

The Directors present their Strategic Report for BMT Group Limited (the 'Company') for the year ended 30 September 2025.

## **OWNERSHIP STRUCTURE, PURPOSE, VISION AND VALUES**

### **Ownership structure**

The Company is the ultimate parent company of the group of companies whose ownership is held by the BMT Employee Benefit Trust (EBT).

The Company is a private company limited by guarantee with no share capital. Voting control and legal ownership rests with the Trustees of the EBT, and beneficial ownership rests with current and certain former employees. For the purpose of this Annual Report and Financial Statements and the guidance of the Financial Reporting Council (FRC) on the Strategic Report, the employee beneficiaries are the members.

In view of the size, nature and ownership structure of the organisation and the readily available information and data provided to members on a regular basis throughout each year, this Strategic Report aims to present a fair, balanced, and understandable view for the members to assess how the Directors have performed their duties, particularly in relation to promoting the success of the Company for the benefit of its members as a whole. It should be read with the rest of the Annual Report and Financial Statements.

### **Our purpose**

BMT exists to help navigate some of the most important and impactful engineering challenges of our time, creating an environment where people with outstanding technical knowledge strive to deliver a safer, more efficient, and sustainable future.

### **Our vision**

Our vision is to be the leader in solving complex engineering challenges, using the most up to date tools, technologies, skills and thinking, to deliver exceptional value for our customers.

### **Our values**

No matter where we operate, our values define us. We continuously seek to deliver real value and positive impact for our customers, whilst also making a difference in our communities, in education and the environment. As an EBT, all of our people are invested in our collective purpose and future, driving us to continually strive for technical and operational excellence, to innovate and to invest in our capabilities so that we can deliver ever increasing positive impact and value. Our people are guided by our values of: Trust; Innovation; Passion; Respect; and Collaboration.

## **STRATEGY**

### **Our core business and our strategy**

We deliver on our ambition through the implementation of our strategy. That is, to retain and grow market share in our core business areas, build powerful collaborative relationships that draw value from the full breadth of our global capability, and drive innovation that is closely aligned with the current and future needs of our customers and the industries in which we operate.

We work across all tiers of the value chain, delivering solutions across the project lifecycle:

- Engineering, technical and scientific research and advice;
- Organisational transformation, portfolio, programme and project management (P3M) and management consulting;
- Complex system integration; and
- Risk, reliability, and performance management.

**STRATEGY (CONTINUED)**

**Our core business and our strategy (continued)**

Our core business comprises distinctive and sustainable capabilities, delivered from our office locations in the UK, the Netherlands, Belgium, US, Canada, Australia, and Singapore, which we leverage to address the needs of our customers and markets. We refer to these as our ‘famous four’:

- Maritime design and consultancy;
- Asset monitoring and sustainment;
- Environment and climate solutions; and
- Defence and security advice and services.

Our ambition is to expand the positive impact we can have, growing our business to £500m of revenue per annum in 5 years (‘500 in 5’) in support of our purpose. This will be driven by identifying new challenges that need solving, as well as evolving our core business through the ‘famous four’. We will actively build resilience across our business by levelling-up through balance and diversification across our regions. We will deliver ethical, sustainable, profitable growth through investment in innovation, partnerships and acquisitions.

Our strategy is simple and we summarise our strategic objectives as follows:

- **Sustain the core:** sustain and grow our core business based around the ‘famous four’;
- **Growth through collaboration:** collaborate internally and externally;
- **Exploit our innovation:** innovate for ourselves and for our customers; and
- **Invest in ourselves:** invest through campaigns, partnerships, mergers and acquisitions.

**Our goals**

Our goal is to deliver on our growth ambition by organically growing our core business through the ‘famous four’ and by delivering sustainable profitable inorganic growth, via partnerships and acquisitions, and demonstrating a return on investment. We will ensure that we have solid market presence and access, the right tools (digital and automation), the right offerings (innovation), and the right skills (strategic resourcing) for our evolving markets and customers. To enable this, we will evidence a world class people engine, attracting, retaining and engaging the talent and skills we need and build an agile delivery engine with minimal overhead and intervention.

Our headline strategic targets, against which performance is measured and disclosed, are as follows:

<b>Strategic targets</b>	<b>Page</b>
Financial related:	
• Double-digit sales order growth	7
• Turnover growth	7
• Double-digit EBITDA* margin	7
Non-financial related:	
• Improved customer satisfaction	12
• Improved employee engagement	12
• Net zero carbon footprint by 2035	19

(\*) Defined on page 7 and before profit-sharing schemes.

**Our employees**

Our Employee Value Proposition (EVP) is our distinctive employee offering. Known as our ‘Employee Promise’, it encompasses salary, benefits, our culture, purpose and values, as well as our policies and practices related to a healthy work-life balance, a supportive working environment, career development and personal growth. This year we continued to invest in our culture and working environment and what attracts people to work for us, with a particular focus on ensuring that our systems and office spaces support flexible working and enable employees to connect with their colleagues and the business.

