

Rolls-Royce expects return to pre-pandemic flying hours in 2024

Rolls-Royce has said it expects the amount of flying time for its engines to return to pre-pandemic levels in 2024 as revenues continue to recover but warned of problems recruiting engineers in the UK's tight labour market.

The company is paid by customers based on the number of hours its world-famous engines are used and its revenue streams took a massive hit when airlines were grounded during Covid-19 travel restrictions. Underlying revenue in first half of the year was £5.3 billion, up 4%, helped by an increase in the amount of flying time as air travel returned.

“Engine flying hours are expected to maintain the current trajectory and return to pre-pandemic levels in 2024 as global travel restrictions are lifted,” it said as it reported an underlying loss of £188 million for the period.

The Derby-based company became the latest big-name UK corporate player to mention problems with recruitment, saying: “We have faced some challenges in hiring, particularly for experienced engineers with certain skills and technical expertise.” The company's website has 401 job vacancies listed on its “professional” section.

There were also signs of the impact of inflation, with underlying profit margins lower in the first half, although expected to improve in the second half, helped by cost control measures.

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“We are actively managing the impacts of a number of challenges, including rising inflation and ongoing supply chain disruption, with a sharper focus on pricing, productivity and costs,” said Warren East, chief executive, who recently announced his departure. He will be replaced by former BP executive [Tufan Erginbilgic](#) on January 1 next year.

While the [FTSE 100](#) company expects “good revenue growth” in 2022 and a “record order intake” in its Power Systems division it said it would be “partly held back by “current global supply chain constraints”.

Rolls-Royce shares fell 4.7% to 87p in London on Thursday.