



# INVESTOR PRESENTATION

SECURING TOMORROW

August 2024

TAKING RESPONSIBILITY IN A CHANGING WORLD



# Content

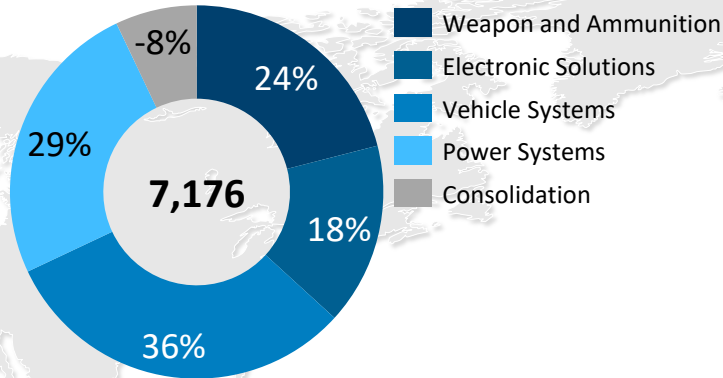
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# Rheinmetall at a glance

## Selected key business highlights

### Sales by segment

In €m

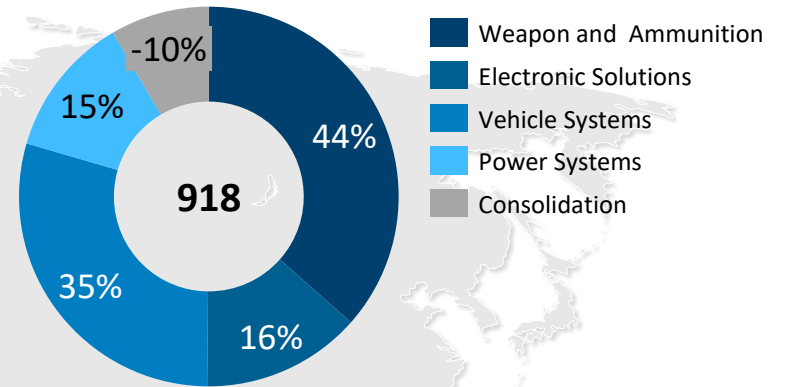


### Business Model

- Defence system house with broad innovative product portfolio for land based operations
- Leading global Tier 1 automotive supplier with high-tech products for all powertrains (ICE, EV, FC)

### Result by segment

In €m



### Market Driver

- Increasing demand for security due to geopolitical power shifts and constantly changing conflict situations
- Megatrend clean mobility supported by stricter regulation

# Rheinmetall at a glance

## Four segments under one roof

### RHEINMETALL GROUP Holding



#### Weapon and Ammunition

- Mid & Large Caliber Ammo
- Mid & Large Caliber Weapons
- Explosives & Propulsions
- Protection Systems



#### Electronic Solutions

- Integrated Electronic Systems
- Air Defence & Radar Systems
- Avionics
- Other Projects



#### Vehicles Systems

- Tactical Vehicles
- Logistic Vehicles



#### Power Systems

- Air management
- Thermal management
- Electrification & Digitalisation
- Hydrogen
- Aftermarket
- Bearings
- Castings & (50:50 JV)
- Invent

# Rheinmetall at a glance

## Next steps of our strategic vision implemented



### TRANSFORMATION

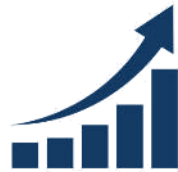


#### SEGMENT STRUCTURE UPDATED

- New civil segment  
“Power Systems”



### GROWTH



#### Accelerated growth becomes tangible

- Super cycle 2.0 in full swing
- Successful market entry



### PORTFOLIO



#### ACTIVE PORTFOLIO MANAGEMENT

- Expal deal closed
- Large bore piston deal closed
- Small bore piston disposal closed



### TECHNOLOGY



#### TECHNOLOGIES in FOCUS

- Automation
- Sensors & Connectivity
- New mobility



### SUSTAINABILITY



#### ESG AS INTEGRAL STRATEGY COMPONENT

- Solid ratings
- Strong recruitment performance
- Continued commitment

# Rheinmetall at a glance

## ESG: Taking responsibility in a changing world



**ESG Factbook**

### FRAME-WORKS & INITIATIVES

<b>CSR-DIA*</b> Since 2017	<b>GRI</b> Since 2017	<b>UN GC</b> Joined in 2021	<b>CDP</b> Applied in 2021	<b>SBTi</b> Q4 2021	<b>LkSG</b> 2023	<b>CSRD</b> 2024
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### ACTION

#### ENVIRONMENT

- **Carbon neutral in 2035\*\***
  - Improve energy efficiency
  - Increase self-generation of renewables
  - Switch to renewables
- **Continuous reforestation of FoJaNa\*\*\***
- **Waste management**
  - Avoidance before reduction before recycling
  - Environmentally friendly disposal

#### SOCIAL

- **Employee well-being**
  - Prioritizing employee well-being through occupational health programs
  - Flexible work arrangements
- **Health protection**
  - LTIR of 5.8 in 2023
  - Extend ISO 45001 certifications for OSH management
  - Extensive and systematic protection of employees
- **Diversity**
  - Promote diversity, equity and inclusion
  - Best practices for female recruitment and careers

#### GOVERNANCE

- Rigorous governance structures with strict compliance organization especially for export control, trade and tax compliance
- Continuous improvement of ESG transparency and ratings
- ESG objectives introduced in the variable compensation of top and middle management (Since 2022 as part of the STI and since 2024 also part of the LTI remuneration package)

### MAIN RATINGS

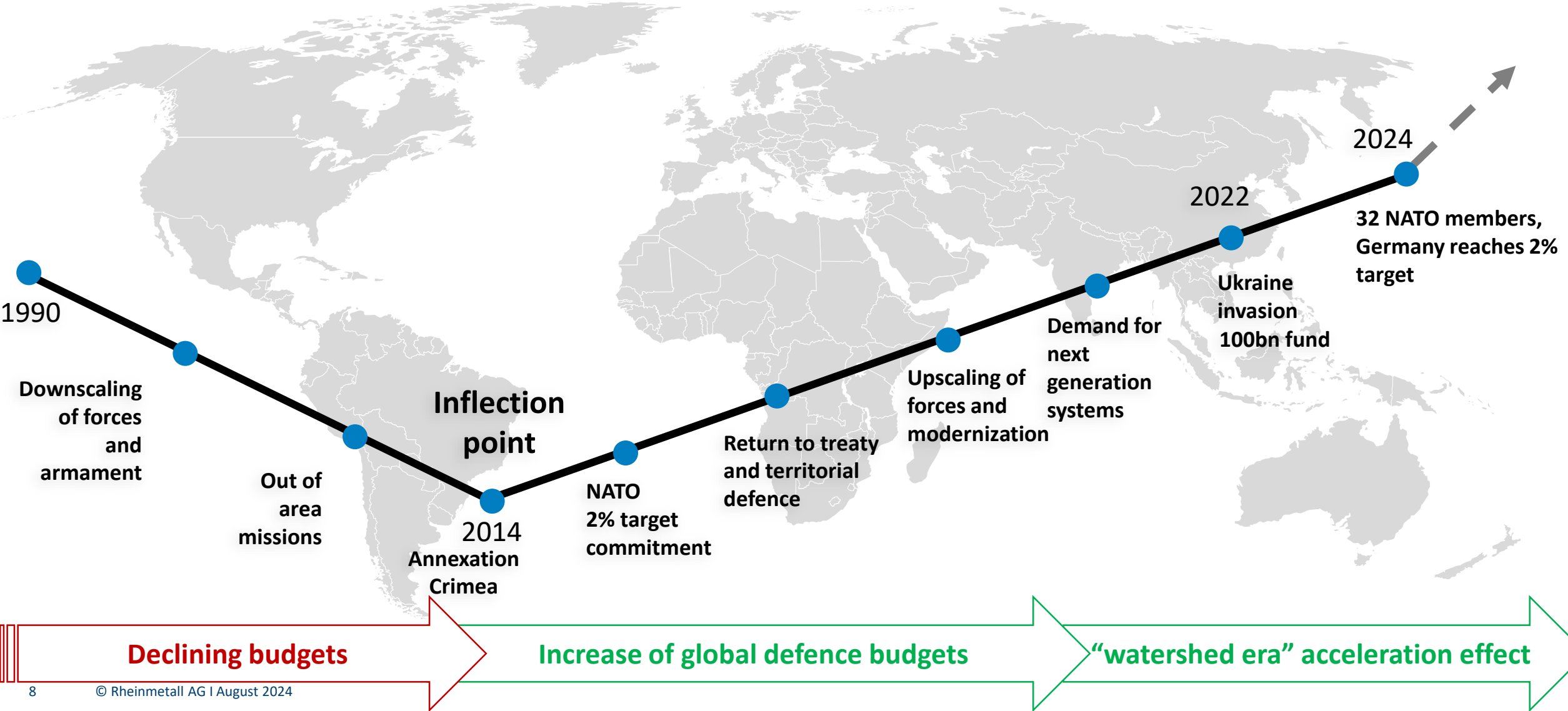
<b>MSCI ESG: A</b>	<b>ISS ESG: C</b>	<b>Sustainalytics: 26.9</b>	<b>S&amp;P Global: 39</b>	<b>CDP Climate Change B</b>
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# Markets & Drivers

## Participating in the defence supercycle

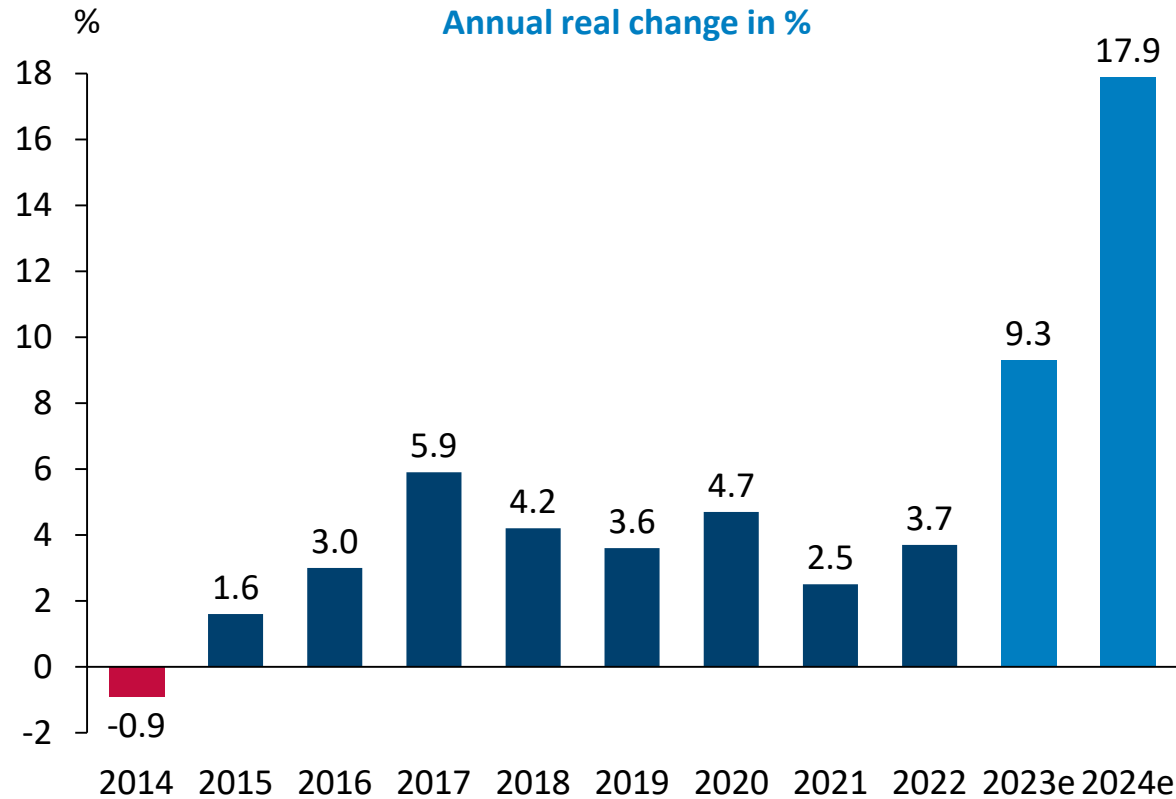




# Markets & Drivers:

## Strong reaction to the war: Defence budgets start to accelerate

### NATO Europe and Canada defence expenditure



Source: NATO, June 2024

### Increased demand for defence systems in NATO countries



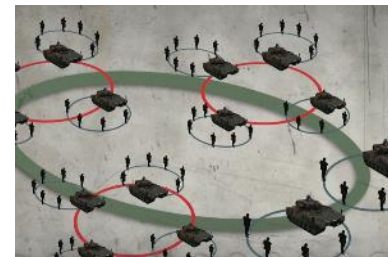
**Ships**



**Vehicles**



**Airplanes**



**Networking systems**



**Ammunition**

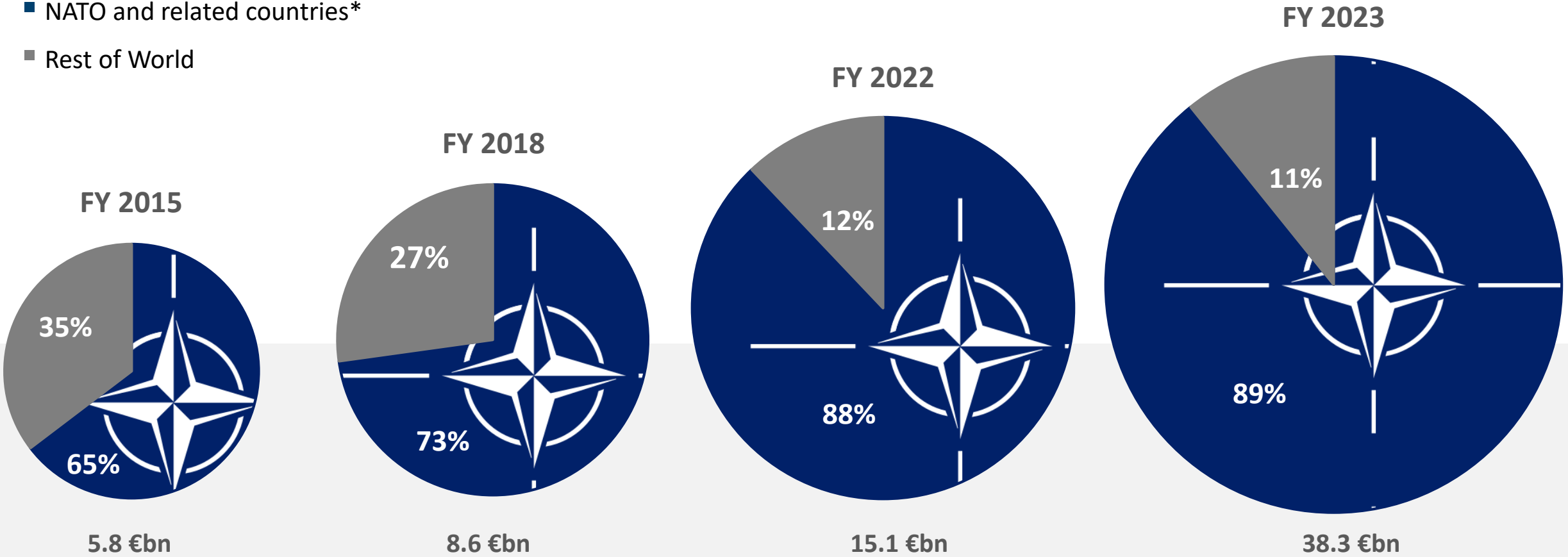


**Protective gear**

# Markets & Drivers:

## Significant reduction in export risk due to high NATO order backlog

- NATO and related countries\*
- Rest of World



# Markets & Drivers: Germany

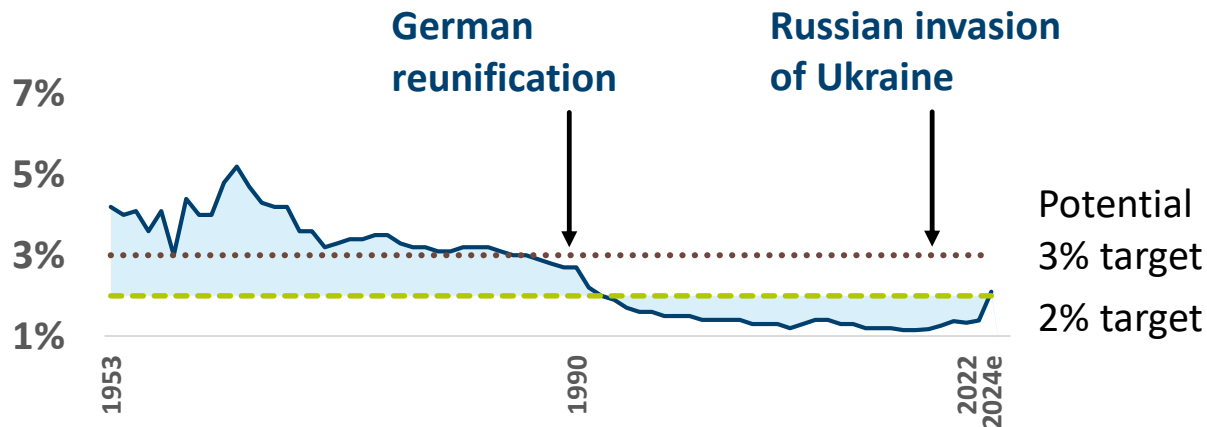
## Germany's defence spending achieves 2% target in 2024

