



Annual General Meeting

11 May 2023

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Dame Anita Frew

Chair of the Board



Tufan Erginbilgic

Chief Executive Officer

2022 Full year underlying results

Underlying results £m	2022	2021	Organic Change ¹	Organic Change % ¹
Revenue	12,691	10,947	1,534	14%
Gross profit	2,477	1,996	436	22%
Gross margin %	19.5%	18.2%	1.3%pt	
Operating profit	652	414	197	48%
Operating margin %	5.1%	3.8%	1.1%pt	
Profit after taxation	158	10	116	

£m	2022	2021	Change
Free Cash Flow	505	(1,485)	1,990
Net Debt	(3,251)	(5,157)	1,906

Higher Civil Aerospace shop visit and spare engine volumes and Power Systems growth

Underlying operating profit driven by Civil Aerospace and Power Systems

Increased FCF led by engine flying hour recovery

Improved cash flows and successful completion of disposal programme has reduced net debt

All results are shown for Group continuing operations, on an underlying basis, excluding discontinued operations (ITP Aero).

¹ Organic change is the measure of change at constant translational currency applying full year 2021 average rates to 2022.

All underlying income statement commentary is provided on an organic basis unless otherwise stated.



Rolls-Royce proposition

A stronger business

① High quality and competitive business

▶ Focus on profitable performance and operational efficiency

EBIT margin and returns

② Growing sustainable cash flows

▶ Growing cash from operations and disciplined capital investment

③ Strong balance sheet and growing shareholder returns

▶ Return to investment grade and resume shareholder distributions



Priorities to deliver on our potential

Significantly
improve
operating profit
and cash



Deliver
efficiency
improvements



Generate cash,
reduce debt
and improve
shareholder
returns



Develop a clear
and granular
strategy



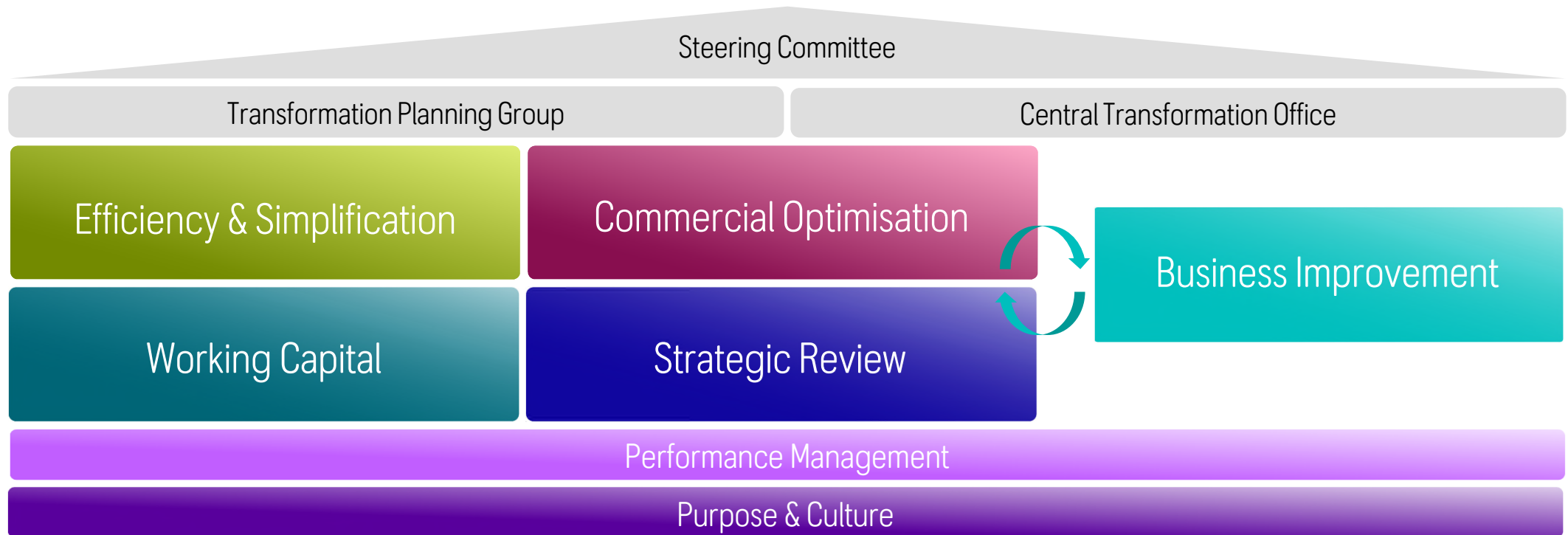
Play a key
role in the
energy transition



Safety – people and product

Transformation programme – overview and governance

Discipline and governance to drive sustainable change



Key messages

Aim to create a **high performing, competitive, resilient** and **growing** business

Significant opportunity so **expand** our **cash generation** and **profitability**

Already **in action** to improve underlying **performance**

We will set a **granular strategy** with **mid term targets**



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Pamela Coles

Chief Governance Officer

