

BAE predicts further growth as countries increase defence spending

BAE Systems said it expects continued growth in 2023 and beyond as [countries](#) across the [world](#) up their defence budgets in response to [Russia's](#) invasion of [Ukraine](#).

The defence contractor said that most countries in which it operates have either announced increases in their defence budgets or are planning to do so, because of "the elevated threat environment" following the invasion.

As a result, it expects [sales](#) to increase by between 3% and 5% in 2023, with [profits](#) to grow by 4-6%.

BAE also increased its three-year cash targets to between £4 billion and £5 billion.

This came as BAE reported its 2022 results. It brought in £23.26 billion for the year in sales, up by 4.4%, and reported [profit](#) of £2.48 billion, a 5.5% increase. Both figures were on the upper end of consensus estimates.

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BAE also increased its dividend by 7.6% to 27p per share,

returning just over £865 million to shareholders.

“We’ve delivered another year of strong results across the group,” chief executive Charles Woodburn said. “Our employees have done an outstanding job to effectively manage supply chain and inflationary pressures whilst delivering critical capabilities and driving efficiencies for our customers.

“Our diverse geographic footprint, deep customer relationships and highly relevant, leading defence technologies mean we’re well positioned to support national security requirements in an elevated threat environment.

“Our record orders and financial performance give [us](#) confidence in delivering long-term growth and to continue investing in new technologies, facilities and thousands of highly skilled jobs, whilst increasing shareholder returns.”

Sales from the [UK](#) came to £4.3 billion, making it BAE’s second-largest market after the US, where sales were £10.2 billion.