FY 2023 RESULTS SUPPLEMENTARY DATA

FY 2024 GUIDANCE

Operating profit	£1.7bn-£2.0bn
Free cash flow	£1.7bn-£1.9bn

Significant cash flow items:

LTSA creditor growth	low end of the guided mid term range (£0.8bn to £1.2bn)
Over-hedge costs	£146m

Civil Aerospace drivers:

OE deliveries	500-550
	~50% large engines, large spares broadly unchanged in 2023
Shop Visits	1,300 – 1,400
	of which 450-500 large engine major SV
Large engine flying hours	100%-110% of 2019

Other:

Net interest paid (including fees)	modestly better
Cash tax	c.£100m higher year on year

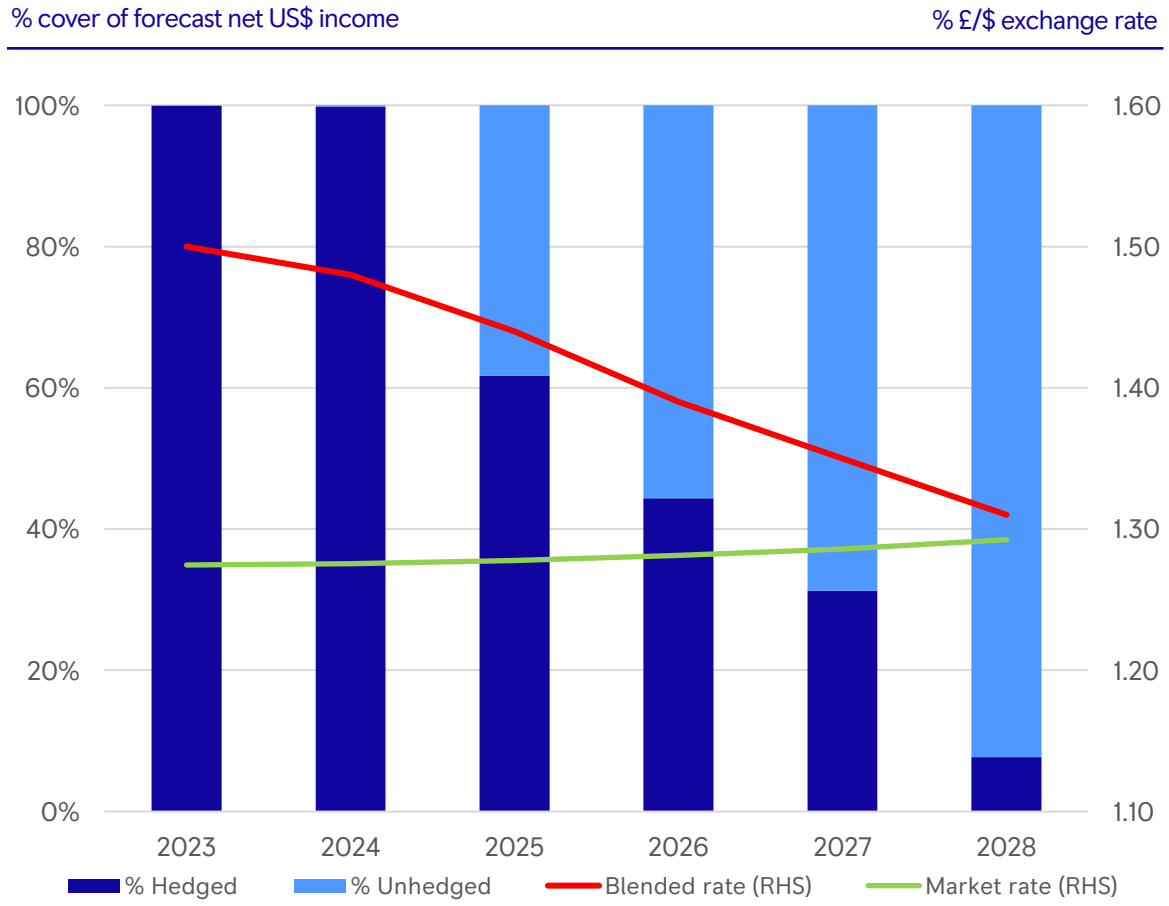
TRANSACTIONAL FOREIGN EXCHANGE

Rolls-Royce hedges transactional FX

- Transactional exposure arises when revenue currencies differ from cost currencies
- Achieved rate is not typically affected by short-term spot rate movements unless new cover is taken; this impact is usually diluted
- $15 billion GBP:USD hedge book (average rate £/$1.52)
- $3 billion EUR:USD hedge book (average rate €/$1.14)
- Each 1 $ cent change in the £/US$ hedge rate impacts pre-tax cash by c£20-30m

