

Capital Markets Day

19 May 2021



Agenda

- Introduction
- Trading Update
- Technology Framework
- Inc. Portfolio and Electronic Systems deep dive
- Q&A

Brad Greve – CFO

Charles Woodburn – CEO

Tom Arseneault – President & CEO Inc

Trading update

Brad Greve



Trading Update – Key Points

Continue to adapt and perform against pandemic backdrop

Focus has been on safety and programme delivery

Good operational performance – underlines confidence in execution and guidance

Demand outlook good – portfolio well positioned

Accelerating our sustainability agenda



2021
Guidance confirmed⁽¹⁾

Financial focus on:
Margin expansion
improved cash generation

⁽¹⁾ As per pages 64 and 65 of the 2020 Annual Report and Accounts

Trading Update

Continue to adapt and perform against back drop of pandemic.
Focus has been on safety and programme delivery

Programme Execution

- Air, Maritime, Electronic Systems and Intelligence and Security continue to perform strongly. Good momentum in P&S
- Applied Intelligence – good start to year – realised restructuring benefits
- P&S combat vehicles:
 - Production ramping on multiple platforms
 - On track to meet agreed delivery schedules
- US ship repair improving following COVID disruptions last year

UK Pension

- Scheduled UK deficit funding payments completed
- Bond yields and higher asset values has led to a material reduction in both funding and accounting deficits since last year end.

Sustainability

- Progressing our 2030 greenhouse gas net zero programme
- Assessing impacts of climate risk - TCFD reporting requirements by 2022
- Strengthened commitment to gender diversity - targets
- MSCI rating remains AA leader class
- Sustainability agenda progress reflected in rating improvements

Portfolio Progression

- Acquisition of Pulse Power Management
 - enhancing data and digital capabilities of Air
- Sale of Rokar – small electronics business to Elbit Systems

Demand outlook good – Portfolio well positioned 

Financial focus on margin expansion and improved long term cash generation

2021 guidance confirmed⁽¹⁾

⁽¹⁾ As per pages 64 and 65 of the 2020 Annual Report and Accounts

Demand outlook

- 
 - US Business growth in coming years from recent high Book to Bill
 - Stable defence budget outlook
 - Opportunity to outperform from NDS portfolio alignment
 - Expected spend focus on high-end technology to benefit ES
- 
 - 4 year spending increases announced
 - Defence Command Paper positive for the Group
 - Long-term contracts on key sovereign capabilities
 - Opportunity to support UKG in exports and new technologies
- 
 - Increases in defence spending including Germany and France
 - Defence spending increases flowing to orders
 - Typhoon, MBDA, Hägglunds well placed to secure further opportunities
- 
 - Hunter Class Frigate programme drives growth in coming years
 - 40% increase in 10 year defence capability spend creates opportunity
- 
 - Opportunities to expand existing relationships and access new markets

Significant contract wins year to date

- F-16 Support – 10 year IDIQ
- F-15 EPAWSS LRIP
- Amphibious Combat Vehicle build
- CV90 Netherlands upgrade
- BvS10 new vehicle build for Sweden
- Military Code GPS modules



- Dreadnought Funding
- MBDA multiple awards
- Maritime Future Support Contracts
- RBSL – Challenger Tank upgrade
- Commander Radar international sale



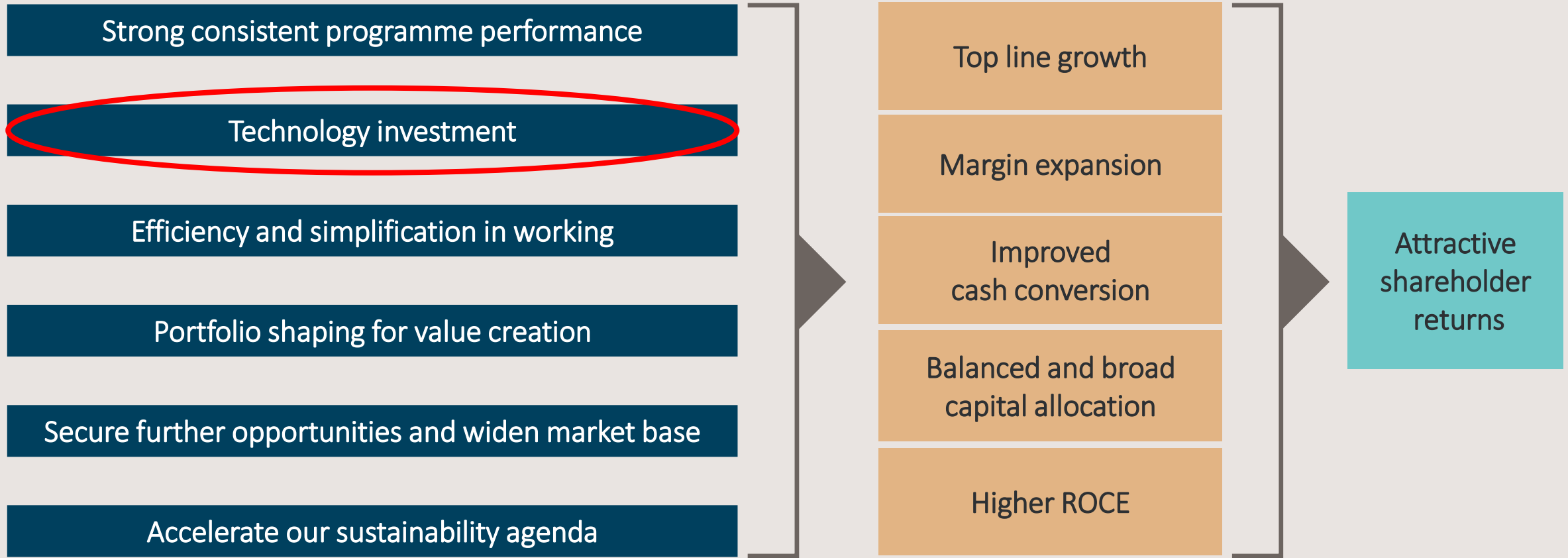

Business Evolving Positively – Portfolio Well Positioned

Framework for technology and future growth

Charles Woodburn

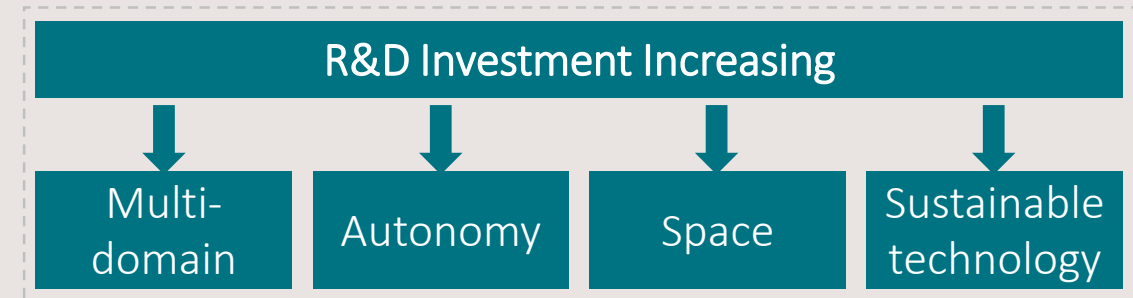


Introduction



Overview

- Existing areas of technology advantage – including:
 - World leader in electronic warfare
 - Capability to lead next generation combat air system
 - One of broadest capabilities in sea and subsea battlespace
 - Trusted partner in cyber
- Building on existing leading technologies and programmes
- Investment aligned to customer focus areas



Positioning the company towards future growth

Addressing the threat environment

- Threats in the grey zone mean defence needs to adapt
- UK, US and Australia have also stated priorities to defend against new physical threats
 - Autonomous weapons
 - Hypersonic weapons
 - Militarisation of space
- Grey zone and physical threats are both critically reliant on data – integration, analysis and security
- Ability to take physical action still critical



Defence needs to adapt to meet battlefield and grey zone threats

One of the **broadest** portfolios of products and services

Multi-domain Capabilities

Well positioned to offer differentiated solutions in autonomy, networking and data exploitation – augments and differentiates our platform businesses

Cyber

Trusted partner for allied nations in this growing and fast moving threat environment

Combat Vehicles

Build 4 of 5 vehicles in US
Heavy Brigade Combat Team; CV90 / BvS10
manufactured in Sweden

