

30 April 2026

ROLLS-ROYCE HOLDINGS PLC AGM STATEMENT AND TRADING UPDATE

Rolls-Royce Holdings plc is holding its Annual General Meeting today. In his address to shareholders, Chief Executive, Tufan Erginbilgic will comment:

“We have had a strong start to the year driven by our transformation and self-help, as we continue to further expand the earnings, cash, and growth potential of the business. Operational performance has also been strong across the Group, benefiting our customers. With our diversified portfolio of three high performing businesses, a net cash balance sheet, and a best-in-class total cash cost to gross margin ratio, we are creating a more resilient and agile Rolls-Royce that is better equipped to respond to changes in the external environment.

The conflict in the Middle East has created uncertainty for the industry. We are taking the necessary actions to support our employees, customers, and suppliers. We expect to fully mitigate the current financial impact of the disruption to our business. We continue to monitor the situation for any future direct and indirect impacts and will take the necessary actions to mitigate them.

Good progress on our transformation, and the actions we are taking, gives us further confidence in our guidance of £4.0bn-£4.2bn of underlying operating profit and £3.6bn-£3.8bn of free cash flow for 2026. We remain strongly positioned to deliver our mid-term targets, with substantial growth beyond the mid-term from both our existing and new businesses.”

Trading update to 31 March 2026

We have had a strong start to the year across all three divisions. We continue to deliver on our transformation and are proactively mitigating the impact associated with the conflict in the Middle East. As a result, our guidance for 2026 of £4.0bn-£4.2bn of underlying operating profit and £3.6bn-£3.8bn of free cash flow remains unchanged. Year-on-year growth in profit and cash flow across the Group continues to be largely driven by our actions and strategic initiatives.

Rolls-Royce has a diversified and resilient portfolio of businesses. Widebody demand remains strong, and we have a young fleet which is growing faster than the market. In addition, business aviation, Defence, and Power Systems are all highly resilient businesses with growth outlooks remaining highly attractive.

Civil Aerospace had a strong start to the year driven by large engine and business aviation aftermarket, with business aviation flying hours ahead of budget. Large EFH (engine flying hours) grew by 5% to 115% of 2019 levels in the three months to 31 March. For the full year 2026, we continue to expect large EFH at 115%-120% of 2019 levels:

- There has already been a significant recovery in EFH of Middle Eastern airlines, with EFH of Trent XWB engines fully recovered to pre-conflict levels.
- EFH growth in other regions remains strong, benefiting from the reallocation of capacity and our improved operational performance, including fewer AOG (aircraft on ground).
- The vast majority of economically driven airline capacity reductions announced year-to-date have been narrowbody.

- We do not expect a change in the retirement profile of the Trent 700, which remains the most fuel-efficient engine on the Airbus A330ceo platform, with the majority of the fleet contracted up to the 2030s. Trent 700 EFH in the three months to 31 March were higher year-on-year.

We continue to see good operational momentum:

- Growth in large engine OE deliveries in the first quarter was 18% and our guidance for the full year remains unchanged.
- Growth in large engine shop visits in the first quarter was 12%. Given our predominantly total service business model, which allows us to better plan for shop visits, we do not expect a change in our large engine shop visit profile in 2026 and 2027 as a result of the Middle East conflict.
- The number of AOG fell to a single-digit level at the end of April, a best-in-class level for the industry, and we continue to target zero AOG by the second half of the year.

Demand for new widebody aircraft remains firm. We announced significant orders in the period, including 40 Trent XWB-97 engines for Atlas Worldwide that will power 20 A350F freighter aircraft, alongside 30 Trent XWB-84 EP and 32 Trent 7000 engines for Delta Air Lines.

Orders for Trent 1000 XE engines on eight Boeing 787 aircraft in April provide clear evidence that our sustained investment in durability improvements has repositioned the Trent 1000 XE as a competitive, order-winning engine, while continuing to benefit from our good aftermarket services offering.

Our time on wing programme is progressing to plan. Having certified the second phase of HPT blade improvements for the Trent 1000 and Trent 7000 at the end of last year, we have begun installing the new blade in OE deliveries and during shop visits. We have now upgraded more than a third of the Trent 1000 TEN operational fleet with improved HPT blades, bringing them to the new enhanced Trent 1000 XE standard of durability. We are also continuing to grow our MRO capacity. In January, Turkish Technic broke ground on a state-of-the-art independent maintenance centre in Istanbul, targeted to be operational by the end of 2027, supporting up to 200 shop visits annually.

