ROLLS ROYCE

HALF YEAR RESULTS 2026

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 2026 Half Year Results Statement.

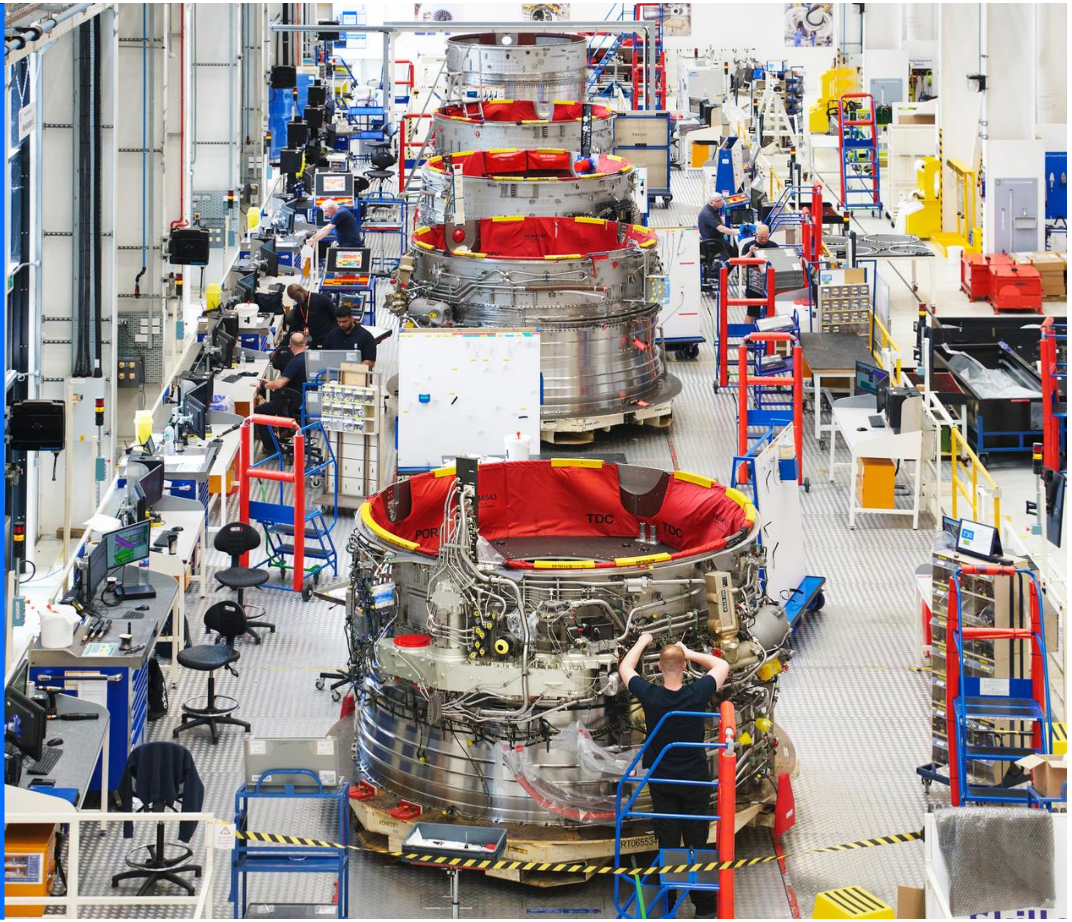
01 TUFAN ERGINBILGIC

Chief Executive Officer

STRONG FIRST HALF DELIVERY; FY26 GUIDANCE RAISED

Transforming Rolls-Royce into a high performing, competitive, resilient, and growing business

- Significant operational and strategic progress
- Strong first half results driven by transformation and business improvements
- FY26 guidance raised
- Further confidence in mid-term guidance
- 6.0p interim dividend announced
- On track for £2.5bn share buyback in 2026
- Resilient and diversified portfolio with significant growth potential



STRONG OPERATIONAL AND FINANCIAL PERFORMANCE

KEY GROUP FINANCIAL METRICS

Operating profit[1]
£2.5bn
+46% yoy

Operating margin[1]
22.5%
+3.1pts yoy

Free cash flow
£2.0bn
+24% yoy

Return on capital
22%
+5.1pts yoy

DIVISIONAL OPERATING MARGIN[1]