Combat Ships

Design, build, support and integrate complex combat ships – capabilities in some or all of these areas currently being carried out in UK, US, Australia and Canada



Electronic Warfare

A leader in full-spectrum electronic warfare technology – customers increasing focus and growth expectation – our systems operate on 80% of U.S. military fixed wing aircraft

Combat Air

Consortium positions on F-35 and Typhoon – Leading availability model for combat aircraft support – Leading development of next generation combat air systems and technologies

Undersea Warfare

Design, build, combat management systems, weapons and autonomous systems capabilities – lead UK Astute and Dreadnought delivery

Uniquely positioned to build a secure multi-domain network

Data capabilities

Current

Future

Current capabilities and contracts

- TyTAN – Typhoon availability contracting
- Automatic number plate recognition – first-of-its-kind UK database
- Project Nelson - Royal Navy Data transformation
- Secure Information Knowledge Management – Royal Navy support
- Techmodal acquisition – brings new data analytics capability such as Veritas (UK MOD)
- Falcon battlespace network

Known support opportunities

- F35 sustainment
- Global support for Type26
- UK MoD common support model

Multi-domain opportunities

- C4ISR – \$27 billion global market in 2020
- Set to grow



Track record in collating, processing and analysing vast quantities of data

Enabling a multi-domain advantage

- Multi – domain capabilities are the ambition of UK, US, Australia and other allies – we are helping to solve this
- Customers will increasingly look to combine crewed and autonomous assets
- Our experience gives us an advantage in integrating assets into a single, multi-domain network
 - We have delivered battlefield networks in the past
 - Sharing command and control information
 - Maintaining security and resilience
- Data volumes will grow massively as we collate sensor information and other inputs



- Will create a requirement to provide trusted decision support with artificial intelligence and machine learning
 - We have expertise to do this – providing battlefield advantage to help commanders make well informed decisions

We need to create a military ‘mesh’ network – providing one view of the battlespace

Our future platforms

- Global Combat Ship made for:
 - Data connectivity
 - Support for autonomous platforms
- Future Combat Air System
 - A connected system of systems bringing:
 - Advanced sensing
 - Data management
 - Connectivity
 - Autonomy



We are developing platforms now that will be part of a multi-domain future

Space

- Space of growing importance - increasingly militarised
- US, UK, Australia - multibillion pound investment in coming years
 - Five days without GPS could cost the UK £5bn
 - Our customers need secure, resilient networks
- Existing space capabilities through Electronic Systems and UK
- We already supply advanced software defined radios to the European Space Agency
- Developing these for secure military networks
 - including communications and positioning
- Relevant capabilities to support our UK customers space ambitions

Continue to scale position as a tier 2 space payload provider



Autonomous systems



Riptide

Tempest FCAS



M113 vehicle variant for
Australia

Pacific 24 autonomous RIB



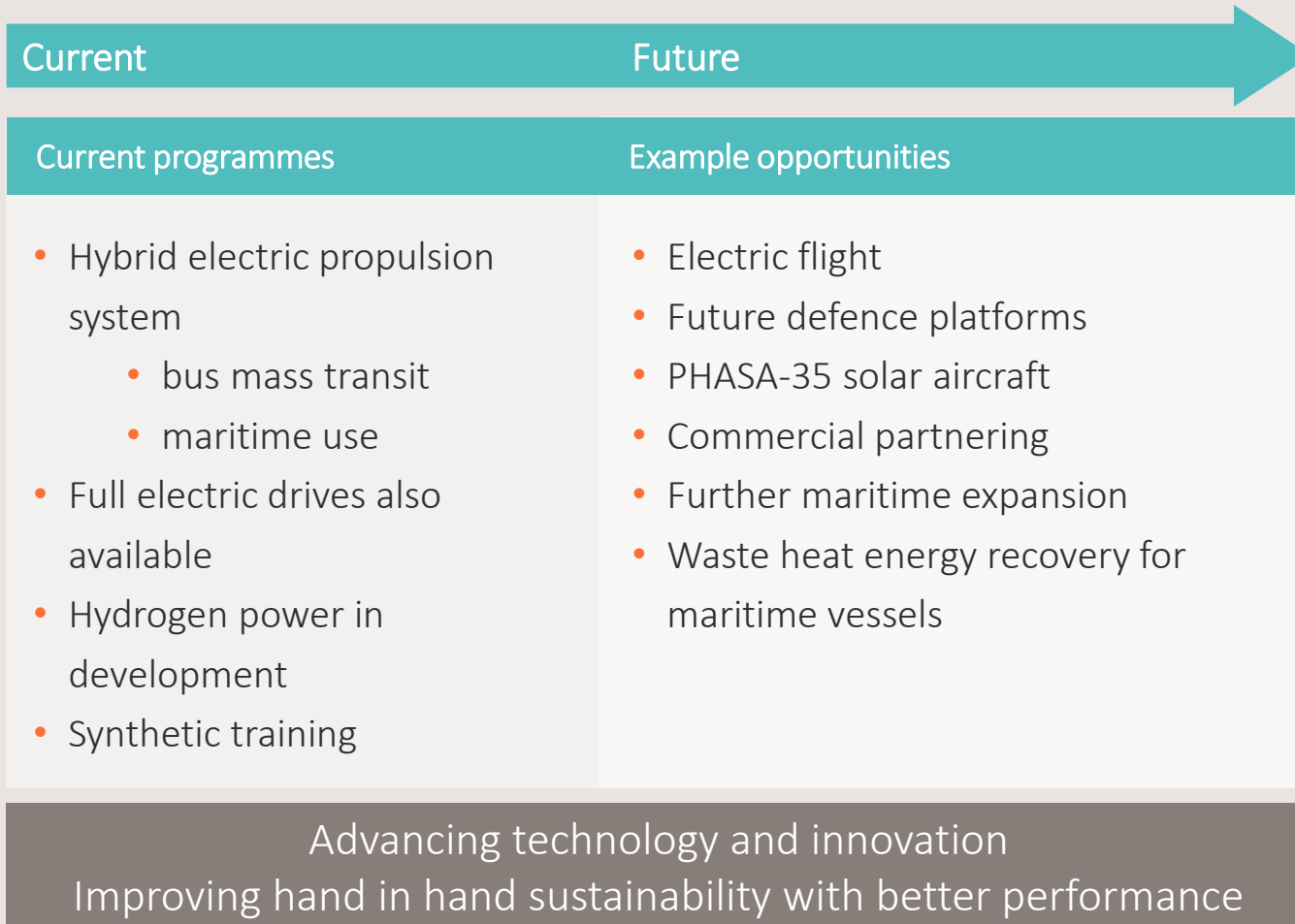
Investing in our multi-domain autonomous systems

Sustainability driven product innovation

- Target of net zero across our operations by 2030
 - Actively looking how we can reduce emissions from existing products
- Our customers have similar strong positions and we look to help them with product innovations
 - RAF net zero bases by 2040
 - Synthetic training – replacing 13,000 hours actual flight time, saving ~184,000 tonnes of CO2
- Growing need for sustainable products from UK, U.S. and others
- Military and commercial opportunities



Sustainability driven product innovation



Video



BAE Systems, Inc.

