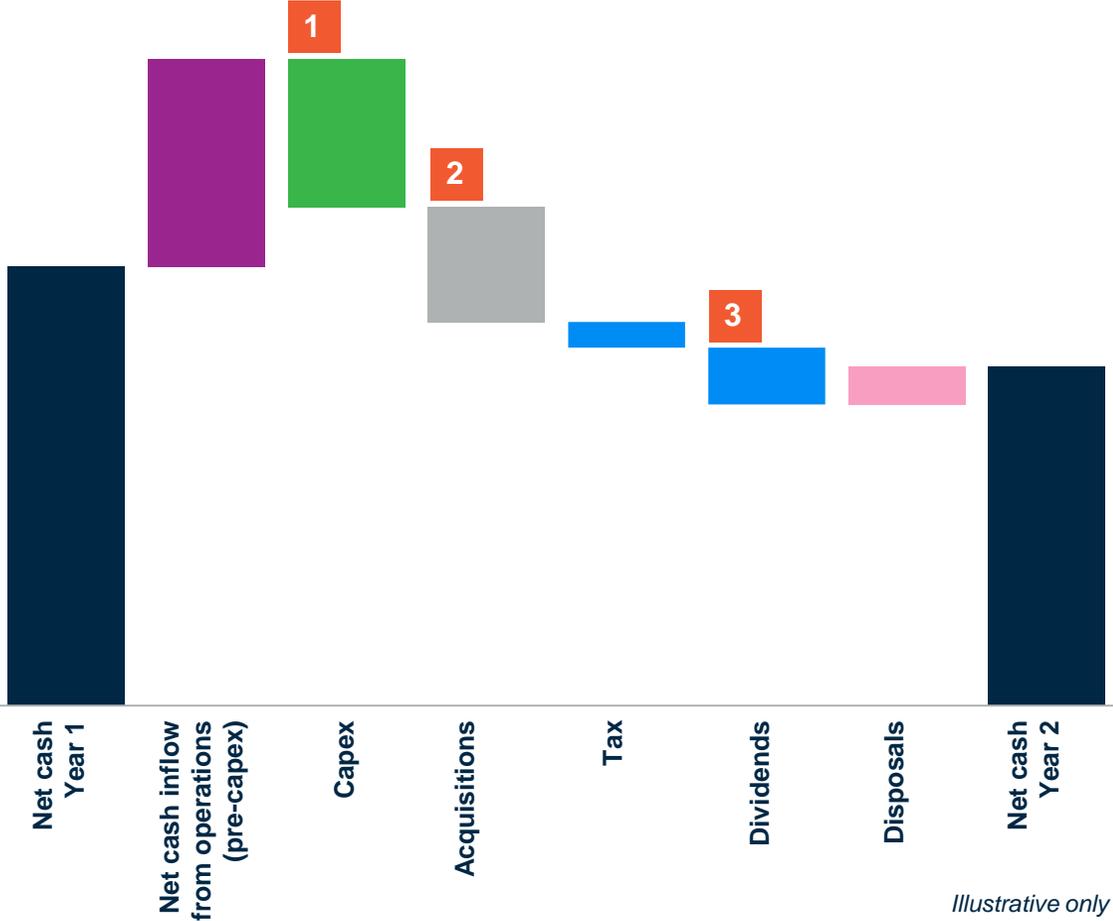
Priority 3

Provide a progressive dividend to shareholders

Priority 4

Return excess cash to shareholders

Financial strategy: demonstrating our capital allocation framework in practice



Balance Sheet

- Strong position to execute strategy
 - Flexible position today
 - Ability to deploy capital over medium term

FCF

- Cash generation from business deployed to;

1 Capex

- Increase levels of organic investment
- LTPA for contracted returns
- Commercial opportunities
- Support acquired entities growth