CIVIL AEROSPACE
25.3%
+0.5pts

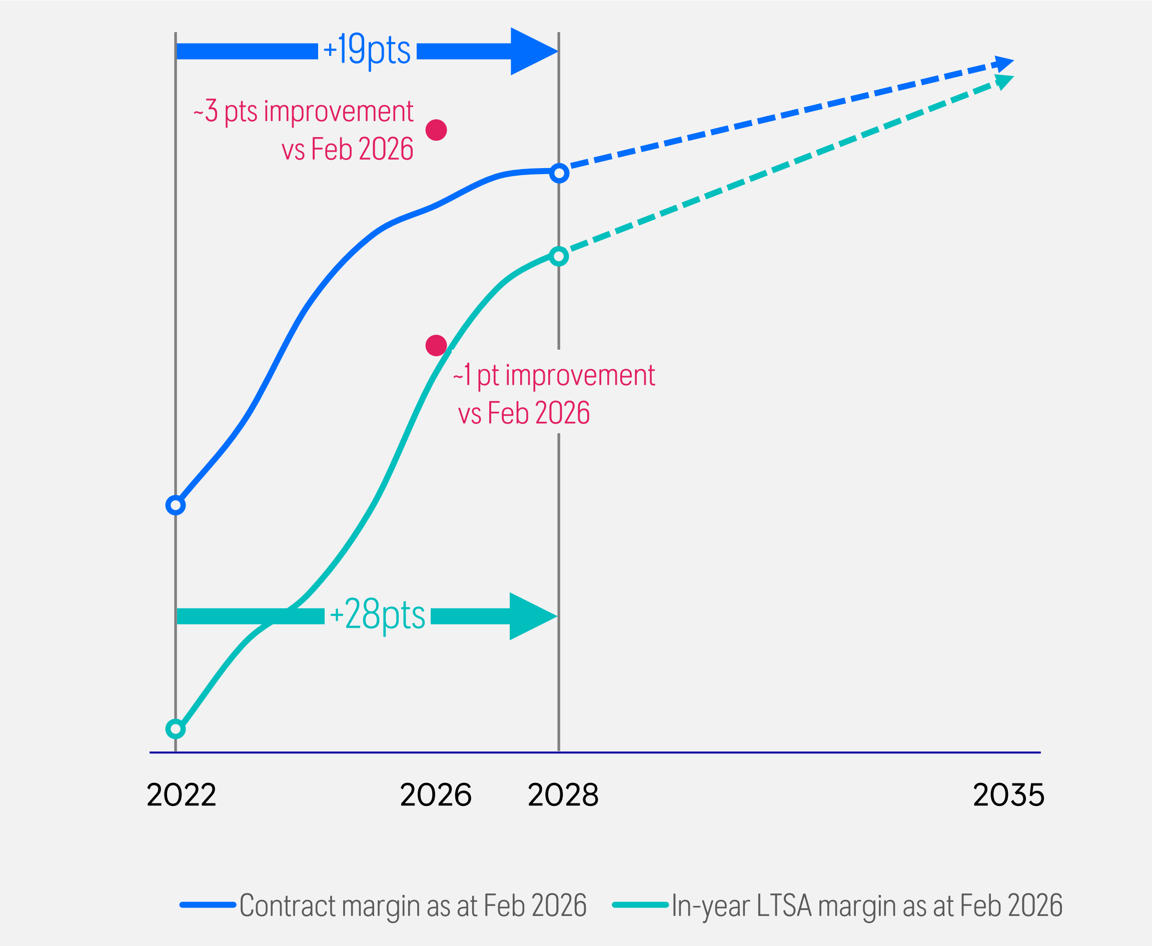
DEFENCE
21.0%
+5.4pts

POWER SYSTEMS
20.3%
+5.3pts

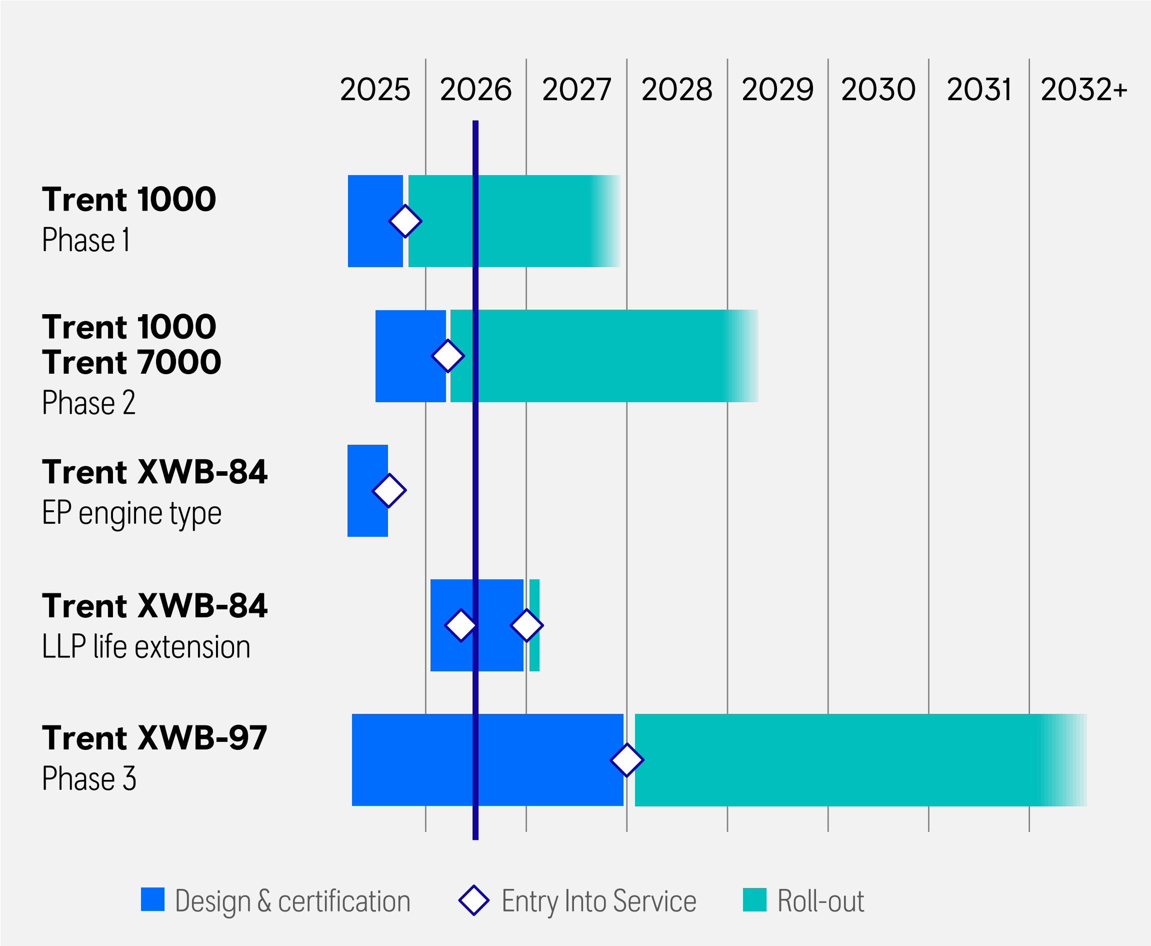
[1] Operating profit and operating margin shown on an underlying basis