Tom Arseneault, President & CEO





Our mission:
We Protect Those Who Protect Us[®]

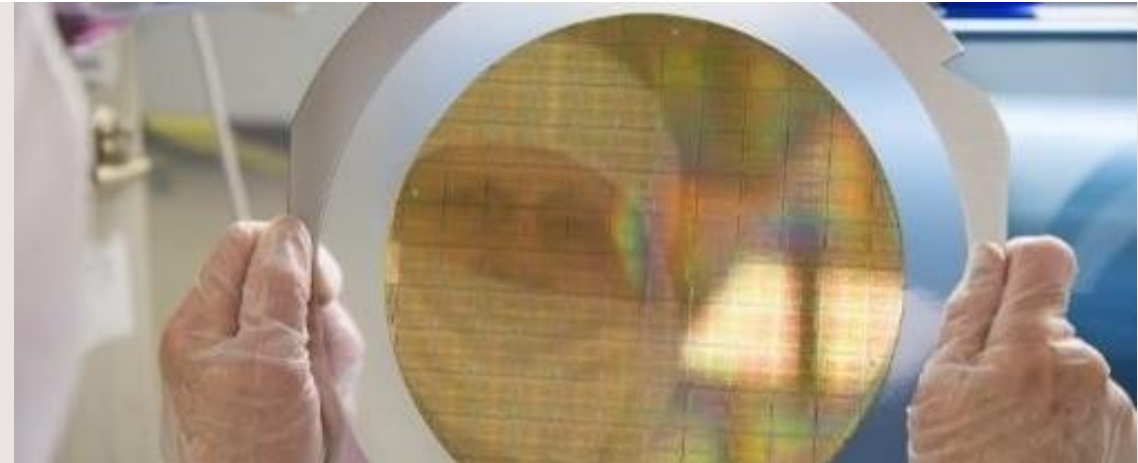
Building on strong 2020 performance

- Demonstrated resilience to deliver strong performance in a most challenging year
- Our people persevered, dedicated to our customers' missions and adapting to new ways of working
- Growing orders both organically and through two high-technology acquisitions
- We continue to perform with an unwavering focus on employee health and safety to fulfill our commitments and build trust with our customers



Our people are sustaining our technology & innovation leadership

- Focused on fostering a high-performance, innovative culture
- Hold approximately 2,000 U.S. and foreign patents across technology domains
- Invest in R&D and collaboration to develop and implement discriminating technology capabilities
 - Advanced electronics
 - Sensors and processing
 - Autonomy
 - Combat vehicle protection
 - Cyber
 - High energy weapon systems
 - Electronic warfare
 - Model-based systems engineering services
- Accelerating the pace of innovation through partnerships with leading U.S. defense laboratories and educational institutions
- Technological breakthroughs date back to the dawn of flight and the invention of the radio



Leveraging differentiated capabilities through collaboration

Collaborating across the enterprise to apply discriminating technologies to develop customer solutions and to optimize returns on R&D investments, breakthroughs and expertise

Case study: Dreadnought Alliance

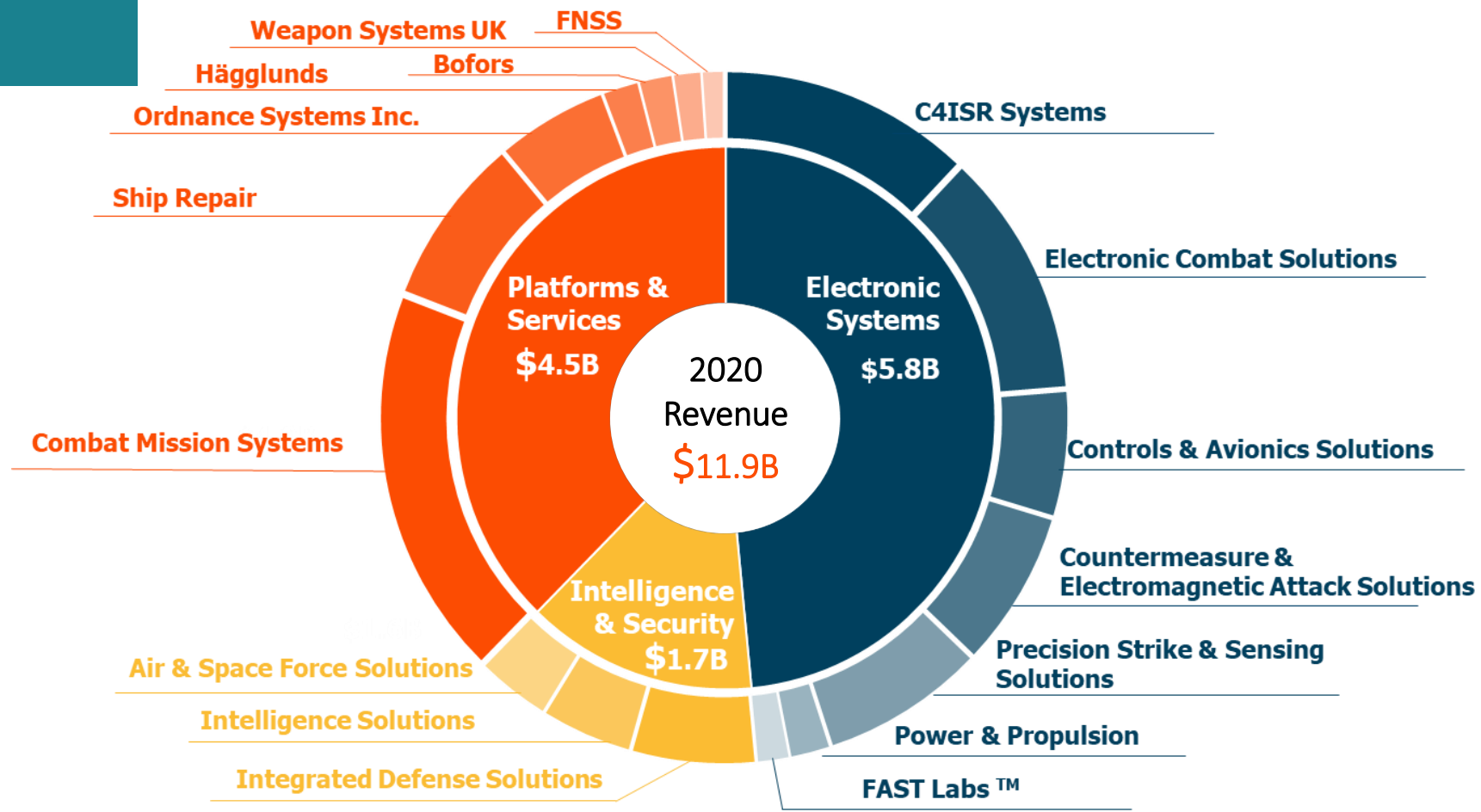
- On the Active Vehicle Control Management One-Team, Electronic Systems is leveraging decades of flight control expertise to support UK Maritime
- Our engineers are adapting fly-by-wire technologies to develop world class electronics to control the heading, pitch, depth and buoyancy of Dreadnought submarines



Collaborating to deliver expertise – from the air to undersea




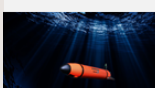


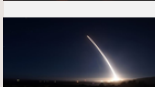

Our diverse Inc. portfolio


We are supporting our customers' missions of today and tomorrow ... from the depths of the oceans, to the far reaches of space.



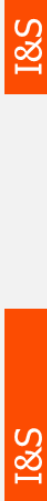
U.S. business is aligned with the U.S. National Defense Strategy

- Alignment to U.S. National Defense Strategy priorities
- Defense program positions underpin good growth
- Key defense and national security programs expected to remain supported under the Biden Administration


US NDS / Military Service Priorities	Programs & Opportunities	
 Next Generation Combat Vehicles	New manned and robotic combat vehicles	
 Long Range Precision Fires	Extended-range precision munitions & artillery, Long-Range Anti-Ship Missile	
 Air & Missile Defense	Seekers, Hypervelocity Projectile, missile defense systems integration	
 Unmanned & Autonomous Systems	Mission systems autonomy, manned-unmanned teaming, unmanned undersea vehicles	
 Long Range / Survivable Strike	F-35, F-15 EPAWSS, B-21, F-22	
 Space	Space electronics, resilience, and operations support; ground systems	
 Nuclear Modernization	ICBM systems engineering submarine missile tubes	
 Joint All Domain C2	Advanced communications, digital engineering, and systems engineering	



