

Reporting Segment Changes

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Reporting segment changes

- As set out in the Group’s Preliminary Results Announcement issued on 24 February 2022 (“Preliminary Announcement”):
 - the Group has established BAE Systems Digital Intelligence, bringing together our non-US digital and data capabilities to further strengthen how we deliver these services and capabilities for our customers. This business, which includes the BAE Systems Applied Intelligence business, will be reported within the Cyber & Intelligence segment; and
 - the Australian business is transitioning from the Air segment to the Maritime segment as the Hunter Frigate programme progresses
- For reporting purposes both of these changes are effective from 1 January 2022
- The re-presented Full Year 2021 sales by segment (page 3) forms the new the basis for the Group’s 2022 sector guidance (page 4). The guidance ranges published in the Preliminary Announcement are maintained following this segmental re-presentation.
- The re-presented Half Year 2021 sales by segment is also presented on page 5 to enable comparison

Sales for the year ended 31 December 2021

Segmental reclassification

<i>Year ended 31 December 2021</i>	As reported £m	Reclassification £m	Re-presented £m
Electronic Systems	4,491	-	4,491
Platforms & Services	3,395	-	3,395
Air	8,321	(872)	7,449
Maritime	3,416	753	4,169
Cyber & Intelligence	1,752	171	1,923
HQ/intra-group	(65)	(52)	(117)
Group	21,310	-	21,310

2022 guidance¹ – reporting segments

- guidance below assumes a \$1.38:£1 exchange rate

<i>Year ended 31 December 2022</i>	Expected sales	Expected underlying EBIT margin²
Electronic Systems	Up 2% to 4%	16% to 17%
Platforms & Services	Stable	8% to 9%
Air	UP 2% to 4%	10% to 11%
Maritime	Up 3% to 5%	8% to 9%
Cyber & Intelligence	Up 3% to 5%	8% to 9%

In 2022, HQ underlying EBIT is expected to be broadly similar to 2021 (expense of £120m)

(1) Whilst the Group is subject to geopolitical uncertainties, the guidance is provided on current expected operational performance

(2) Underlying EBIT as a percentage of Sales

Sales for the half year ended 30 June 2021

Segmental reclassification

<i>Half Year ended 30 June 2021</i>	As reported £m	Reclassification £m	Re-presented £m
Electronic Systems	2,142	-	2,142
Platforms & Services	1,595	-	1,595
Air	3,827	(433)	3,394
Maritime	1,656	372	2,028
Cyber & Intelligence	861	83	944
HQ/intra-group	(46)	(22)	(68)
Group	10,035	-	10,035