CONTINUED STRATEGIC PROGRESS

Contract and LTSA margin improvement across in-production engines



More than 100% improvement in time on wing of in-production engines with cash benefits significantly beyond the mid-term



CONTINUED STRATEGIC PROGRESS

1. Portfolio choices & partnerships

- Power Systems capacity expansion and next generation engine development on track
- Beneficiary of the UK Defence Investment Plan and NATO summit commitments
- Civil Aerospace - MRO[1] capacity expansion across the network
- Project Sunrise A350-1000ULR test flight; Falcon 10X first flight

2. Strategic initiatives

- Growing Civil LTSA margins[2]
- Continued progress towards Time on Wing target
- Best-in-class AOG[3] benefitting us and our customers
- Strong Trent 1000 XE commercial momentum
- Defence - global leader in autonomous propulsion
- Power Systems - capturing strong growth in power generation and governmental

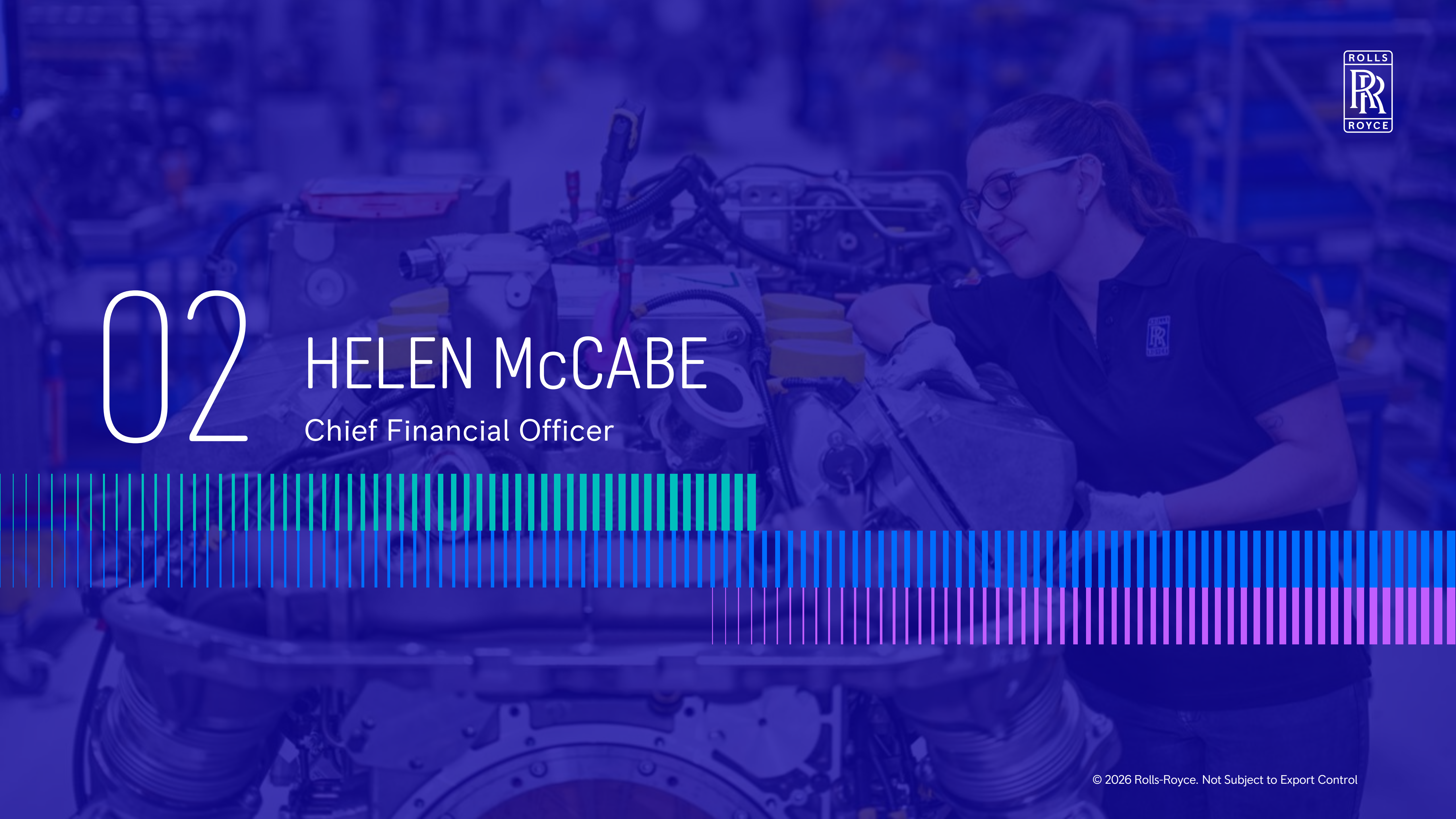
3. Efficiency & simplification

- Further improvement of TCC/GM ratio to 0.27x
- Second phase of efficiency programme to support disciplined growth…
- …including GBS[4] scale-up and further SIOP[5] improvements
- …alongside further digital and lean manufacturing benefits

4. Lower carbon & digitally enabled businesses

- Trent XWB-84 EP fuel efficiency above target
- Rolls-Royce SMR - selected in Sweden; contracts signed in UK and Czech Republic
- Digital thread across engineering, MRO, and the supply chain to drive further efficiencies and effectiveness

[1] Maintenance, Repair, and Overhaul; [2] For in-production engines; [3] Aircraft on Ground; [4] Group Business Services; [5] Sales, Inventory, Operational Planning



02

HELEN McCABE

Chief Financial Officer

2026 HALF YEAR UNDERLYING RESULTS

Underlying results £m	H1 2026	H1 2025	Organic Change[1]	Organic Change %[1]