**STRATEGY (CONTINUED)**

**Our employees (continued)**

Also embedded in our EVP are:

- Employee assistance programmes in all our regions providing employees and their families with counselling and other valuable services to support them in their personal and professional lives.
- Continued investment in our communities, with internal networks of colleagues joined together by a common area of professional and technical interest, which helps to bring world-class expertise to our projects and provide a fertile environment for professional development, an example of which is our Fellowship Scheme.
- Our Diversity, Equity and Inclusion (DEI) and Wellbeing strategy, with a comprehensive calendar of regional and global events as well as support and networking groups and other resources, ensures that every person feels welcome at BMT and finds the best possible circumstances for their own wellbeing.
- As an EBT, our profit-sharing schemes provide a financial return linked to our success for all of our employees.

**BUSINESS AND FINANCIAL REVIEW**

This was a year of challenging and complex market conditions, but despite this we remained resilient by focusing on our customers, and our operational performance, whilst continuing to invest in the business and accelerate our strategy for sustainable growth through diversification. This is crucial because it sets out the foundation from which we will increase the positive impact of our products and services and help our customers to navigate some of the most important and impactful engineering challenges of our time.

Elections taking place in our key markets of the UK, US, Canada and Australia, either during the financial year or immediately before it, led to delays in significant procurement decisions and contract awards, most notably affecting our defence business, as new governments and administrations slowed or stopped consulting and external assistance spend whilst they conducted spending and strategic reviews, made more complex by the rapidly changing geopolitical and economic environment.

As a result of the strong trading headwinds, we achieved total revenue of £186.1m (2024: £203.5m), which was a reduction of £17.4m on prior year. The disposal of the Lateral Naval Architects business, without a corresponding offset, also contributed to this. In response, we implemented restructuring programmes across our regions, ensured solid project delivery and focused on strengthening customer relationships. Profit before taxation and profit-sharing schemes was £11.8m (2024: £23.8m), with a commensurate drop in margins, reflecting both the lower trading volumes and £2.2m of redundancy costs as we adapted to reduced demand. Overall, the business delivered a profit for the year after profit-sharing schemes of £3.1m (2024: £8.9m), and importantly, we saw a £3.3m increase in net assets to £48.3m (2024: £45.0m).

Despite a challenging year, our performance nonetheless enabled us to continue investing in the business, including a significant acquisition in Australia, and rewarding our employees with a total profit distribution of £6.1m (2024: £9.8m).

Although we had anticipated that changes in government across all our locations would influence our financial performance, the full extent of this impact, given that it was amplified by global events, was unforeseeable. Our financial performance was a significant achievement against this backdrop, underpinned by consistent delivery, careful cost management and strong cash control. At the same time, we maintained a healthy order book by engaging with customers and partners. This approach proved successful – relative to the previous financial year we achieved just over 4% higher orders, in spite of delays and deferrals to government spend. We also achieved strong cash generation, even after covering unplanned redundancy costs, additional pension scheme payments, and the impact of the UK Government's increase in employers' national insurance.

**BUSINESS AND FINANCIAL REVIEW (CONTINUED)**

In the UK, although the Government's Strategic Defence Review was published in June 2025, the Defence Investment Plan, which will outline how resources are allocated, was delayed until 2026. However, we continued to deliver critical engineering support to our UK armed forces, predominantly through the Engineering Delivery Partner (EDP) framework agreement and also through the Fleet Solid Support (FSS) programme with Navantia, where we achieved completion of the Critical Design Review (CDR) just after the end of the financial year, representing a significant milestone in the ships lifecycle. This was despite the disruption caused by the Harland and Wolff shipbuilder going into administration.

Commercial infrastructure decisions were also postponed worldwide. In North America, the US administration's decision to reverse many of its climate-related decarbonisation initiatives impacted several of our services, including orders for our innovative wind farm support vessels. An increase in demand for our oil and gas services was not enough to offset the drop in other markets, and as a result revenues declined compared to the previous financial year. However, our focus on enhancing business development, including establishing a presence on the US East Coast, supports both growth and diversification.

Our extensive portfolio is crucial to our future success, offering a wider range of opportunities and allowing us to better handle downturns in specific sectors or regions. To maximise these advantages, our aim is to continue to rebalance and diversify the portfolio to distribute contributions more evenly across the business and to offer better protection against future downturns in a specific sector or region.