USD hedge book cash costs of closing out over-hedge positions
Costs are included in Group FCF definition
2024-2026 are future cash outflows

£m	2020-2022	2023	2024	2025	2026	Total
Cash cost	964	389	146	148	27	1,674



TRANSLATIONAL FOREIGN EXCHANGE

The impact of translational foreign exchange is driven by period average spot rates

Period average rates	2023	2022
USD	**1.24**	1.24
EUR	**1.15**	1.17

	Exposure	Underlying revenue impact		Underlying operating profit impact	
2022 vs. 2021 £m	**Revenue/Profit**	**Including FX**	**FX**	**Including FX**	**FX**
Group		15,409	88	1,590	4
Civil Aerospace	USD, EUR	7,348	17	850	(3)
Defence	USD, EUR	4,077	(11)	562	-
Power Systems	EUR, USD	3,968	82	413	9
New Markets	EUR, USD	4	-	(160)	(2)
Other Businesses	EUR	12	-	(15)	-
Corporate / eliminations		-	-	(60)	1

ROLLS-ROYCE DOES NOT HEDGE AGAINST THE IMPACT OF TRANSLATIONAL FX

- Translational exposure varies by source of revenues and profits
- Translational FX impact is driven by period average spot rates
- Translational impact increases as rate reduces

TRANSLATIONAL IMPACT OF 0.01 UNIT OF CURRENCY CHANGE IN PERIOD AVERAGE RATES

	Revenue	Profit
USD	£19 million	£4 million
EUR	£45 million	£4 million

DRIVERS OF CIVIL LTSA BALANCE CHANGE

Deferred revenue reflects difference between invoiced EFH receipts and P&L revenues traded

