

Rolls-Royce share price tumbles as chief executive Warren East quits and amid Ukraine invasion

Rolls-Royce's share price plummeted nearly 14% on the news the company's chief executive is stepping down from his role.

Warren East will [leave the firm at the end of 2022](#), with his successor yet to be announced. Shares tumbled on Thursday (February 24) on the news.

Rolls-Royce shares fell 13.8% to 101.61p at 08:47 GMT as investors responded to Mr East's announcement and amid uncertainty following the invasion of Ukraine by Russia.

Mr East said on Thursday that 20% of the company's titanium supplies come from Russia. According to the chief executive, the engineering firm has been stockpiling for months in preparation.

The announcement of Mr East's departure came as Rolls-Royce [posted its full-year financial results](#). The company swung back into the black, with profits of £124m – up from a £3.1bn loss a year earlier.

The business said its financial turnaround was due to a cost-cutting plan being delivered a year earlier than expected. Rolls-Royce, which has UK bases in Derby and Filton, near Bristol, has [cut nearly 9,000 jobs](#) from its global workforce since the pandemic hit.

It said it had made restructuring run-rate savings of more than £1.3bn since it began its financial overhaul.



Rolls-Royce chief executive Warren East
(Image: Rolls-Royce)

“We have improved our financial and operational performance, continued to deliver on our commitments and created a better balanced business capable of sustainable growth,” said Mr East.

Keith Bowman, an investment analyst at Interactive Investor said the departure of the chief executive would leave a “big hole” at Rolls-Royce, and finding a replacement would occupy the management’s time until Mr East left at the end of the year.

“For investors, pandemic-related outlook uncertainty now combines with heightened geopolitical tensions even before Russia’s invasion of Ukraine, and there’s still no dividend payment,” he said.

“In addition, the direction of required climate change transition using decarbonised energies for many of its transport related customers has yet to be established.”

Mr Bowman said an “upside”, however, was the strengthening of

Rolls-Royce finances.

He added: "Some recovery for its commercial airline customers is apparent, while its other businesses such as defence continue to offer some counterbalance. For now, and with management self-help set opposite considerable outlook uncertainty, analyst consensus opinion continues to point towards a hold."

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