

TAKING RESPONSIBILITY



SECURING TOMORROW

Investor Presentation

January 2024

Agenda

- Rheinmetall at a glance

- Market & Drivers

- Four divisions under one roof

- Quarterly Update

- Outlook

- Responsibility @ Rheinmetall

- Appendix

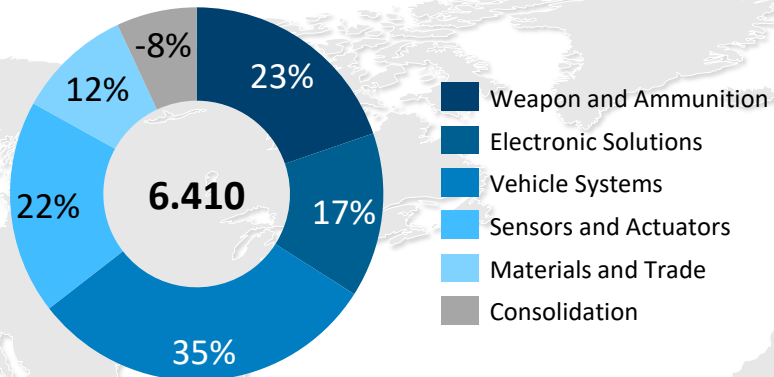


Rheinmetall at a glance

Selected key business highlights

Sales by division

In €m

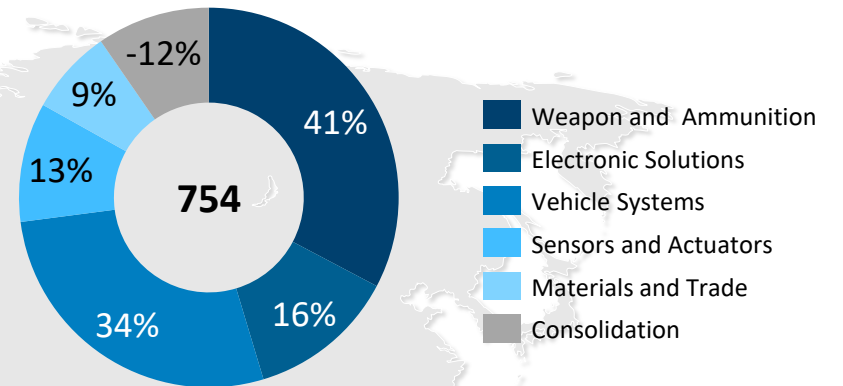


Business Model

- 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 division

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 divisions under one roof

RHEINMETALL GROUP Holding



Weapon and Ammunition

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



Electronic Solutions

- Integrated Electronic Systems
- Air Defence & Radar Systems
- Technical Publications



Vehicles Systems

- Tactical Vehicles
- Logistic Vehicles



Power Systems

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

Rheinmetall at a glance

Next steps of our strategic vision implemented



TRANSFORMATION

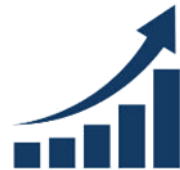


DIVISIONAL STRUCTURE UPDATED

- New civil division “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 with good progress