Revenue	**11,279**	**9,057**	**2,310**	**26%**
Gross profit	**3,397**	**2,572**	**839**	**33%**
Gross margin %	30.1%	28.4%	1.6pts	
Operating profit	**2,534**	**1,733**	**796**	**46%**
Operating margin %	22.5%	19.1%	3.1pts	

pence	H1 2026	H1 2025	Change	Change %
Basic earnings per share	**22.17**	**15.74**	**6.43**	**41%**
Dividend per share	**6.0**	**4.5**	**1.5**	**33%**

£m	H1 2026	H1 2025	Change
Free cash flow	**1,964**	**1,582**	**382**
Net cash	**2,136**	**1,084**	**1,052**
Return on capital	**22.0%**	**16.9%**	**5.1pts**

Strong results - double-digit profit and cash growth across every division

Operating profit growth of £0.8bn and free cash flow growth of £0.4bn

Resilient balance sheet - net cash of £2.1bn
Interim dividend of 6.0p per share

Best-in-class return on capital demonstrates significant value creation

[1] Organic change is the measure of change at constant translational currency applying half year 2025 average rates to 2025 and 2026 and excludes M&A and business closures. All underlying income statement commentary is provided on an organic basis unless otherwise stated

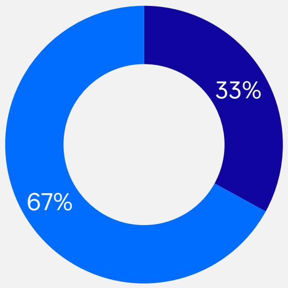
CIVIL AEROSPACE

Underlying results £m	H1 2026	H1 2025	Organic Change	Organic Change %
Revenue	**6,186**	**4,786**	**1,380**	**29%**
Gross profit	**1,857**	**1,477**	**378**	**26%**
Gross margin %	30.0%	30.9%	(0.8)pts	
Operating profit	**1,567**	**1,193**	**374**	**31%**
Operating margin %	25.3%	24.9%	0.5pts	
Trading cash flow	**1,458**	**1,111**	**347**	**31%**

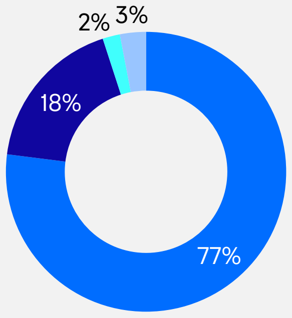
KEY POINTS

- 29% revenue growth, 31% profit growth
- Higher large engine aftermarket profit across LTSA and time and materials
- Higher net contractual margin improvements
- Stronger business aviation performance