ES

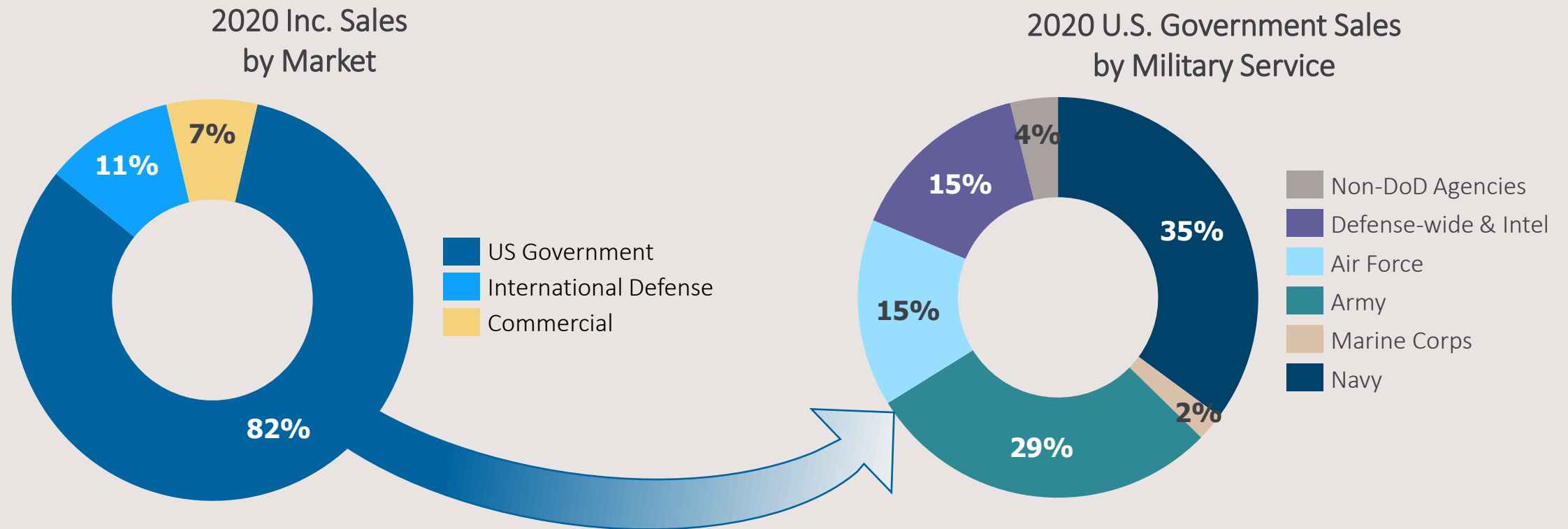


I&S



P&S

Inc. sales across market and customer segments



International markets and export opportunities drive further sales growth

Established franchise positions present additional opportunities through exports and Foreign Military Sales

Capabilities in action:

APKWS[®], tactical radios, aircraft survivability and electronic warfare systems, flight and engine controls, naval guns and munitions, combat vehicles, assault amphibious vehicles, commercial aircraft controls and instruments

What's next:

- Continued international sales of aircraft electronics
- APKWS deliveries to meet international demand
- CV90s for Czech Republic; midlife CV90 and BvS10 upgrades for other European nations
- Mk45 naval guns and M777s for India

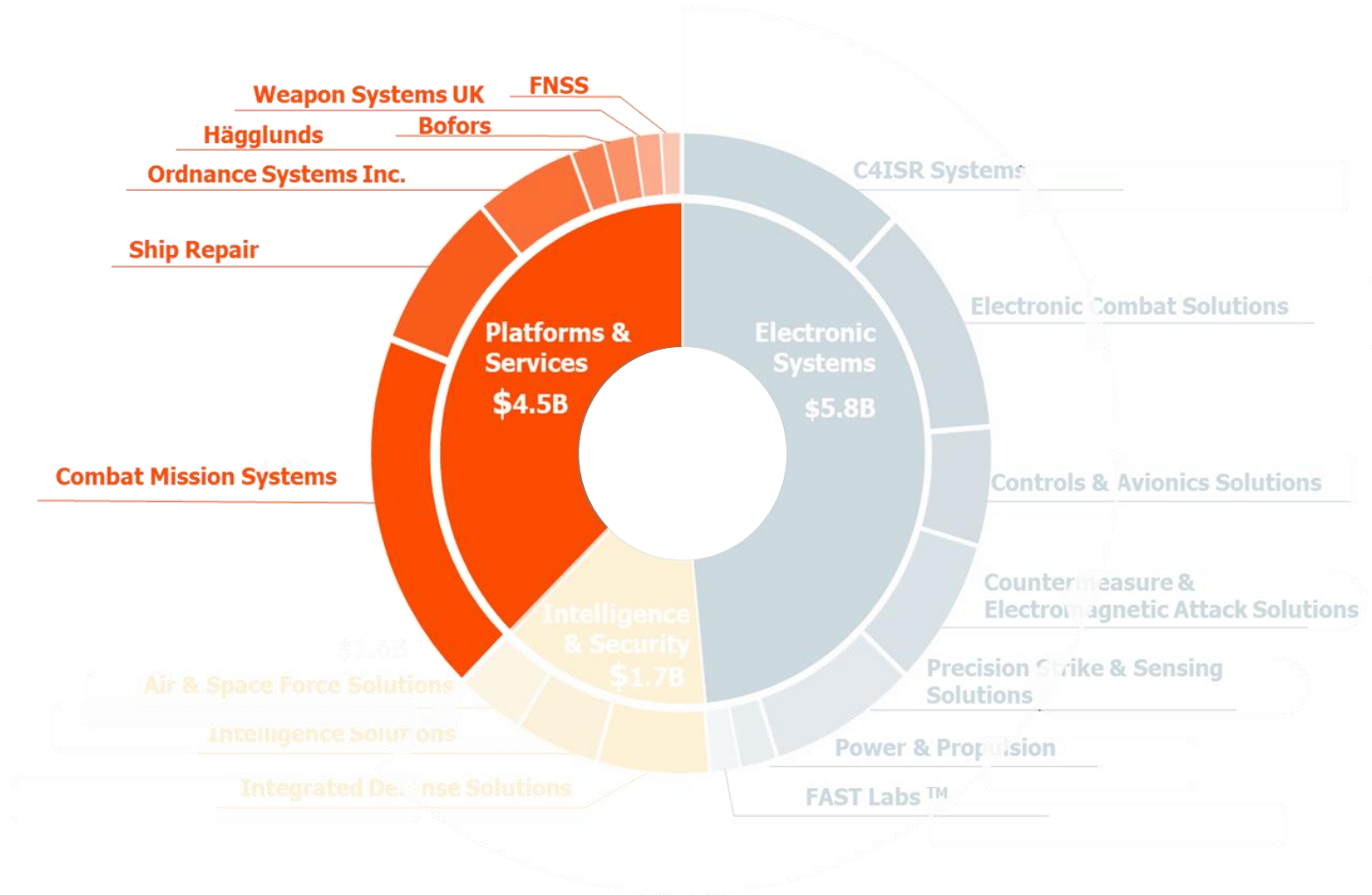


Platforms & Services



Platforms & Services

- 2020 Revenues: \$4.5bn
- Broad network of operations across 20 primary U.S. and international sites
- Key provider of combat vehicles, weapons and munitions, and services and sustainment supporting readiness and modernization priorities
- International customer base of more than 20 countries



Building an extensive portfolio of highly capable combat vehicles

Combat Mission Systems

Hägglunds

M109 – Self-propelled Howitzer

- Producing vehicles under 2020 Full Rate Production contract
- U.S. Army acquisition plan of 689 vehicles

AMPV – Armored Multi-Purpose Vehicle

- Low rate initial production and deliveries underway
- 2015 U.S. Army program: c.\$10bn for c.2,900 vehicles

ACV – Wheeled amphibious vehicle for US Marine Corps

- Producing vehicles under 2020 Full Rate Production contract
- 2018 program c.700 vehicles

Bradley

- A4 Upgrades – 459 vehicles contracted to date
- Sustained program with upgrade and international opportunities

CV90 and BvS10

- Produced by BAE Systems Hägglunds in Sweden for domestic and international customers
- Secured significant recent contract wins

c. 1,200 combat vehicles in backlog



Platforms & Services: Positioned to deliver with excellence

Driving operational excellence improvements:

- Ramping to rate across combat vehicle portfolio using innovative production techniques
- Incorporating virtual design modeling and simulation technology to drive efficient and cost-effective design
- Delivering Vertical Launch System missile canisters and Virginia Payload Module tubes weapon systems
- Performing on naval gun programs, to include Mk45 Mod 4 and Mk38 gun systems