TECHNOLOGY



TECHNOLOGIES in FOCUS

- Automation
- Sensors & Connectivity
- New mobility



SUSTAINABILITY



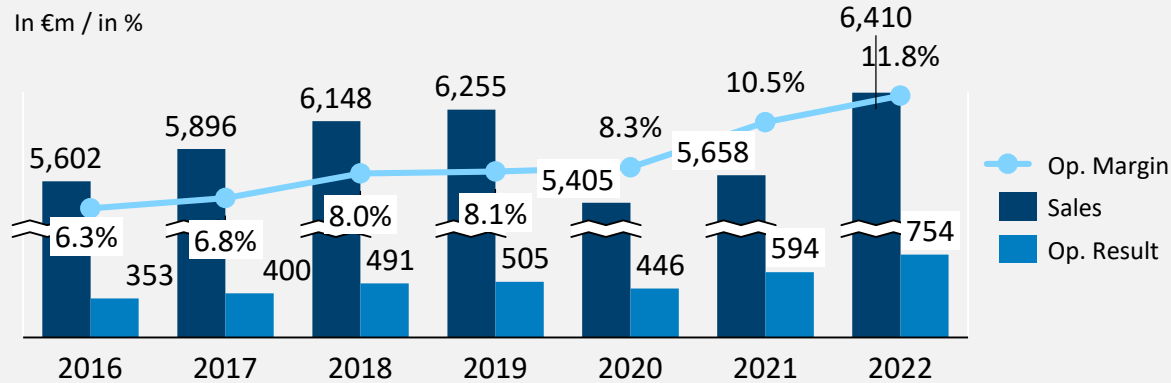
ESG AS INTEGRAL STRATEGY COMPONENT

- Solid ratings
- Strong recruitment performance
- Continued commitment

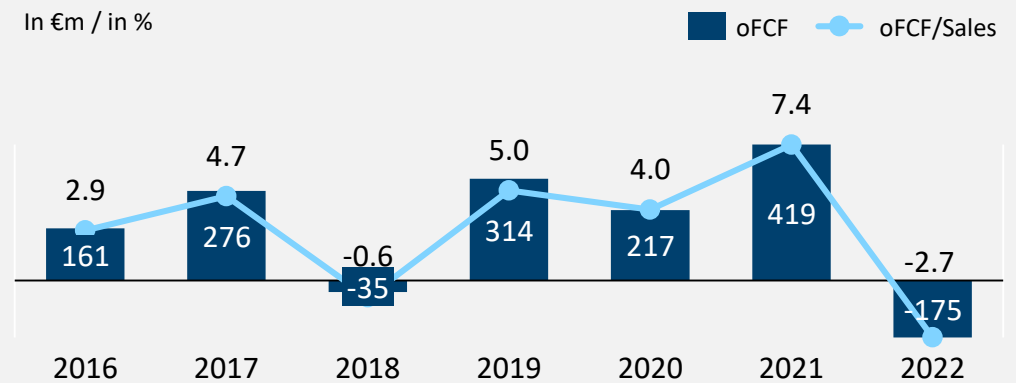
Rheinmetall at a glance

Historic financial development

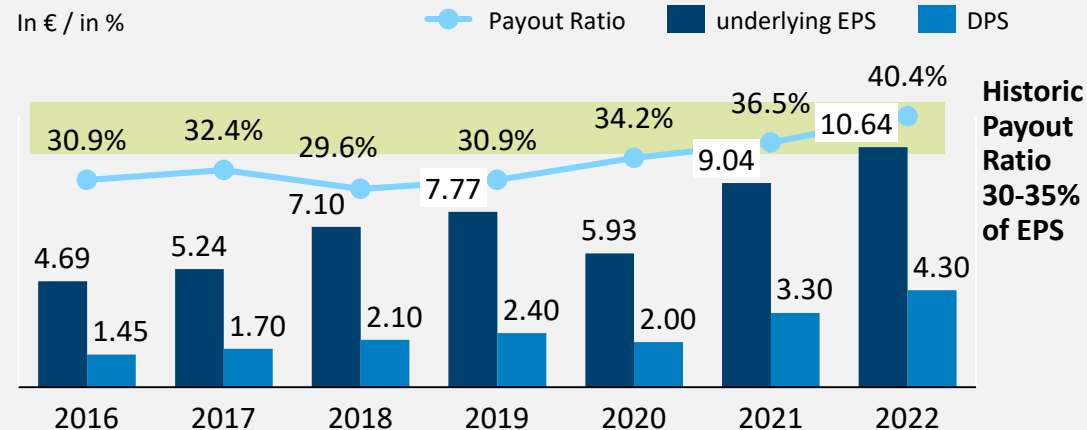
Sales, operating result and operating margin



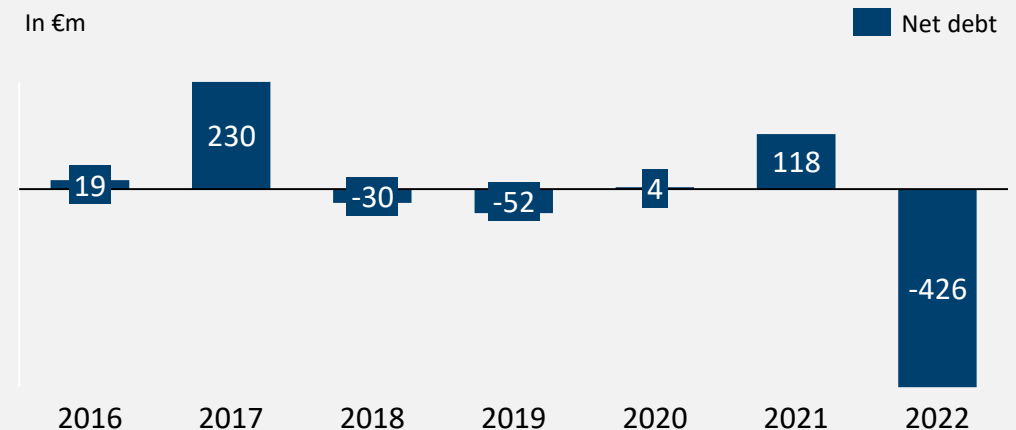
Operating FCF and operating FCF to Sales