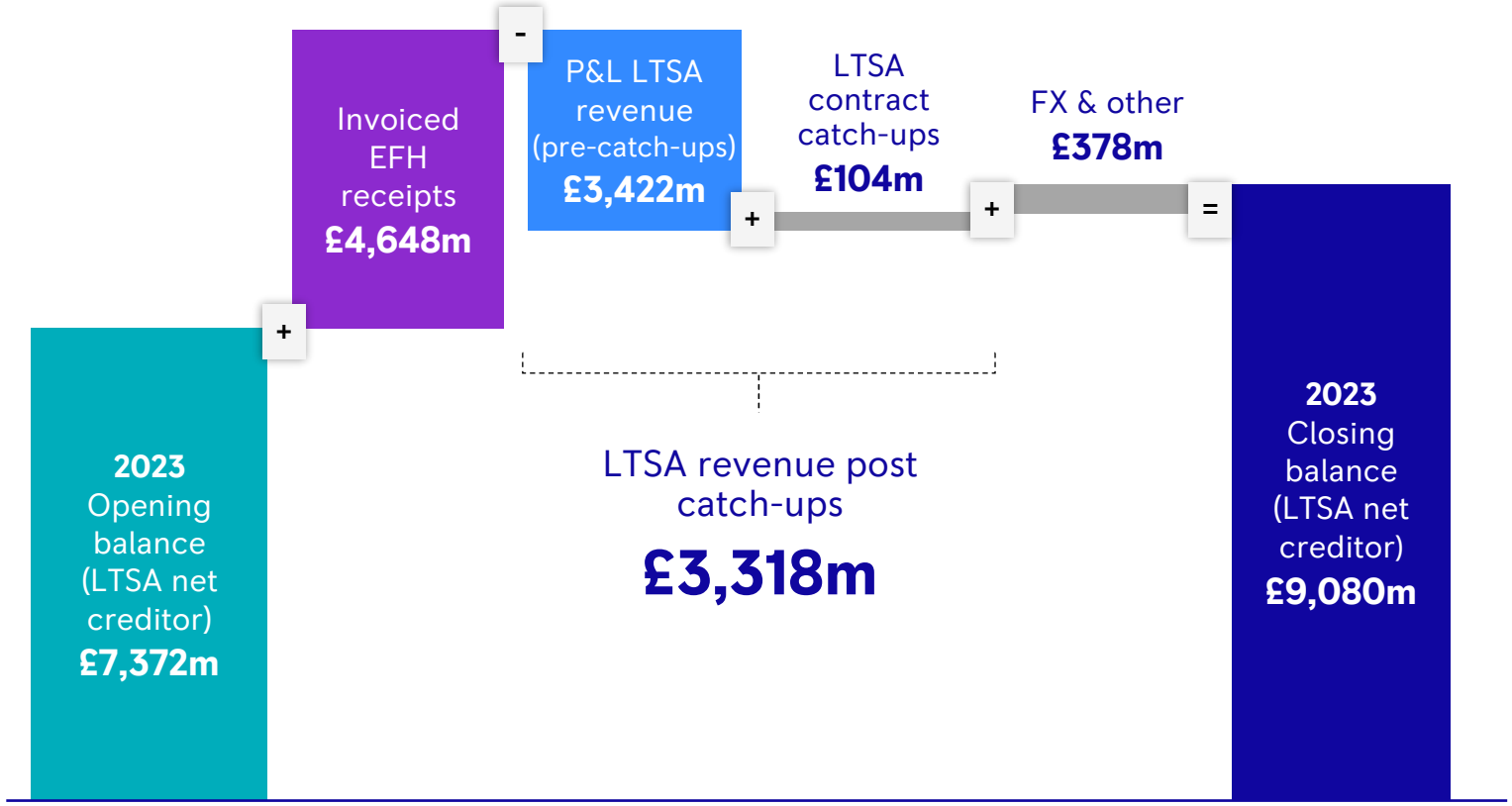
INVOICED EFH RECEIPTS

Reflects invoiced EFH receipts on long-term contracts across entire Civil LTSA-covered fleet

P&L REVENUE

Driven by cost (e.g. shop visits) across large engine, business aviation and regional fleets

Recognised by contract, as costs incurred, at relevant contract margins



CIVIL AEROSPACE REVENUES BY ENGINE TYPE

£m	2023	2022	Organic change[1]
Original Equipment	**2,703**	**1,982**	**36%**
Large engine	2,039	1,516	34%
Business aviation	657	447	44%
V2500	7	19	(63)%
Service	**4,645**	**3,704**	**25%**
Large engine	3,299	2,492	33%
Business aviation	790	721	9%
Regional	264	229	15%
V2500	292	262	11%
Total	**7,348**	**5,686**	**29%**

[1] Organic change is the measure of change at constant translational currency applying full year 2022 average rates to 2023.

TRENT ENGINE PRODUCTS

	Airframe	Market share*	Engines in service	Engines on order
Trent 7000	Airbus A330neo	100%	220	332
Trent XWB-84	Airbus A350	100%	952	778
Trent XWB-97	Airbus A350	100%	162	435
Trent 1000	Boeing 787	27%	738	87
Trent 900	Airbus A380	48%	300	0
Trent 800	Boeing 777	40%	224	0
Trent 700	Airbus A330	60%	1,372	0
Trent 500	Airbus A340	100%	104	0
Total			**4,072**	**1,632**

*Share of total firm and announced programme sales with an engine decision (excludes cancelled orders)