*"We need at least 2% of our gross domestic product in the long term in order to align the Bundeswehr with the requirements of the new era and to meet NATO's capability goals"*

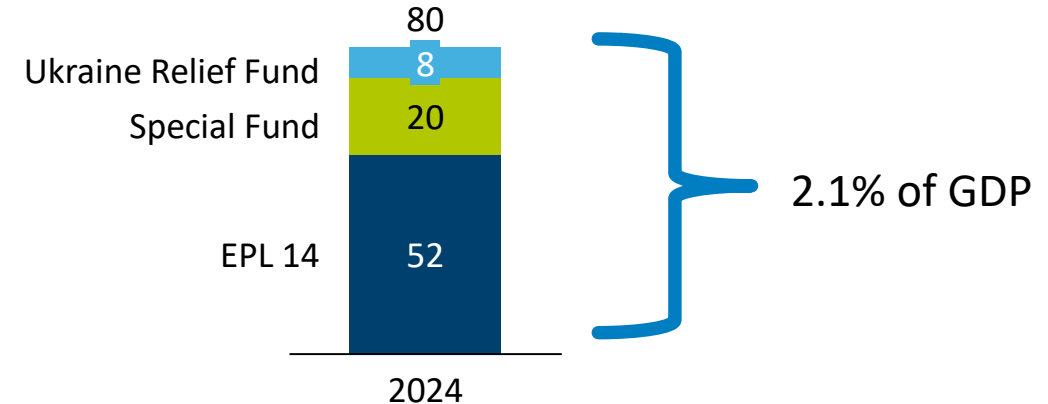
**Boris Pistorius, Minister of Defence Germany**



**German military expenditure**  
as % of GDP per year



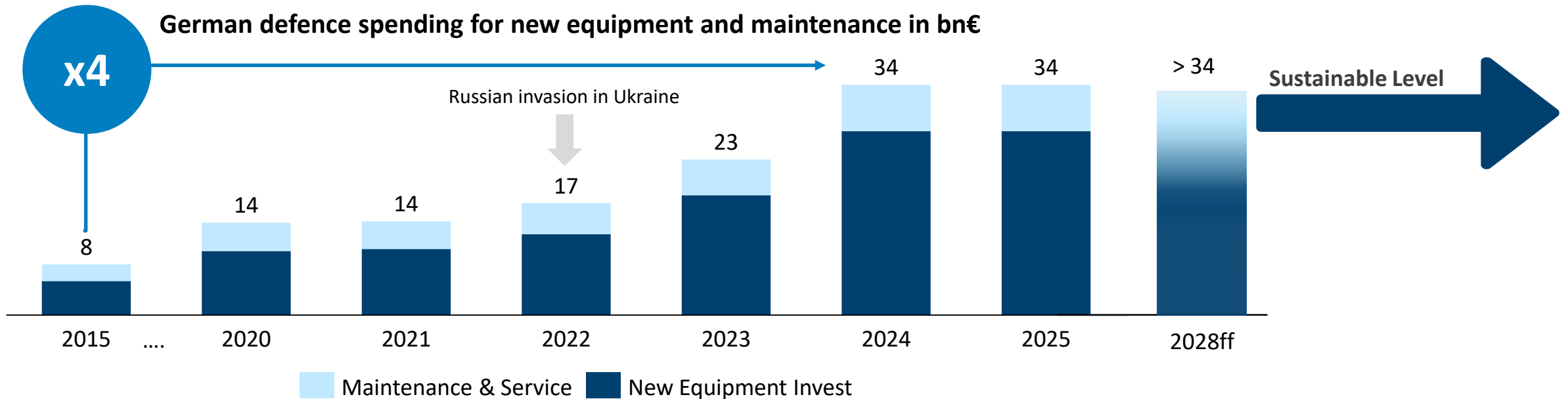
**German defence spending based on three pillars**  
in bn €



# Markets & Drivers: Germany

## Addressable German budget more than quadrupled over the last decade

- Maintenance and new equipment invest were continuously increased over the years
- Germany's 2% commitment\* supports current levels for the next decade
- Rheinmetall booked €28bn gross from German budget since Russian invasion in Ukraine



# Markets & Drivers: Germany

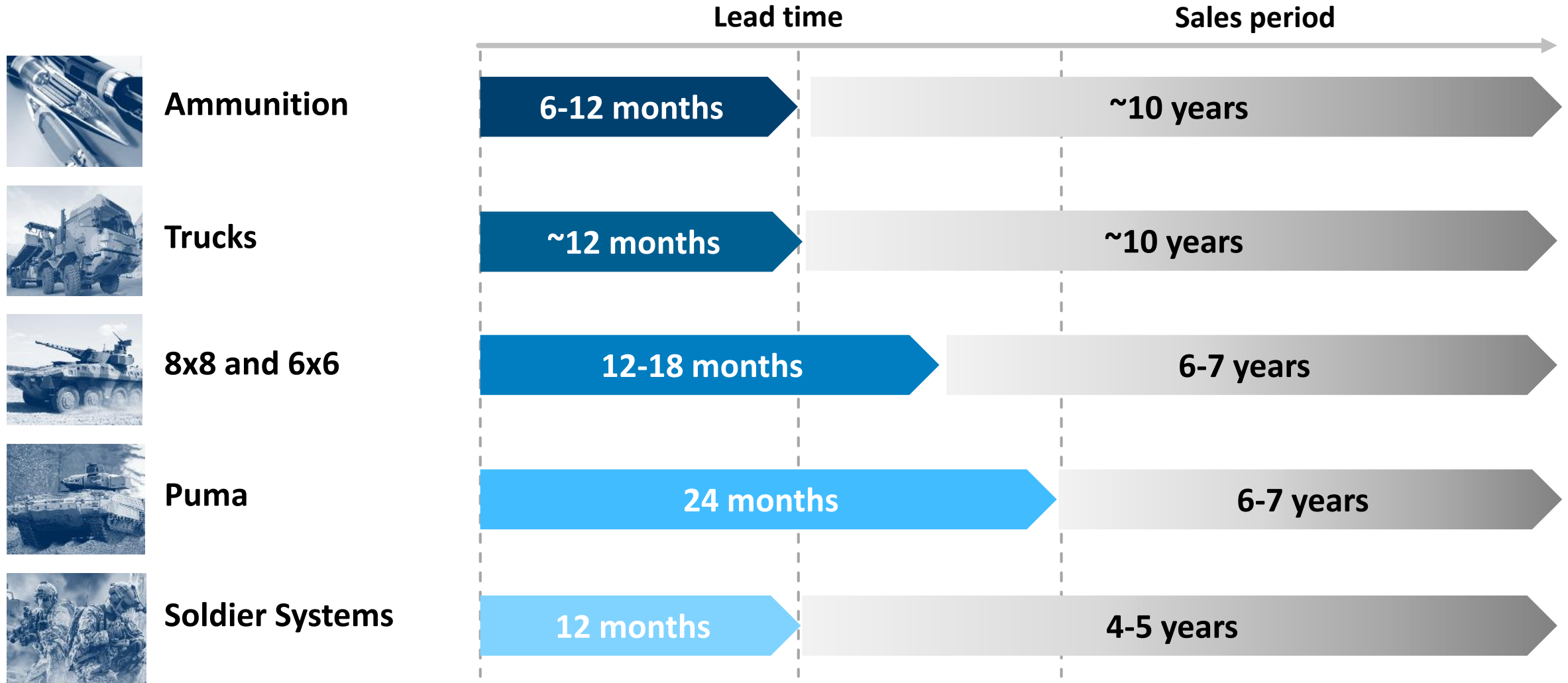
## Triple R – the structural long-term growth drivers for German demand



	RE STOCKING	RE EQUIPPING	RE BUILDING
DOMAIN LAND	Replenish empty ammunition stock	Return to 100% equipment level	Re-introduction of capabilities, e.g. GBAD
DOMAIN AIR			F-35 production and sustainment

# Markets & Drivers: Start of a new era in German defence policy

## Defence Projects with short-term implementation potential



# Markets & Drivers: Ukraine

## Our mission is to become the first choice for Ukraine's armed forces

1



Ring Swaps

2



Direct Deliveries

3



Funding by GER & other states

4



Service & Sustainment

5



Local Cooperation

# Markets & Drivers: Hungary

## Hungary has developed into a new home market

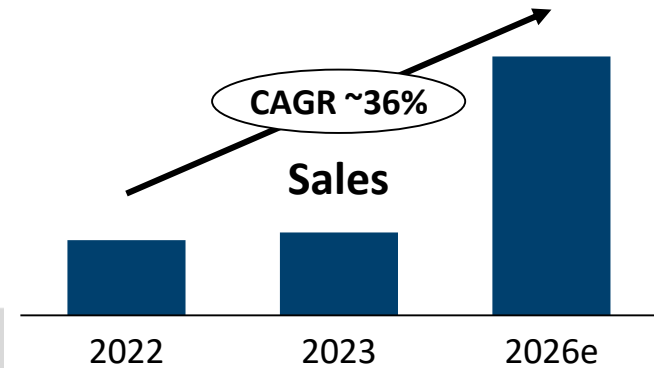
Rheinmetall is the strategic partner of the Hungarian forces

**BUILD UP OF CAPACITIES AND CAPABILITIES**

**EXTENSIVE BUSINESS POTENTIAL**

**WIN-WIN SITUATION THROUGH MUTUAL SUPPORT**

**REALIZATION EXPORT OPPORTUNITIES**






# Markets & Drivers: Hungary


## Strong intensification of our Hungarian engagement across all segments

### Vehicle Systems




**Hybrid 8x8**

**LYNX** ✓




**Skyranger** ✓



**PANTHER** ✓

### Weapon and Ammunition

**Ammo plant** ✓



**RDX plant** ✓

**HERO Loitering Munition** ✓

### Electronic Solutions

**JV for digitization of the armed forces**

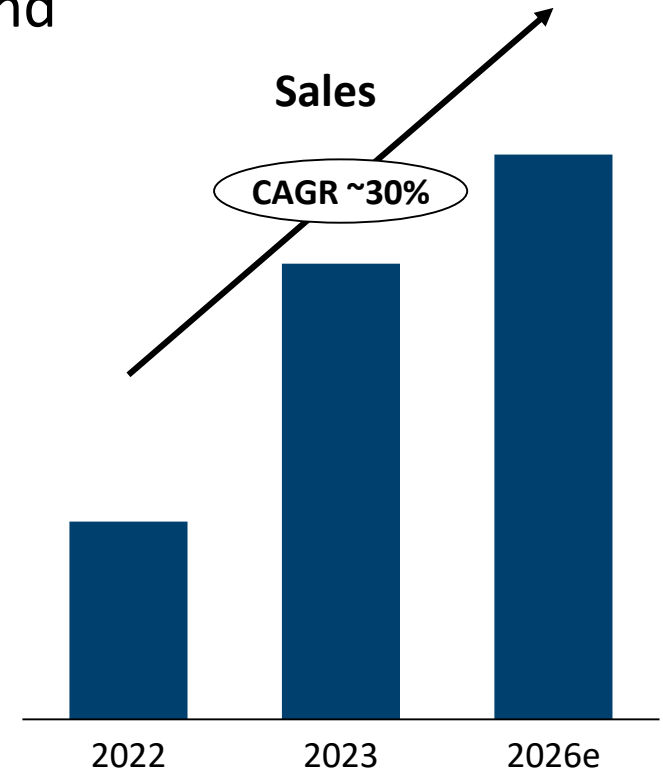


✓

## Markets & Drivers: United Kingdom

### RBSL JV in prime spot to modernize the UK armed forces

- Key supplier to the land domain with Boxer MIV and Challenger upgrade
- Currently waiting for the 3. lot Boxer contract and exploration of further Boxer variants including GBAD
- Frame work contracts for ammunition in place
- Exploration of potential for maintenance, overhaul and repair (LIOS)
- UK joins HX user group with first orders in 2023

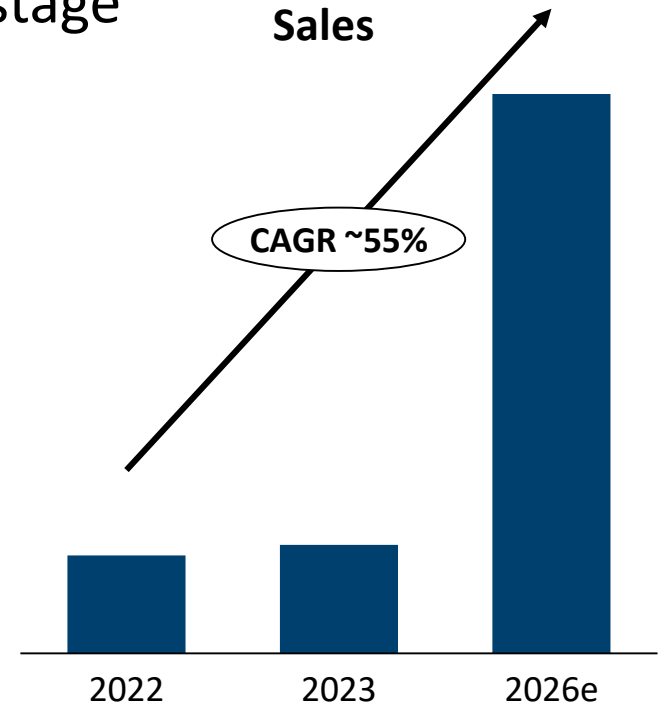


# Markets & Drivers: USA

The United States has the potential to become a new home market by late 20s



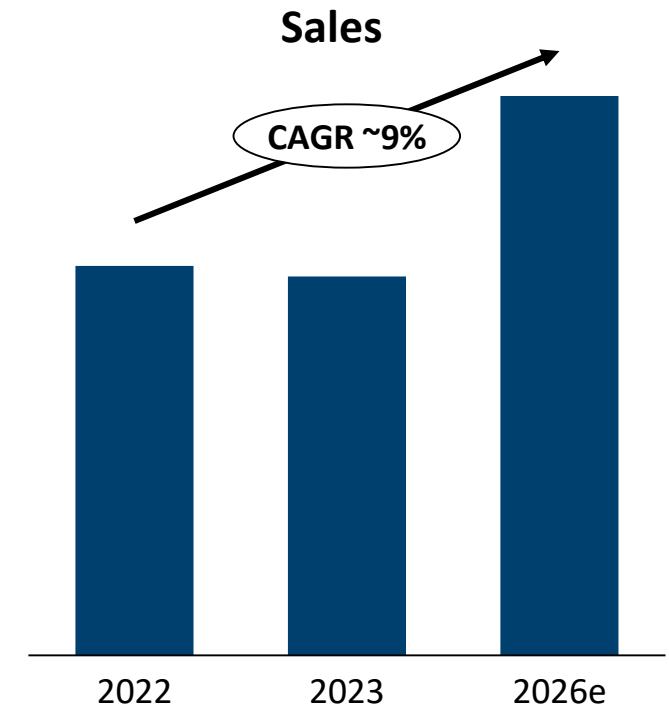
- Rheinmetall Common Tactical Trucks (CTT) performs
- XM30: down selected to final testing stage
- Next generation howitzer: successful testing of L52 gun