In this context, our acquisition and successful integration in December 2025 of the design and maritime engineering business Australian Maritime Technologies Pty Ltd (AMT) for £3.0m is already boosting our revenues in the Asia-Pacific (APAC) region. AMT is a strategic investment in our defence and security advice and services offering in Australia. The business delivered a loss for its 10-month post-acquisition reporting period primarily due to the subsequent termination of its largest contract. This was recognised as a key risk during due diligence and reflected in the construct of the earn-out performance criteria which AMT consequently did not achieve. However, AMT is expected to recover in the next financial year, with key contract awards already in progress.

Despite a challenging first half of the financial year, our APAC business saw improved performance in the second half and enters the next year on a firmer footing, buoyed by the acquisition of AMT, which is already enhancing our capability and credentials in the defence sector. The acquisition has directly contributed to our preferred bidder status on the high-value multi-year Design Support Contract (DSC) for the Royal Australian Navy's ANZAC-class frigates, and we have a pipeline and process for further acquisitions.

In the context of our suppressed trading performance during the financial year, our closing cash and cash equivalents position remained in line with the previous year, thanks to a notable improvement in working capital management. This solid cash performance enabled us to make key investment decisions, including the AMT acquisition and invest in improvements to our office portfolio.

We also actively pursued partnerships that move us up the value chain to drive growth, and we have created several such partnerships this financial year, including with Boeing, BAE Systems, and KBR.

Our customers rightly expect more as they seek to gain advantage in an increasingly challenging and rapidly changing world. To help us meet their needs, we are deploying the latest technology and intensifying our focus on innovation. We have introduced artificial intelligence tools across the business not only to improve internal efficiency but also to solve our customers' problems and support their transformation journey. It is appropriate that, during our 40<sup>th</sup> anniversary year, we continued to build on our heritage of innovation, with significant advances in new design platforms and our investment in the future of clean maritime and the constantly evolving nature of warfare.

**PROFIT-SHARING SCHEMES**

Supported by our robust cash position, as an EBT we made significant distributions while retaining sufficient funds to invest further in BMT's future. Total distributions to employees relating to the reporting period was £6.1m (2024: £9.8m).

**FINANCIAL HIGHLIGHTS AND KEY PERFORMANCE INDICATORS**

<b>Key performance indicators</b>	<b>2025</b>	<b>2024</b>
Sales order intake <sup>(1)</sup> (£m)	<b>186.7</b>	178.9
Sales order intake growth (%)	<b>4.4</b>	(37.4)
Turnover (£m)	<b>186.1</b>	203.5
Turnover growth (%)	<b>(8.6)</b>	10.2
EBITDA <sup>(2)</sup> (£m)	<b>14.2</b>	25.5
EBITDA <sup>(2)</sup> margin (%)	<b>7.6</b>	12.5
Profit-sharing schemes (£m)	<b>6.1</b>	9.8
Profit before taxation (£m)	<b>5.7</b>	14.0

(1) Sales order intake is tracked within internal management information.

(2) EBITDA is defined as Earnings (Profit for the Year) Before Interest (Net Interest Receivable and Similar Income), Taxation, Depreciation, and Amortisation (EBITDA), as well as profit-sharing schemes. This is effectively the same as Operating Profit before Depreciation and Amortisation.

The non-GAAP measure of EBITDA has been calculated as follows:

	<b>2025</b>	<b>2024</b>
<b>Reconciliation of EBITDA</b>	<b>£m</b>	<b>£m</b>
Operating profit	<b>11.2</b>	23.4
Depreciation (Note 4)	<b>2.4</b>	1.6
Amortisation (Note 4)	<b>0.6</b>	0.5
<b>EBITDA</b>	<b>14.2</b>	25.5

Sales order intake increased by 4.4% through focused engagement with customers and partners, primarily driven by North America which increased by 18.3% and APAC which organically delivered a 3.2% increase with a further 8.2% contributed by AMT. Sales orders in the UK and Europe remained broadly stable (0.8% decrease) and provided 63.7% of overall sales orders.

Turnover decreased by 8.6% overall, predominantly impacted by the delay in the UK Government's Defence Investment Plan on our UK and Europe business which decreased by 11.6%, and in part reflects the disposal of Lateral Naval Architects Limited in the UK towards the end of the prior year. UK and Europe contributed 65.2% of overall turnover. North America also fell by 6.9% in part due to delays in the next instalment of a major contract in Canada. APAC organically reduced by 6.5%, but the acquisition of AMT helped to increase APAC overall by 3.5%.

EBITDA margin fell to 7.6%. This reflects lower trading volumes and £2.2m of redundancy costs as we adapted to reduced activity in some areas of our operations.

**DISCONTINUED OPERATIONS RESULTS**

On 30 August 2024, BMT sold its interest in the joint venture Lateral Naval Architects Limited to our joint venture partner. Its results to the date of disposal have been disclosed as a discontinued operation in the previous year. For further information on discontinued operations, please see Note 6 of the financial statements.