CIVIL AEROSPACE ENGINE DELIVERIES

By engine	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	**2023**
Trent 500	-	-	-	-	-	-	-	-	-	-	-
Trent 700	181	184	140	88	110	63	10	2	2	1	1
Trent 800	-	-	-	-	-	-	-	-	-	-	-
Trent 900	42	35	6	30	67	44	34	15	1	2	-
Trent 1000	59	79	106	122	109	125	126	82	12	5	38
Trent XWB-84		13	56	117	196	184	178	109	120	96	118
Trent XWB-97					1	45	56	34	29	23	31
Trent 7000						8	106	22	31	63	74
Civil Large Engines	**282**	**311**	**308**	**357**	**483**	**469**	**510**	**264**	**195**	**190**	**262**
Tay	67	46	38	28	2	-	-	-	-	-	-
AE3007	78	48	34	20	8	10	4	-	-	-	-
BR700	326	334	332	244	190	205	191	112	70	77	93
Pearl						2	24	72	44	88	103
Civil Small Engines	**471**	**428**	**404**	**292**	**200**	**217**	**219**	**184**	**114**	**165**	**196**
Civil Total	**753**	**739**	**712**	**649**	**683**	**686**	**729**	**448**	**309**	**355**	**458**

CIVIL AEROSPACE IN-SERVICE INSTALLED FLEET*

By engine	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
RB211 22B	6	3	3	3	3	3	3	3	3	3	-	-
RB211 524	530	455	352	302	278	266	242	210	82	80	85	79
RB211 535	1,028	1,026	1,012	908	868	826	850	824	576	658	682	716
RB211 Total	**1,564**	**1,484**	**1,367**	**1,213**	**1,149**	**1,095**	**1,095**	**1,037**	**661**	**741**	**767**	**795**
Trent 500	452	440	388	352	336	280	284	240	68	92	80	104
Trent 700	948	1,114	1,288	1,388	1,460	1,590	1,636	1,606	1,054	1,146	1,178	1,372
Trent 800	446	436	422	362	352	330	334	320	134	176	184	224
Trent 900	208	244	280	304	332	360	400	428	68	168	252	300
Trent 1000	44	84	164	260	384	476	546	658	538	604	662	738
Trent XWB-84	-	-	2	30	124	278	432	590	562	666	762	952
Trent XWB-97	-	-	-	-	-	-	28	70	96	98	124	162
Trent 7000	-	-	-	-	-	-	2	80	90	130	170	220
Trent	**2,098**	**2,318**	**2,544**	**2,696**	**2,988**	**3,314**	**3,662**	**3,992**	**2,610**	**3,080**	**3,412**	**4,072**
Civil Large Engines	**3,662**	**3,802**	**3,911**	**3,909**	**4,137**	**4,409**	**4,757**	**5,029**	**3,271**	**3,821**	**4,179**	**4,867**
Spey	632	580	506	460	430	404	360	284	252	236	210	182
Tay	1,969	2,019	2,011	2,035	2,027	1,993	2,009	1,946	1,892	1,866	1,838	1,832
AE3007	2,544	2,598	2,534	2,468	2,326	2,302	2,448	2,472	2,028	2,124	1,954	2,076
BR700	2,362	2,696	2,964	3,388	3,642	3,858	4,098	4,322	4,314	4,382	4,442	4,560
Pearl	-	-	-	-	-	-	-	-	36	84	120	184
Civil Small Engines	**7,507**	**7,893**	**8,015**	**8,351**	**8,425**	**8,557**	**8,915**	**9,024**	**8,522**	**8,692**	**8,564**	**8,834**
Civil Total	**11,169**	**11,695**	**11,926**	**12,260**	**12,562**	**12,966**	**13,672**	**14,053**	**11,793**	**12,513**	**12,743**	**13,701**
Fleet growth	**-13%**	**5%**	**2%**	**3%**	**2%**	**3%**	**5%**	**3%**	**-16%**	**6%**	**2%**	**8%**

* Installed engine base is net of retirements and excludes aircraft which are parked or in storage
Fleet data from Cirium excludes aircraft temporarily parked due to COVID-19

