



HALF YEAR RESULTS 2025

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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 2025 Half Year Results Statement.





01 TUFAN ERGINBILGIC

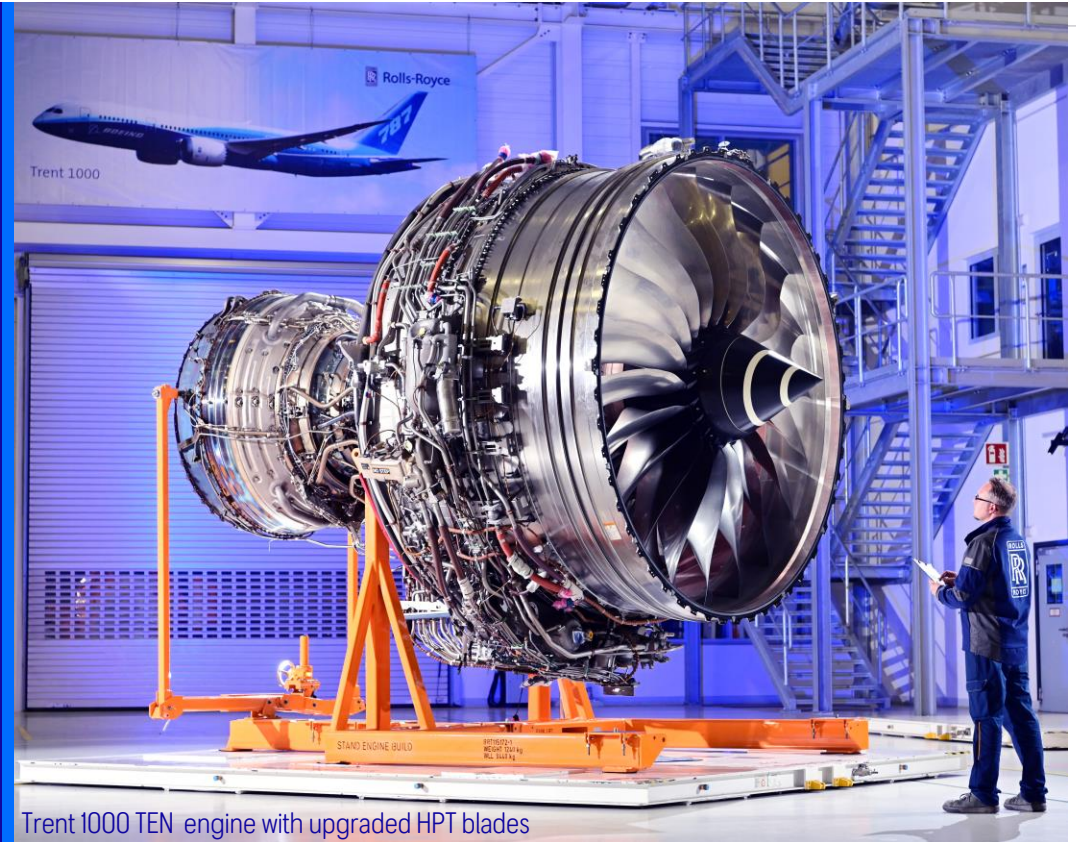
Chief Executive Officer

STRONG FIRST HALF DELIVERY; GUIDANCE RAISED

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



- Creating a distinctive business
- Strong first half results driven by transformation
- Continued operational and strategic progress
- FY25 guidance raised
- Building further confidence in mid-term targets
- 4.5p interim dividend announced
- £0.5bn of £1bn buyback programme completed¹