**SUMMARY OF CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AND CASH FLOWS**

The Group generated cash from operations of £19.0m (2024: £22.2m) which is after pension funding contributions paid of £7.4m (2024: £3.2m). This includes cash received in advance on certain contracts which will be completed over future years, with income received in advance on contracts increasing by £8.5m to £31.5m (2024: £23.0m). This was also driven by good working capital management which led to a decrease in trade debtors of £4.7m to £20.8m (2024: £25.5m) and a reduction in amounts recoverable on contracts of £1.2m to £15.6m (2024: £16.8m).

The Group spent £4.2m (2024: £1.7m) on capital improvements (£1.7m of leasehold improvements and £2.5m on other equipment) and paid income taxes of £4.3m (2024: £1.6m) in the year. The Group incurred a net cash outflow of £2.3m on the acquisition of AMT. The Group distributed £9.7m (2024: £7.2m) to employees as part of the profit-sharing schemes which was accrued in the previous financial year. This primarily led to an overall cash decrease of £0.7m (2024: £12.7m increase) in the year to £52.5m (2024: £53.2m) including a foreign exchange movement loss of £0.4m (2024: £0.7m).

As set out below, the Group had net assets before the defined benefit pension liability net of the associated deferred tax asset of £54.8m (2024: £55.7m), which decreased by £0.9m. This has been primarily driven by a net decrease in 'order to cash' related items (trade debtors, amounts recoverable on contracts, and income in advance) of £13.6m against a decrease of 'purchase to pay' related items (prepayments and accrued income, trade creditors, and accruals and deferred income) of £9.3m and an increase in fixed assets of £3.8m.

The Group had net assets of £48.3m (2024: £45.0m) which increased by £3.3m due to £4.2m of additional contributions paid into the defined benefit pension scheme during the year as set out in Note 20 to the financial statements. This reduced the net defined benefit pension liability which more than offset the £0.9m decrease from other movements above. The additional contributions were agreed with the pension trustee following the 2024 triennial valuation and included an ongoing defined benefit deficit funding plan.

<b>Non-GAAP summary of Consolidated Statement of Financial Position:</b>	<b>2025</b>	2024
	<b>£m</b>	£m
Fixed assets	<b>16.4</b>	12.6
Cash and cash equivalents	<b>52.5</b>	53.2
Trade debtors	<b>20.8</b>	25.5
Amounts recoverable on contracts	<b>15.6</b>	16.8
Prepayments and accrued income	<b>5.5</b>	5.3
Trade creditors	<b>(5.5)</b>	(6.1)
Income received in advance	<b>(31.5)</b>	(23.0)
Accruals and deferred income	<b>(14.6)</b>	(23.1)
Provisions for liabilities and charges	<b>(1.1)</b>	(1.2)
Other net liabilities excl. net defined benefit pension liability and deferred tax	<b>(3.3)</b>	(4.3)
<b>Net assets excl. net defined benefit pension liability and deferred tax</b>	<b>54.8</b>	55.7
Net defined benefit pension liability	<b>(8.7)</b>	(14.3)
Net defined benefit pension liability related deferred tax asset	<b>2.2</b>	3.6
<b>Net assets</b>	<b>48.3</b>	45.0

**SUMMARY OF PARENT COMPANY STATEMENT OF FINANCIAL POSITION**

The Company had net assets including the net defined benefit pension liability of £30.8m (2024: £26.3m), which increased by £4.5m primarily due to the £4.2m of additional defined benefit pension scheme contributions paid as described above, together with a £1.2m increase in the valuation of its freehold land and buildings and a £1.7m reduction in accruals and deferred income, offset by a £1.5m reduction in other debtors and a £0.9m reduction in net amounts owed by subsidiary undertakings.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Board has ultimate responsibility for determining the nature and extent of the risks that the business is willing to take. It is supported by the Audit Committee and the Internal Audit function who review the effectiveness of key aspects of the internal control framework. Executive and regional management are responsible for risk management and controls within their respective business areas of responsibility.

**Principal risks**

The Board considers all material risks to the delivery of BMT's strategy. See pages 10 and 11 which set out the principal business and financial risks facing the Group and include market and operational risks.

A combination of global economic uncertainty and government spending constraints could negatively impact the timing, value, and nature of key customer orders in the near term, particularly across the defence and energy markets. However, in the medium to long-term we see growth opportunities in those markets through a renewed focus on national security, on core infrastructure investment, and on the transition to clean energy.

Risk mitigation for BMT includes maintaining our supplier status in core defence markets, while remaining competitive across all markets. We continue to work very closely with our customers to understand their immediate and longer-term priorities. We are strengthening our internal management reporting capabilities through our Enterprise Resource Planning (ERP) system, which combined with closer customer engagement, will enable us to better pre-empt and respond to volatility across our pipeline, particularly in our largest market. We are actively working to rebalance our portfolio across industries and regions which will reduce market concentration risks over time.