UNDERLYING REVENUE SPLITS



OE	▲	35%
Services	▲	26%



Large engines	▲	37%
Business aviation	▲	6%
Regional	▲	26%
V2500	▼	1%

OE DELIVERIES
279 +18%

LARGE ENGINE OE DELIVERIES
157 +29%

LTSA ENGINE FLYING HOURS
10.0m +5%

TOTAL LTSA SHOP VISITS
712 +2%

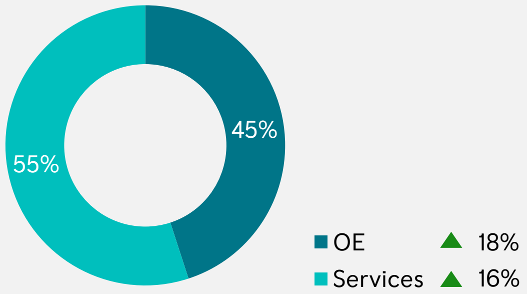
DEFENCE

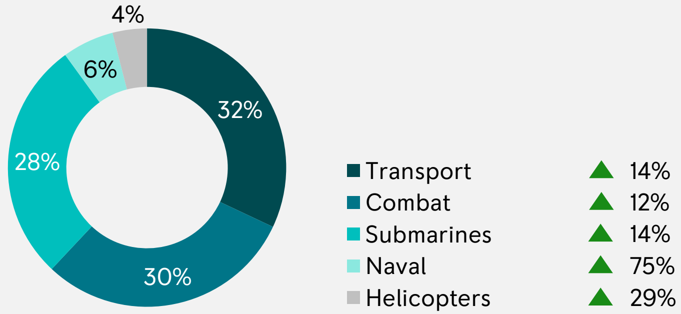
Underlying results £m	H1 2026	H1 2025	Organic Change	Organic Change %
Revenue	**2,484**	**2,223**	**358**	**17%**
Gross profit	**639**	**462**	**192**	**42%**
Gross margin %	25.7%	20.8%	4.6pts	
Operating profit	**522**	**342**	**192**	**57%**
Operating margin %	21.0%	15.4%	5.4pts	
Trading cash flow	**615**	**327**	**288**	**88%**

KEY POINTS

- 17% revenue growth, 57% profit growth
- Higher aftermarket profit across transport and combat
- Continued self-help benefits
- Submarines growth

UNDERLYING REVENUE SPLITS





ORDER INTAKE

£2.4bn

Book-to-bill ratio 1.0x

ORDER BACKLOG

£17.5bn

-7%

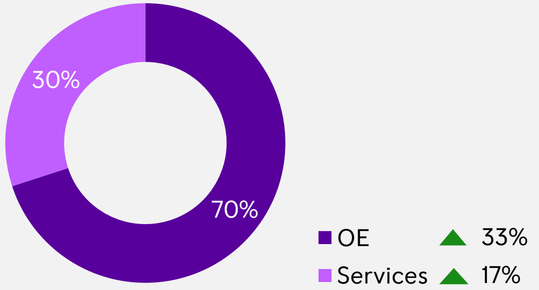
POWER SYSTEMS

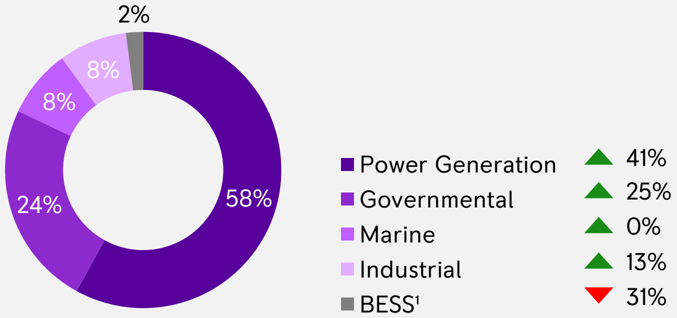
Underlying results £m	H1 2026	H1 2025	Organic Change	Organic Change %
Revenue	**2,604**	**2,042**	**573**	**28%**
Gross profit	**901**	**635**	**267**	**42%**
Gross margin %	34.6%	31.1%	3.4pts	
Operating profit	**528**	**313**	**224**	**72%**
Operating margin %	20.3%	15.3%	5.3pts	
Trading cash flow	**507**	**425**	**82**	**19%**

KEY POINTS

- 28% revenue growth, 72% profit growth
- Strong power generation profit growth, driven by data centres
- Higher governmental profit
- Continued cost control

UNDERLYING REVENUE SPLITS





ORDER INTAKE

£4.6bn

Book-to-bill ratio 1.8x

ORDER BACKLOG

£8.0bn

+42%

[1] Battery Energy Storage Systems

SUMMARY FUNDS FLOW

£m	H1 2026	H1 2025	Change
Underlying operating profit	**2,534**	**1,733**	**801**
Net investments[1]	(73)	37	(110)
Movement in Civil LTSA balance, net of RRSAs[2]	86	472	(386)
Working capital, excluding Civil Net LTSA	65	(22)	87
Movement in provisions	(159)	(294)	135
Settlement of excess derivatives	(27)	(116)	89
Net interest	(7)	14	(21)
Tax	(525)	(259)	(266)
Other	70	17	53
Free cash flow	**1,964**	**1,582**	**382**