¹ As at 30 July 2025

STRONG FINANCIAL PERFORMANCE



KEY GROUP FINANCIAL METRICS

Operating profit
£1.7bn
+50% yoy

Operating margin
19.1%
+4.9pts yoy

Free cash flow
£1.6bn
+37% yoy

Return on capital
16.9%
+3.1pts yoy

DIVISIONAL OPERATING MARGIN



CIVIL AEROSPACE
24.9%
+7.1pts



DEFENCE
15.4%
-0.2pts

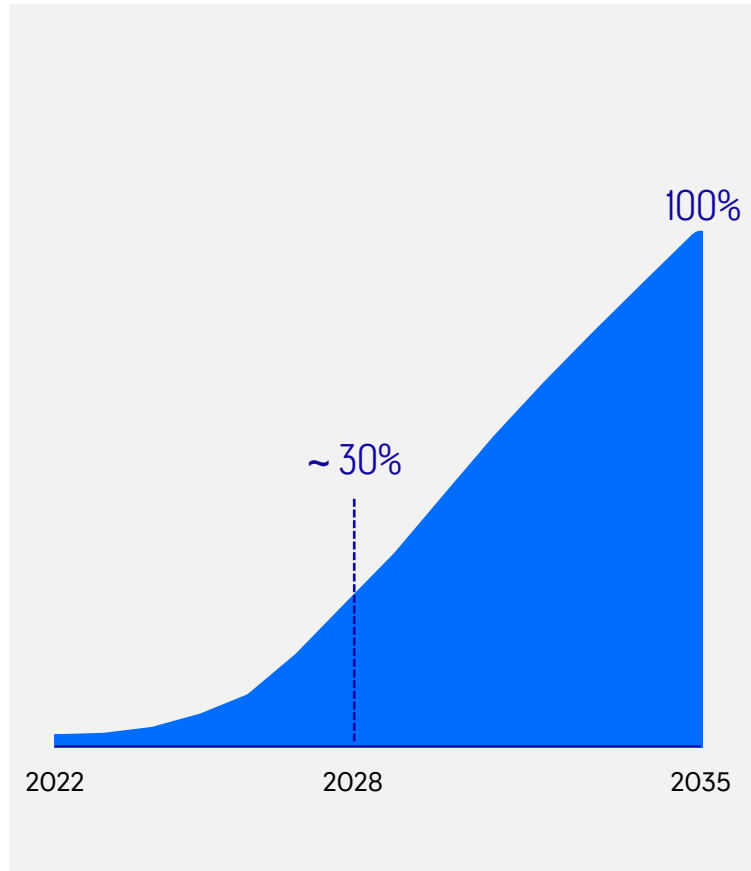


POWER SYSTEMS
15.3%
+5.6pts

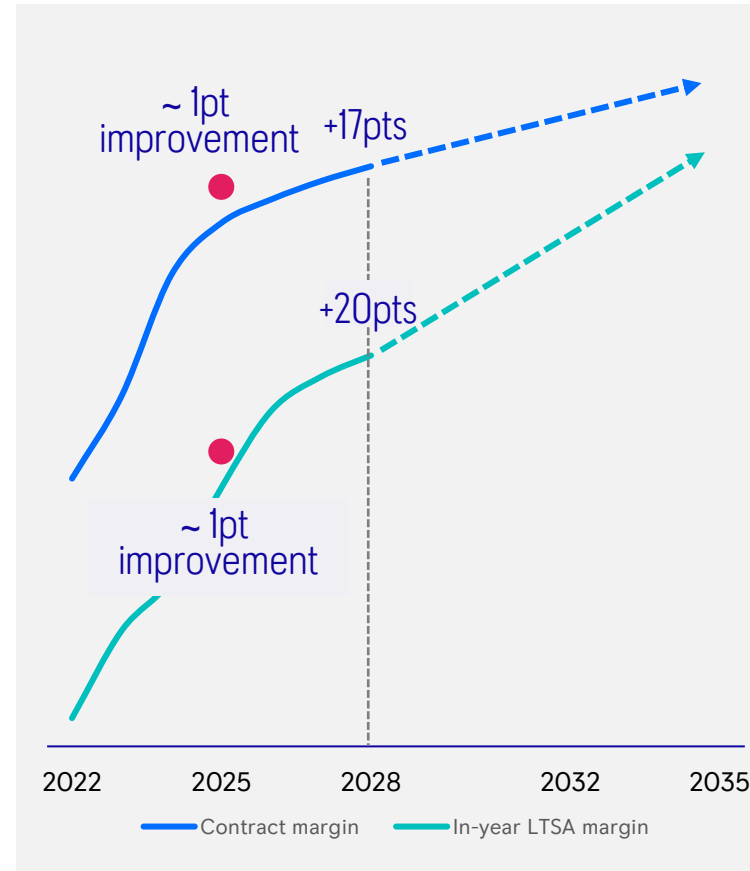
CONTINUED STRATEGIC PROGRESS



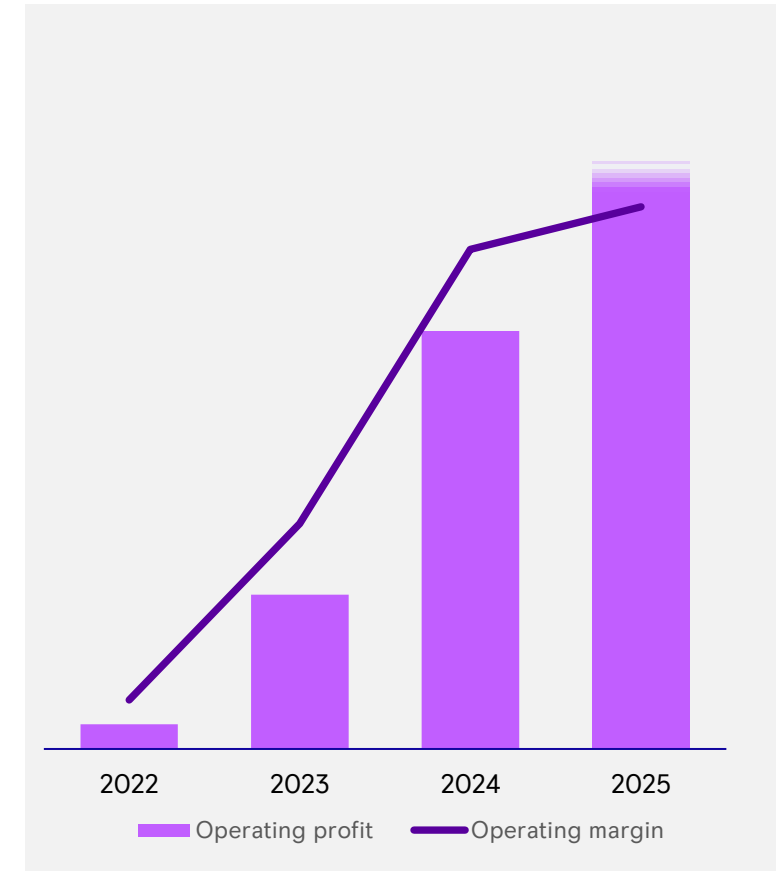
Renegotiated cumulative contract cash improvement



Contract and LTSA margin improvement across all in-production engines



Power generation operating profit and operating margin



CONTINUED STRATEGIC PROGRESS



1. Portfolio choices & partnerships

- Strategic investment by ČEZ Group in Rolls-Royce SMR
- Rolls-Royce and Turkish Technic to establish leading MRO facility
- Continued investment in the next generation of Power Systems engines
- Completed sale of Naval Propulsors business

2. Strategic initiatives

- Significant progress with onerous contracts
- Time on wing targets now more than 50% secured
- Key milestones for Pearl engines on G800 and Falcon 10X business jets
- Major AE 2100 and EJ200 defence contract wins
- Capturing higher growth in data centres and governmental

3. Efficiency & simplification

- Further improvements of TCC/GM ratio to 0.35x
- >£450m of Efficiency & Simplification benefits delivered
- >£850m of third-party procurement savings delivered
- Group Business Services efficiencies scaling up