We have and continue to invest in our delivery organisation, with better project lifecycle risk management from the bidding phase through to contracting and into delivery. The aim is to have the right capabilities engaged at the right time whether those are from sales, commercial, technical, financial or project management teams. We are developing our programme governance to ensure we can anticipate potential issues earlier and respond accordingly.

Our people are core to what we do and having the right skills, experience, and commitment is key to successful delivery. Our investment in talent acquisition experts, in our overall employee proposition, and in graduate training programmes are having a positive impact. We are also rolling out a new skills-based system to allow us to map and analyse our capabilities and to inform future planning and development.

We work to improve employee wellbeing and more broadly, to protect the health and safety of all stakeholders including our employees, contractors, and third parties. We have implemented a cloud-based global organisational safety software system that facilitates more real-time management and reporting of health and safety risks.

While we hold no debt, we still maintain careful cashflow management and funding strategies to allow us to respond to short-term changes in market conditions as well as meet our long-term commitments. Towards the end of the prior year, we saw the appointment of an experienced corporate trustee to manage the defined benefit pension scheme and deficit funding plans have been agreed based on the triennial valuation completed in the year.

System and data security risks remain high due to the persistent cybersecurity threats, many using artificial intelligence. We are investing continually in our regional information technology networks, our systems, and processes, to support active deterrence, detection, and defence responses.

**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

**Emerging risks**

The international geopolitical situation is constantly evolving, and we monitor developments globally, working closely with our customers and third parties. Rapid technological change empowered by artificial intelligence is now a reality and poses benefits and threats. We have invested in targeted digital and innovation programmes and are incorporating new technologies to create process efficiencies. The ongoing focus on sustainability, decarbonisation, and commitment to net zero targets provides opportunities and challenges. We continue to meet our reporting commitments and implement tools to help us track progress against targets. We are working to support our customers in the clean energy transition and to incorporate sustainability across all service areas, from maritime design through to critical coastal infrastructure and environmental management solutions.

**Risk appetite**

Our risk appetite remains balanced and supports taking measured risk in pursuit of our strategic objectives whilst being eager to challenge existing practices. We will accept more risk to accelerate pipeline growth and foster innovation in areas that we are confident will deliver value for BMT and for our customers. We seek to minimise legal and operational risks in areas such as compliance, cybersecurity, and safety, with a more cautious approach to management. Our risk appetite is supported by multiple levers that we use to manage risks and is monitored to assess our overall capacity to absorb shocks.

<b>Risk</b>	<b>Strategic Objectives</b>	<b>Why It Matters</b>	<b>How We Manage It</b>
Programme and Project Delivery	Sustain the Core Growth through Collaboration	Failure to adequately assess the contractual, technical, and delivery risks at the outset of a project and throughout the project lifecycle could result in material financial losses, legal claims, and reputational damage.  We undertake some complex projects which carry material delivery risks and could lead to potentially onerous contracts without good project management and robust contract change control processes.	Our project lifecycle processes are supported by relevant policies, procedures, and management systems. Our opportunity gate reviews allow for in-depth risk identification during the bidding phase. Our delivery function ensures that we have the relevant project governance and technical capabilities to meet the standards required.  For certain large projects, we apply additional governance and oversight proportionate to the risk, and work with our customers to implement contract change control processes as required.
Attract and Retain Talent	Sustain the Core Invest in Ourselves	We achieve success through our people, and we need to be able to recruit and retain the requisite skills to meet our customers' needs and to drive the business forward. We face competitive markets for the right talent.	Targeted recruitment campaigns help us attract the best people, and we benchmark our Employee Value Proposition (EVP) with the market. We offer several platforms for training, employee engagement and career development.
Health, Safety and Wellbeing	Sustain the Core	We undertake a small number of higher health risk activities in certain parts of the business and need to adhere to the Health, Safety and Environment (HSE) regulations.	We ensure our people have the requisite qualifications and we encourage a safety-first culture, investing in processes, mandatory training, and risk reporting systems. Additionally, many of our customers provide bespoke HSE training programmes. We also provide a range of resources to support employee wellbeing.

**PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)**

<b>Risk</b>	<b>Strategic Objectives</b>	<b>Why It Matters</b>	<b>How We Manage it</b>
Future Business, and Brand Management	Sustain the Core Exploit our Innovation Invest in Ourselves	We remain heavily weighted toward the defence sector and UK market in particular. We are reliant on long-term relationships and framework agreements with several key customers and partners. To deliver our strategy we need to maintain our key supplier status and retain the trust to provide competitive solutions.	Our key account managers work closely with our core customers to understand their strategic goals and spending plans, and we undertake in-depth market analysis to inform business development activities. We remain alert to changing customer priorities and work to balance the market risk by offering a diverse portfolio of services and growing our regional businesses.
External Market and Geopolitical Factors	Sustain the Core	External factors including changes to national governments in core markets, ongoing geopolitical volatility, and economic uncertainty could lead to significant changes to the type, scope, and timing of customer orders. Our ability to deliver on schedule and on budget could be impacted by these external market factors.	Our annual integrated strategic business planning exercises are stress tested for a range of outcomes across all our markets. We continually monitor the economic and political environment and the likely impact on our customers and suppliers.  We focus on cost control and maintain cash reserves in response to business or market volatility. We adapt our ways of working to minimise redelivery risks.
Physical and Data Security	Sustain the Core Exploit our Innovation Invest in Ourselves	A breach of physical or data security, cyber attack or system failure could adversely impact on our business and our stakeholders, and may lead to a breach of regulations, exposing the Company to financial and reputational losses. The increasing use of artificial intelligence tools makes the detection and management of cyber threats more difficult.	We adopt a multi-layered approach, using physical and network security measures to protect our systems and data. Software tools monitor and support our data and systems security. The rollout of regional networks allows for the application of more consistent ways of working adapted to industry standards. All employees undertake mandatory training and regular refresher training.
New Technology Innovation and Digitalisation	Invest in Ourselves Exploit our Innovation Growth through Collaboration	New technologies and industry trends continue to change how our customers operate, and constant innovation is needed to stay competitive and relevant. Deployment of Artificial Intelligence (AI) tools presents challenges (and opportunities) which have the potential to disrupt aspects of how we, our customers and our partners operate.	We invest in targeted innovation that aligns with our overall strategy, and we allocate Research and Development (R&D) funding to approved projects that are most likely to deliver a return on that investment. We develop digital, data, and technology strategies to drive efficiencies, support innovation and to sustain necessary skills. We are also working on the safe deployment of AI tools in selected areas to enhance our capabilities and improve productivity.
Defined Benefit Pension Scheme Liabilities	Sustain the Core	BMT Group Limited holds a Defined Benefit (DB) pension scheme which was closed to future accrual with effect from 31 January 2011. A material and sustained reduction in the value of the pension fund assets or an increase in liabilities beyond actuarial assumptions could require additional funding from the Company to manage the deficit.	We manage the net DB scheme liabilities by applying appropriate funding strategies based on actuarial valuations.  A corporate trustee works to ensure the right governance and management processes are in place to protect the scheme's assets, to manage its liabilities, and to ensure compliance with the relevant legislation.

**SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT**

The Board of Directors' responsibilities under Section 172 of the Companies Act 2006, requires them to act in good faith and promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance are appropriately informed by these factors. We describe how they have fulfilled their duties towards the main stakeholder groups below and through to page 14.

In making decisions, the Board and its Committees take into account the potential impact on stakeholders as well as broader factors, such as the Company's impact on the community and environment, responsible business practices, reputational risks, and the likely long-term consequences of its decisions. This helps to ensure that decisions are made with consideration for all relevant factors.

**Our customers and partners**

The Board has defined long-term collaborative relationships with customers as a central part of our strategy, putting them at the heart of our purpose, and approach to innovation. We ensure the needs and voice of our customers are heard and understood in planning and decision making.

From the start of this year, we embarked on a new approach to tracking our level of customer satisfaction (known as 'CSAT') on a consistent global basis which blends net promoter scores alongside other feedback and is calculated as the percentage of responses that rate BMT at a score of 7 out of 10 or above. CSAT provides valuable insights and learning from which we can engage and strengthen our customer relationships and provides a metric for tracking our performance. We are acting on feedback, and expect to have a reliable global set of metrics from the next financial year.

The Board supported the acquisition of Australia Maritime Technologies Pty Ltd in the year, as a strategic investment in our defence and security advice and services offering in Australia. Refer to the Business and Financial Review in the Strategic Report and Note 11 to the financial statements for further details.

**Our people**

Our people continue to be at the centre of the Board's activities. Competitive compensation and benefits packages and ample opportunities for career development as well as a focus on employee engagement, wellbeing and Diversity, Equity and Inclusion (DEI) enable us to attract and retain the right talent.

Our annual employee engagement survey took place for the third year in which 1,070 employees participated (83% of all employees at the time of the survey), and our overall engagement mean increased again from 3.94 to 4.03 (out of 5). At a global level, we have increased our engagement scores on 11 out of the 13 questions, some of them significantly. This has confirmed the continued success of our Employee Value Proposition (EVP) with improved year-on-year results for the second year running.

Throughout the year, the views of our people are directly represented at Board meetings through our Employee Director who is a member of the Board, and through presentations by the Employee Engagement Group (EEG) members on employee feedback across the business.

The Board continued to be involved in the review and assessment of our evolving office property portfolio and included several office changes or amendments in the UK, Australia, and Singapore.