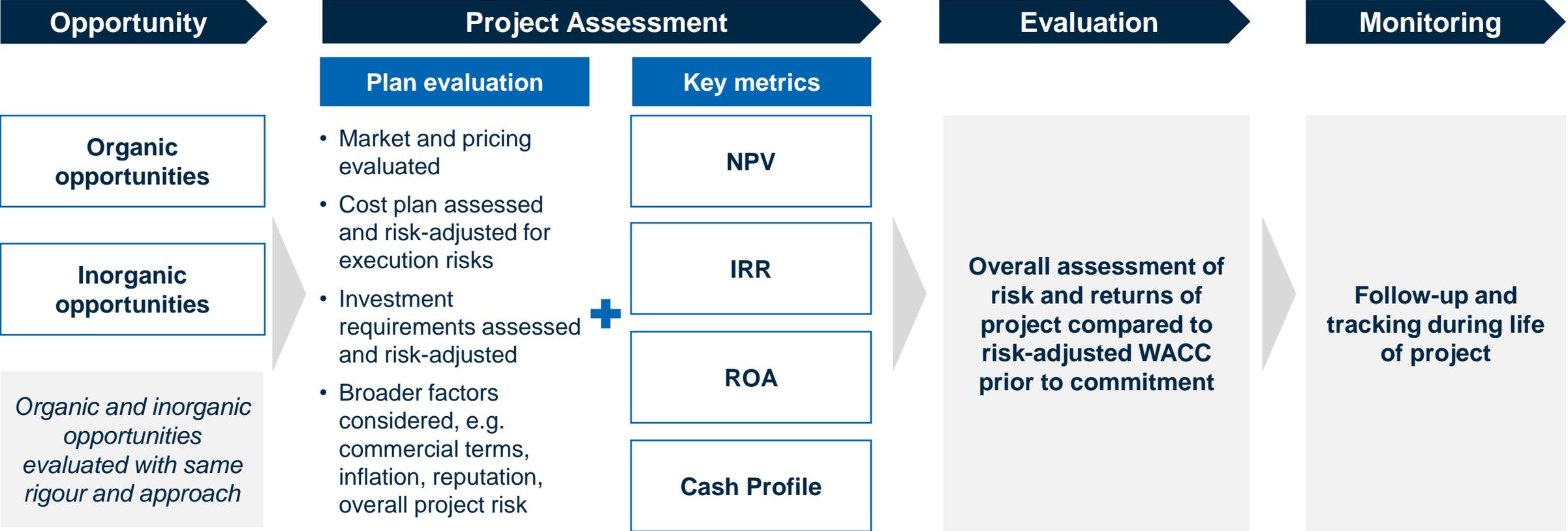
2 Acquisition

- Further bolt-ons consistent with strategy

3 Dividends

- Maintain progressive dividend policy

Financial strategy: a rigorous appraisal process



Financial strategy: growing sustainably and profitability to drive shareholder value

1. Revenue Growth

- Selectively winning business in our key focus areas including International
- Higher value, longer-term contracts providing greater visibility and stability
- Creating incremental opportunities from carefully considered approach to risk
- Organic growth plus complementary and strategically aligned bolt on acquisitions

2. Stable margins

- Abatement of SSRO profit headwind in EMEA Services
- Increasing product portfolio and longer-term contracts improving margin stability in Global Products
- Output based contracts provide greater flexibility and opportunities
- Continuing to invest in business to support growth
- Maintaining cost discipline

3. Appropriate Returns

- Clear framework for evaluating opportunities
- Thoughtful use of our balance sheet
- Ensuring returns commensurate with level of risk
- Delivering appropriate return on capital to shareholders

Income statement including specific adjusting items*

	H1 2020 £m	H1 2019 [^] £m
Revenue	486.5	420.3
Underlying operating profit*	59.7	51.6
Underlying net finance expense*	(0.4)	(0.3)
Underlying profit before tax*	59.3	51.3
Gain on sale of property	13.3	0.1
Gain on sale of investment	-	1.1
Acquisition costs	(1.4)	(0.2)
Property impairment	-	(2.6)
Amortisation of intangibles	(3.1)	(1.1)
Pension net finance income	3.2	4.1
Total specific adjusting items (pre-tax)	12.0	1.4
Profit before tax	71.3	52.7
Taxation	(9.1)	(2.6)
Profit after tax	62.2	50.1

* Underlying performance, before specific adjusting items, as defined in appendix