4. Lower carbon & digitally enabled businesses

- Rolls-Royce SMR selected as sole provider in UK
- Strong BESS¹ growth with improved profitability
- Growing use of AI across engineering and support functions

¹ Battery Energy Storage Systems



02 HELEN McCABE

Chief Financial Officer

2025 HALF YEAR UNDERLYING RESULTS



Underlying results £m	H1 2025	H1 2024	Organic Change ¹	Organic Change % ¹
Revenue	9,057	8,182	+1,063	+13%
Gross profit	2,572	1,977	+644	+33%
Gross margin %	28.4%	24.2%	+4.3pts	
Operating profit	1,733	1,149	+607	+50%
Operating margin %	19.1%	14.0%	+4.9pts	

pence	H1 2025	H1 2024	Change	Change %
Basic earnings per share	15.74	8.95	+6.79	+76%
Dividend per share	4.5	0.00		

£m	H1 2025	H1 2024	Change
Free cash flow	1,582	1,158	+424
Net cash/(debt)	1,084	(822)	+1,906
Return on capital	16.9%	13.8%	+3.1pts

Strong results with every division delivering

Free cash flow reflects strong operating profit and continued LTSA growth

Net cash of £1.1bn
Interim dividend of 4.5p
per share declared

Double-digit return on capital

¹Organic change is the measure of change at constant translational currency applying full year 2024 average rates to 2024 and 2025 and excludes M&A and business closures. All underlying income statement commentary is provided on an organic basis unless otherwise stated

CIVIL AEROSPACE

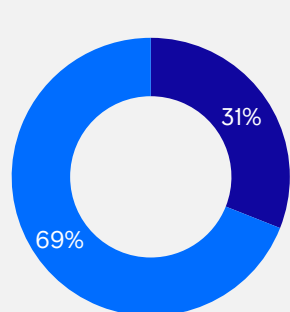


Underlying results £m	H1 2025	H1 2024	Organic Change	Organic Change %
Revenue	4,786	4,119	+689	+17%
Gross profit	1,477	992	+494	+50%
Gross margin %	30.9%	24.1%	+6.9pts	
Operating profit	1,193	740	+461	+63%
Operating margin %	24.9%	18.0%	+7.1pts	
Trading cash flow	1,111	1,038	+73	+7%

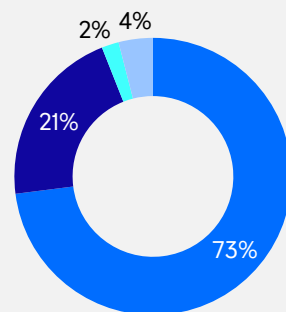
KEY POINTS

- 17% revenue growth, 63% profit growth
- Higher large engine aftermarket profit across LTSA and time and materials
- Higher spare engine profit
- Net contractual margin improvements driven by onerous and time on wing improvements