Performance is key to topline growth





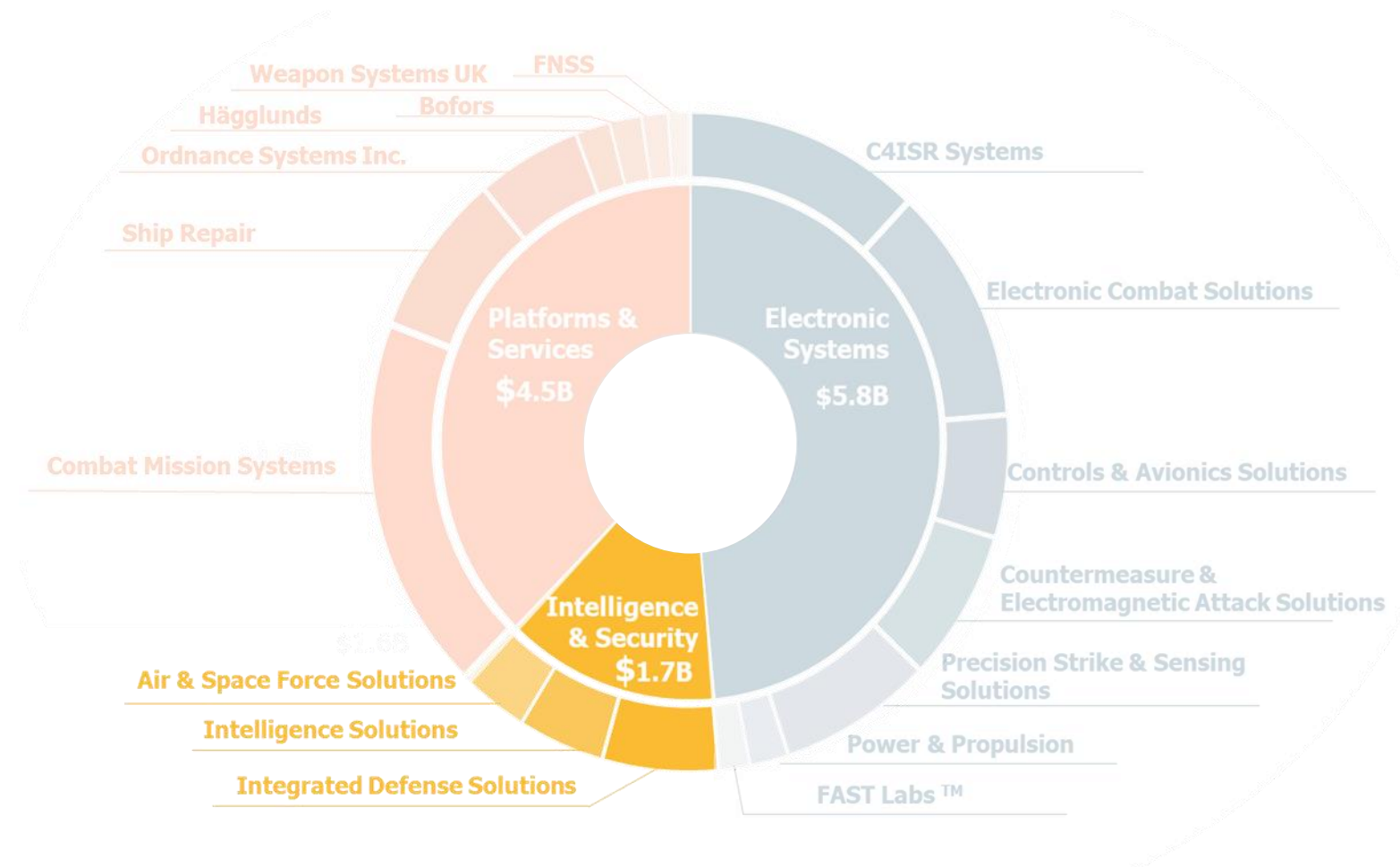
Intelligence & Security

Intelligence & Security






Providing broad range of **systems integration solutions and services to support critical national security missions** across air, land, sea, space, and cyber domains to protect those who serve.

Business areas aligned to customers:

- Department of Defense
- Intelligence Community
- Federal and civilian agencies



Market positions are strong across the portfolio and growing

<p>Platform Readiness & Modernization</p>  <p>Sustainment and Support, In-Service Life Cycle Engineering, SEI&T</p> <p>Leader</p>	<p>C5ISR</p>  <p>Sensors, Applications and Systems Prototyping, SEI&T</p> <p>Leader</p>	<p>Intelligence</p>  <p>Augmented Analytics, ISR, Mission Analytics</p> <p>Growing</p>	<p>IT & Cyber</p>  <p>Mission & Enterprise IT, Secure Cloud Migration, HPC, Cyber Solutions</p> <p>Expanding</p>	<p>Space Solutions</p>  <p>Radar Range Modernization, Infrastructure Operations & Sustainment</p> <p>Expanding</p>
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Technology Discriminators	Artificial Intelligence & Machine Learning	Cyber and Cloud Solutions	Model-based Systems Engineering & Digital Engineering	Advanced Test Radars
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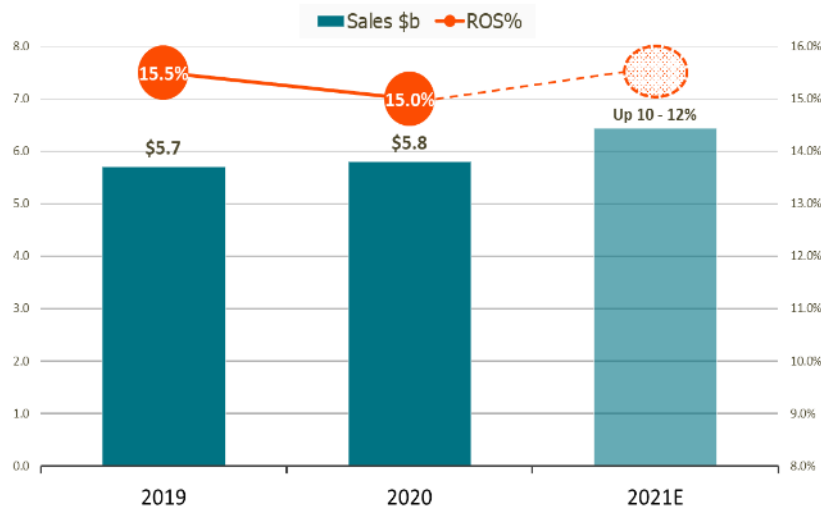
Electronic Systems



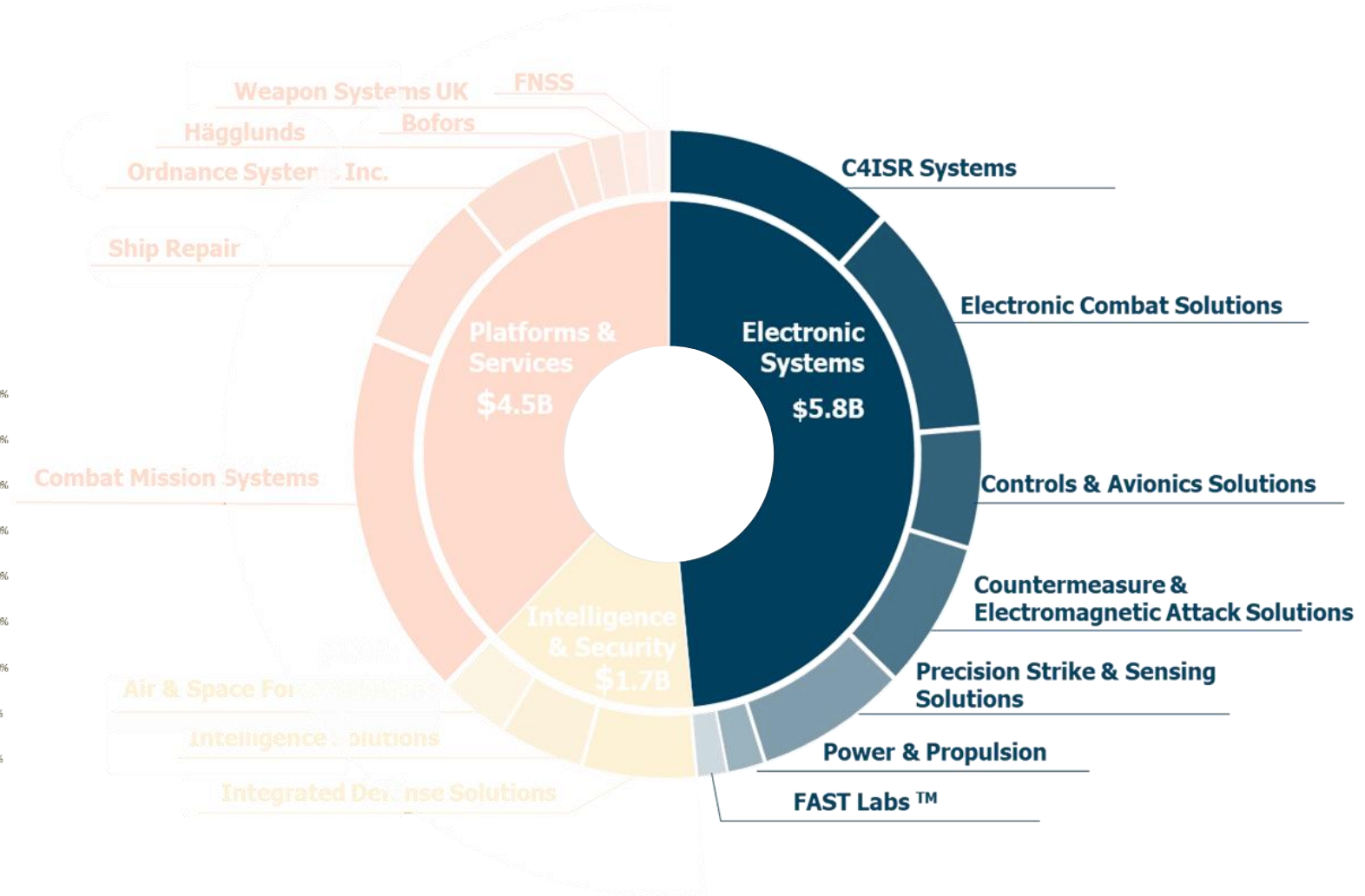
Electronic Systems: A leading provider of defense & aerospace electronics