Earnings and dividend per share



Net financial debt

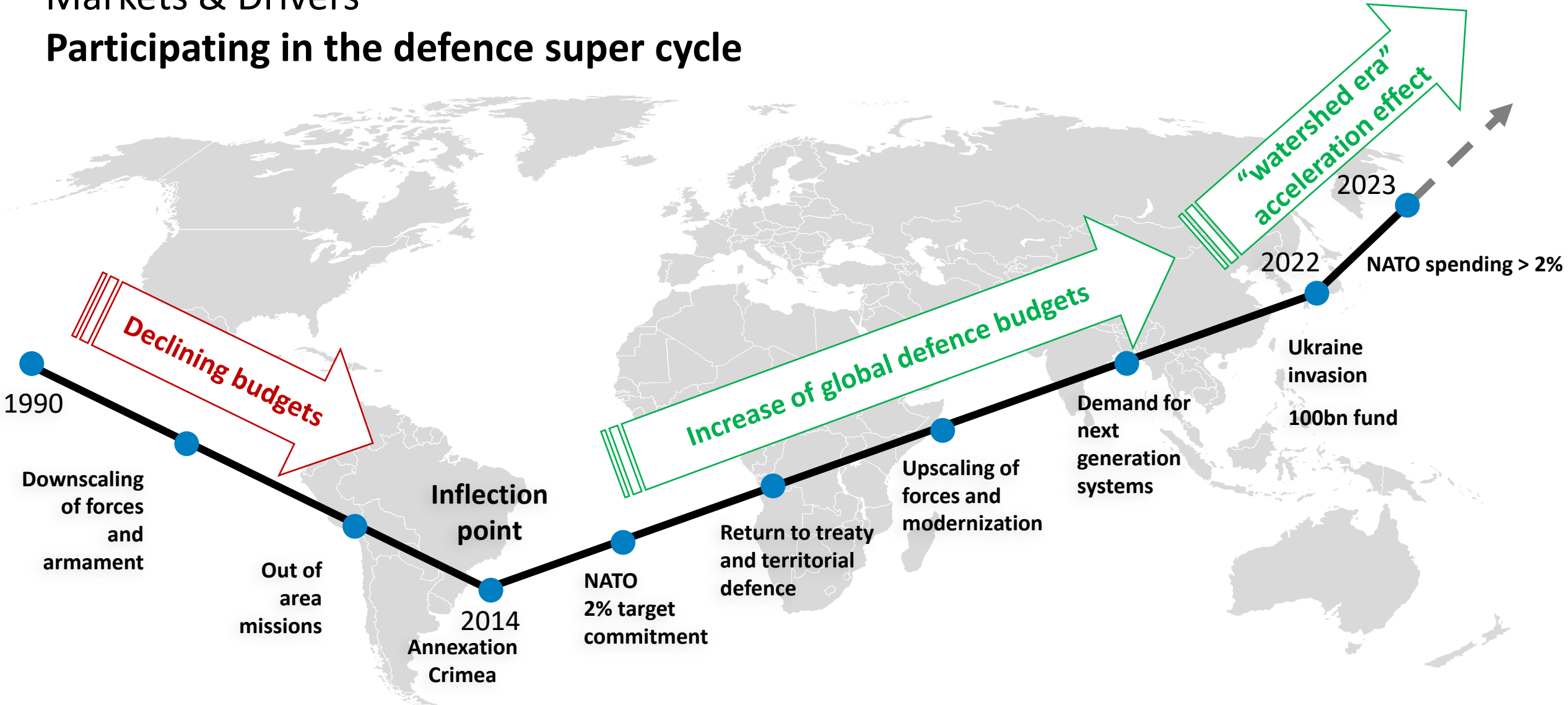




Markets & Drivers

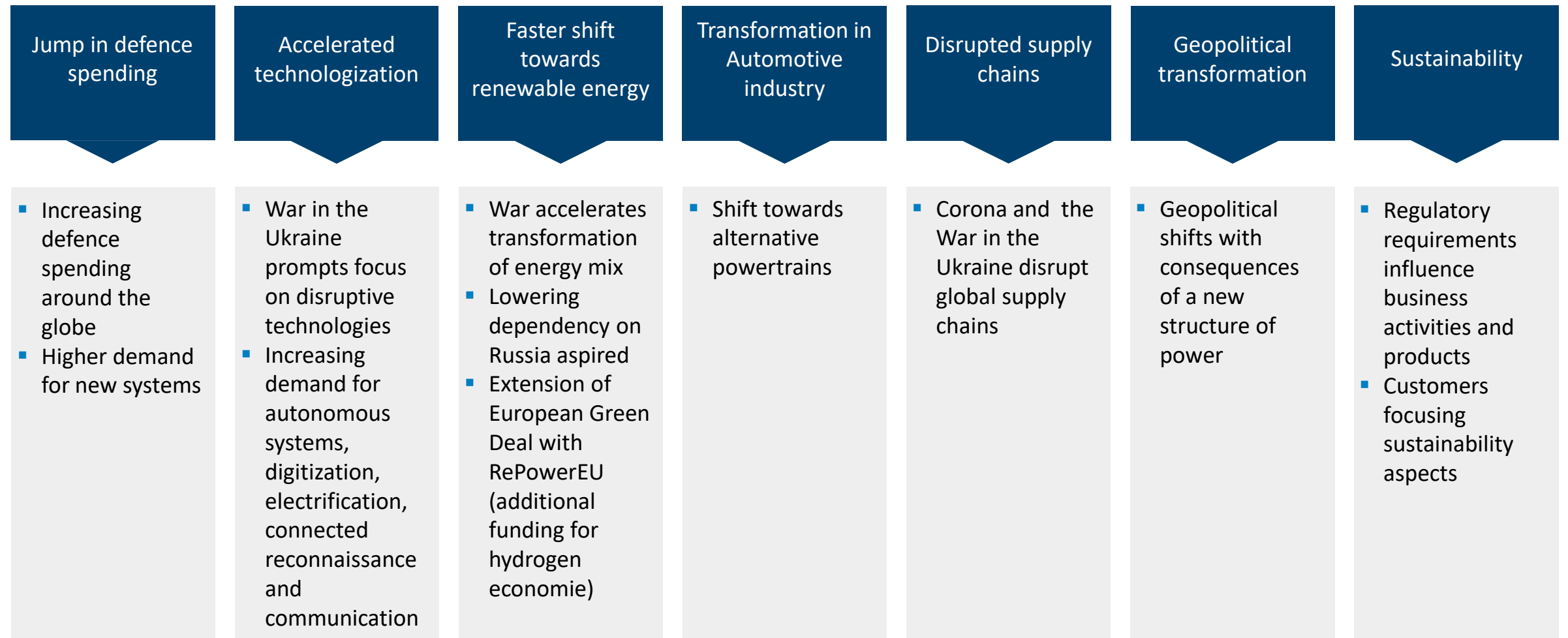
Markets & Drivers

Participating in the defence super cycle