UNDERLYING REVENUE SPLITS



▲ 12%
■ OE
▲ 19%
■ Services



▲ 25%
▲ 1%
▼ 12%
▼ 3%
■ Large engines
■ Business aviation
■ Regional
■ V2500

OE DELIVERIES

237 +0%

LARGE ENGINE OE DELIVERIES

122 +2%

LTSA ENGINE FLYING HOURS

8.1m +8%

TOTAL LTSA SHOP VISITS

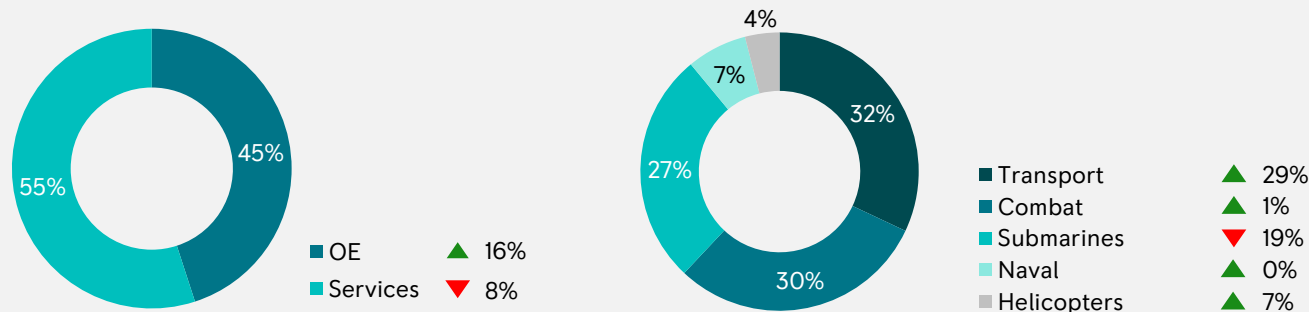
696 +12%

Underlying results £m	H1 2025	H1 2024	Organic Change	Organic Change %
Revenue	2,223	2,219	+32	+1%
Gross profit	462	476	-9	-2%
Gross margin %	20.8%	21.5%	-0.7pts	
Operating profit	342	345	+1	0%
Operating margin %	15.4%	15.5%	-0.2pts	
Trading cash flow	327	234	+93	+40%

KEY POINTS

- Strong order in-take with 1.8x book-to-bill
- Improved performance in transport OE and aftermarket
- Absence of one-off benefit in a submarine contract
- Supply chain constraints

UNDERLYING REVENUE SPLITS



ORDER INTAKE

£4.0bn

Book-to-bill ratio 1.8x

ORDER BACKLOG

£18.8bn

+120%

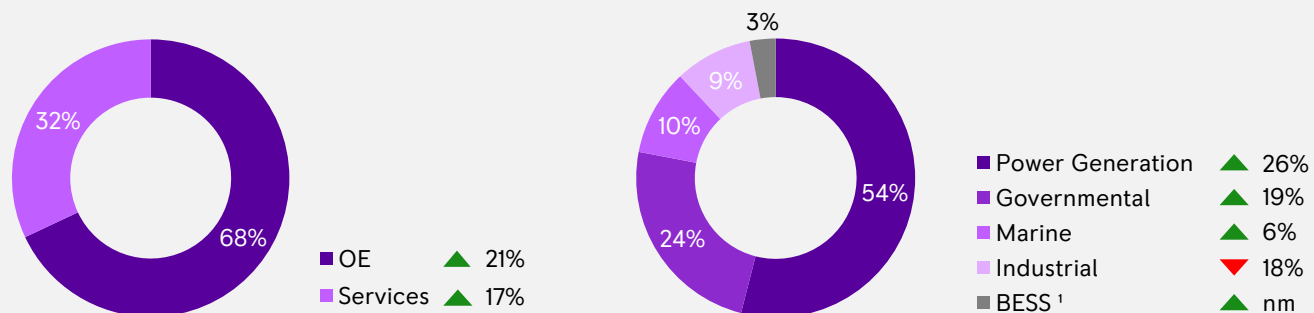
¹ Defence revenue growth of +1%, Services revenue growth of -8% and Submarines revenue growth of -19% reflects the absence of a one-time c.£180m capital and lease transaction in the prior period. Excluding this, Defence revenue growth was +10%, services revenue growth was +6% and submarines revenue growth was +6%.