## Markets & Drivers: Australia

### Heavy Weapon carrier – export from down under leverages MILVEHCOE

- Digitization and Domain Sea offer a huge potential, especially Land 125 soldier systems
- Heavy weapon carrier is one of the largest Australian defence export contracts
- Growing our ammunition exposure

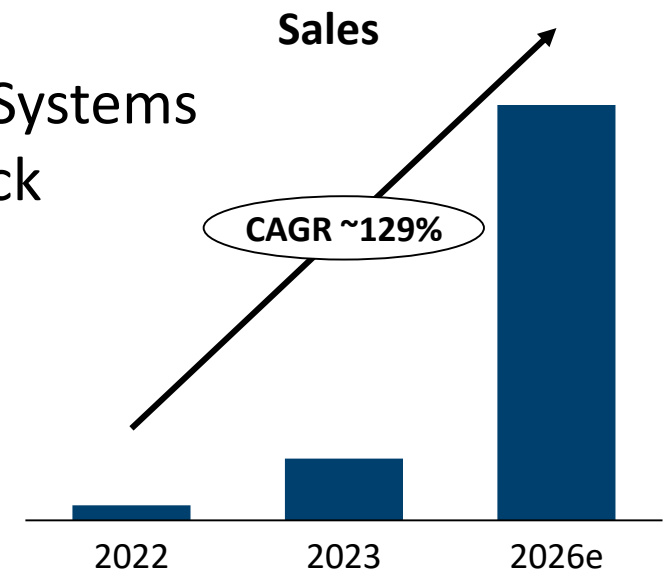


## Markets & Drivers: Spain

### Expal acquisition opens new potentials in Spain and beyond



- Expal acquisition opens new possibilities to do business in Spain
- Intensification of our traditional ammo business
- Rheinmetall Expal Munitions (REM) is part of the consortia to supply long range artillery
- First sounding of business potential for Vehicle Systems and Electronic Solutions with promising feedback



## Markets & Drivers: Italy

### MoU with Leonardo opens long-term growth possibilities



50-50 JV set-up by end of September

Workshare 50% Leonardo + 10% Rheinmetall Italia + 40% Rheinmetall RoW

**> €20bn potential for vehicles and services**



ammunition



export

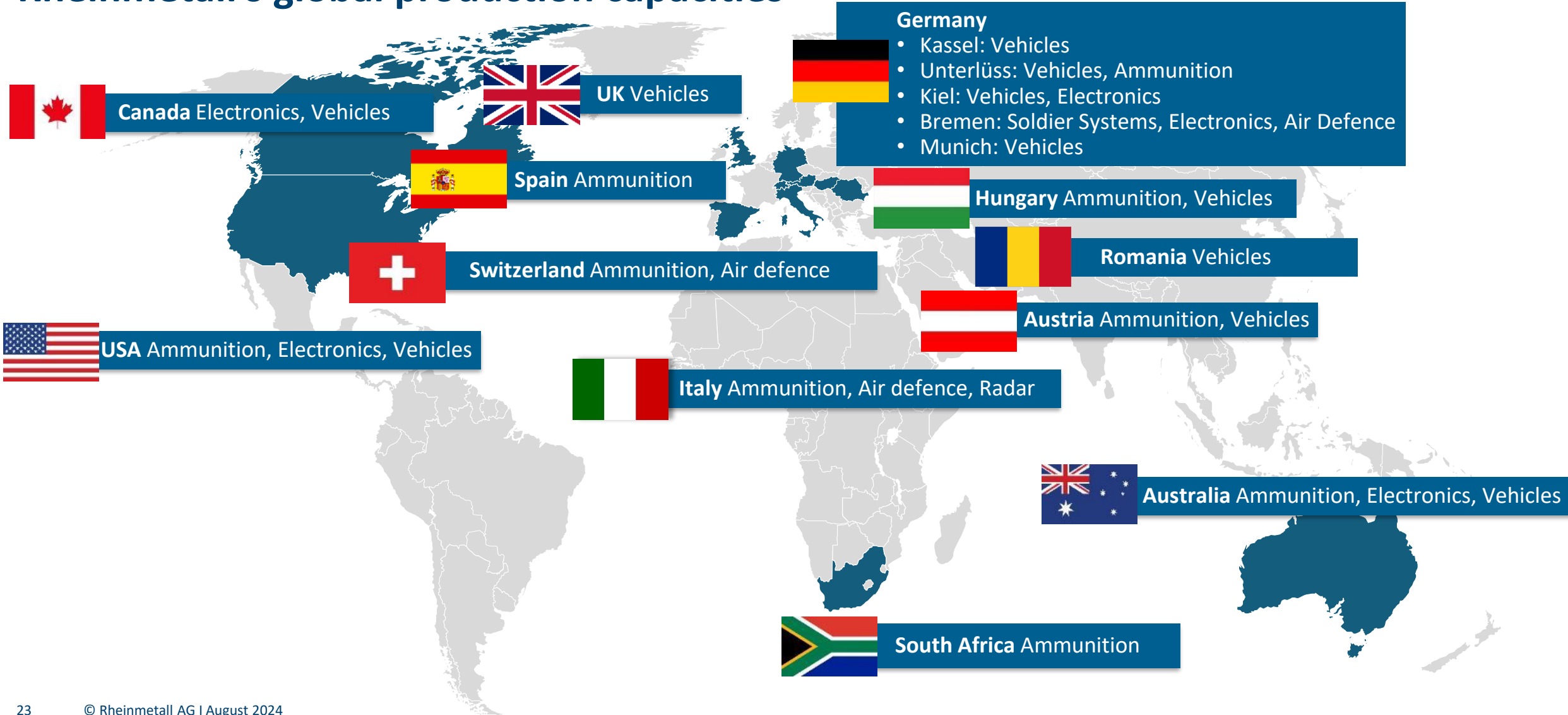


Panther



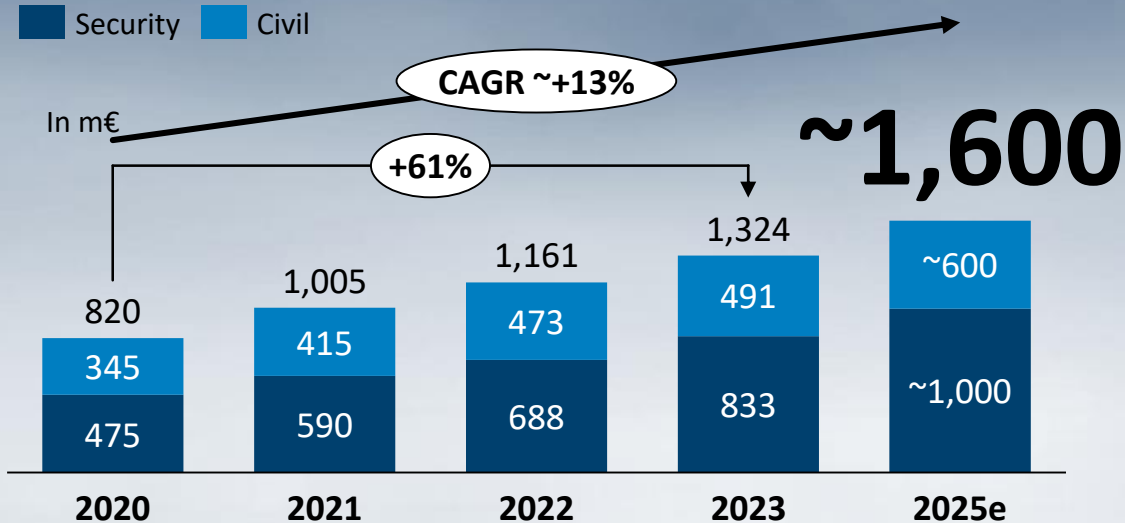
Lynx

# Markets & Drivers: Rheinmetall's global production capacities



## Markets & Drivers:

# Platform sales are just the tip of the iceberg – success creates opportunities



Rheinmetall creates **additional business opportunities over the entire life cycle of up to 50 years**

- Rising number of platforms
  - 1x platform sales creates 2x lifecycle spendings
- Expansion beyond traditional vehicles service business with
  - Helicopter service and maintenance
  - Service potential in aviation (F-35) (post 2025)
  - Maintenance for vehicles in services in NATO countries
  - Service HUBs for partner countries

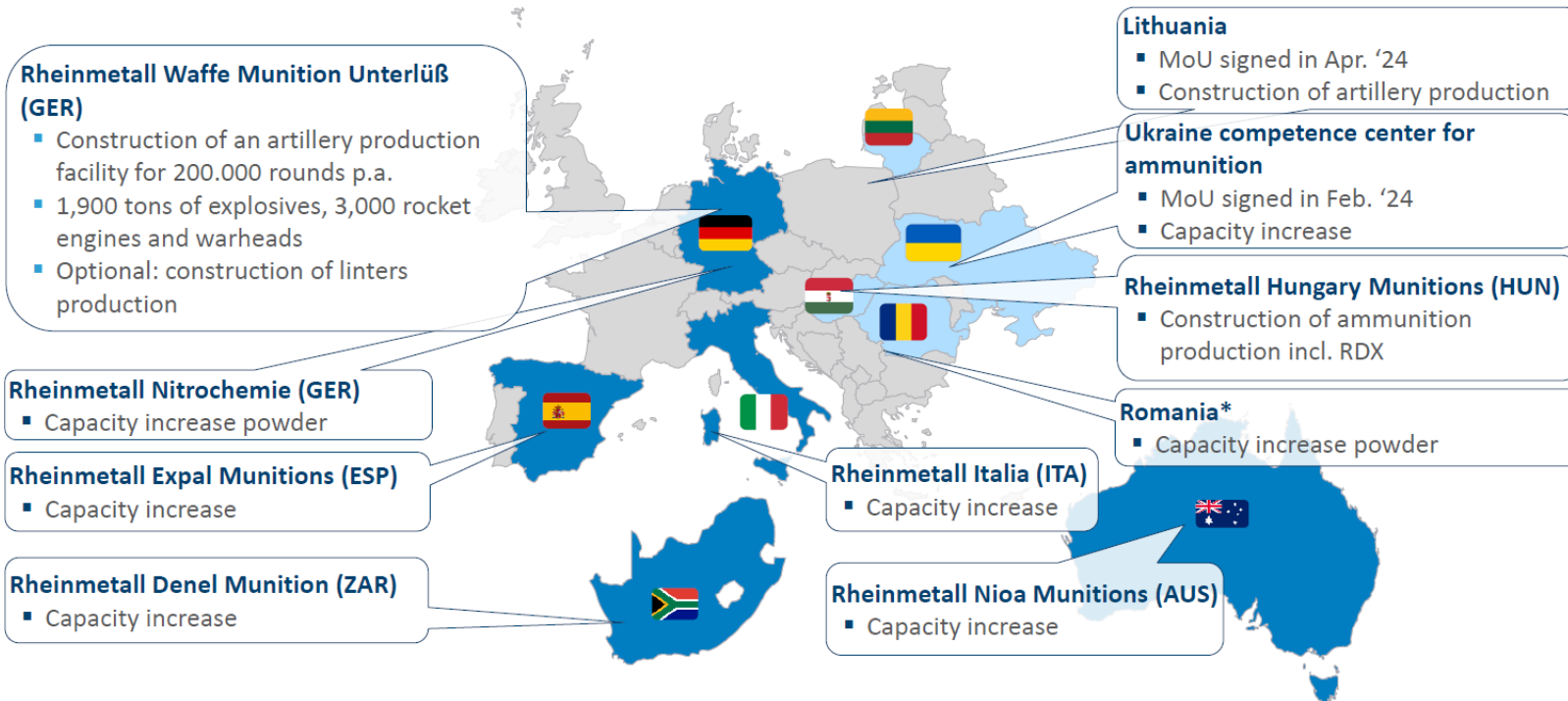


# Markets & Drivers: Big Tickets

## Significant volume expansion ongoing

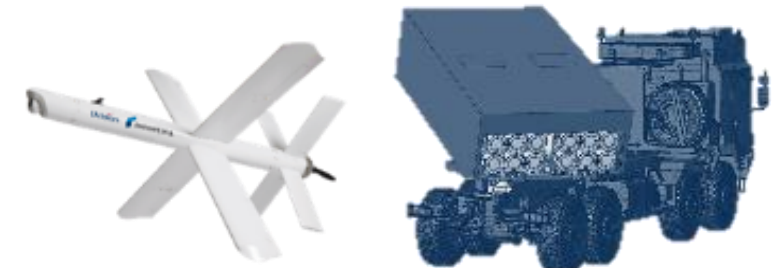


### Rheinmetall invests in capacities...



### ... and technologies

- Development of long range capabilities
  - improved barrel performance
  - Long range ammunition
- Loitering ammunition in cooperation with UVision
- Rocket artillery for the European market

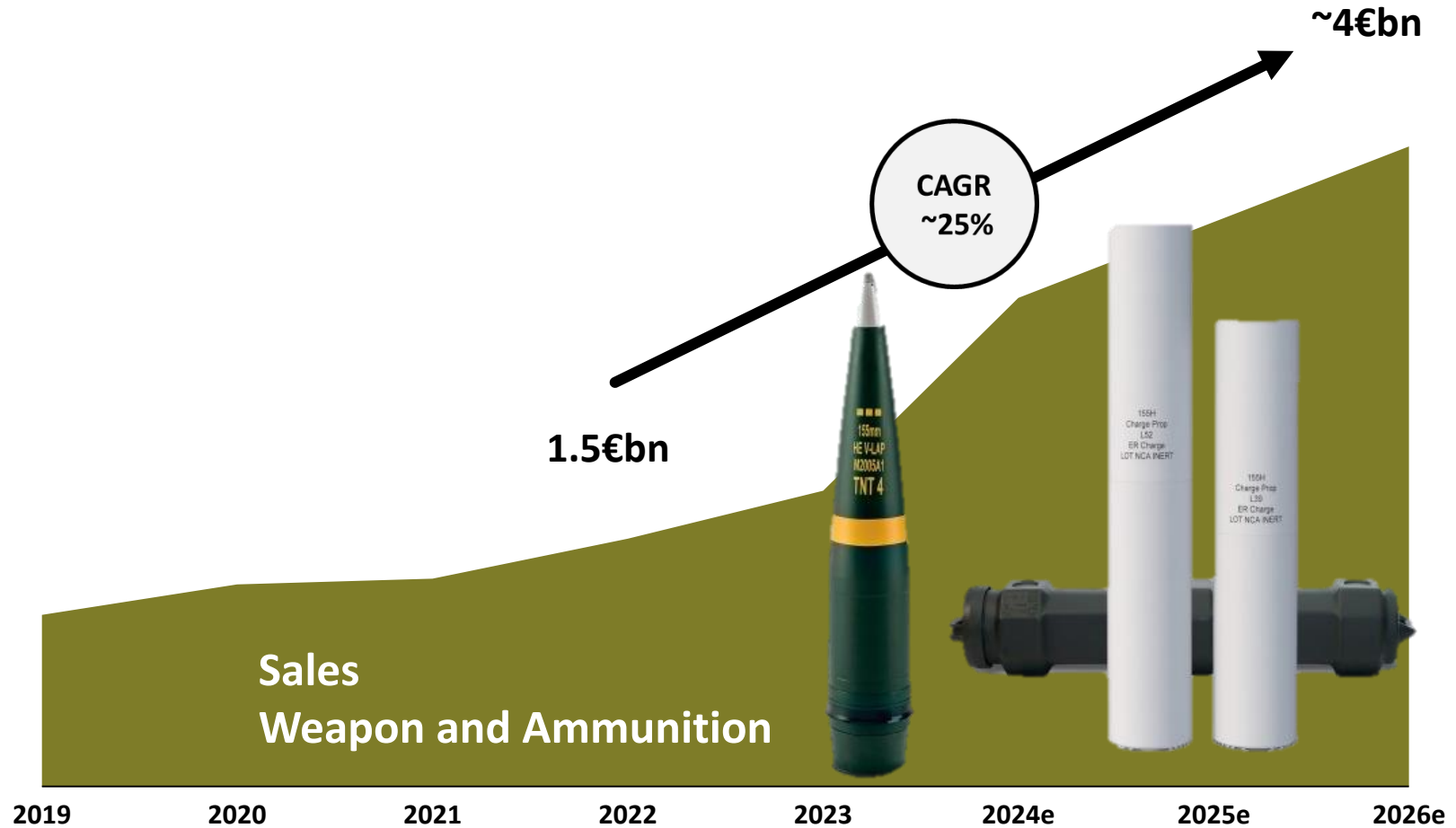
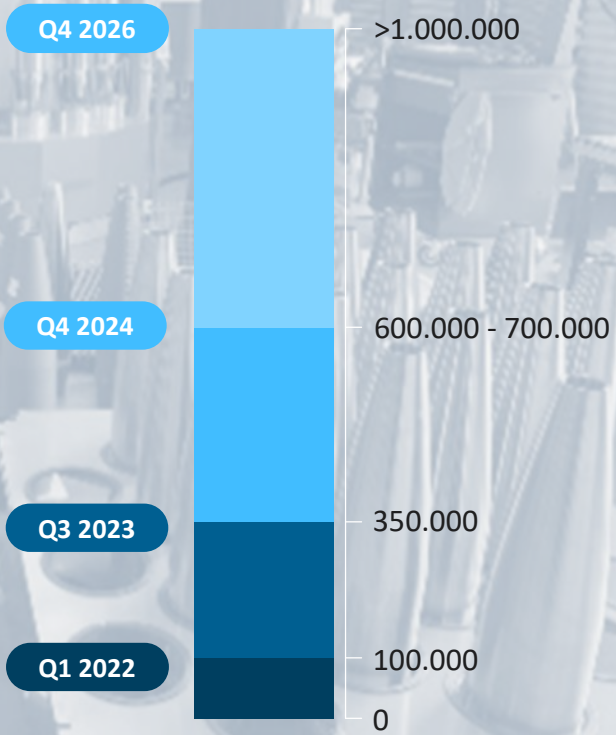