We ensure that people constantly have access to current information about the business through various channels, including our intranet site, Navigator, as well as regular regional and global town halls and email updates. The information given includes a regular narrative and dashboard describing the financial performance and progress against strategy, the economic factors affecting our business, and an overview of any key internal and external events and projects.

**SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT (CONTINUED)**

**Our people (continued)**

As an Employee Benefit Trust (EBT), although voting control and legal ownership rests with the Trustees, beneficial ownership rests with current and certain former employees. Accordingly, a payment was made during the year from the profit-sharing schemes based on the performance in the preceding financial year. A profit share has also been approved for the current financial year which is to be paid in the following year.

To achieve our ambitions for growth and diversification and deliver the best possible results for our clients, our people need to work safely and collaboratively across BMT. All actions of the Board aim to achieve sustainable and profitable growth in order to create long-term value for our employees.

**Our suppliers**

The Board recognise the importance of mutually beneficial relationships with suppliers, including our contractors, in the successful delivery of our strategy. The Board also recognise the importance of delivering this success in a manner compliant with ethical business practices.

BMT seeks the continuous promotion of due diligence and the transparent application of our Supplier Code of Conduct. This helps suppliers to ensure they comply with all relevant policies, laws and regulations covering topics such as health and safety, bribery, slavery, and human rights.

**Our communities**

The Board fully supports our approach to promoting volunteering and engagement with charities and community partnerships. Recognising the strategic importance of delivering value and the positive impact in our local communities, we harness our expertise to deliver environmental and societal projects whilst also minimising detrimental impacts of our operations.

Our commitment to community engagement, by supporting national and local initiatives such as education in Science, Technology, Engineering and Mathematics (STEM), and targeting growth by focusing on a sustainable future, continues to inspire both the current and future workforce of BMT.

**Our defined benefit pension scheme**

The Board recognises current and future pensioners within its defined benefit pension scheme as stakeholders in its decision making. The Board is committed to ensuring the pension scheme is fully funded over a sensible timescale, the investments and funds are managed in the best way for members, and that risks are managed in an appropriate way.

The Chief Financial Officer engages in a transparent and regular dialogue with the pension trustee. Following the appointment of a professional, corporate sole trustee at the end of the prior financial year, our scheme is now aligned with the latest thinking and expertise in recognition of the increasing complexity and regulation of the pension scheme industry.

We continue to carefully manage our defined benefit pension liability and implement the agreed triennial funding plan to reduce liabilities over the medium term.

**Our industry bodies**

The Board encourages a strategic approach to industry relationships that create mutual benefits for BMT and its industry bodies. We actively engage with many professional bodies and trade associations to positively influence and shape the future of our industries.

**SECTION 172(1) STATEMENT AND STAKEHOLDER ENGAGEMENT (CONTINUED)**

<b>Stakeholder and Why They Matter to BMT</b>	<b>Stakeholder Interests</b>	<b>How BMT Engages with its Stakeholders</b>
<b>Customers and partners:</b> We aspire to be a trusted partner to our customers in helping to solve their most complex challenges.	<ul style="list-style-type: none"> <li>• Delivery</li> <li>• Safety</li> <li>• Innovation</li> <li>• Strategic relationships</li> </ul>	<ul style="list-style-type: none"> <li>• Build long-term customer relationships</li> <li>• Collaborate to understand customer needs and create enduring value</li> </ul>
<p><b>People:</b> We strive to ensure the long-term sustainability of our employees who drive our success.</p> <p>As beneficial owners of the EBT, we must also demonstrate through its Trustees how we operate the business to add value now and into the future.</p>	<ul style="list-style-type: none"> <li>• Remuneration, reward, benefits, profit-sharing</li> <li>• Learning and development</li> <li>• Health and safety</li> <li>• DEI and wellbeing</li> <li>• Long-term business stability</li> <li>• Financial business performance</li> </ul>	<ul style="list-style-type: none"> <li>• Global induction</li> <li>• Regionally benchmarked remuneration and benefits</li> <li>• Comprehensive learning and development opportunities</li> <li>• Career framework</li> <li>• EEG and employee networks</li> <li>• DEI and wellbeing strategies</li> <li>• Trustee updates, EEG engagement</li> </ul>
<b>Suppliers:</b> Our suppliers are critical enablers to the effective delivery of our business and vital partners in ensuring compliance.	<ul style="list-style-type: none"> <li>• Long-term relationships</li> <li>• Timely payment</li> <li>• Clear parameters</li> </ul>	<ul style="list-style-type: none"> <li>• Good working relationships</li> <li>• Prompt payment</li> <li>• Supplier Code of Conduct</li> <li>• Supplier due diligence</li> </ul>
<b>Defined benefit pension scheme:</b> We recognise current and future pensioners as stakeholders in decision making.	<ul style="list-style-type: none"> <li>• Employer covenant</li> <li>• Deficit contributions</li> </ul>	<ul style="list-style-type: none"> <li>• Transparent dialogue</li> <li>• Regular covenant monitoring</li> </ul>
<b>Communities:</b> We recognise that we depend on the communities where we operate and have a responsibility towards them.	<ul style="list-style-type: none"> <li>• Employment, education</li> <li>• Health and safety</li> <li>• Environment</li> <li>• Community investment</li> </ul>	<ul style="list-style-type: none"> <li>• Sponsorship</li> <li>• Charitable giving and volunteering</li> <li>• University partnerships</li> <li>• STEM ambassadors</li> </ul>
<b>Industry bodies:</b> We maintain positive and constructive relationships with industry bodies to be able to understand, shape and influence our industries.	<ul style="list-style-type: none"> <li>• Regulations, policies, and standards</li> <li>• Thought leadership</li> <li>• Addressing skills deficit</li> </ul>	<ul style="list-style-type: none"> <li>• Memberships and support</li> <li>• Employees engaged in committees</li> <li>• Technical papers</li> <li>• Promoting professional accreditation and memberships</li> </ul>