Markets & Drivers

Favorable market dynamics support our strategy



Markets & Drivers

German defence spending based on three pillars



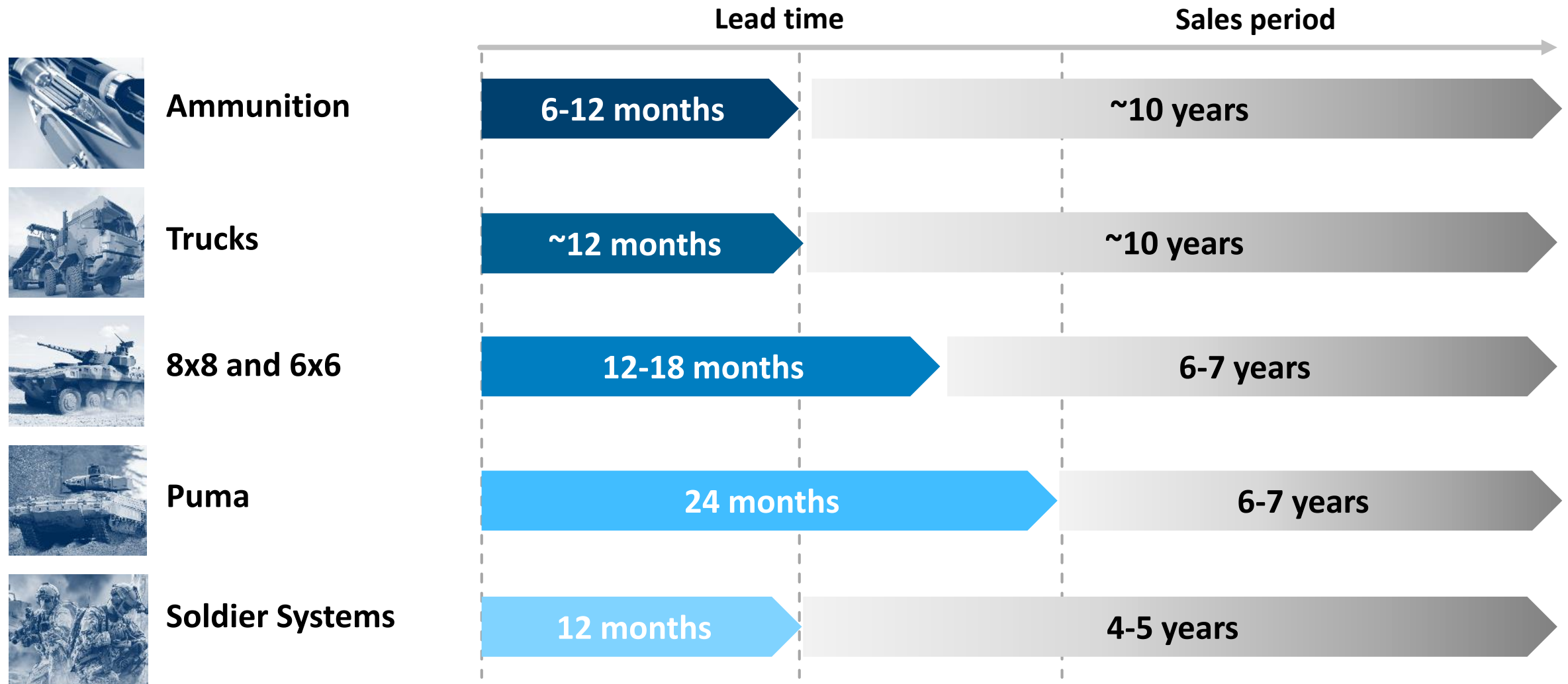
Disproportionate growth in Germany!