KEY DRIVERS OF HIGHER YEAR ON YEAR FCF

- Higher underlying operating profit
- Higher net investments as we invest for future profitable growth
- Lower net LTSA balance growth due to more shop visits and business improvements
- Broadly similar working capital performance
- Movement in provisions reflects renegotiations of onerous contracts
- Higher cash tax costs

[1] Net investments = D&A – capital element of lease payments – capital expenditure – investment [2] Risk and Revenue Sharing Arrangements

CAPITAL FRAMEWORK

Maintaining resilience, investing strategically, and rewarding shareholders

1 STRONG BALANCE SHEET

- Net cash position of £2.1bn
- £1.1bn of bonds repaid from cash
- €1bn of bonds issued maturing in 2031 and 2036
- Upgraded to A3 / A- rating by Moody's / Fitch

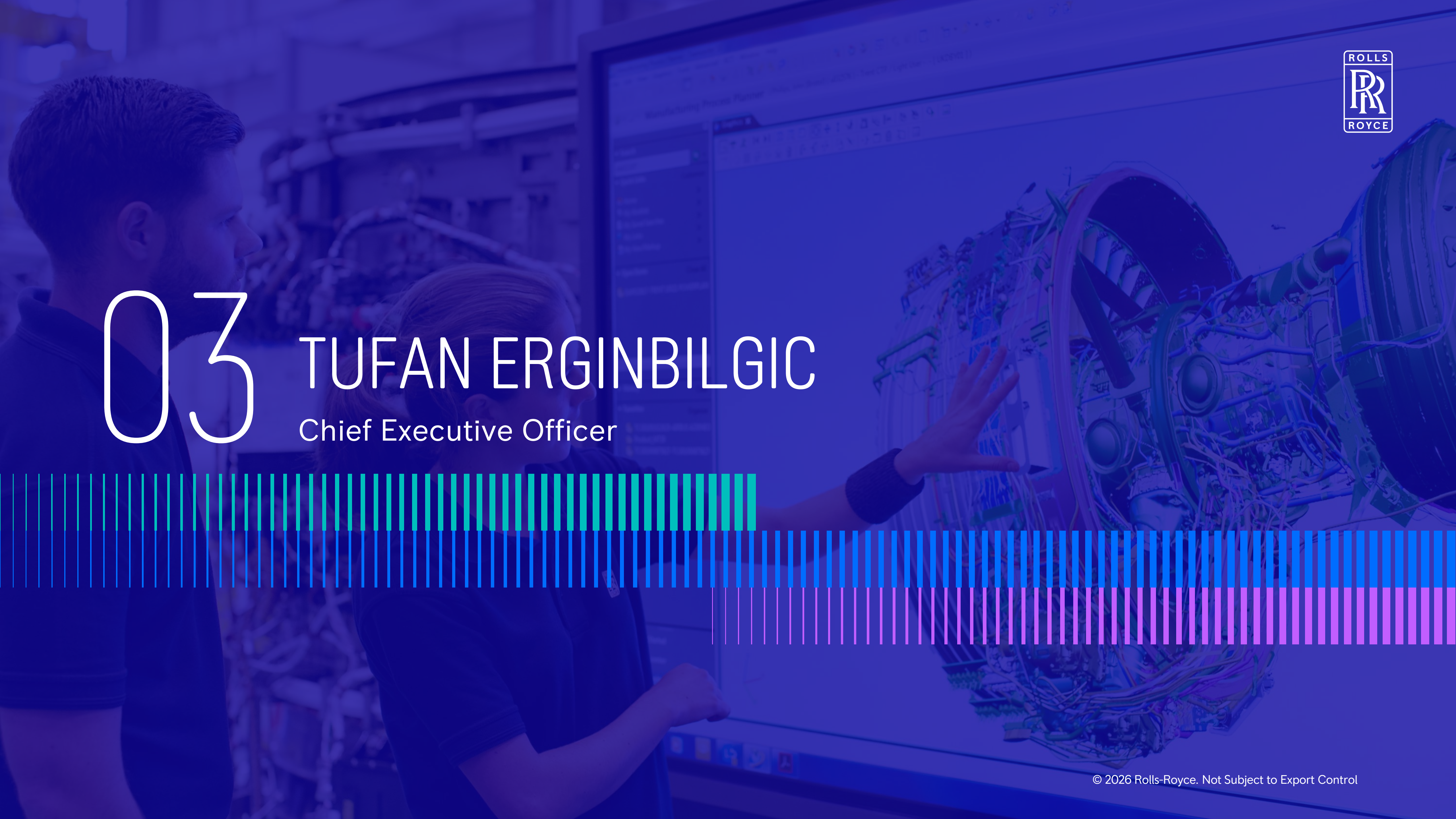
2 REGULAR AND GROWING DIVIDENDS

- Interim dividend of 6.0p
- Target annual payout of 30%-40% of underlying profit after tax