# Markets & Drivers: Big Tickets

## Artillery as major growth driver for Weapon and Ammunition

Production capacity for 155mm full shots





# Markets & Drivers: Big Tickets

## Rheinmetall primed to participate in any major MBT program



- OPPORTUNITY** – Growing MBT market creates potential
- CAPTURE** – Win key opportunities, Grow business
- INDUSTRIALISE** – Increase capacity, Global supply chain
- EXECUTE** – Operational excellence to drive margin



# Markets & Drivers: Big Tickets

## Panther KF51 under development contract with Hungary

### Firepower

Unrivalled lethality with the 130mm Future Gun system (FGS) and optimised sensor-to-shooter-links.

### Protection

The first MBT adopting an integrated survivability concept of on and off platform sensors coupled with active, reactive and passive protection and a dedicated top attack protection system.

### Digitisation

The Panther is designed with a digital architecture enabling openness with the NGVA standard. This is the key enabler for future decision support and automation systems.

### Automation

Fully integrated and automated ammunition handling and target engagement systems pave the way for reduced crew sizes and unmanned turret options.



# Markets & Drivers: Big Tickets

## Successful cooperation with Lockheed Martin enters next phase



Expansion of existing collaboration to new technological areas

*Estimated market potential over the next ten years*

~€5bn

~€7bn

~€0.5bn

~€0.5-1bn

~€4bn

~€1bn

F-35



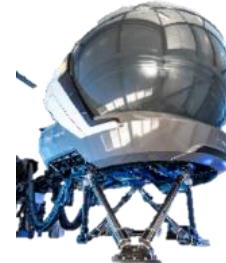
GMARS

Laser weapons

Simulation & Training

SHORAD

Aeronautic Systems

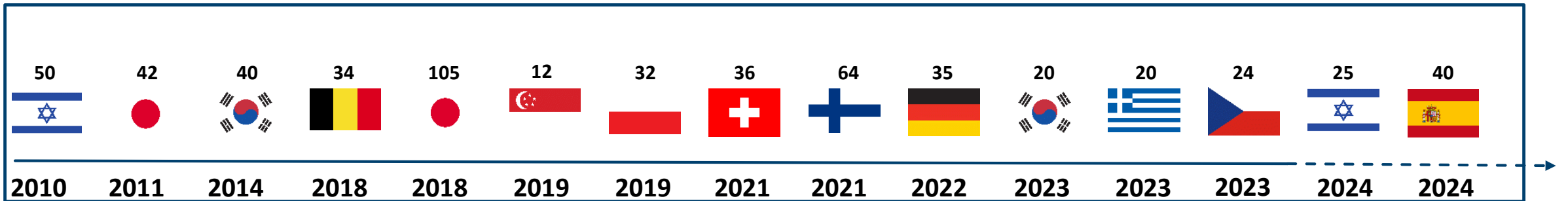
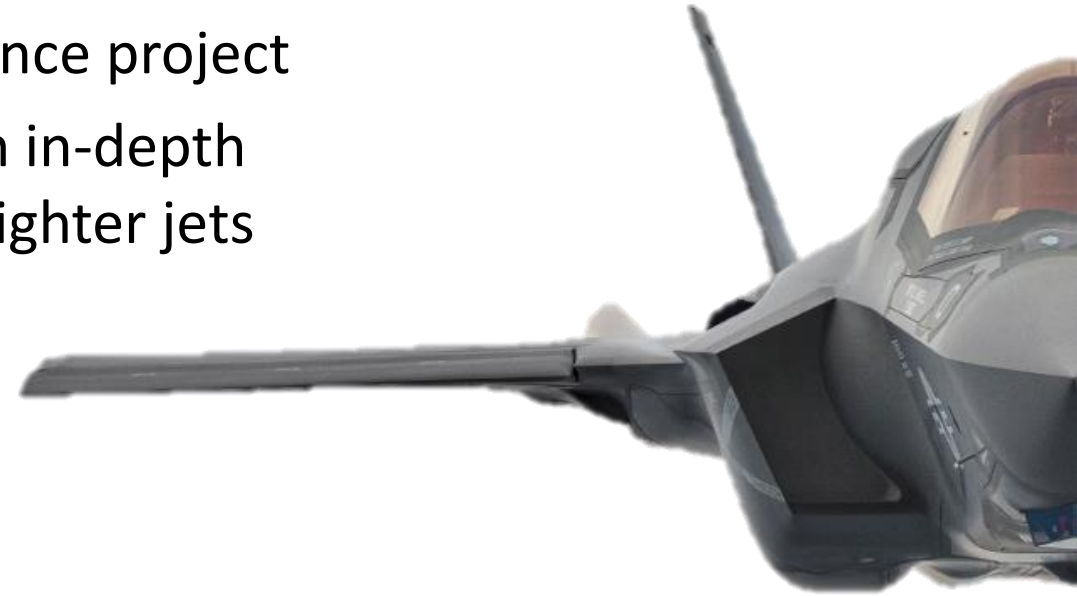




# Markets & Drivers: Big Tickets

## Breakthrough in domain air: strategic partnership for F-35

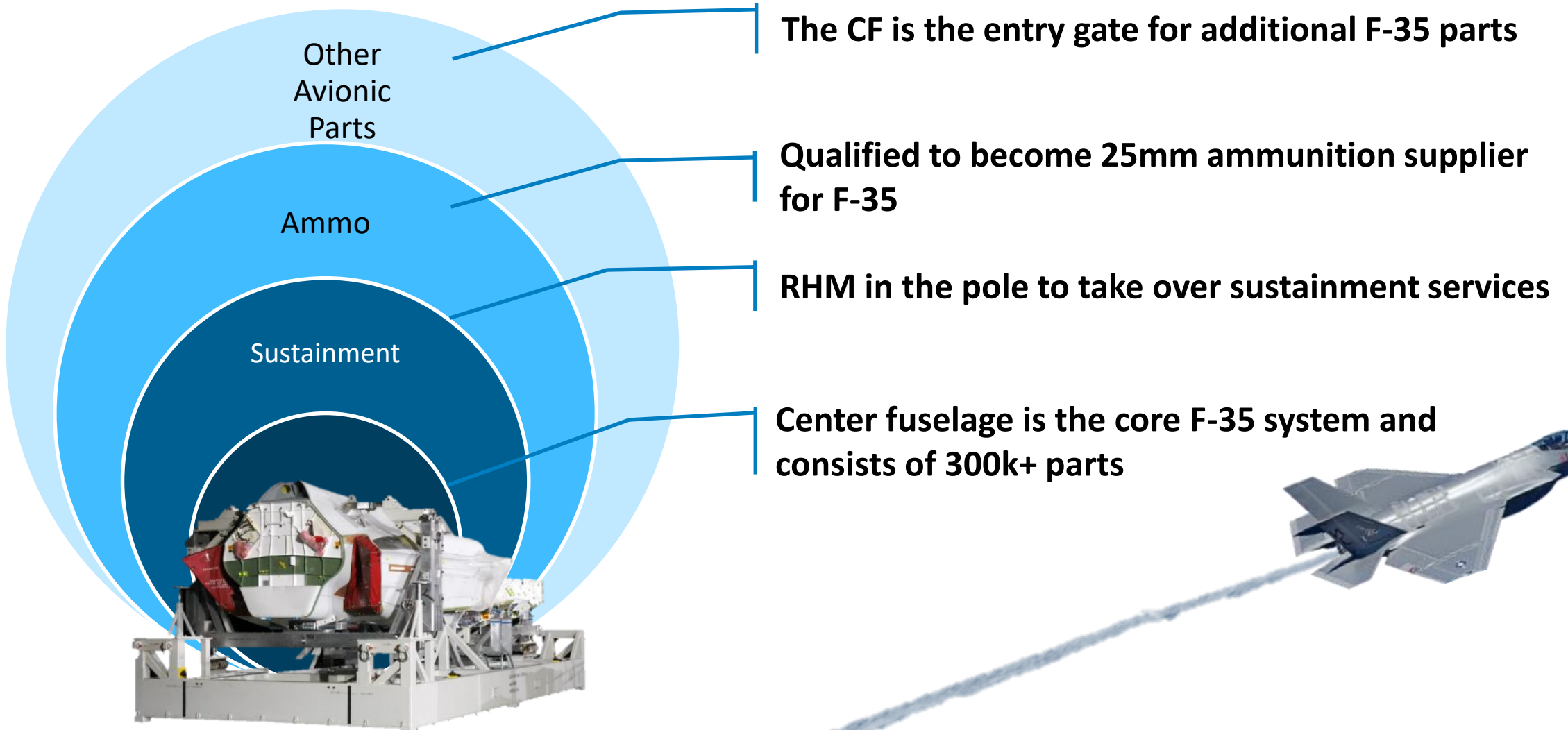
- Rheinmetall is a partner in the world’s biggest defence project
- Rheinmetall will be the only German company with in-depth technological knowledge of the 5th generation of fighter jets
- First deliveries scheduled for 2027





# Markets & Drivers: Big Tickets

## F-35 Center Fuselage as nucleus to grow our domain air

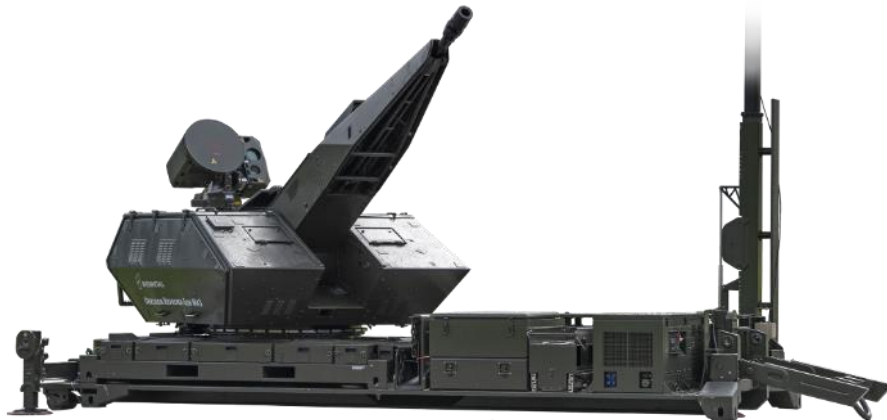




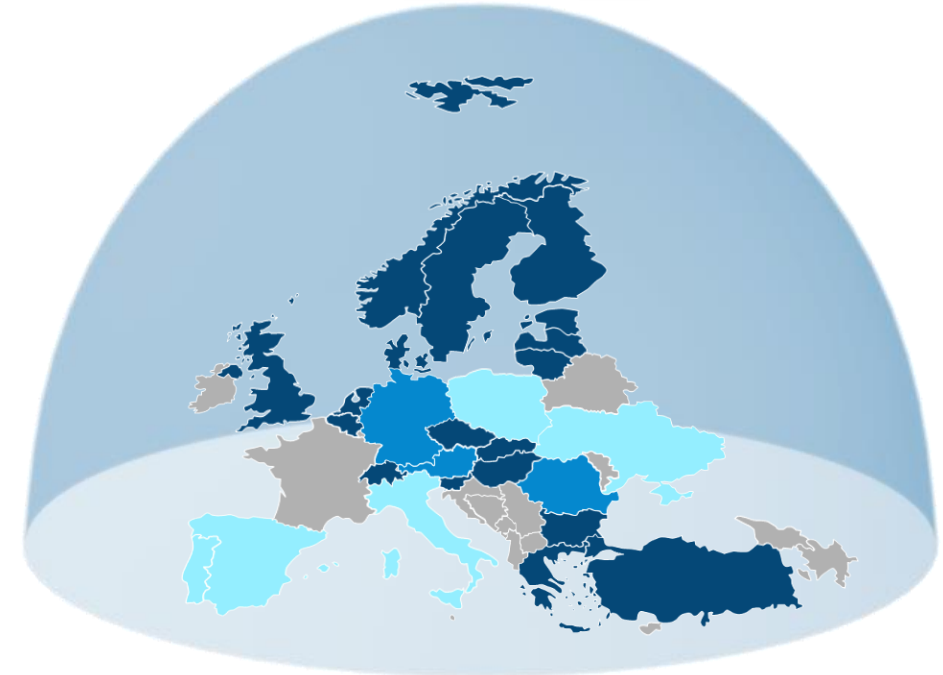
# Markets & Drivers: Big Tickets

## Rheinmetall is a leading provider of Ground Based Air Defence

- Plattform agnostic
- Order potential 2023-2026 of up to 5bn Euros



### European Sky Shield Initiative (ESSI)



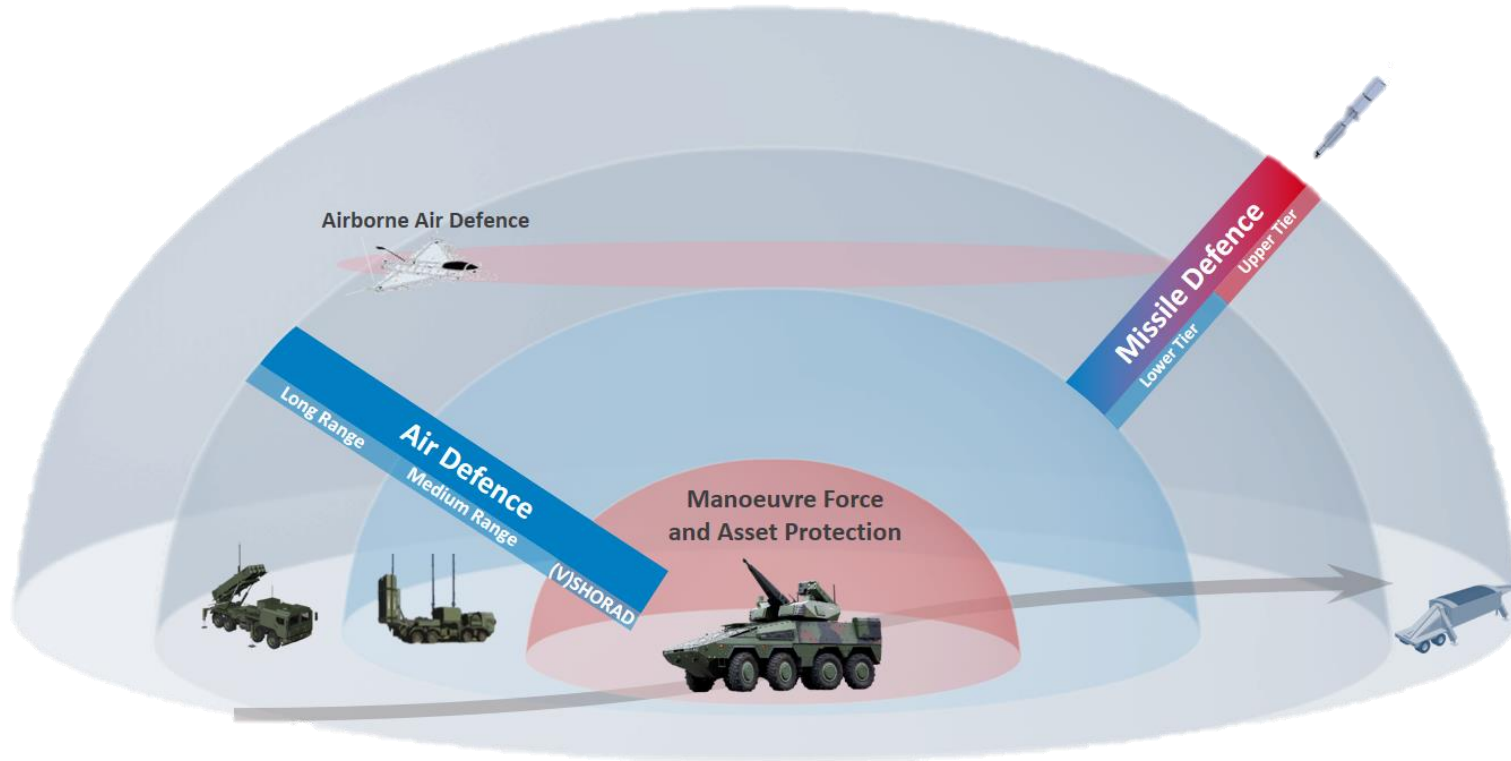
■ RHM ESSI Customers  
■ ESSI Participants  
■ Potential other European customers for Skyranger