**FUTURE DEVELOPMENT OF THE BUSINESS**

We continue to develop the business to enhance the value we create for our customers, employees, and all stakeholders, and invest in innovative technologies to maintain and grow our market position. We remain focused on building intimate customer relationships to understand their current and future needs, and ensure they are represented in all aspects of our thinking. We are already seeing progress in markets for our key investments in hybrid propulsion, autonomous vessels, and digitalisation. In this evolving environment, we will continue to build resilience and progress our strategy so that we remain well-positioned to address both the opportunities and challenges ahead.

Employees will always be at the heart of our business model. We offer competitive remuneration, benefits and meaningful employee profit-sharing schemes to connect everyone to our shared success. Fundamental to that success is the importance of providing employees with professional development, challenging work, and opportunities to build careers. We continue to actively create a more diverse workforce, bringing a wide range of thinking in an inclusive and safe environment that promotes employee satisfaction and wellbeing. We are committed to being a purpose led business where our employees have the opportunity to work on projects that matter. These elements combined with an already strong Employee Value Proposition (EVP) help to ensure we attract and retain the best talent.

**FUTURE DEVELOPMENT OF THE BUSINESS (CONTINUED)**

Our net zero targets and sustainability strategy are aligned to two prioritised Sustainable Development Goals (SDGs). These are SDG 9: Industry, Innovation & Infrastructure, and SDG 13: Climate Action, and they are central to our future business growth and ambition. We have continued to make progress towards our Science Based Target initiative (SBTi) validated targets of a 65% reduction in our biggest sources of emissions by 2030 and achieving net zero by our financial year ending 30 September 2035. Over the coming year we will continue to embed sustainability into all parts of our business and culture and further support our proposition to our customers, enabling them to achieve more sustainable outcomes.

Our priorities and strategic focus remain unchanged. To fulfil our purpose and continue the successful implementation of our strategy next year and beyond we must focus on growing and profitably delivering our order book, staying close to our customers, and investing in our people.

Our strategic priorities are therefore to sustain and grow our core business through our ‘famous four’, to drive new growth through collaboration, to expand and diversify by exploiting our innovation and research, and to invest in ourselves through emerging campaigns, partnerships and acquisitions.

Our strategy of selective focus on our core markets and sectors is enhanced by our commitment to deliver sustainable outcomes for our customers. Our independence, coupled with our deep expertise, customer centricity, and ethical and social narrative means we offer a strong value proposition for our customers and our employees. This focus and expertise put us in a good position to deal with market uncertainty and to meet future challenges and aspirations of our clients and stakeholders.

Although we ended this financial year with a strong order book and a solid order pipeline, the year ahead is likely to bring further economic and political instability. However, our ability to help our customers innovate and adapt in response to ongoing and new challenges, from energy transition to national security, means that we can continue to create value for both our business and our customers.

The delay of the UK Government Budget to November 2025 meant that uncertainty over defence and other public spending commitments persisted into the next financial year. With the subsequent Defence Investment Plan yet to be published, it remains our expectation that conditions should improve as the UK and other key governments worldwide clarify their defence investment strategies and begin to commit funds.

We anticipate that the contracting delays that have hindered us will lessen in the months that follow, albeit that we also fully understand that the content of defence investment strategies is likely to evolve to take account of emerging technology themes, and lessons learnt from conflicts in Ukraine and the Middle East, and that we therefore need to be well ahead of this in what we offer to our customers.

The path forward is becoming clearer and our strong order book and pipeline, along with our healthy cash balance and no external debt, suggest that BMT is well positioned to navigate it.

Approved by the Board and signed on its behalf by:



Sarah Kenny OBE  
Chief Executive Officer  
27 March 2026