4 out of 5 areas addressed by Rheinmetall!

Rheinmetall is a key supplier!

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



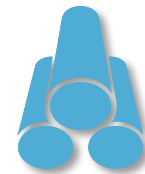
Local Cooperation

Markets & Drivers

Great opportunities ahead and challenges under control



Re-stocking, re-equipping, re-building



Supply chains de-risked



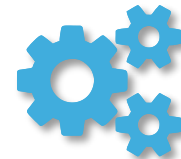
Expanding our global footprint



Record number of applications



Benefitting from operating leverage



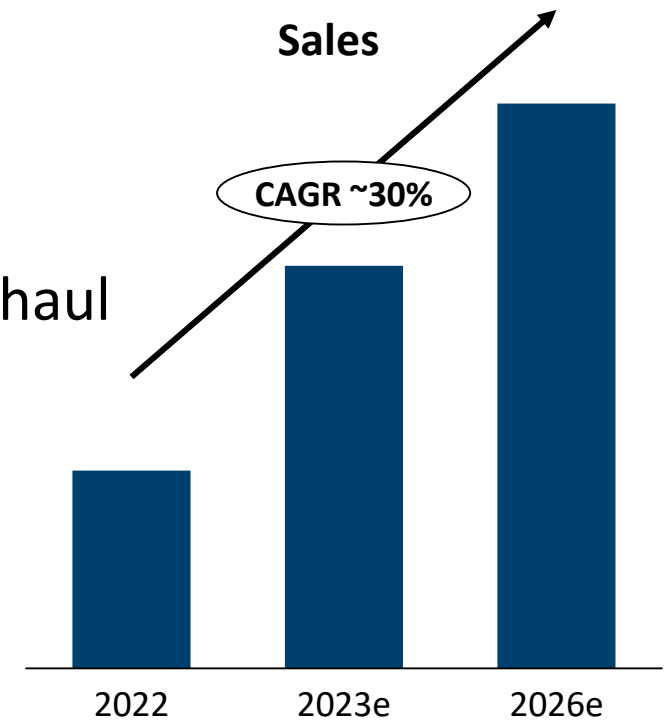
Accelerating business well managed

Markets & Drivers: Home Markets

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)