Underlying results £m	H1 2025	H1 2024	Organic Change	Organic Change %
Revenue	2,042	1,837	+341	+20%
Gross profit	635	507	+161	34%
Gross margin %	31.1%	27.6%	+3.2pts	
Operating profit	313	189	+148	+89%
Operating margin %	15.3%	10.3%	+5.6pts	
Trading cash flow	425	121	+304	251%

KEY POINTS

- 20% revenue growth, 89% profit growth
- Strong power generation profit growth driven by data centres
- Higher governmental profit
- Improved BESS¹ performance

UNDERLYING REVENUE SPLITS



ORDER INTAKE

£2.9bn

Book-to-bill ratio 1.4x

ORDER BACKLOG

£5.6bn

+23%

¹ Battery Energy Storage Systems

SUMMARY FUNDS FLOW



£m	H1 2025	H1 2024	Change
Operating profit	1,733	1,149	584
Net investments ¹	37	41	(4)
Movement in Civil LTSA balance, net of RRSAs	472	544	(72)
Working capital, excluding Civil Net LTSA	(22)	(228)	206
Movement in provisions	(294)	(106)	(188)
Settlement of excess derivatives	(116)	(75)	(41)
Net interest	14	(33)	47
Tax	(259)	(113)	(146)
Other	17	(21)	38
Free cash flow	1,582	1,158	424

KEY DRIVERS OF HIGHER YEAR ON YEAR FCF

- Higher operating profit
- Broadly similar net LTSA balance
- Stronger working capital performance with improved inventory and debtor days
- 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

CAPITAL FRAMEWORK

Building resilience, investing strategically, and rewarding shareholders



1 STRONG BALANCE SHEET

- Net cash position of £1.1bn
- 2025 \$1bn bond to be repaid from cash

2 REGULAR AND GROWING DIVIDENDS

- Interim dividend of 4.5p
- Target annual payout of 30-40% of underlying profit after tax

3 FURTHER INVESTMENTS & SHAREHOLDER DISTRIBUTIONS

- £1bn share buyback progressing: £0.5bn completed to date¹
- Disciplined investments; strategically aligned and value creative