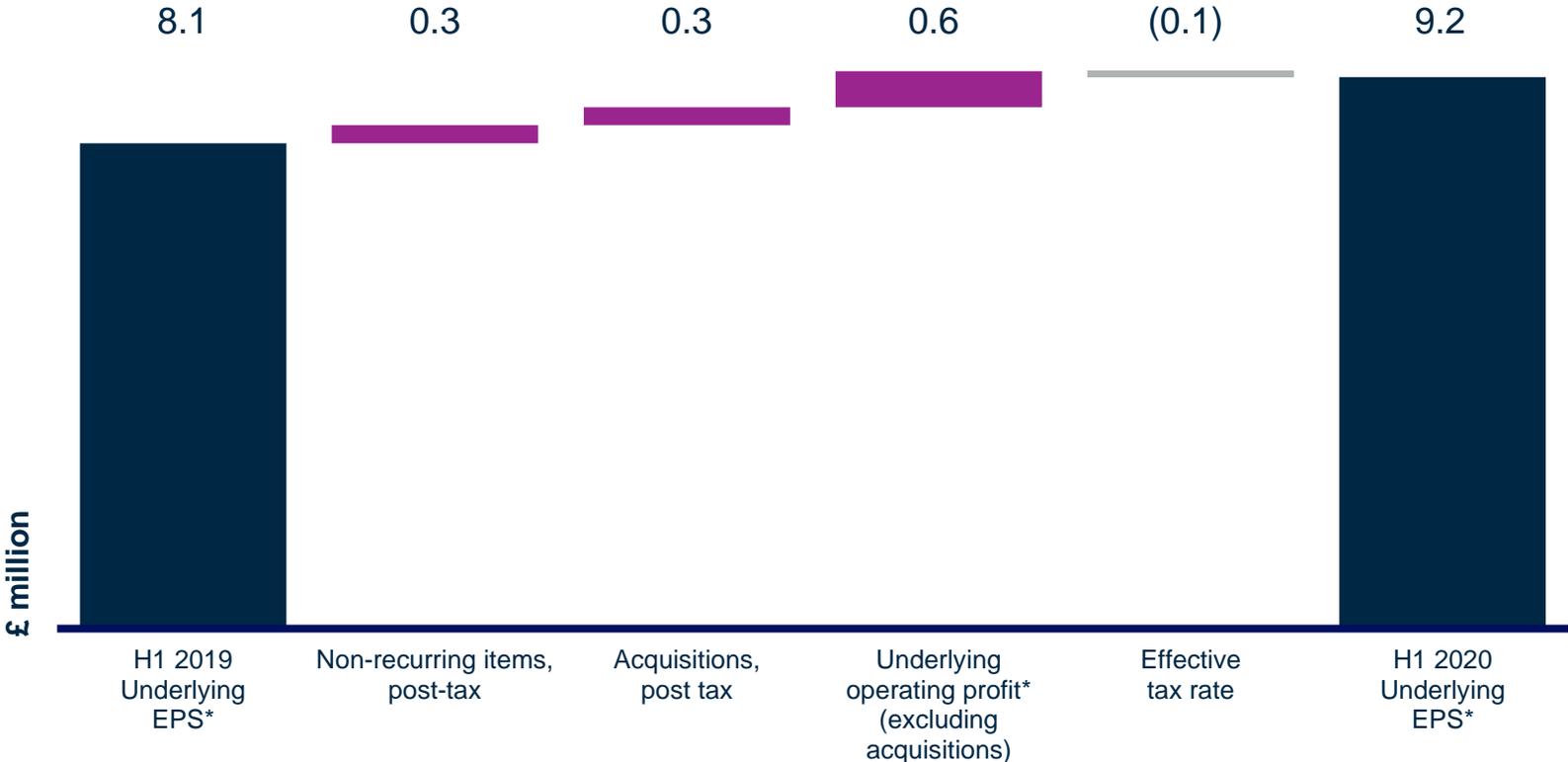
[^] Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

Taxation

	H1 2020 £m	H1 2019 £m
Underlying tax charge*	(7.3)	(5.5)
Tax on specific adjusting items	(1.8)	2.9
Total tax charge	(9.1)	(2.6)
Underlying tax rate*	12.3%	10.7%

* Underlying performance, before specific adjusting items, as defined in appendix

Underlying earnings per share* (pence)



* Underlying performance, before specific adjusting items, as defined in appendix



Cash conversion

	H1 2020 £m	H1 2019^ £m
Underlying operating profit*	59.7	51.6
Depreciation and amortisation	21.8	18.3
Changes in working capital	(5.1)	(18.5)
(Profit)/loss on disposal of PPE	(1.6)	0.9
Share-based payments charge	3.6	2.4
Share of post-tax profit of equity accounted entities	1.0	0.2
Net movement in provisions	(0.4)	2.3
Retirement benefit contributions in excess of income statement expense	(2.0)	(2.3)
Net cash inflow from operations*	77.0	54.9
Cash conversion %*	129%	106%
Net capex	(38.8)	(48.3)
Net cash inflow from operations (post-capex)*	38.2	6.6
Net interest	(0.2)	(0.2)
Taxation	(8.9)	(4.8)
Free cash flow*	29.1	1.6