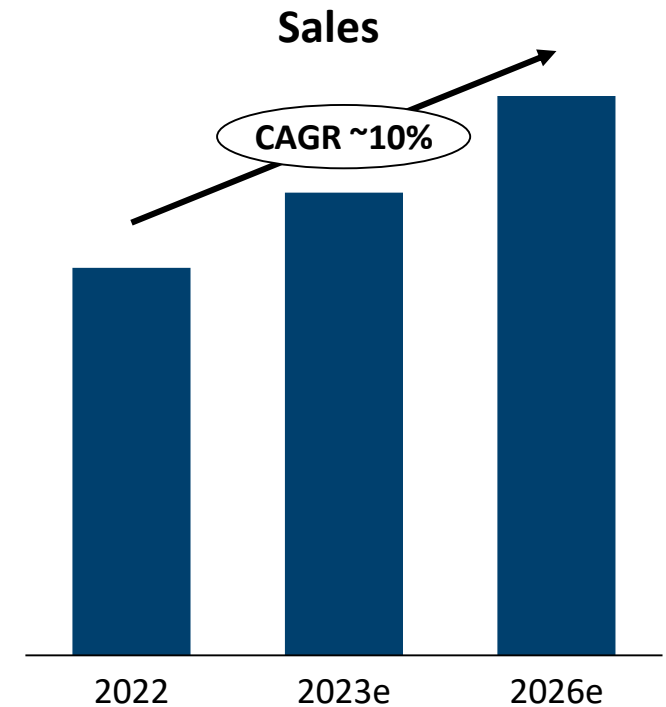


Markets & Drivers: Home Markets

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

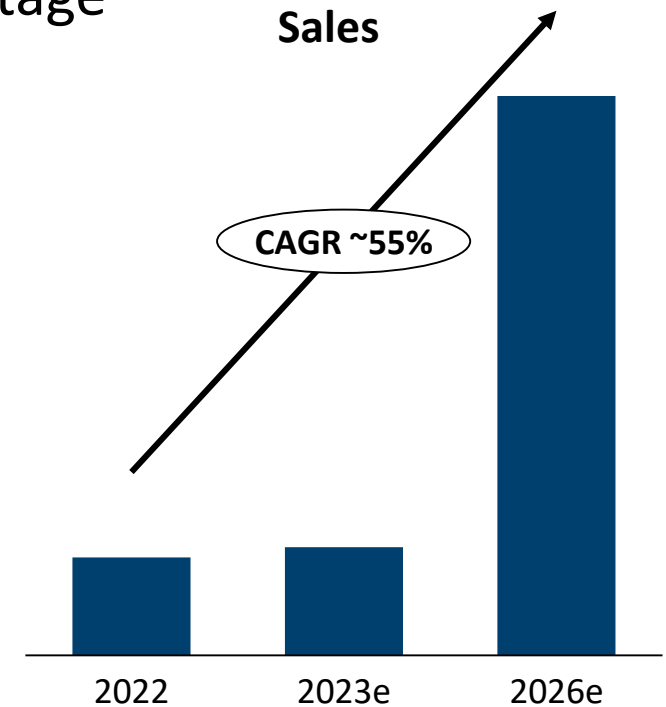


Markets & Drivers: Home Markets

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

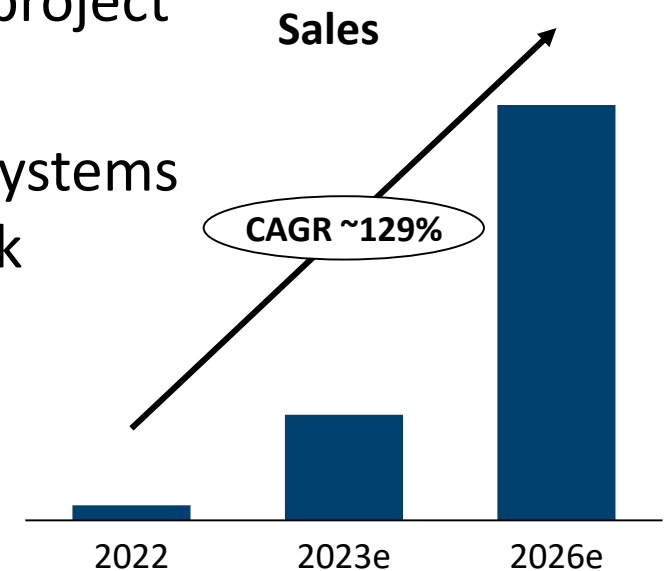


Markets & Drivers: Home Markets

Rheinmetall Expal Munitions is our beachhead for the Spanish market



- 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 under the SILAM* project (~€500m contract)
- First sounding of business potential for Vehicle Systems and Electronic Solutions with promising feedback



Markets & Drivers: Home Markets

Hungary has developed into a new home market

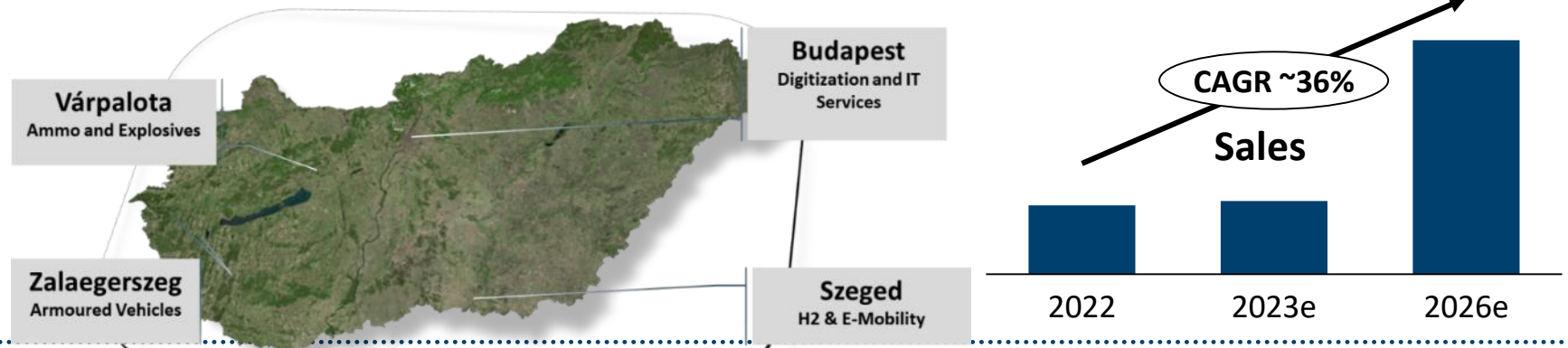
Rheinmetall is the strategic partner of the Hungarian forces