¹ As at 30 July 2025



03 TUFAN ERGINBILGIC

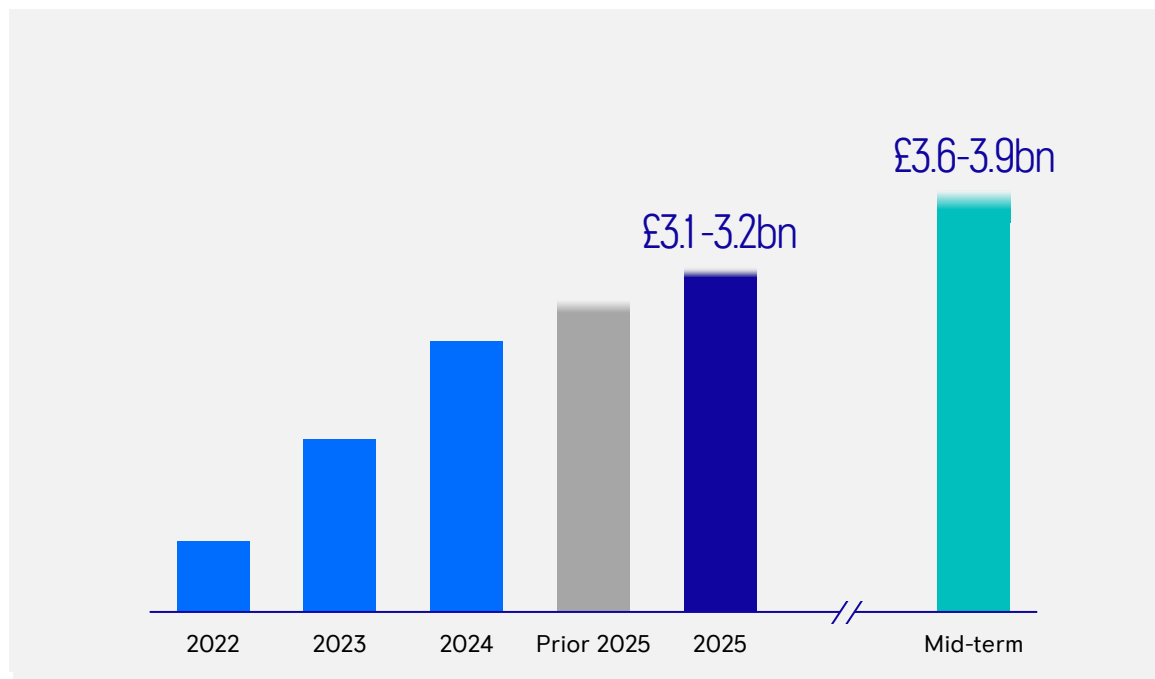
Chief Executive

FULL YEAR 2025 GUIDANCE RAISED

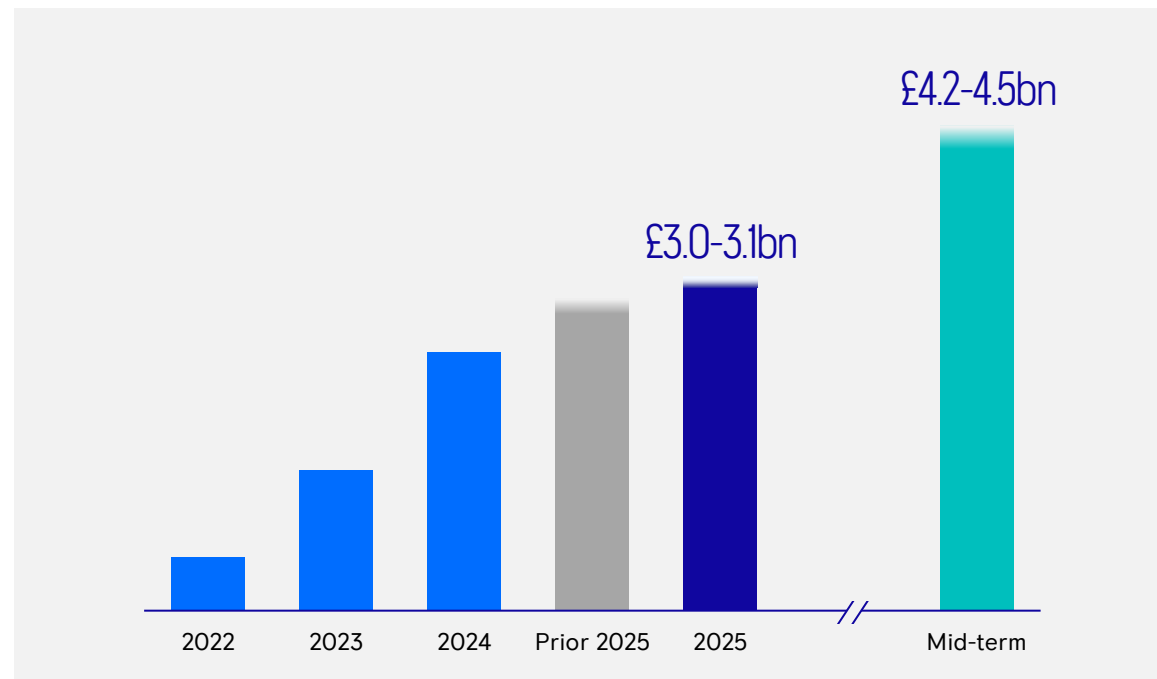
Delivering strong progress towards our mid-term targets



Operating profit



Free cash flow



Mid-term targets

Group operating margin	15-17%
Return on Capital	18-21%

ACHIEVING THE ROLLS-ROYCE PROPOSITION



OUR TRANSFORMATION

- Expanding Rolls-Royce's earnings and cash potential
- Strategic initiatives driving higher margins and returns
- Strong first half results with all divisions delivering
- FY25 guidance raised
- Building further confidence in mid-term targets
- Buyback and dividends show clear commitment to shareholder returns

1. HIGH PERFORMING, COMPETITIVE,
AND RESILIENT BUSINESS

2. GROWING SUSTAINABLE
CASH FLOWS

3. STRONG BALANCE SHEET AND
GROWING SHAREHOLDER RETURNS

Q&A





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