# Markets & Drivers: Big Tickets

## Integrated V-SHORAD approach against a wide range of threats



### Sensors

- Skymaster – Battle Management Systems
- Tactical Acquisition Radars
- Multi-Sensor Unit

### Effectors

- Revolver Gun Mk3
- Twin Gun
- High Energy Laser
- SkyKnight Missile Launcher Unit
- Non-lethal jammers

### Platforms

- Stationary
- Mobile

### Ammunitions

- Med-Cal 30-35mm with AHEAD capability



# Markets & Drivers: Big Tickets

## Re-scoped Boxer business opens new possibilities

- Growing demand for wheeled tactical vehicles
- Boxer well positioned to participate in this growth
- Boxer orders will be handled by ARTEC\*

Total order potential of up to  
~**€15bn** over the next 10 years



**Heavy Weapon Carrier**

e.g. GER, NL, UK, RoW



**RCH 155**

e.g. GER, NL, UK, Ukraine, USA, RoW



**BOXER MIV**

e.g. GER, UK



**Wheeled IFV**

e.g. GER, NL



## Markets & Drivers: Big Tickets

### Logistics matter and the HX user group continues to grow

- War in Ukraine has underpinned the importance of logistics
- Germany is financing the next truck lot via the special fund
- Austria and UK are the most recent members of the HX user group
- Rheinmetall expands Vienna capacity from 2,200 to around 4,500 vehicles p.a. in 2024



#### User Group






# Markets & Drivers: Big Tickets

## Our path to a digital future



### Top Projects

-  Gladius and D-LBO
-  Digitalization of HDF
-  Land 125





# Markets & Drivers: Big Tickets

## Rheinmetall is a major partner for the digitization of the German army



**Gladius Soldier System**

**Personnel Equipment**

Already in use for VJTF, Full roll-out financed by special fund, first orders received



**System Panzergrenadier**

**Networking PUMA to Soldier**

In service



**D-LBO**

**Digitalization of the German Forces**

Part of special fund, total volume of 21€bn  
RHM potential of 6€bn



**TAWAN**

**Tactical Wide Area Network**

Essential capability for the digitization of the German army

# Markets & Drivers: Power Systems

## Rheinmetall's civil business serves four key markets



**ICE Applications**



**BEV Applications**



**Urban Products**



**Aftermarket**

# Markets & Drivers: Power Systems Internal Combustion Engine | ICE

**Air Management**

**Hydrogen**

**Thermal Management**

**Bearings**

**Castings**

**Electrification &  
Digitalisation**

# Solutions for ICE vehicles

Bypass Valve



Exhaust Control Valve



EVAP



EGR Module



Throttle Control



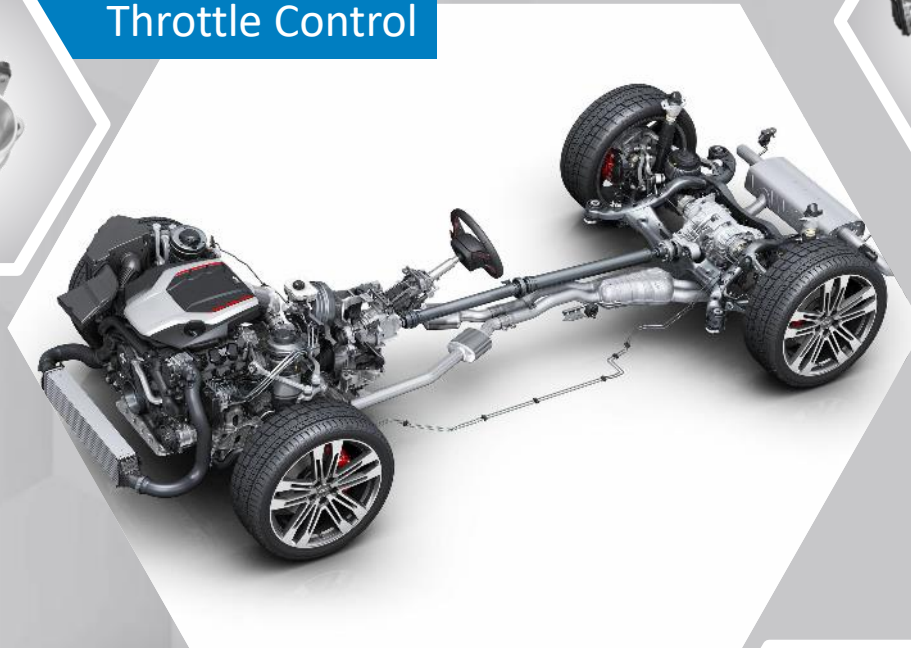
EGR Valve



Sec. Air Pump



Acoustic Control Valve



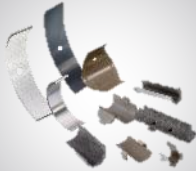
Cylinder Blocks



Electrical Oil Pump



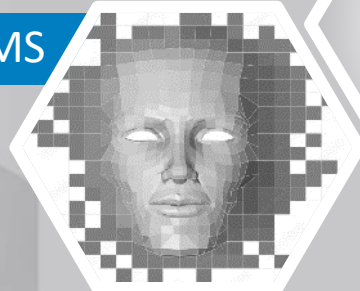
Bearings



Electrical Coolant Pump



Access Control & DMS



Electrical Coolant Valve



Body Frame Parts





# Markets & Drivers: Power Systems Battery Electric Vehicle | BEV

**Thermal Management**

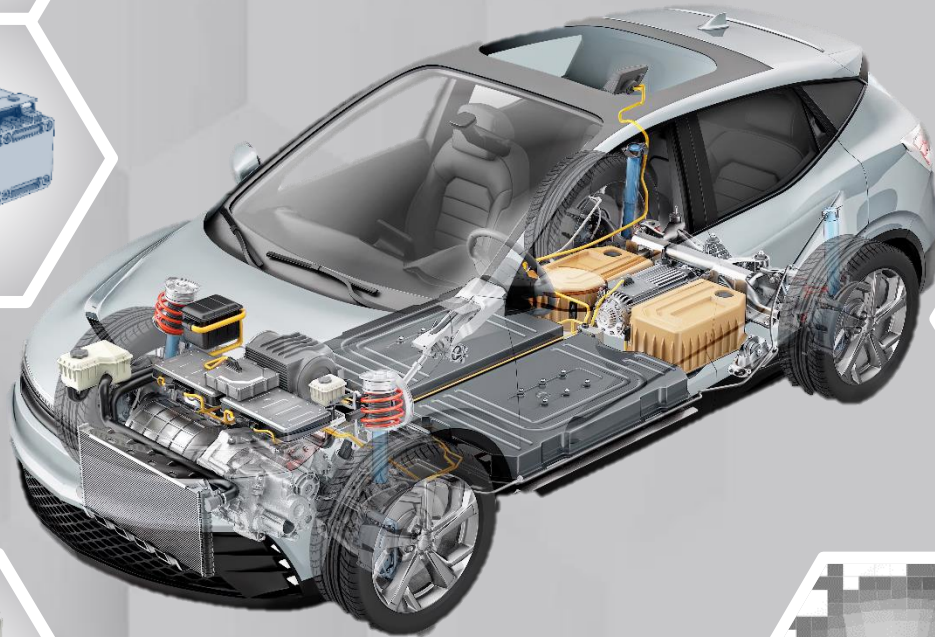
**Power Electronics**

**High Voltage  
Applications**

**Castings**

**Biometrics**

# Solutions for Battery Electric Vehicles



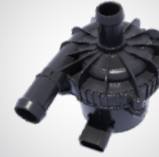
High Voltage Contactors



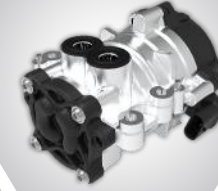
HV Pyrofuse



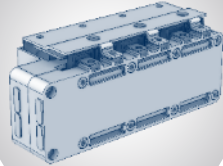
Electrical Coolant Pump



Electrical Oil Pump



Power Core



EV Housing



ITM



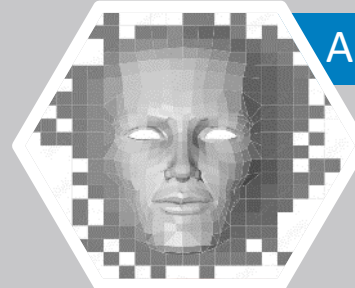
Body Frame Parts



Electrical Climate Compressor



Access Control & DMS



# Markets & Drivers: Power Systems Urban Products

**Charging Infrastructure**

**Heat Pumps and  
Components**

**Biometrics**

**New Energy**

Cathode Flaps



Hydrogen Recirculation Blower



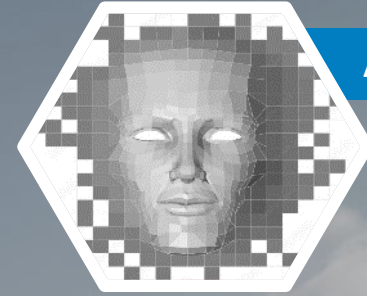
Wind Turbine Bearings



Fuel Cell Tanks



Access Control



Electrical Climate Compressor



Electrical Coolant Pump



Heat Pump



Curbstone Charger



Expansion Valve



Electronics

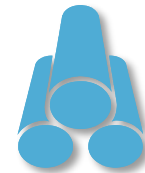


# Markets & Drivers

## Great opportunities ahead and challenged under control



**Re-stocking, re-equipping, re-building**



**Supply chains de-risked**



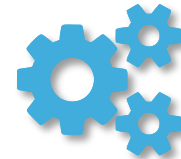
**Expanding our global footprint**



**Record number of applications**



**Benefitting from operating leverage**



**Accelerating business well managed**

# Content

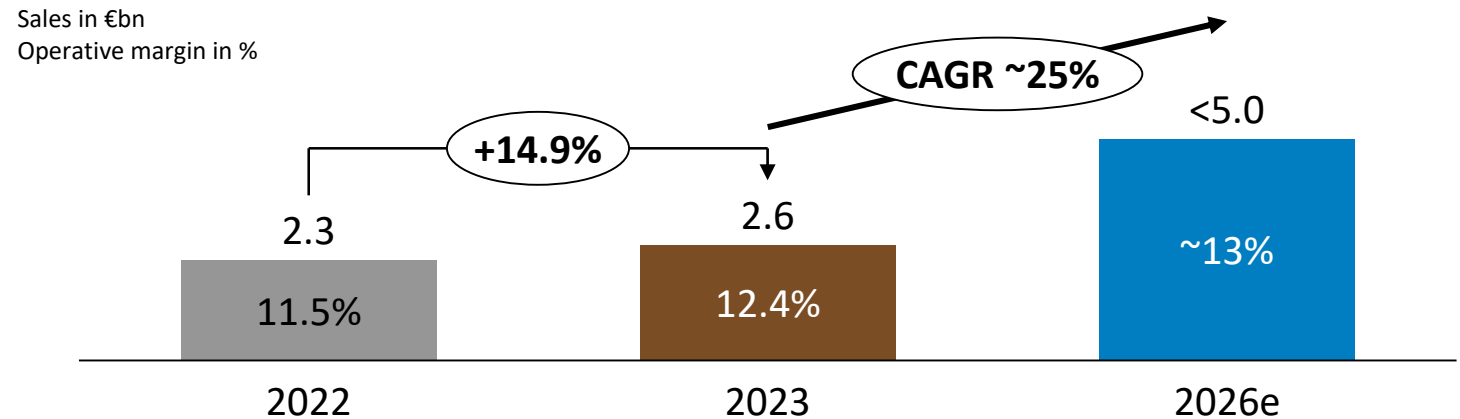
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# Four segments under one roof

## Segment Overview: Vehicle Systems



### Sales and operative margin



### Top Projects

- Panther KF51 Hungary
- XM30 USA
- Common Tactical Truck USA
- Trucks Germany
- Caracal Germany & Netherlands
- Lynx Hungary

### Market profile

Key Competitors	Differentiators	Value proposition
<ul style="list-style-type: none"> <li>▪ <b>Logistic Vehicles</b> Scania, IVECO, Daimler, ARQUUS, Oshkosh</li> <li>▪ <b>Tactical Vehicles</b> BAE Systems, KNDS, General Dynamics, Hanwha, Patria</li> </ul>	<ul style="list-style-type: none"> <li>▪ International footprint</li> <li>▪ Broad product portfolio</li> <li>▪ System integrator</li> <li>▪ Modular and open architecture</li> <li>▪ Excellent engineering</li> <li>▪ Know-How &amp; capabilities</li> </ul>	<ul style="list-style-type: none"> <li>▪ High vertical integrated vehicle production</li> <li>▪ Diverse portfolio of operationally proven wheeled and tracked vehicles</li> </ul>

# Four segments under one roof

## Selected Product Overview: Vehicle Systems

### Tactical Vehicles

**Panther KF51**



**Leopard 2\***



**Challenger 3**



**Lynx**



**Boxer\***



**XM30**



**Wheeled Howitzer**



**Fuchs**



**Panzerhaubitze 2000\***



**Caracal**



**Puma\***



**Survivor R**



### Logistical Vehicles

**HX3 with Load Handling System**



**HX 8x8 Excavator**



**HX81 with Load Handling System**



**TG-MIL**



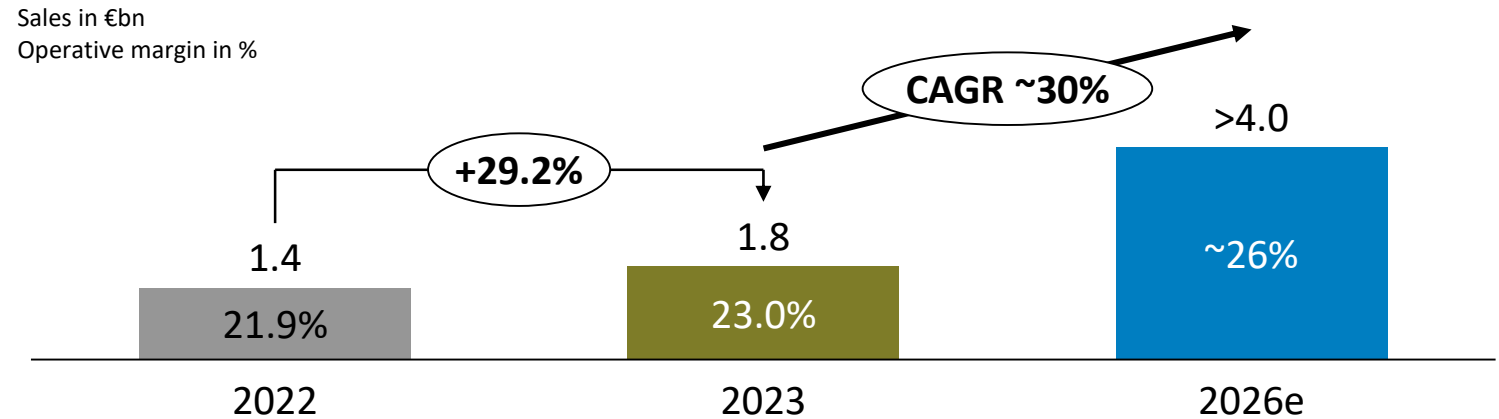


# Four segments under one roof

## Segment Overview: Weapon and Ammunition



### Sales and operative margin



### Top Projects

- Large-scale 155mm artillery ammunition capacity increases (i.e. Unterlüß)
- 130mm smooth-bore tank gun testing and ammunition development
- Next generation 155mm howitzer L60 development and testing
- F-35 25mm ammunition under discussion
- Rocket artillery motors