BUILD UP OF CAPACITIES AND CAPABILITIES

EXTENSIVE BUSINESS POTENTIAL

WIN-WIN SITUATION THROUGH MUTUAL SUPPORT

REALIZATION EXPORT OPPORTUNITIES



Markets & Drivers: Home Markets

Strong intensification of our Hungarian engagement across all divisions

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

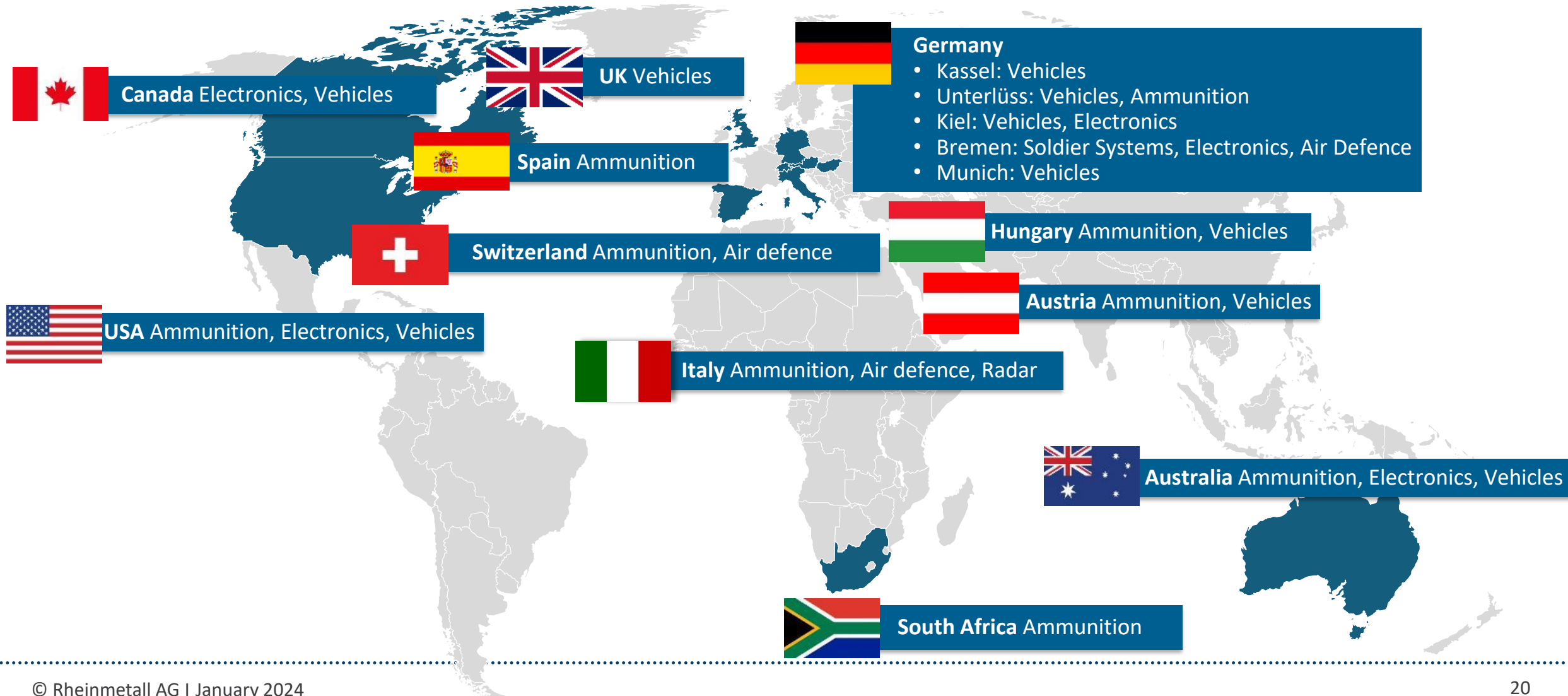


IT Service



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

Rheinmetall's global production capacities