A diverse portfolio:

- 2020 Sales: \$5.8bn
 - U.S. Defense – 74%
 - Commercial – 14%
 - International Defense – 12%



NOTE: 2021 growth rate uses a constant currency basis to eliminate impacts of foreign exchange rate translation



Electronic Systems market dynamics

Defense market:

- Aligned to the National Defense Strategy and enduring defense priorities
- Countering near-peer threats from China, Russia and others remains an urgent priority, and favors the ES portfolio
- Investing organically and acquisitively to further align portfolio with needs of “great power” competition
- Bolstering franchise positions in EW and exploiting emerging JADO/JADC2 and other opportunities

Commercial market:

- Commercial business right-sized to weather COVID-related headwinds
- Positioning to take advantage of commercial market recovery, signs of which are already developing
- Advancing technology to emerge as a leading provider of electrification solutions for global transit and aviation markets

Strong sustainable business model - well placed for growth

FAST Labs™

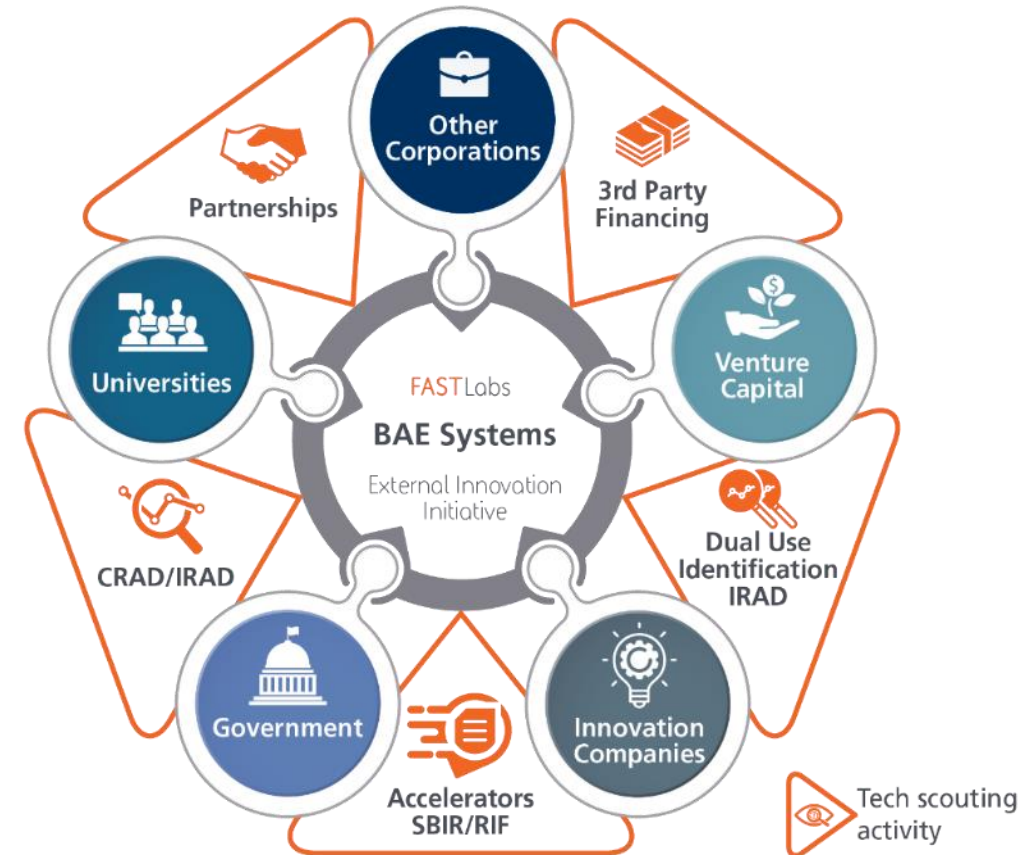
Delivering differentiated technology

Focus areas:

- Advanced electronics
- Autonomy
- Artificial intelligence
- Cyber
- Electronic warfare
- Sensors and processing
- Space and hypersonics
- Quantum sensing

Development of technologies:

- Underpins strategy
- Drives product and service development
- Gives our customers the advantage they seek
- Integral to sustainability agenda
- Supports efficiency and productivity drive



Video: FAST Labs™ Overview

REVOLUTIONARY RESEARCH

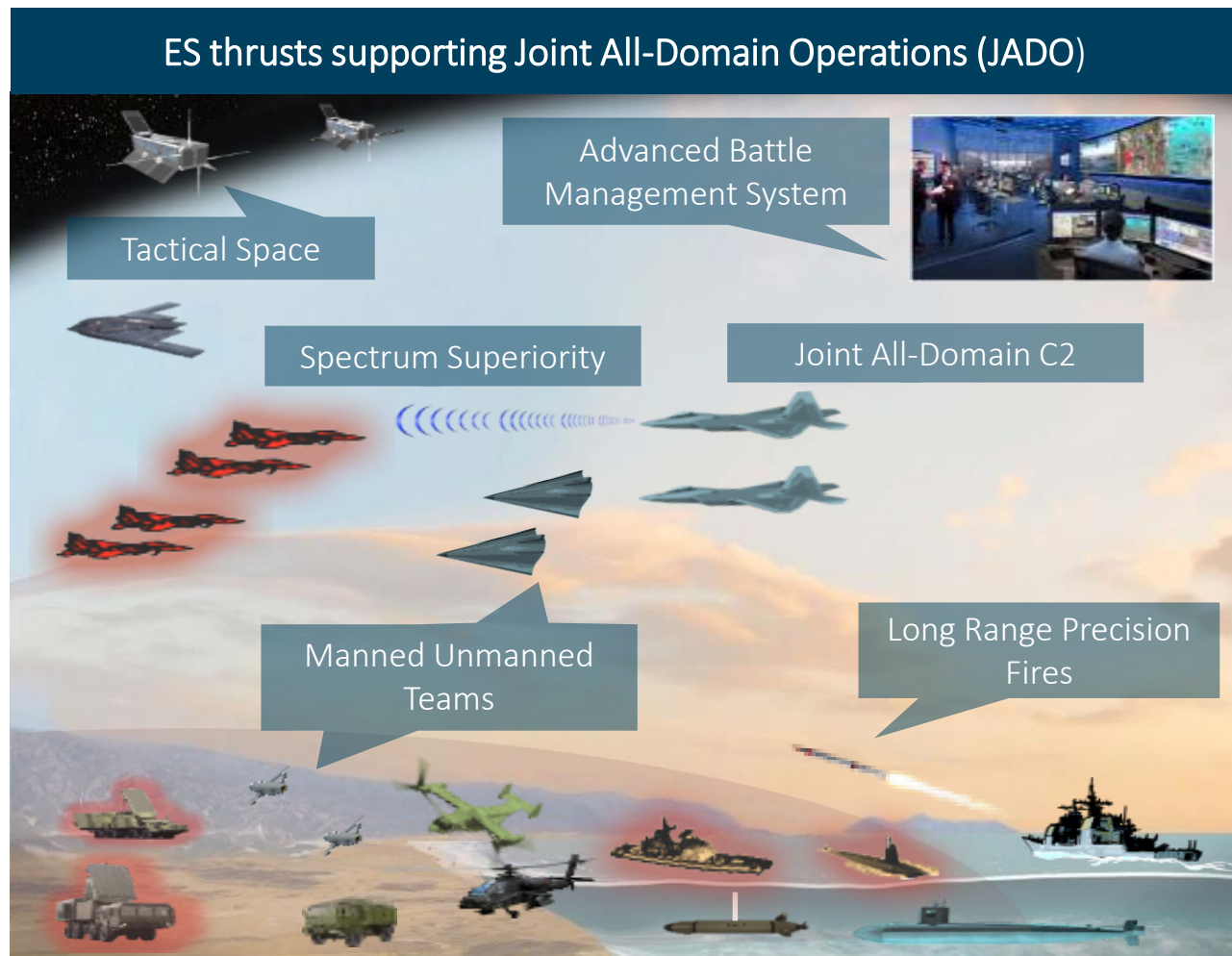
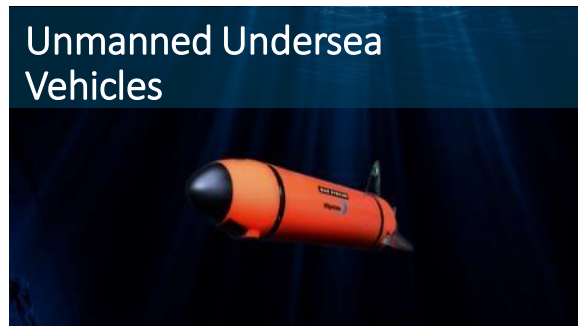
A futuristic, glowing network of blue spheres connected by thin lines, set against a background of a cloudy sky with a bright sun and a silhouette of a person's head looking forward.