### Market profile

#### Key Competitors

- **Weapon and Ammunition**  
Nexter, Plasan, General Dynamics
- **Protection Systems**  
Elbit, TenCate, Nammo
- **Propulsion Systems**  
Eurencor, Explosia, Milan Blagojević

#### Differentiators

- International footprint
- Broad product portfolio
- System integrator
- Modular and open architecture
- Excellent engineering
- Know-How & capabilities

#### Value proposition

- Leading global technology provider
- High economies of scale
- Fully integrated supply-chain (full-shot)
- Supreme battle-proven gun technologies

# Four segments under one roof

## Selected Product Overview: Weapon and Ammunition

### Med & Large Caliber Ammo



### Med & Large Caliber Weapons



### Protection Systems



### Explosives & Propulsions

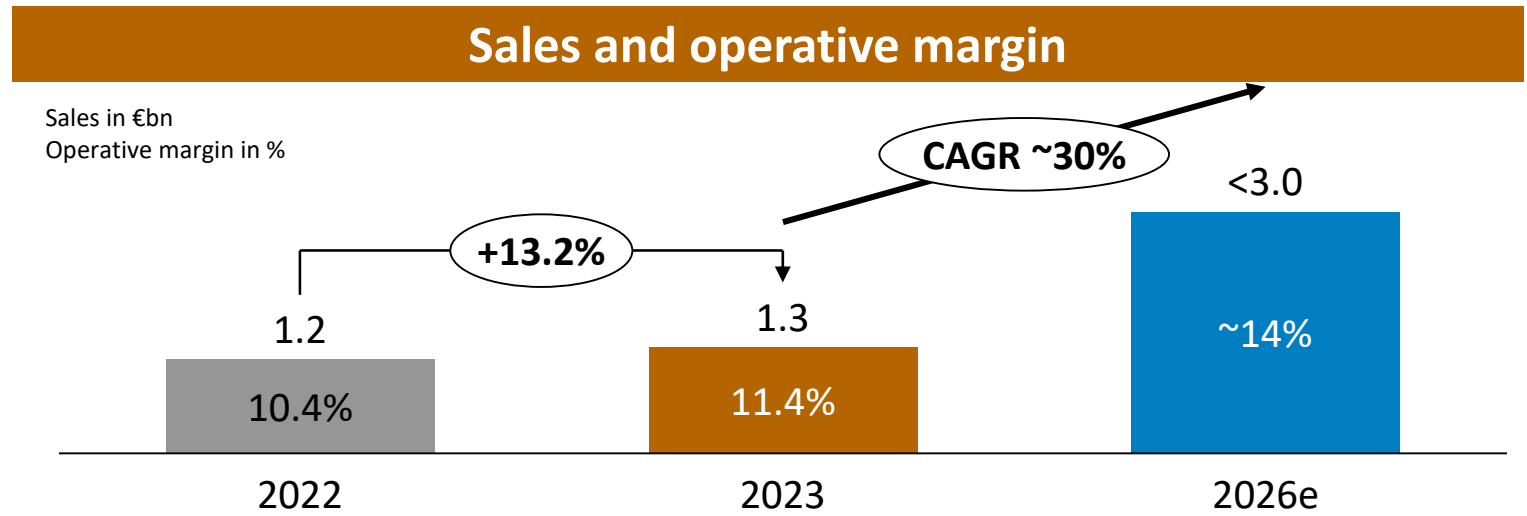


### Loitering Munition



# Four segments under one roof

## Segment Overview: Electronic Solutions



### Top Projects

- European Sky Shield Initiative / Skyranger
- NNbS (Nah- und Nächstbereichsschutz / Short-Range Air Defence in Germany)
- F-35 Center Fuselage
- Digitalization of the Army in Germany, Hungary, final selection phase in Australia

### Market profile

Key Competitors	Differentiators	Value proposition
<ul style="list-style-type: none"> <li><b>Integrated Electronic Systems</b> Hensoldt, Elbit, Thales</li> <li><b>Air Defence</b> Norinco, Rosoboron, GDLS</li> <li><b>Technical Publications</b> CONDOK, ESG</li> </ul>	<ul style="list-style-type: none"> <li>International footprint</li> <li>Broad product portfolio</li> <li>System integrator</li> <li>Modular and open architecture</li> <li>Excellent engineering</li> <li>Know-How &amp; capabilities</li> </ul>	<ul style="list-style-type: none"> <li>Sensing the battlefield (Superior situational awareness and intelligence)</li> <li>Connecting the battlefield (Digitalization, networking, sensor 2 shooter chains)</li> <li>Dominating the battlefield (Smart effects, automation, intelligent empowerment)</li> </ul>

# Four segments under one roof

## Selected Product Overview: Electronic Solutions

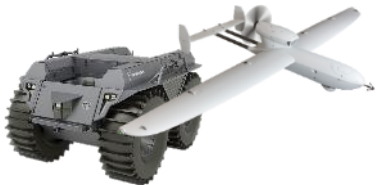
### Digitalization



*Next Generation  
Soldier Systems*  
**Gladius X**



*IT system integration*  
**D-LBO (Germany),  
further programs in  
Hungary and Australia**



*Unmanned  
systems*  
**LUNA NG /  
Mission Master**



*Virtual /  
Constructive / Live*  
**Simulation &  
Training**

### Air Defense



*Mobile  
Air Defence*  
**Skyranger**



*Stationary  
Air Defence*  
**Skynex /  
Skyguard**



*Non-kinetic  
Effectors*  
**Oerlikon High  
Energy Laser**

### Mission Systems



*Stabilized Sighting  
System*  
**SEOSS**

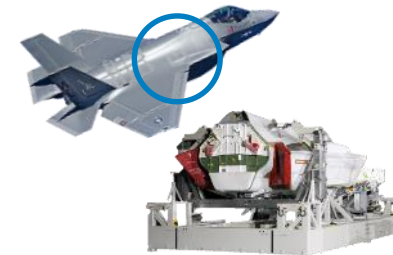


*Driver Vision*  
**Trailblazer**



*Effector integration*  
**ATGM Mission Pod**

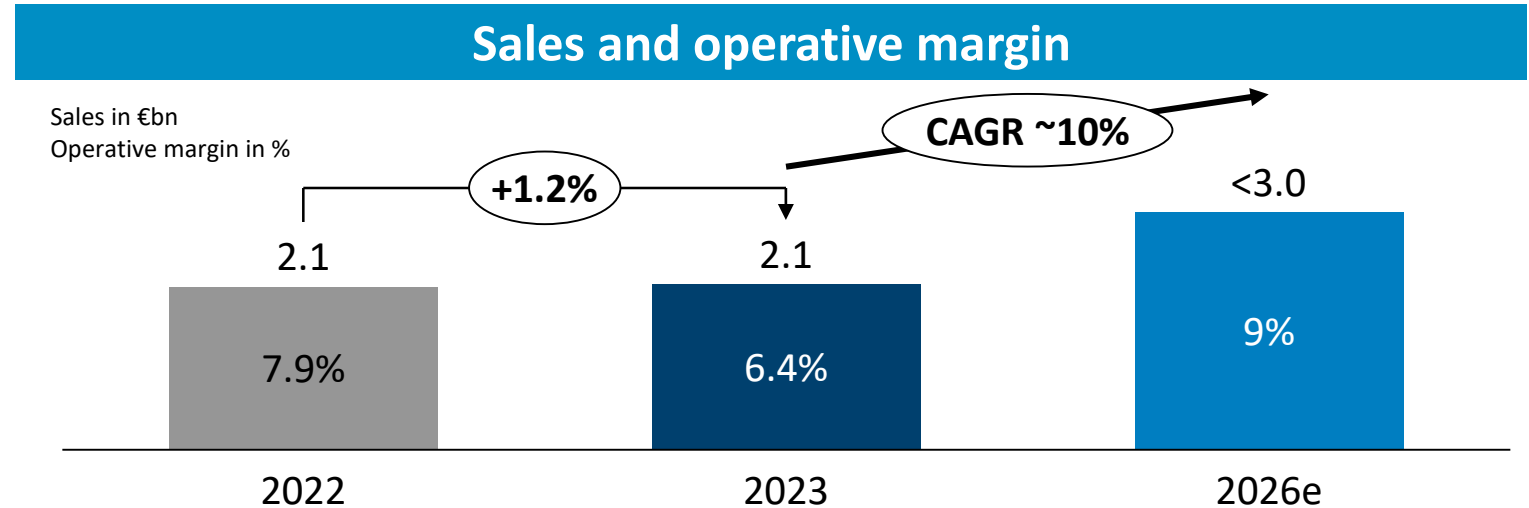
### Aeronautical Systems



*Aircraft structures*  
**F-35  
Center Fuselage**

# Four segments under one roof

## Segment Overview: Power Systems



### Rational for new segment

- One face to the customer
- Holistic portfolio for ICE and BEV applications and beyond
- Combining knowledge and expertise
- Technology mergers for more efficient R&D
- Cost reductions and organizational synergies

### Market profile

Key Competitors	Differentiators	Value proposition
<ul style="list-style-type: none"> <li>▪ <b>Actuators:</b> Bosch, Conti</li> <li>▪ <b>AES / CDS*:</b> BorgWarner, Valeo</li> <li>▪ <b>Solenoid Valves:</b> Bitron, Denso</li> <li>▪ <b>Pump Technology:</b> Hella, Magna</li> <li>▪ <b>Other:</b> Daido, Tenneco, Mahle</li> </ul>	<ul style="list-style-type: none"> <li>▪ Wide technology portfolio</li> <li>▪ Extensive material, friction reduction and surface treatment know-How</li> <li>▪ Strong brand</li> <li>▪ Global footprint with broad aftermarket network</li> <li>▪ Lightweight technologies: materials and structures</li> </ul>	<ul style="list-style-type: none"> <li>▪ Leading European Tier-1 supplier</li> <li>▪ Technology transfer creates new business opportunities</li> </ul>

# Four segments under one roof

## Selected Product Overview: Power Systems

### ICE Applications



**Bearings**



**Castings**

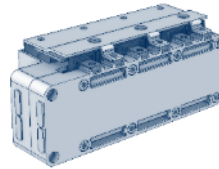


**Exhaust Control Valve**



**Electrical Oil Pump**

### BEV Applications



**Power Core**



**High Voltage Contactors**



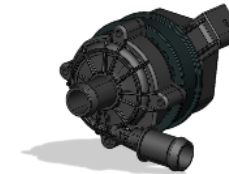
**EV Housing**

### Aftermarket



**Spare parts for cars, vans, trucks, buses and off-highway applications**

### Urban Products



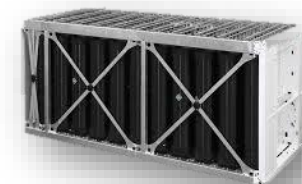
**Electrical Coolant Pump**



**Electrical Climate Compressor**



**Curbstone Charger**



**Fuell Cell Tanks**

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# Financials

## Diversified capital allocation continues

### Capex



### M&A



### Debt Leverage



### Dividend



### Buyback



- Supporting growth with **peak in 2024** and then gradually return to **5% level**

- **Fire power** remains **high** with focus on continued **portfolio optimization** and **strategic acquisitions**

- Setting **leverage targets** and maintaining our **investment grade rating**

- **Payout ratio of 35-40% of net income before PPA**

- **Authorized capital at AGM 2024 renewed**



# Financials

## Successful placement of € 1 billion convertible bonds

Transaction Terms		
Execution Date	31-Jan-23	Effective Date 07-Feb-23
Total Deal Size	<b>€1.0bn</b> (split in 2 equally sized series)	
Underlying Shares	3.2m Shares / 7.4% Share Capital	
Tenor	<b>Series A: 5 Years</b>	<b>Series B: 7 Years</b>
Series Issue Size	€500m	€500m
Coupon	<b>1.875%</b>	<b>2.250%</b>
	<i>Interest is payable semi-annually, firstly due on 07-Aug-23</i>	
Premium	<b>45%</b>	<b>45%</b>
Conversion Price	<b>€309.90</b>	
Dividend Protection	Above an increasing reference dividend schedule (FY22: €4.10, FY23: €5.20, thereafter: €6.60 p.a.)	

### Highlights

- Dual-tranche structure to spread out maturities
- Multiple oversubscription during book-building
- Attractive funding due to annual cash savings of above 2% p.a. vs. comparable straight bonds cash out

# Financials

## We feel comfortable with our current leverage ratio

**Equity ratio:**

**> 30%**  
(29.2%)

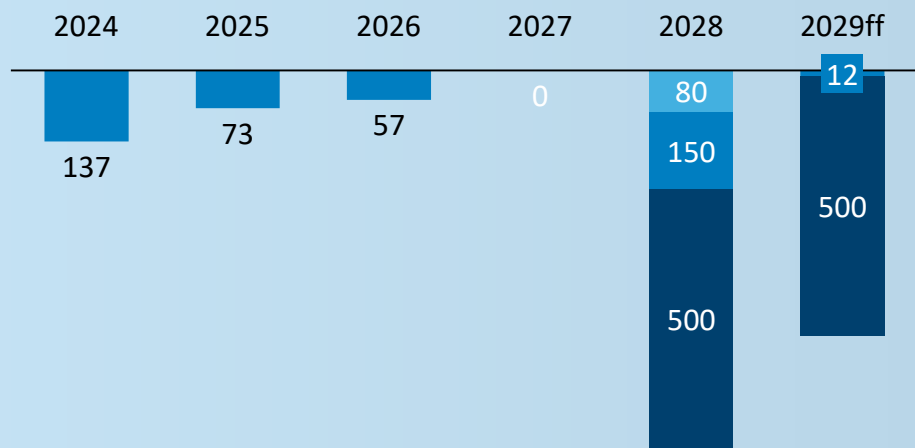
**Net debt / Ebitda:**

**< 3**  
(1.02)

**Investment Grade rating:**

**Baa2 stable outlook**  
(Moody's)

### Maturity profile <sup>1)</sup>



in €m

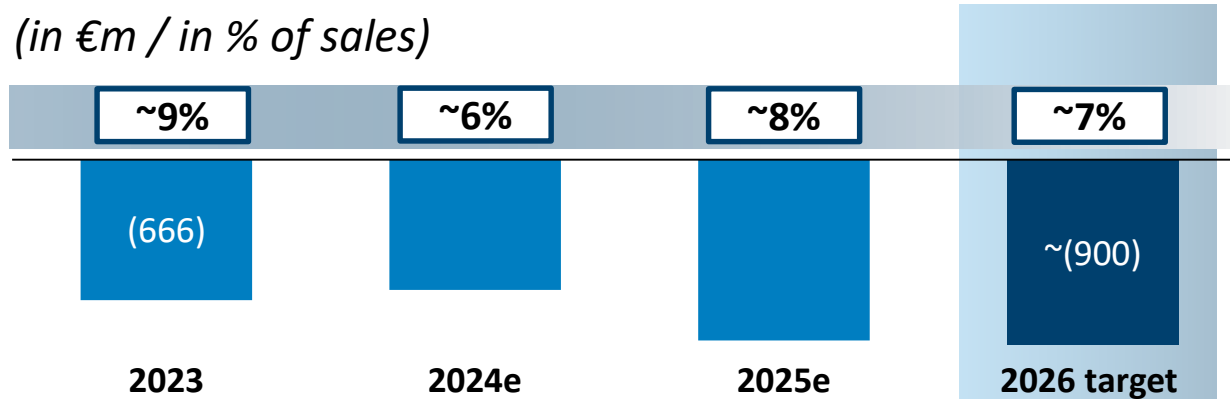
- ➔ We feel comfortable with 30% + equity ratio
- ➔ We want to maintain our investment grade
- ➔ Our balance sheet remains strong with undrawn credit lines of €1.2bn and €549m cash per end of Q2 2024
- ➔ Long-term maturity profile