3 FURTHER INVESTMENTS & SHAREHOLDER DISTRIBUTIONS

- 2026 £2.5bn share buyback progressing: £1.4bn completed[1]
- Disciplined investments: strategically aligned and value creative

[1] As of 29 July 2026



03

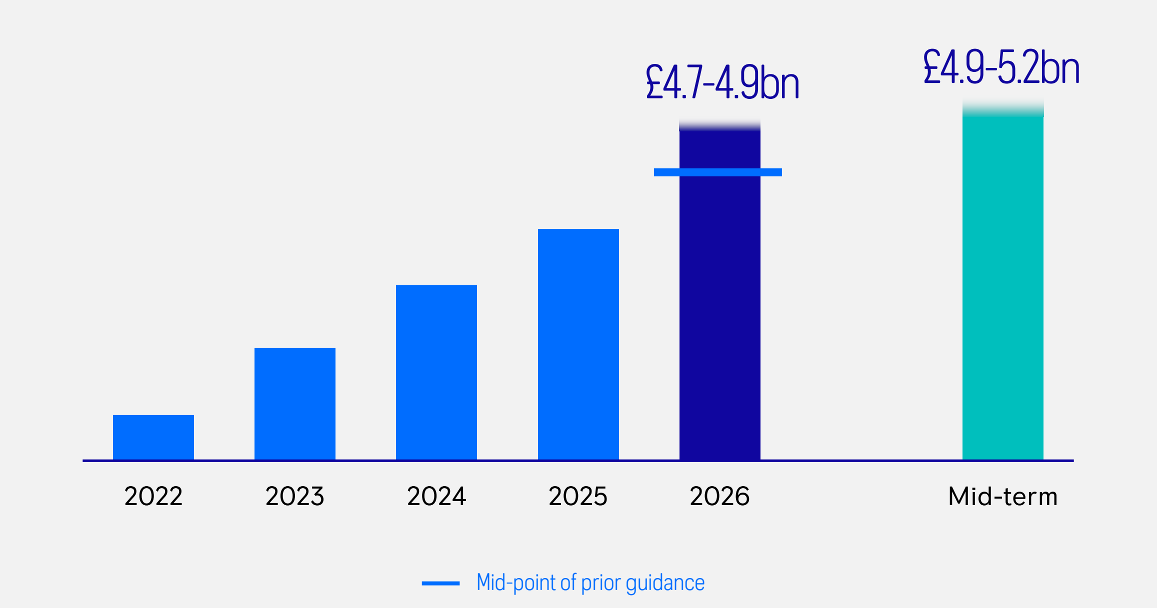
TUFAN ERGINBILGIC

Chief Executive Officer

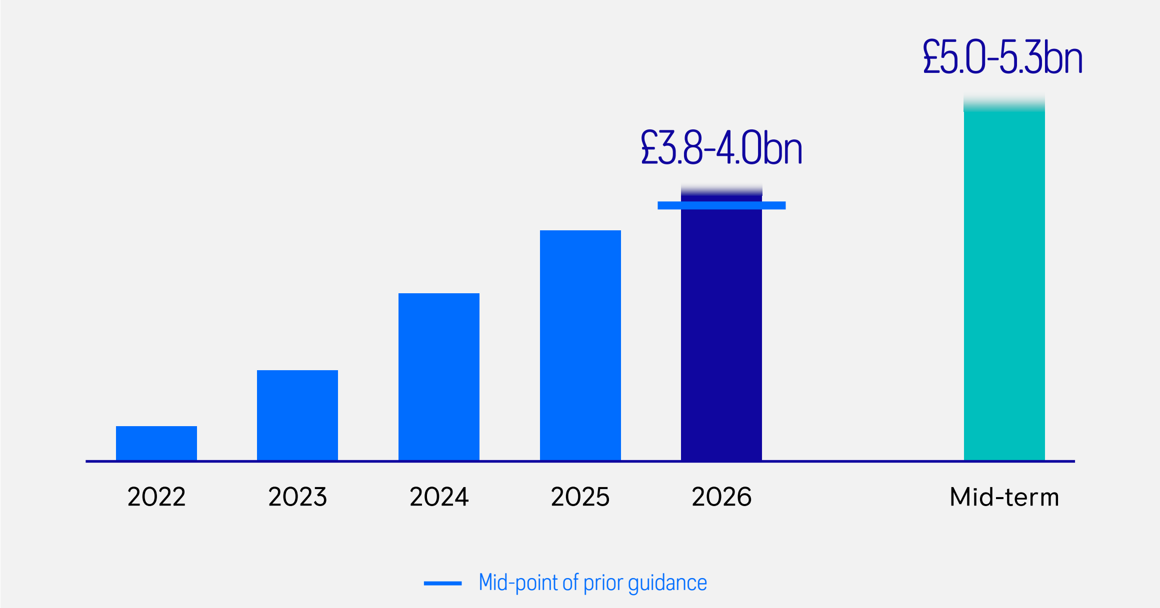
FULL YEAR 2026 GUIDANCE RAISED

Strong delivery driven by transformation gives us confidence to raise our FY26 guidance