Electronic Systems business areas and key capabilities

Electronic Combat Solutions	Provider of long-range survivable strike ; global leader in RF EW systems for F-35, F-15, F-22, B-2, LRASM; and classified work
Countermeasure & Electromagnetic Attack Solutions	RF and optical EW solutions enabling next-generation threat detection, countermeasure, and attack for Compass Call and LIMWS
Precision Strike & Sensing Solutions	Enabling precision guided munitions for long-range fires and missile defense applications: world-class military GPS solutions, seekers and guidance systems on APKWS®, THAAD and LR-PGK
C4ISR Systems	Leading provider of airborne communications and data links, IFF, space electronics, SIGINT, data analytics, and mission planning; Joint All Domain Command & Control (JADC2)
Controls & Avionics Solutions	Fly-by-wire flight controls and active inceptor systems; FADEC systems - exclusive engine control supplier to GE; aftermarket support solutions; aircraft electrification solutions
Power & Propulsion Solutions	Transit bus electrification leader with adjacencies in marine and military ground vehicle markets
FAST Labs™	Innovation incubator for advanced electronics, autonomy, cyber, electronic warfare, sensors & processing, and model-based systems engineering technologies

Alignment with national defense priorities positions sector for top line growth and margin expansion

Electronic Systems portfolio favorably aligned to enduring defense priorities



Autonomy

C4ISR Systems

Controls & Avionics Solutions

FAST Labs™

- More than 30 years of advanced real-time mission management and precision engagement capability
- Dynamic management, routing, and coordination of multiple manned/unmanned platforms
- **Simultaneous optimization** across platforms, sensors, weapons, and environmental factors
- Employment at all levels of operation **from air operation centers to onboard aircraft**

Capability in action:

- A-Team Program for Manned-Unmanned Teaming (MUM-T)
- Skyborg Program for an autonomous UAV

What's next: Increasing emphasis on manned - unmanned teaming; JADC2 solutions; AI/ML tools



Full spectrum EW

Electronic Combat Solutions

Countermeasure & Electromagnetic Attack Solutions

- Premier provider of affordable, proven, and effective multi-mode EW capabilities
- More than six decades of experience designing, qualifying, delivering, and sustaining electronic support, electronic protection, and electronic attack capabilities
- EW systems flying on more than 120 platforms

Capability in action:

- F-35 EW Suite
- Eagle Passive Active Warning Survivability System (EPAWSS)
- Limited Interim Missile Warning System (LIMWS)
- Classified work

What's next: Fusion of radio frequency and optical EW to address emerging threats; franchise EW system deliveries



Video: EW 2040 and beyond



Communication, Navigation, Identification

C4ISR Systems

Precision Strike & Sensing Solutions

- Acquired Airborne Tactical Radios and Military GPS businesses in 2020 to strengthen CNI offerings
- Actively integrating key capabilities and expertise gained from new employees and investing c.\$100m to build a new state-of-the-art facility in Cedar Rapids, Iowa
- Hold leading positions in mission-critical secure communications and IFF systems

Capability in action:

- Link 16 tactical data links
- Network Tactical Common Data Link (NTCDL) System
- Airborne Tactical Radios ARC-231A
- Military GPS M-Code devices

What's next: Multi-function, open architecture solutions supporting multi-domain operations



Space

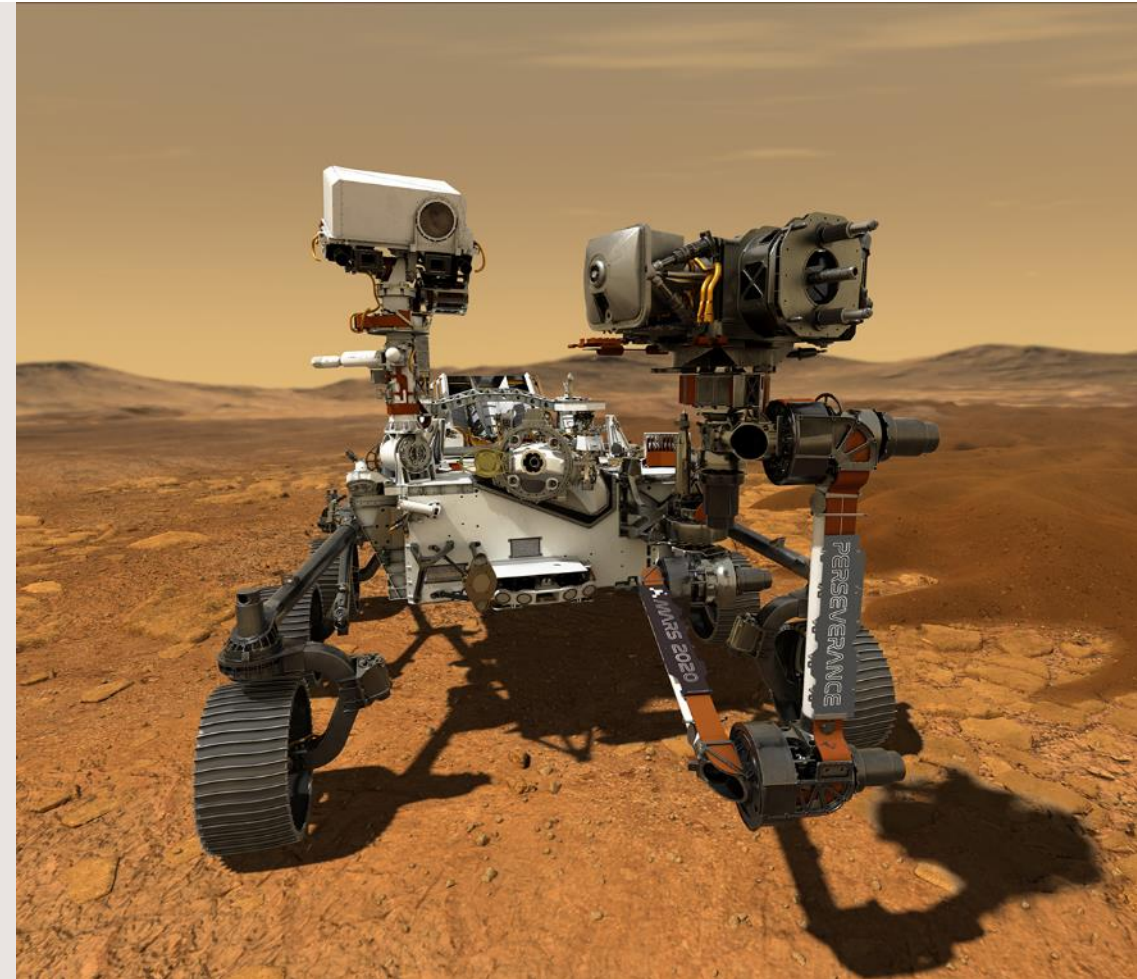
C4ISR Systems

- A world leader in rad-hard electronics for spacecraft and satellites with more than 10,000 cumulative years in orbit
- More than 1,000 computers operating aboard more than 300 satellites
- Orbital expertise combined with next generation ground resiliency and data analytics solutions keep assets safe and performing effectively in the harsh environments of space