# Financials

## Successfully structuring growth

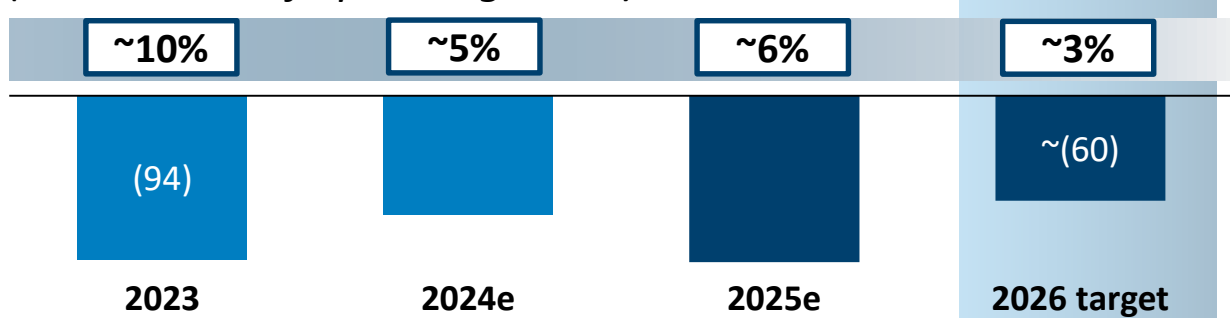
### Sales consolidation

(in €m / in % of sales)



### Operating result consolidation

(in €m / in % of operating result)



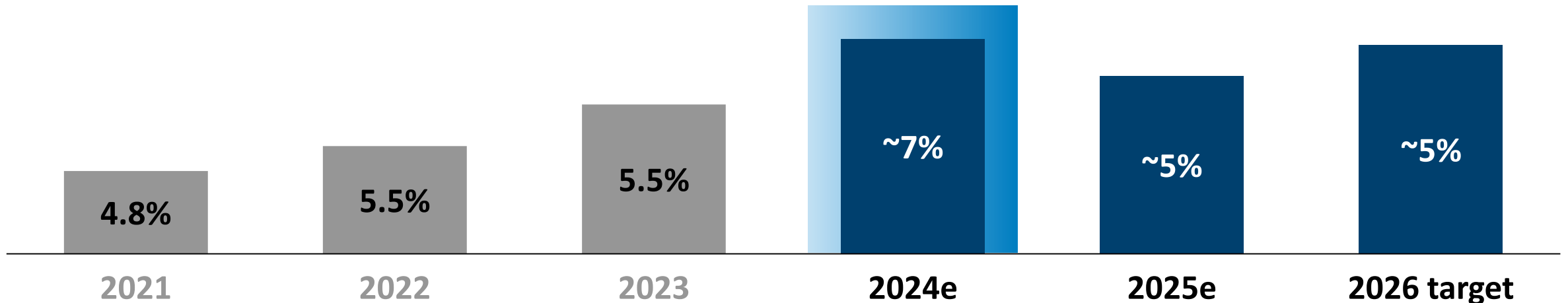
Increased consolidation driven by growing structures

- ➔ Growth momentum reflected in higher sales consolidation
- ➔ Intra-segmental projects continuing to increase
- ➔ IT transformation ongoing

# Financials

## Capex peak in 2024 to support our strong growth trajectory

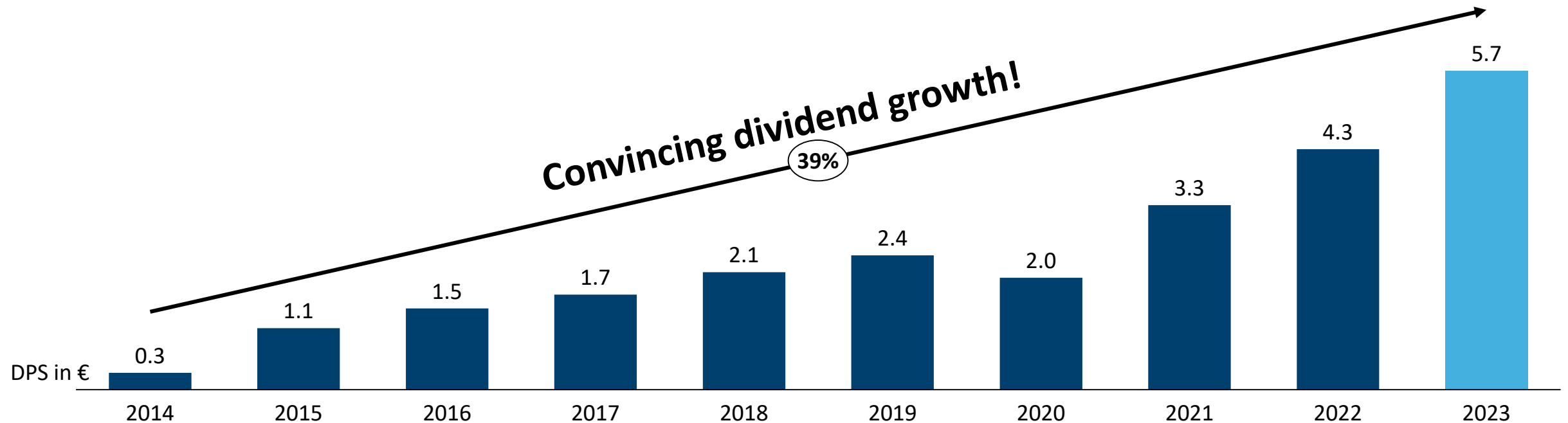
<b>Top 2024 projects</b>	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Power Systems	Non-Divisional
	<ul style="list-style-type: none"> <li>▪ Hungary</li> <li>▪ Panther</li> <li>▪ Vienna</li> </ul>	<ul style="list-style-type: none"> <li>▪ Niedersachsen</li> <li>▪ Expal</li> <li>▪ Hungary</li> <li>▪ Aschau</li> <li>▪ South Africa</li> </ul>	<ul style="list-style-type: none"> <li>▪ F-35</li> <li>▪ Panther</li> </ul>	<ul style="list-style-type: none"> <li>▪ Logistic centre</li> <li>▪ Invent</li> </ul>	<ul style="list-style-type: none"> <li>▪ IT</li> </ul>



## Financials

### Almost 70% of our oFCF paid out to shareholders over the last decade

- Increase of payout ratio to at least 35-40% of net income (before PPA)
- Continued shareholder value creation
- Dividend expected to grow over the next years
- 5.70€ dividend per share for 2023 approved by the AGM on May 14th



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# Outlook

## Guidance 2024: growth acceleration expected

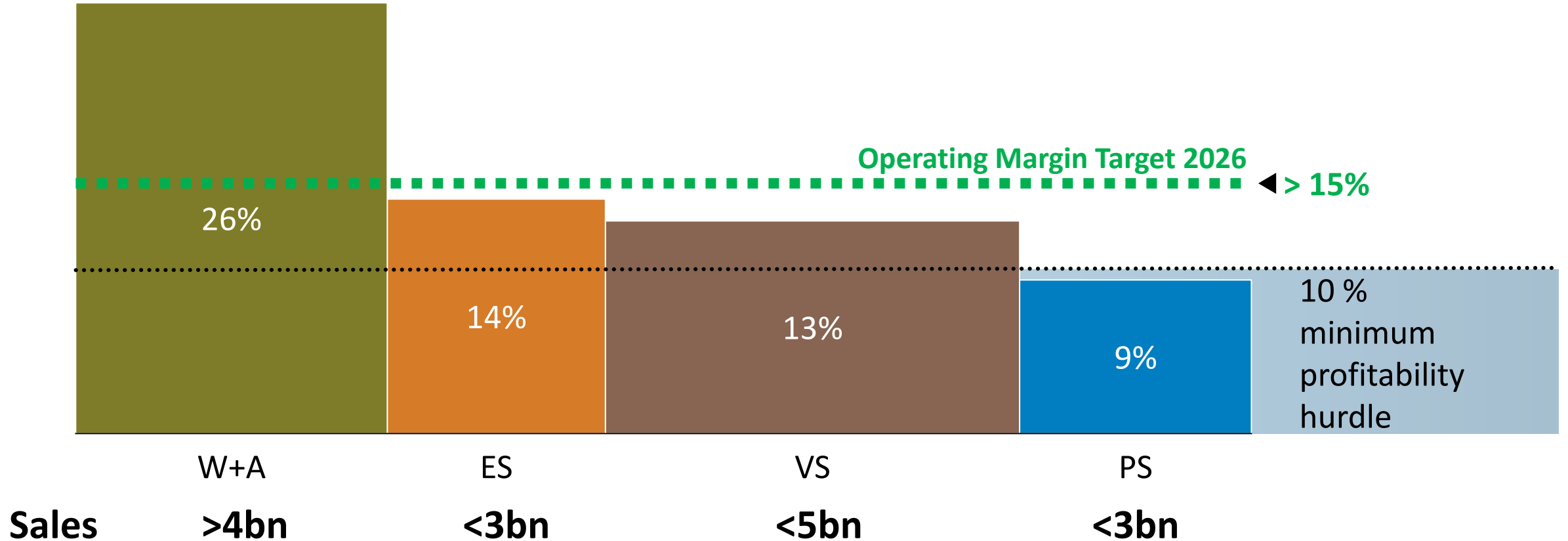
	2026e	2024e	2023
Sales	13-14€bn	~10€bn	7.2€bn
Operating Margin	>15%	14-15%	12.8%
OFCF to operating result* ("Cash conversion rate")	>50%	~40%	~39%

# Outlook

## Mid-term guidance drill-down

### Operating result by Segment

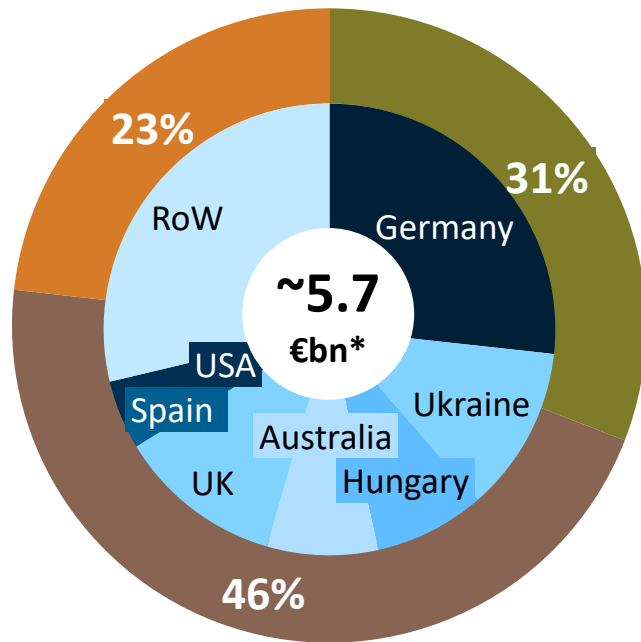
(in €, in %)



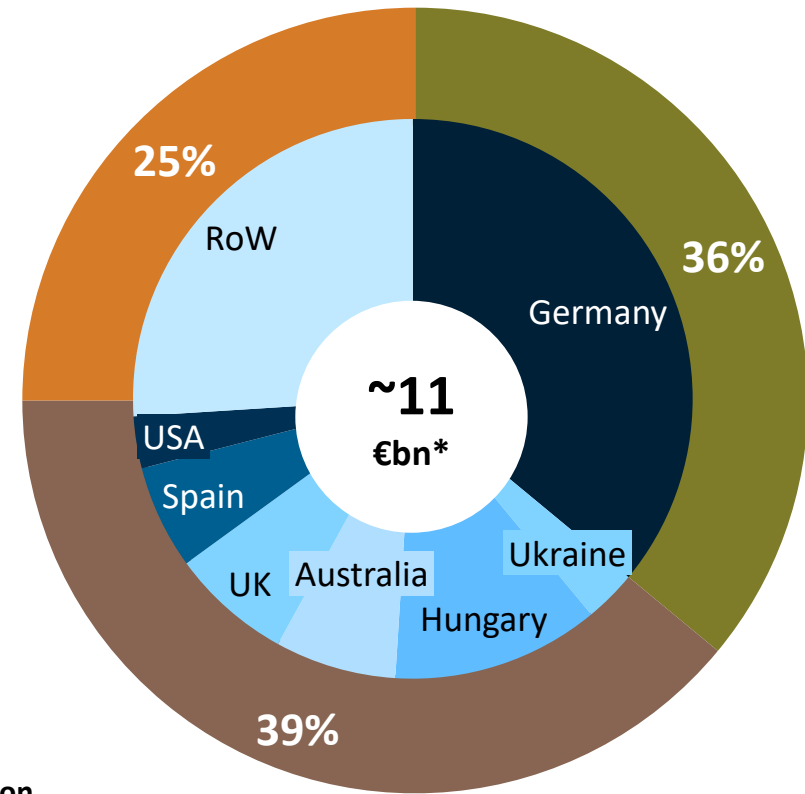


# Outlook

## Internationalization of the defence business continues



**2023**



**2026e**

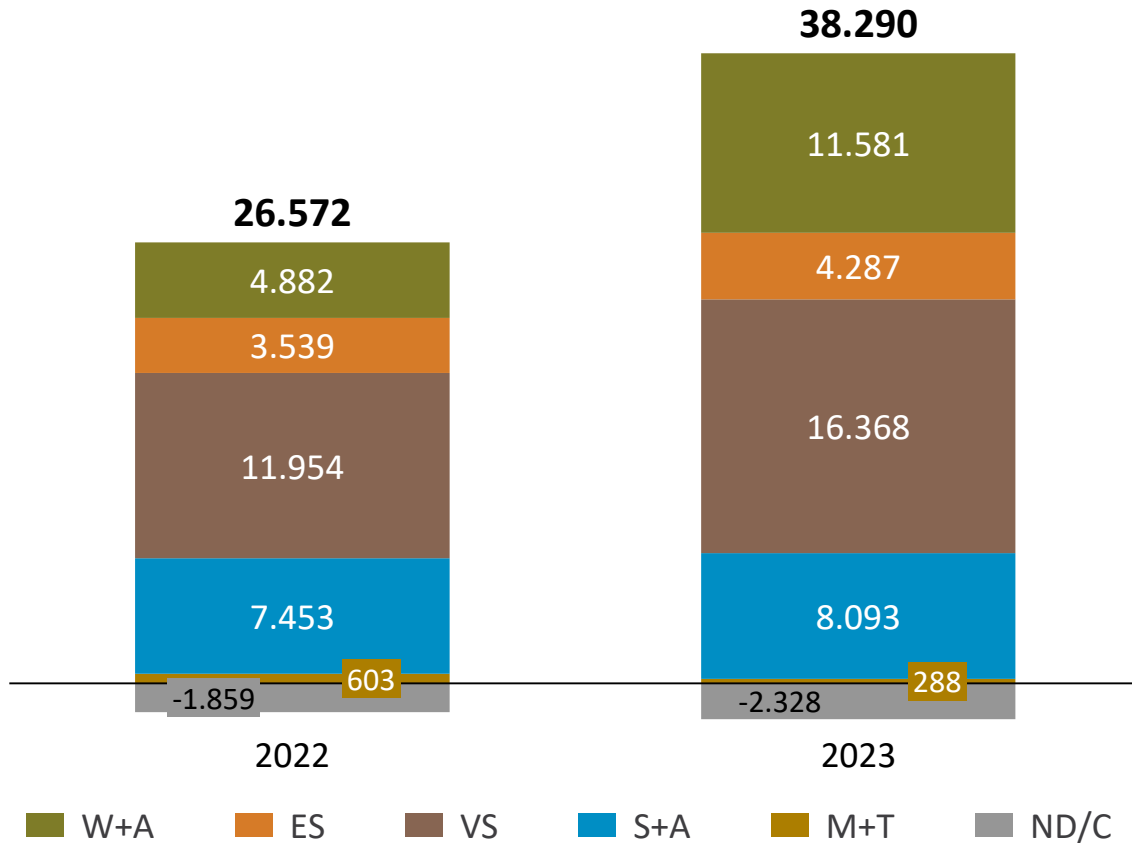
- Weapon and Ammunition
- Vehicle Systems
- Electronic Solutions