* Underlying performance, before specific adjusting items, as defined in appendix

^ Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

Movements in net cash

	H1 2020 £m	H1 2019 [^] £m
Free cash flow	29.1	1.6
Dividends	(25.5)	(23.8)
Acquisition of business	(0.1)	(0.2)
Disposal of property	12.5	4.4
Disposal of investment	-	1.5
Purchase of own shares	(0.4)	(0.3)
Other (including FX)	(3.4)	(0.1)
Change in net cash	12.2	(16.9)
Opening net cash - 1 April	161.3	237.7
Closing net cash - 30 September	173.5	220.8

[^] Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

Balance sheet

	30 September 2019	31 March 2019 [^]
	£m	£m
Goodwill	152.3	148.6
Intangible assets	90.0	88.5
Property, plant and equipment	333.4	322.4
Working capital	(84.2)	(98.0)
Retirement benefit surplus (net of tax)	240.9	210.5
Other assets and liabilities	(52.8)	(54.3)
Net cash	173.5	161.3
Net assets	853.1	779.0

[^] Restated due to the retrospective adoption of new accounting standard, IFRS 16, in respect of finance leases

Confirmed pension surplus

	30 September 2019 £m	31 March 2019 £m
Market value of assets	2,184.2	1,963.6
Present value of scheme liabilities	(1,888.7)	(1,704.5)
Net pension asset before deferred tax	295.5	259.1
Deferred tax liability	(54.6)	(48.6)
Net pension asset	240.9	210.5

- Accounting net pension asset of £240.9m (after deferred tax)
- Increase in net pension asset is driven by net re-measurement gains on scheme assets in excess of net actuarial losses on scheme liabilities.
- Scheme is hedged against ~86% of interest rate risk and 92% of the inflation rate risk, as measured on the Trustees' gilt-funded basis.
- Following the triennial valuation and discussions with QinetiQ's pension scheme Trustees, the Company has a confirmed actuarial pension surplus of £139.7m as at 30 June 2017
- Payments are made under an asset backed funding scheme of £2.7m per annum + CPI (FY19: £2.7m) until 2032.

Defined benefit pension scheme – balance sheet position

	30 September 2019 £m	31 March 2019 £m
Equities	192.8	178.8
LDI investment	415.3	690.8
Asset backed security investments	452.0	-
Alternative bonds	328.3	400.4
Property funds	145.2	145.6
Cash and cash equivalents	41.0	75.1
Derivatives	1.4	2.5
Insurance buy-in policy	608.2	470.4
Market value of assets	2,184.2	1,963.6
Present value of scheme liabilities	(1,888.7)	(1,704.5)
Net pension asset before deferred tax	295.5	259.1
Deferred tax liability	(54.6)	(48.6)
Net pension asset	240.9	210.5

Defined benefit pension scheme – key assumptions

Assumptions	30 September 2019 %	31 March 2019 %
Discount rate	1.85%	2.45%
Inflation (CPI)	2.30%	2.35%
Future male pensioners (currently aged 60)	87	87
Future female pensioners (currently aged 60)	89	89
Future male pensioners (currently aged 40)	89	89
Future female pensioners (currently aged 40)	91	91

Sensitivity of Scheme liabilities to main assumptions:

Assumption	Change in assumption	Sensitivity*
Discount rate	Increase / decrease by 0.1%	Decrease / increase by £38m
Rate of inflation	Increase / decrease by 0.1%	Increase / decrease by £38m
Life expectancy	Increase by 1 year	Increase by £65m

* The impact of movements in Scheme liabilities will, to an extent, be offset by movements in the value of Scheme assets as the Scheme has assets invested in a Liability Driven Investment portfolio. As at 30 September 2019 this hedges against approximately 86% of the interest rate and 92% of the inflation rate risk, as measured on the Trustees' gilt-funded basis

Credit facilities

	Maturity date	Denomination	Value in denomination	Value £m
Revolving credit facility	September 2023	GBP	275.0	275.0
Total committed facilities			275.0	275.0

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