



RNS Number : 8244X  
Rolls-Royce Holdings plc  
02 May 2019

2 May 2019

## **ROLLS-ROYCE HOLDINGS PLC ON TRACK TO DELIVER**

### **Trading update**

We are today holding our Annual General Meeting. In his update to shareholders, our Chief Executive Warren East will comment: *"I am pleased to report that trading is in-line with our expectations. We continue to see a healthy market environment, with strong order intake year-to-date at Power Systems, good flying hour growth in Civil Aerospace and positive order momentum in Defence. The in-service performance of the Trent XWB-84 remains strong and it has been encouraging to see recent order wins for our Trent 1000 engine. Our restructuring programme has continued to make progress as we aim to bring down commercial and administrative costs, improve our engineering efficiency and drive lasting culture change at Rolls-Royce. The completion of our disposal of the Commercial Marine business also represents an important milestone, with proceeds received in April. In summary, we remain on track for the Full Year and to deliver our longer-term aspirations."*

For the 2019 Full Year, we remain confident in our underlying operating profit and free cash flow guidance of £700m +/- £100m. In terms of seasonality, cash flow phasing is expected to have a strong second half bias with higher invoiced engine deliveries and planned inventory reductions in Civil Aerospace.

We continue to implement the fixes to improve the health of the Trent 1000 fleet. Retrofits of the new design of the Intermediate Pressure Compressor (IPC) blade for the Package C variant are underway. Additionally, inspections of Trent 1000 TEN High Pressure Turbine Blades (HPTBs) are progressing and work continues on testing a redesigned HPTB for the Trent 1000 TEN ready for introduction into the fleet in early 2020. Based on our current

understanding of the situation and fleet management plan, our guidance for in-service cash costs on the Trent 1000 in 2019 and 2020, as published with our 2018 Full Year Results on 28 February, remains unchanged.

**About Rolls-Royce Holdings plc**

1. Rolls-Royce pioneers cutting-edge technologies that deliver clean, safe and competitive solutions to meet our planet's vital power needs.
2. Rolls-Royce has customers in more than 150 countries, comprising more than 400 airlines and leasing customers, 160 armed forces, 70 navies, and more than 5,000 power and nuclear customers.
3. Annual underlying revenue was £15 billion in 2018, around half of which came from the provision of aftermarket services.
4. In 2018, Rolls-Royce invested £1.4 billion on research and development. We also support a global network of 29 University Technology Centres, which position Rolls-Royce engineers at the forefront of scientific research.
5. The Group has a strong commitment to apprentice and graduate recruitment and to further developing employee skills.

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