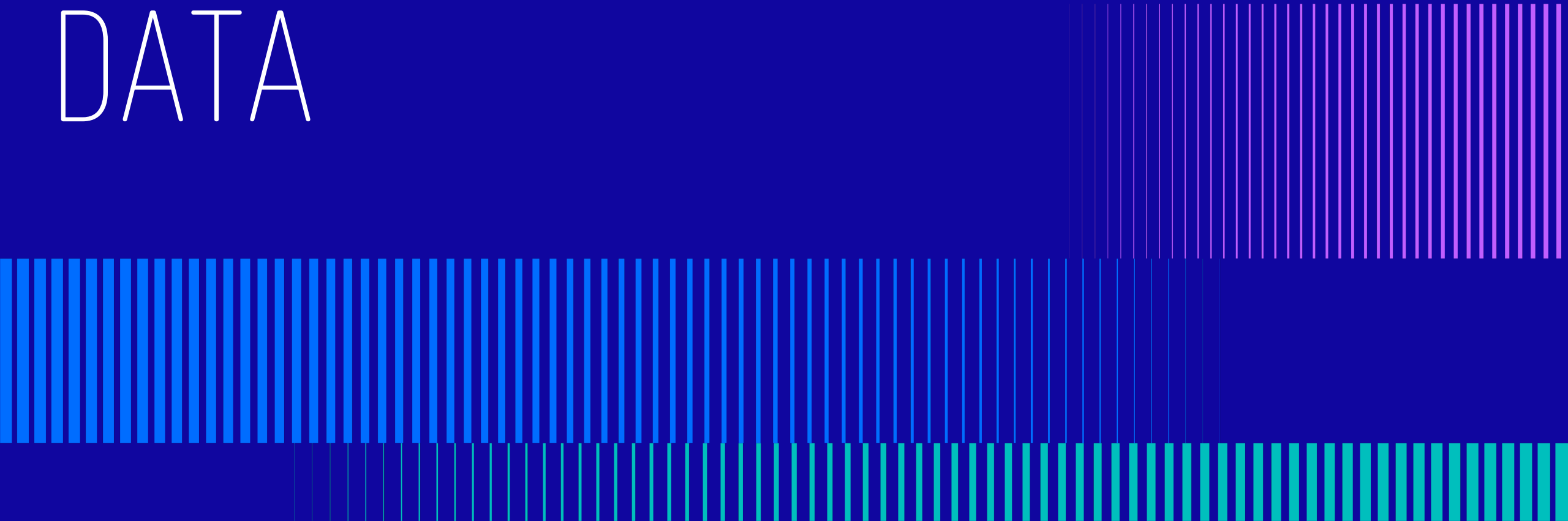


SUPPLEMENTARY DATA



GROUP MID-TERM TARGETS AND GUIDANCE

Mid-term targets

Operating profit	£2.5bn-£2.8bn
Operating margin	13-15%
Free Cash flow	£2.8bn-£3.1bn
Return on Capital	16-18%

Other guidance

TCC/GM	0.4-0.5x
Gross disposal proceeds	£1.0bn-£1.5bn over 5 years
Net investments	Investments > D&A in the mid-term vs. £300m below in 2022
Working capital	c.£2bn released 2022 – mid-term; partly offset by headwinds/growth
Net interest	Reduces as we pay down debt
Tax paid	Increases in line with profit growth
FX - achieved rate	c.\$1.36/£
Headcount	2,000-2,500 roles reduced globally
Severance costs	£200m-£250m through 2024/25
Rightsizing benefits (annualised)	c.£200m annualised benefit by the end of 2025

DIVISIONAL MID-TERM TARGETS AND GUIDANCE

Civil Aerospace

Operating margin mid-term target	15-17%
Market growth: Widebody	5-7% (CAGR 2022 – 2030)
Market growth: Business Aviation	3-5% (CAGR 2022 – 2030)
Large engine deliveries	300-350
Business Aviation deliveries	250-300
Large engine refurb	700-750
Large engine total shop visits	1,100-1,200
Widebody LTSA engine flying hours (EFH)	120-130% of 2019 vs. 80-90% 2023
Business Aviation EFH	120-130% of 2019 vs. 110% 2023
LTSA balance (net of risk & revenue partners)	£0.8bn-£1.2bn growth p.a.

Defence

Operating margin mid-term target	14-16%
Market growth: Combat and Transport	0-2% (CAGR 2022 – 2030)

Power Systems

Operating margin mid-term target	12-14%
Market growth: Power Generation	5-7% (CAGR 2022 – 2030)
Market growth: Mobile applications	4-6% (CAGR 2022 – 2030)

Return on Capital: $\text{RoC} = \text{net operating profit after tax} / \text{average invested capital}$

Net operating profit is defined as underlying operating profit after tax (where the tax charge reflects the group tax charge after removing the estimated tax shield on net financing costs). Invested capital is defined as total assets (excluding cash and cash equivalents and any surplus on post-retirement schemes) minus current liabilities (excluding debt), with an average calculated as the difference between opening and closing balance sheets.

Total cash costs / Gross margin: $\text{TCC/GM} = (\text{self-funded R\&D expenditure} + \text{C\&A costs}) / \text{underlying gross profit}$

Self-funded research and development (R&D) expenditure excludes the impact of contributions (government funding, amortisation and impairment of capitalised costs and amounts capitalised during the year) and fees.

Free Cash Flow is cash from operating activities including capital expenditure and movement in investments, capital elements of lease payments, interest paid and excluding amounts spent or received on activity relating to business acquisitions or disposals, financial penalties paid and exceptional restructuring payments.