Operating profit[1]



Free cash flow



Civil Aerospace drivers

Large engine EFH	Towards the lower end of the range of 115-120% of 2019
Total OE deliveries	550-600
Total shop visits	1,480-1,550

[1] Underlying operating profit

ACHIEVING THE ROLLS-ROYCE PROPOSITION

OUR TRANSFORMATION

- Significant operational and strategic progress
- Strong first half results driven by transformation and business improvements
- FY26 guidance raised
- Further confidence in mid-term guidance
- 6.0p interim dividend announced
- On track for £2.5bn share buyback in 2026
- Resilient and diversified portfolio with significant growth potential

1. HIGH PERFORMING, COMPETITIVE, AND RESILIENT BUSINESS
2. GROWING SUSTAINABLE CASH FLOWS
3. STRONG BALANCE SHEET AND GROWING SHAREHOLDER RETURNS

Q&A

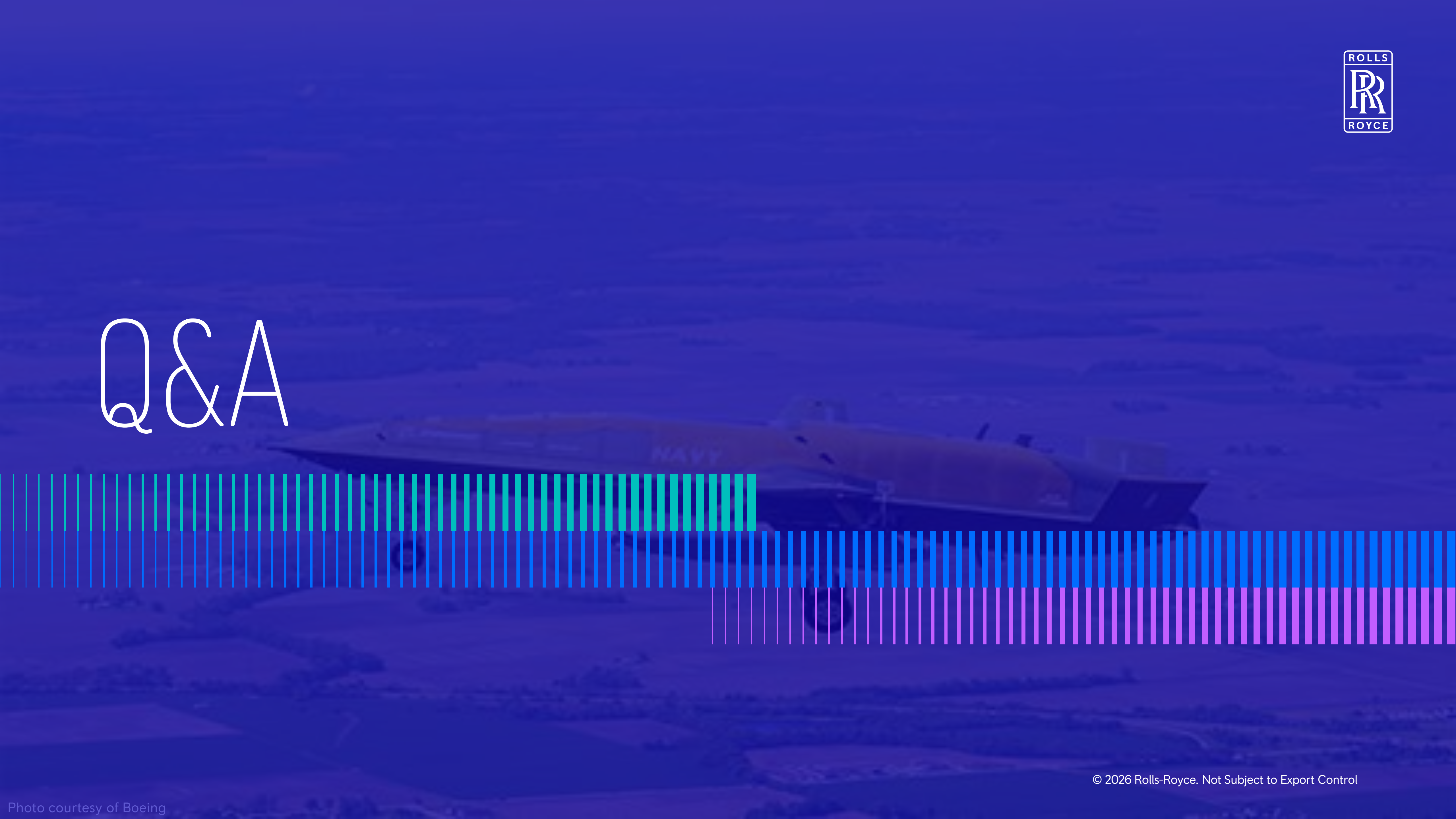


Photo courtesy of Boeing