CIVIL IN-SERVICE THRUST BASE (MILLIONS LBS)*

Thrust per engine (lbs)		2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
RB211 22B	60,000	-	-	-	-	-	-	-	-	-	-	-	-
RB211 524	60,000	32	27	21	18	17	16	15	13	5	5	5	5
RB211 535	40,000	41	41	40	36	35	33	34	33	23	26	27	29
RB211 Total		**73**	**69**	**62**	**55**	**52**	**49**	**49**	**46**	**28**	**31**	**32**	**34**
Trent 500	56,000	25	25	22	20	19	16	16	13	4	5	5	6
Trent 700	72,000	68	80	93	100	105	114	118	116	76	83	85	99
Trent 800	92,000	41	40	39	33	32	30	31	29	12	16	17	21
Trent 900	70,000	15	17	20	21	23	25	28	30	5	12	18	21
Trent 1000	71,000	3	6	12	18	27	34	39	47	38	43	47	52
Trent XWB-84	84,000	-	-	-	3	10	23	36	50	47	56	64	80
Trent XWB-97	97,000					-	-	3	7	9	10	12	16
Trent 7000	72,000					-	-	-	6	7	9	12	16
Trent		**152**	**168**	**185**	**196**	**217**	**243**	**270**	**297**	**198**	**233**	**260**	**311**
Civil Large Engines		**226**	**237**	**247**	**251**	**269**	**292**	**319**	**343**	**226**	**265**	**292**	**345**
Spey	11,000	7	6	6	5	5	4	4	3	3	3	2	2
Tay	15,000	30	30	30	31	30	30	30	29	28	28	28	28
AE3007	7,500	19	19	19	19	17	17	18	18	15	16	15	16
BR700	15,000	35	40	44	51	55	58	61	65	65	66	67	68
Pearl	15,000	-	-	-	-	-	-	-	-	-	1	2	-
Civil Small Engines		**91**	**97**	**99**	**105**	**107**	**109**	**114**	**116**	**112**	**114**	**114**	**114**
Civil Total		**317**	**333**	**346**	**356**	**376**	**402**	**433**	**459**	**338**	**378**	**406**	**459**
Thrust Growth		**-12%**	**5%**	**4%**	**3%**	**6%**	**7%**	**8%**	**6%**	**-26%**	**12%**	**7%**	**13%**

* Installed engine base is net of retirements and excludes aircraft which are parked or in storage
Fleet data from Cirium excludes aircraft temporarily parked due to COVID-19

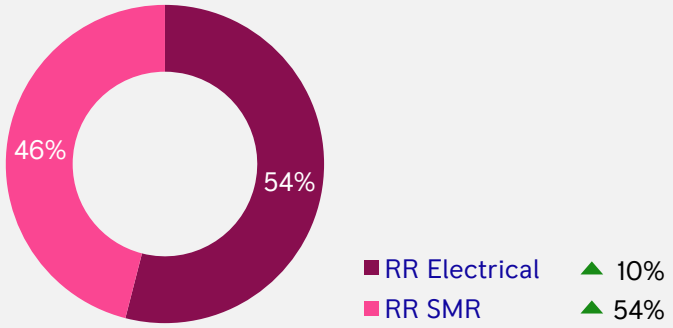
NEW MARKETS

Underlying results £m	2023	2022	Organic Change	Organic Change %
Revenue	**4**	**3**	**1**	**33%**
Gross profit/(loss)	**1**	**(1)**	**2**	**nm**
Operating loss	**(160)**	**(132)**	**(26)**	**20%**
Trading cash flow	**(63)**	**(57)**	**(6)**	

KEY POINTS

- SMR 2023 cash costs covered by third party funding
- First power planned in early 2030s
- Electrical (AAM) partnership/exit announced

£137M R&D SPEND



EMPLOYEES

c1,200

vs 800 in FY22 (monthly average)

+50%

R&D SPEND

£137m

vs £108m in FY22

SAFE HARBOUR STATEMENT

This announcement contains certain forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. In particular, all statements that express forecasts, expectations and projections with respect to future matters, including trends in results of operations, margins, growth rates, overall market trends, the impact of interest or exchange rates, the availability of financing to the Company, anticipated cost savings or synergies and the completion of the Company's strategic transactions, are forward-looking statements. By their nature, these statements and forecasts involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts. The forward-looking statements reflect the knowledge and information available at the date of preparation of this announcement, and will not be updated during the year. Nothing in this announcement should be construed as a profit forecast. All figures are on an underlying basis unless otherwise stated - for the definition see note 2 to the condensed consolidated financial statements section of the 2023 Full Year Results Statement.