Capability in action:

- Mars Perseverance Rover – enabled by RAD750® single-board computer
- Classified work

What's next: Continue to capture positions in the growing space market to include emerging space security gaps



Precision-guided Munitions

Electronic Combat Solutions

Precision Strike & Sensing Solutions

- More than 40 years of proven advanced technologies that consistently hit a variety of targets in complex and contested environments from long distances
- Capabilities provide **scalable, affordable** precision fires systems that increase lethality and tactical proficiency in the battlespace

Capability in action:

- Long Range Anti-Ship Missile (LRASM)
- Long Range Precision Guidance Kit (LR-PGK)
- Terminal High Altitude Area Defense (THAAD)
- Advanced Precision Weapon System (APKWS®)

What's next: Continue pivoting our focus to the near-peer threat environment and next-generation capability developments in range, maneuverability and accuracy



Unmanned Undersea Vehicles

FAST Labs™

- Acquired Riptide Autonomous Solutions in 2019 to bring next-generation capabilities to the UUV market
- Stood up **prototype and production site** increasing capacity for vehicle development and personnel
- **Riptide™ Family of Vehicles:** Micro-UUV®, UUV-7, UUV-9 and UUV-12 offers flexible, mission-agnostic platforms
- Addition of Riptide UUV-12 positions BAE Systems to enter the medium UUV market

Capability in action:

- UUV-12 Medium Unmanned Underwater Vehicle

What's next: Expand into medium UUV market through U.S. Navy MUUV Program decision; develop UUV platforms capable of performing existing and emerging missions



Electrification

Controls & Avionics Solutions

Power & Propulsion Solutions

- Global leader in electric drive systems for zero emission bus propulsion with **more than 13,000 systems delivered**
- Our systems are capable of saving more than 28 million gallons of fuel and more than 313,000 tons of CO² from entering Earth's atmosphere each year
- **Advancing vehicle mobility, efficiency and capability** in urban transit, marine and military markets

Capability in action:

- Gen3 Electric Drive System
- Jaunt Air Mobility: electric energy management systems
- Power management for next-generation hybrid engine

What's next: Well positioned in the commercial air mobility market, pairing flight controls with our aircraft power management and energy systems



Video: Get to Zero



Electrification

Controls & Avionics Solutions

Power & Propulsion Solutions

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Video: Energizing the Future of Flight



Electronic Systems: Well positioned for growth

- **Strengthening portfolio alignment** to pressing national security needs
- Staying steadfast to our mission **to protect those who protect us**
- Aspiring to be an **ESG leader** in the defense industry
- **Developing cutting edge technology** across all domains
- Post-pandemic, applying lessons learned to build even more **diverse, flexible, and resilient workforce**

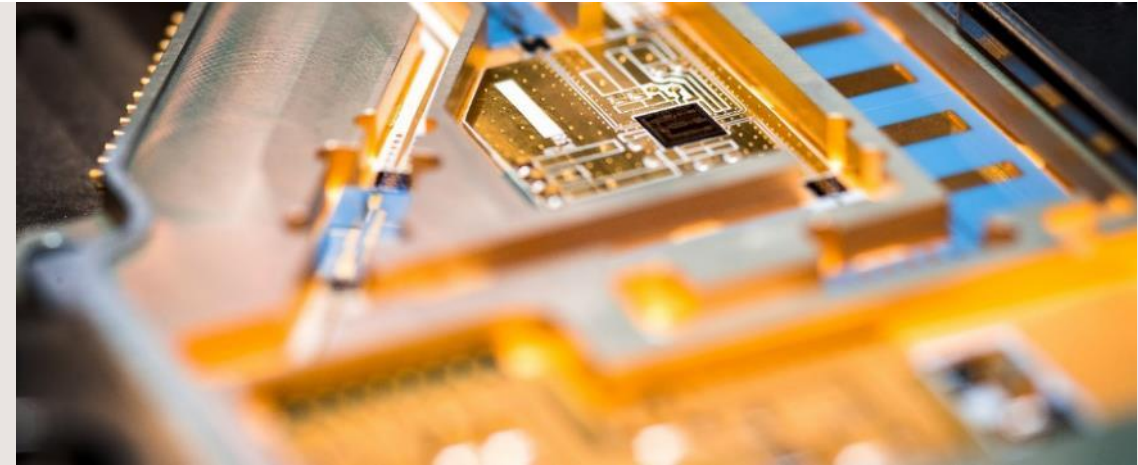
Growth opportunities in defense & commercial electronics



Building on our rich heritage for future growth and innovation

- Sustained financial and program performance
- Leadership in science, technology, engineering and innovation
- Continued advancement and investment across portfolio aligned to customer priorities
- Skilled and innovative people, dedicated to our customers, national security, military and their families
- Committed to ethics and integrity in everything we say and do

Positioned to grow and create shareholder value

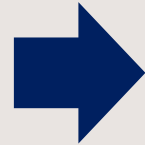


We Protect Those Who Protect Us[®]



Summary

Strong Fundamentals



- Order backlog – drives top line growth and cash flow
- Visibility of long-term value drivers
- Leading defence franchises
- Wide geographic footprint
- Deep customer relationships
- Strong operating model

Clear Strategic Priorities



- Programme execution
- Investment in technology
- Competitiveness and efficiency
- Accelerate sustainability agenda

Financial Focus



- Margin expansion
- Cash expansion
- Balanced Capital Allocation
- Portfolio value creation

Free cash flow supports shareholder returns and sustainable value creation

Q&A



Supplementary



2021 Group guidance ⁽¹⁾

Guidance is provided based on a \$1.35: £1 exchange rate

Sales ⁽²⁾

+3% to +5%

(2020 £20,862m)

Underlying EBIT ⁽²⁾

+6% to +8%

(2020 £2,037m)

Underlying EPS ⁽³⁾

+3% to +5%

(2020 44.3p)

2021 Free cash flow (FCF)

>£1bn

(2020 £1,367m ⁽⁴⁾)

3 year FCF (2021-2023)

>£4bn

Other

Sensitivity to 10c
movement is c.2p on EPS

Underlying Finance Costs
c.£270m

Tax Rate
c.18%

Minority Interest
c.£85m

Targeting good top and bottom line growth and 3 year cash expansion

- 1) Whilst the Group is subject to geopolitical and other uncertainties, the guidance is provided on current expected operational performance
- 2) On a constant currency basis we expect sales growth to be between 5% to 7%, and EBIT growth in excess of 10%
- 3) Underlying EPS recalculated based on Underlying EBIT
- 4) Excluding the £1bn one-off UK pension contribution

2021 Guidance⁽¹⁾ – Reporting Segments

Guidance is provided based on a \$1.35: £1 exchange rate

	Electronic Systems	Platforms & Services (US)	Air	Maritime	Cyber & Intelligence
2020 Actual					
Sales	£4,557m	£3,503m	£7,910m	£3,257m	£1,812m
Underlying EBIT margin	14.8%	5.4%	11.5%	8.6%	7.5%
Segmental Guidance					
Sales					
Guidance (\$1.35:£1)	Up 4% to 6%	Down 3% to 5%	Up 7% to 9%	Up 2% to 4%	Down 3% to 5%
Constant currency basis ⁽²⁾	Up 10% to 12%	Stable	Up 7% to 9%	Up 2% to 4%	Stable
Underlying EBIT margin⁽³⁾	15% to 16%	8% to 9%	10% to 11%	8% to 9%	7% to 8%

HQ costs are expected to be 10% lower than 2020

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

(2) Constant currency growth rates eliminate the impact of foreign exchange rate translation

(3) Underlying EBIT as percentage of Sales