In **Defence**, a strong start to the year was driven by improved aftermarket performance alongside more than a 20% year-on-year increase in OE deliveries. Demand remains high for both our mature and new programmes. Our unique positioning in next-generation autonomous aircraft propulsion was demonstrated by the first flight of the U.S. Navy's MQ-25 autonomous refuelling aircraft in April, powered by our AE 3007 engine. In March, Rolls-Royce, as the lead partner in the EUROJET consortium, received an order to provide EJ200 engines that will power Türkiye's new fleet of 20 Eurofighter Typhoons. In April, our MT30 marine gas turbine was selected to power up to 11 of the Australian Navy's new fleet of general-purpose frigates, helping to enhance undersea warfare and air defence capabilities.

On future programmes, engine testing for the U.S. Army's MV-75 Cheyenne II is progressing well with endurance and altitude testing on track for later this year, as we keep pace with the accelerated production timeline. In March, we collaborated closely with Boeing on the next stages of their critical design review, for the U.S. Air Force's B-52, which will be re-engined with our F-130 engine.

Power Systems also had a strong start to the year driven by power generation, led by data centres, and governmental. Demand remains high, with power generation order intake across gas and diesel engines in the first quarter around 50% higher than last year, and revenue growth was also strong. March was a record month for orders. As a result, Power Systems' order backlog stood at £7.3bn at 31 March. In January, we announced that we will be supplying 350 upgraded *mtu* Series 199 engines on new Boxer armoured wheeled vehicles for the German Armed Forces and other international customers. In March, we announced an order for around 200 compact *mtu* PowerPacks for the Bundeswehr's Puma armoured personnel carrier and signed a memorandum of understanding with the largest defence technology group in Poland, Polska Grupa Zbrojeniowa S.A. (PGZ), to provide services to *mtu* engines used by the Polish armed forces. Also in March, Power Systems signed a contract with Voltaria Helios Energy Storage to build a large-scale battery energy storage facility in Scotland.

In April, **Rolls-Royce SMR** finalised and signed the contract with GBE-N to supply the UK with three small modular reactors (SMR) at Anglesey, Wales. Commercial terms were also signed with the ČEZ Group, enabling work to progress at the Temelin site for the first of up to six SMRs in the Czech Republic. Both contracts have now entered the execution phase and will generate revenues and profits this year. Rolls-Royce SMR is the only company with multiple contractual commitments to deliver SMR units in Europe and is well placed to become a market leader globally.

Our balance sheet remains strong, and the credit ratings agencies continue to recognise the progress that we are making, with both Moody's and Fitch upgrading our credit rating to A3 and A-, respectively, both with a stable outlook. In February, we repaid a €750m bond from free cash flow.

We are making good progress with the £2.5bn 2026 tranche of our £7bn-£9bn share buyback across 2026-2028, having completed more than £750m to date.

Our 2026 Half Year results will be announced on 30 July 2026.

For further information, please contact:

Investors

Jeremy Bragg
Head of Investor Relations, Rolls-Royce plc
Tel +44 (0) 7795 840875
Jeremy.Bragg@Rolls-Royce.com

Media

Richard Wray
Director of External Communications & Brand, Rolls-Royce plc
Tel +44 (0) 7810 850055
Richard.Wray@Rolls-Royce.com

About Rolls-Royce Holdings plc

1. Rolls-Royce is a force for progress; powering, protecting and connecting people everywhere. Our products and service packages help our customers meet the growing need for power across multiple industries; enable governments to equip their armed forces with the power required to protect their citizens; and connect people, societies, cultures and economies together.
2. Rolls-Royce has a local presence in 48 countries and customers in over a hundred more, including airlines and aircraft leasing companies, armed forces and navies, and marine and industrial customers.
3. Through our multi-year transformation programme, we are building a high-performing, competitive, resilient and growing Rolls-Royce. We are building the financial capacity and agility to allow us to successfully develop and deliver the products that will support our customers through the energy transition.
4. Annual underlying revenue was £20.0 billion in 2025, and underlying operating profit was £3.5 billion.
5. Rolls-Royce Holdings plc is a publicly traded company (LSE: RR., ADR: RYCEY, LEI: 213800EC7997ZBLZJH69)

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