# Outlook

## Backlog coverage in 2024 provides high confidence

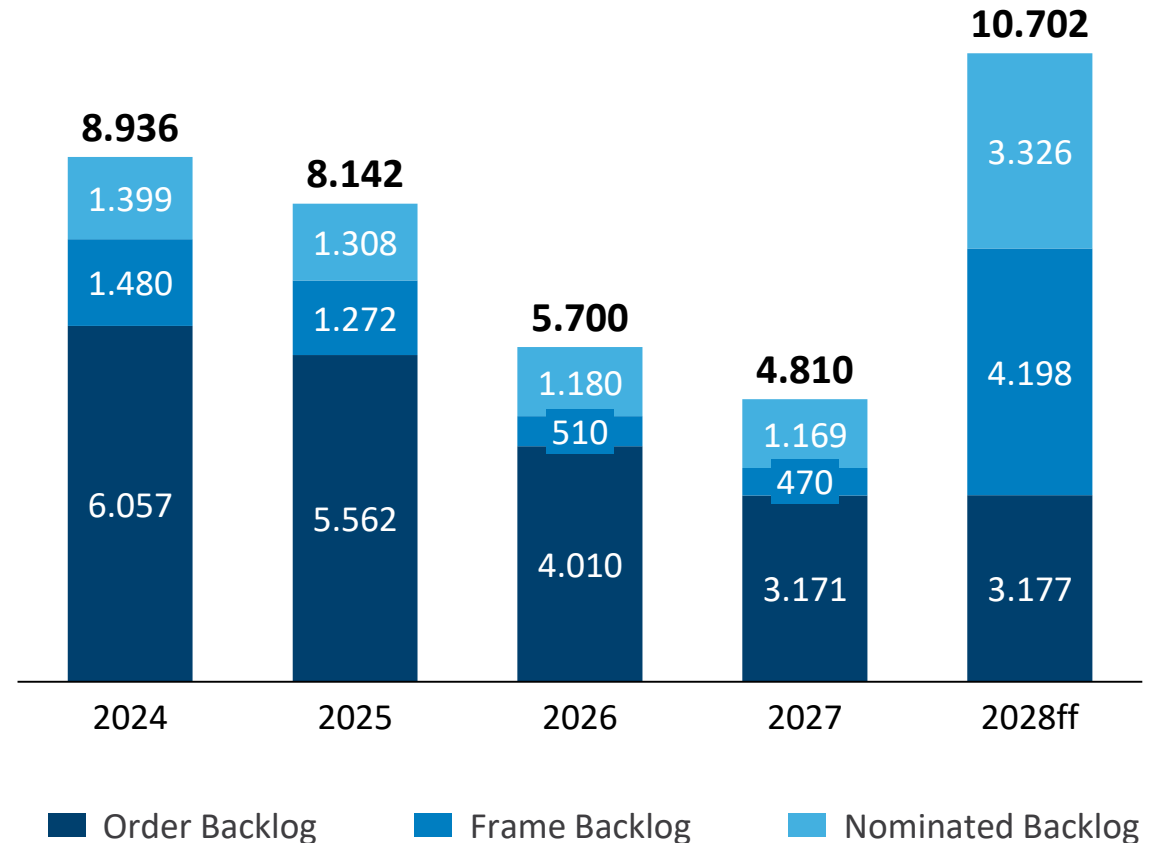
RHM backlog by segments

in €m



RHM backlog coverage

in €m



# Outlook

## Group - forecast business performance in 2024

		2024	2023
<b>Sales</b>			
Group	€ million	sales growth to around €10 bn	7,176
Vehicle Systems	€ million	sales growth 45% to 50%	2,609
Weapon and Amunition	€ million	sales growth 55% to 65%	1,756
Electronic Solutions	€ million	sales growth 30% to 35%	1,318
Power Systems <sup>1</sup>		sales growth to around 5%	2,059
<b>Operating result margin</b>			
Group	%	operating result margin 14% to 15%	12.8
Vehicle Systems	%	operating result margin 12% to 13%	12.4
Weapon and Amunition	%	operating result margin 25% to 26%	23.0
Electronic Solutions	%	operating result margin 12% to 13%	11.4
Power Systems <sup>1</sup>		operating result margin around 7%	6.8
<b>OFCF (in relation to operating result)</b>			
Group	%	cash conversion rate around 40%	38.8

<sup>1</sup> Pro forma: New Power Systems segment from 1 January 2024, in which the former Sensors and Actuators (S+A) and Materials and Trade (M+T) segments were combined)

## Next events and IR contacts

### Financial calendar and next events



### Documents



Click or scan

### IR Contacts

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# Key Figures

		2023	2022	2021	2020 <sup>1</sup>	2019
<b>SALES/EARNINGS</b>						
Sales	€ million	7,176	6,410	5,658	5,405	6,255
Of which generated abroad	%	76.0	70.5	65.9	64.4	68.9
Operating result <sup>3, 6</sup>	€ million	918	769	594	446	505
Operating margin <sup>6</sup>	%	12.8	12.0	10.5	8.3	8.1
EBIT pre PPA	€ million	968	747	-	-	-
EBIT <sup>6</sup>	€ million	897	738	608	398	512
EBIT margin <sup>6</sup>	%	12.5	11.5	10.8	7.4	8.2
EBT <sup>6</sup>	€ million	815	718	582	367	477
Earnings from continuing operations <sup>6</sup>	€ million	630	534	432	284	-
Earnings from discontinued operations <sup>6</sup>	€ million	(44)	6	(100)	(283)	-
Earnings after taxes <sup>6</sup>	€ million	586	540	332	1	354
Return on capital employed (ROCE) <sup>4, 6</sup>	%	19.9	21.4	19.5	11.8	15.4
<b>CASH FLOW</b>						
Cash flow from operating activities	€ million	743	174	690	453	602
Cash flow from investments	€ million	(398)	(349)	(271)	(237)	(288)
Operating free cash flow	€ million	344	(175)	419	217	314
Of which continuing operations <sup>6</sup>	€ million	356	(151)	458	230	-
Of which discontinued operations <sup>6</sup>	€ million	(12)	(24)	(38)	(13)	-
<b>STATEMENT OF FINANCIAL POSITION (12/31)</b>						
Equity <sup>6</sup>	€ million	3,643	3,090	2,620	2,053	2,272
Total assets <sup>6</sup>	€ million	11,707	8,096	7,734	7,267	7,415
Equity ratio <sup>6</sup>	%	31.1	38.2	33.9	28.2	30.6
Cash and cash equivalents	€ million	850	545	1,039	1,027	920
Total assets less cash and cash equivalents <sup>6</sup>	€ million	10,858	7,551	6,695	6,240	6,496
Net financial debt (-)/Net liquidity (+) <sup>5</sup>	€ million	(1,063)	(426)	118	4	(52)
<b>HUMAN RESOURCES (FTE 12/31)</b>						
Germany	FTE	13,449	12,768	11,979	11,592	11,587
Foreign	FTE	14,606	12,718	11,966	11,675	12,193
Rheinmetall Group	FTE	28,054	25,486	23,945	23,268	23,780
Of which continuing operations	FTE	24,753	21,788	20,185	19,500	-
Of which discontinued operations	FTE	3,301	3,697	3,760	3,768	-

1 The previous year's figures for the comparative period 2020 have been restated accordingly, applying IFRS 5

2 Carrying amounts adjusted due to the change in measurement of operating land

3 The definition of the key financial management indicator operating result was adjusted retrospectively in the third quarter of 2023. The figure for the previous year 2022 was also adjusted accordingly.

4 EBIT/average capital employed. The prior-year figure for 2021 has been adjusted to reflect the new calculation methodology.

5 Financial liabilities less cash and cash equivalents

6 The figures for the previous year 2022 were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

# Balance Sheet

€ million	12/31/2023	12/31/2022
<b>Assets</b>		
Goodwill	1,125	483
Other intangible assets	952	338
Right-of-use assets	271	209
Property, plant and equipment	1,370	1,137
Investment property	22	24
Investments accounted for using the equity method <sup>1</sup>	373	442
Other non-current assets	339	187
Deferred taxes	164	98
Non-current assets <sup>1</sup>	4,615	2,918
Inventories	3,244	1,976
Contract assets	516	362
Trade receivables	2,021	1,548
Other current assets	251	242
Income tax receivables	13	23
Securities held for trade	-	132
Cash and cash equivalents	850	545
Assets held for sale <sup>1</sup>	196	349
Current assets <sup>1</sup>	7,092	5,178
<b>Total assets<sup>1</sup></b>	<b>11,707</b>	<b>8,096</b>

€ million	12/31/2023	12/31/2022
<b>Equity and liabilities</b>		
Share capital	112	112
Capital reserves	676	566
Retained earnings <sup>1</sup>	2,533	2,147
Treasury shares	(5)	(6)
Rheinmetall AG shareholders' equity <sup>1</sup>	3,316	2,819
Non-controlling interests	327	271
Equity <sup>1</sup>	3,643	3,090
Provisions for pensions and similar obligations	562	484
Other non-current provisions	230	205
Non-current financial debts	1,503	517
Other non-current liabilities	51	56
Deferred taxes	260	78
Non-current liabilities	2,605	1,341
Other current provisions	690	674
Current financial debts	410	454
Contract liabilities	2,594	1,120
Trade liabilities	1,222	931
Other current liabilities	274	200
Income tax liabilities	108	67
Liabilities directly associated with assets held for sale	161	220
Current liabilities	5,459	3,665
<b>Total equity and liabilities<sup>1</sup></b>	<b>11,707</b>	<b>8,096</b>

# Income Statement

Income statement of the Rheinmetall Group for fiscal 2023

€ million	2023	2022
Sales	7,176	6,410
Changes in inventories and work performed by the enterprise and capitalized	696	153
Total operating performance	7,872	6,563
Other operating income	153	221
Cost of materials	3,935	3,183
Personnel costs	2,047	1,836
Amortization, depreciation and impairment	308	249
Other operating expenses	889	768
Result from investments accounted for using the equity method <sup>1</sup>	57	39
Other financial result	(6)	(48)
Earnings before interest and taxes (EBIT) <sup>1</sup>	897	738
Interest income	29	12
Interest expenses	111	32
Earnings before taxes (EBT) <sup>1</sup>	815	718
Income taxes	(185)	(183)
Earnings from continuing operations <sup>1</sup>	630	534
Earnings from discontinued operations	(44)	6
Earnings after taxes <sup>1</sup>	586	540
Of which:		
<i>Non-controlling interests</i>	51	66
<i>Rheinmetall AG shareholders<sup>1</sup></i>	535	474
Basic earnings per share <sup>1</sup>	€ 12.32	€ 10.94
Basic earnings per share from continuing operations <sup>1</sup>	€ 13.34	€ 10.80
Basic earnings per share from discontinued operations <sup>1</sup>	€ (1.02)	€ 0.14
Diluted earnings per share <sup>1</sup>	€ 12.07	€ 10.94
Diluted earnings per share from continuing operations <sup>1</sup>	€ 13.02	€ 10.80
Diluted earnings per share from discontinued operations <sup>1</sup>	€ (0.95)	€ 0.14



# Cashflow statement

Statement of cash flows of Rheinmetall Group for fiscal 2023

€ million	2023	2022			
Earnings after taxes <sup>1</sup>	586	540	Dividends paid out by Rheinmetall AG	(187)	(143)
Amortization/depreciation/impairment of property, plant and equipment, intangible assets and investment property	308	249	Other profit distributions	(3)	(6)
Impairment/reversal of impairment of non-current assets of discontinued operations <sup>1</sup>	63	13	Increase in shares in consolidated subsidiaries	21	1
Allocation of CTA assets to secure pension and partial retirement obligations	(20)	(62)	Borrowing of other financial debts	279	249
Proceeds from reimbursements of pension payments made from CTA assets	8	-	Repayment of other financial debts	(357)	(232)
Other changes in pension provisions	(48)	(18)	Cash inflows from the issuance of convertible bonds - Addition to equity	113	-
Income/expenses from disposals of non-current assets	(59)	(5)	Cash inflows from the issuance of convertible bonds - Fair value financial liability	887	-
Changes in other provisions	29	(9)	Transaction costs for the issuance of convertible bonds	(7)	-
Changes in working capital	(217)	(507)	Cash flow from financing activities	746	(131)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	39	(39)	Of which continuing operations	721	(65)
Pro rata income/loss from investments accounted for using the equity method <sup>1</sup>	(4)	(39)	Of which discontinued operations	26	(66)
Dividends received from investments accounted for using the equity method	29	17	<b>Changes in cash and cash equivalents</b>	<b>314</b>	<b>(491)</b>
Other non-cash expenses and income	28	33	Changes in cash and cash equivalents due to exchange rates	(9)	1
<b>Cash flow from operating activities<sup>2</sup></b>	<b>743</b>	<b>174</b>	<b>Total change in cash and cash equivalents</b>	<b>305</b>	<b>(490)</b>
Of which continuing operations	740	175	<b>Opening cash and cash equivalents January 1</b>	<b>568</b>	<b>1,058</b>
Of which discontinued operations	3	(1)	<b>Closing cash and cash equivalents December 31</b>	<b>873</b>	<b>568</b>
Investments in property, plant and equipment, intangible assets and investment property	(398)	(349)	Closing cash and cash equivalents December 31 from discontinued operations	23	23
Cash inflows/outflows from the disposal of property, plant and equipment, intangible assets and investment property	2	19	<b>Cash and cash equivalents as per consolidated statement of financial position December 31</b>	<b>850</b>	<b>545</b>
Cash inflows from disinvestments in consolidated companies and financial assets	155	2			
Cash inflows/outflows for investments in consolidated companies and financial assets	(1,064)	(205)			
Cash in-/outflows from/for securities held for trade	130	-			
<b>Cash flow from investing activities</b>	<b>(1,175)</b>	<b>(534)</b>			
Of which continuing operations	(1,224)	(512)			
Of which discontinued operations	49	(22)			

# Derivation of diluted earnings per share

## Derivation of diluted earnings per share

	Continuing Operations	Discontinued Operations	2023	Continuing Operations	Discontinued Operations	2022
<b>Earnings after taxes in € million - Rheinmetall AG shareholders<sup>1</sup></b>	<b>579</b>	<b>(44)</b>	<b>535</b>	<b>468</b>	<b>6</b>	<b>474</b>
Adjustment for interest expense in respect of the convertible bond in € million	35	-	35	-	-	-
Tax effects on the adjustment for interest expense in respect of the convertible bond and on the effect on personnel expenses in € million	(10)	-	(10)	-	-	-
<b>Diluted earnings after taxes in € million - Rheinmetall AG shareholders<sup>1</sup></b>	<b>603</b>	<b>(44)</b>	<b>559</b>	<b>468</b>	<b>6</b>	<b>474</b>
<b>Weighted number of shares in millions - basic</b>	<b>43.41</b>			<b>43.36</b>		
Effect from the potential conversion of the convertible bond in millions	2.93			-		
<b>Weighted number of shares in millions - diluted</b>	<b>46.34</b>			<b>43.36</b>		
<b>Basic earnings per share<sup>1</sup></b>	<b>€ 13.34</b>	<b>€ (1.02)</b>	<b>€ 12.32</b>	<b>€ 10.80</b>	<b>€ 0.14</b>	<b>€ 10.94</b>
<b>Diluted earnings per share<sup>1</sup></b>	<b>€ 13.02</b>	<b>€ (0.95)</b>	<b>€ 12.07</b>	<b>€ 10.80</b>	<b>€ 0.14</b>	<b>€ 10.94</b>

<sup>1</sup>The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

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