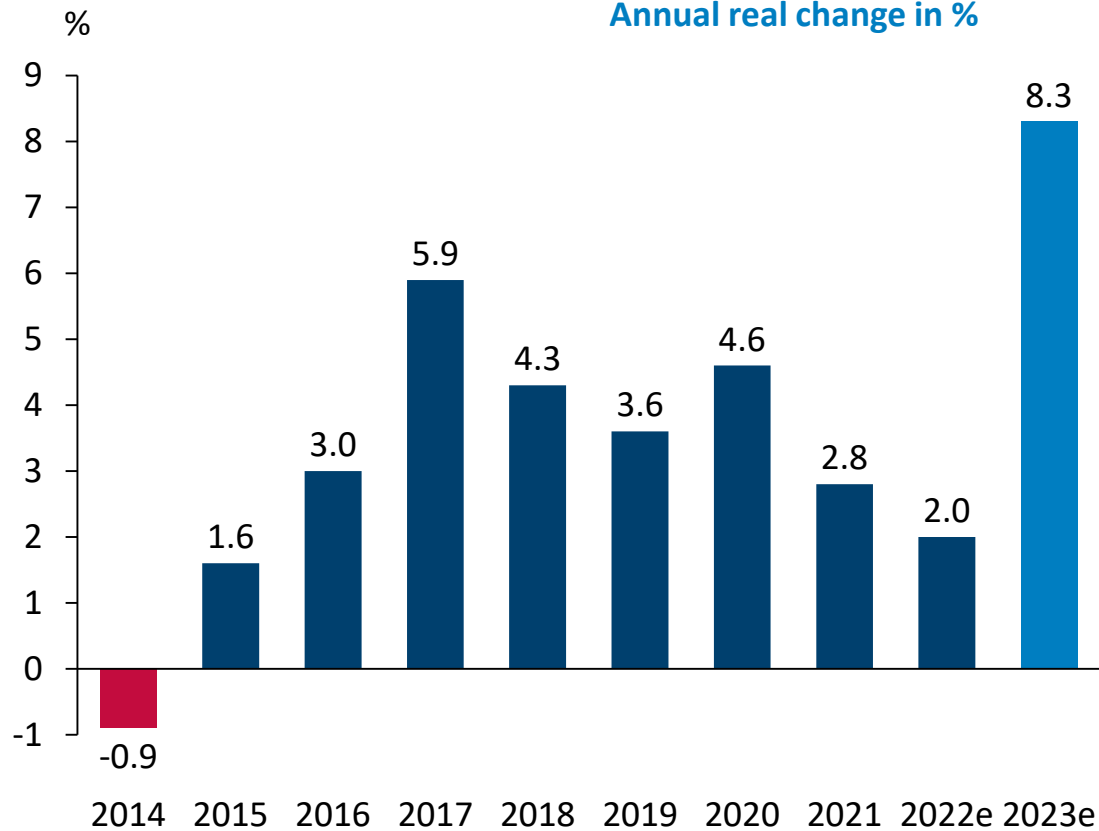


Markets & Drivers: NATO

Strong reaction to the war: Defence budgets start to accelerate

NATO Europe and Canada defence expenditure

Annual real change in %



Source: NATO, July 2023

Increased demand for defence systems in NATO countries*



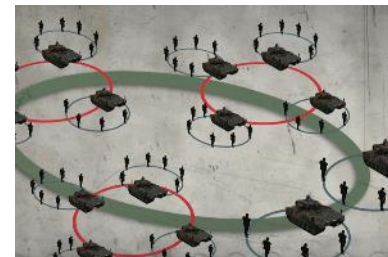
Ships



Vehicles



Airplanes



Networking systems



Ammunition

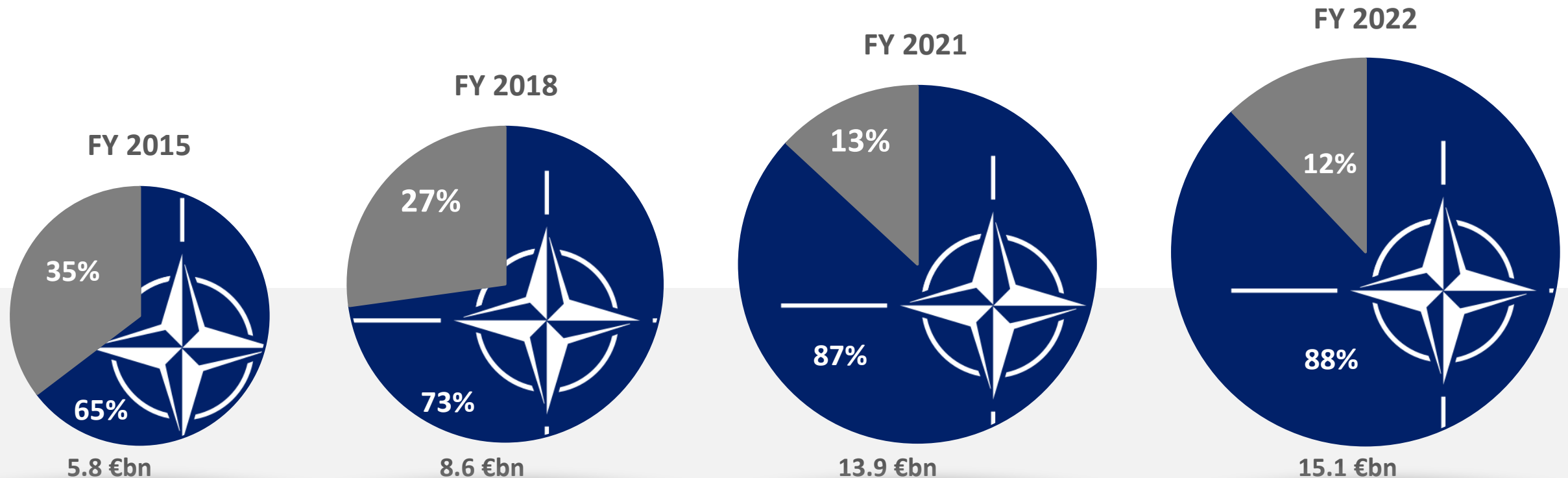


Protective gear

Markets & Drivers: NATO

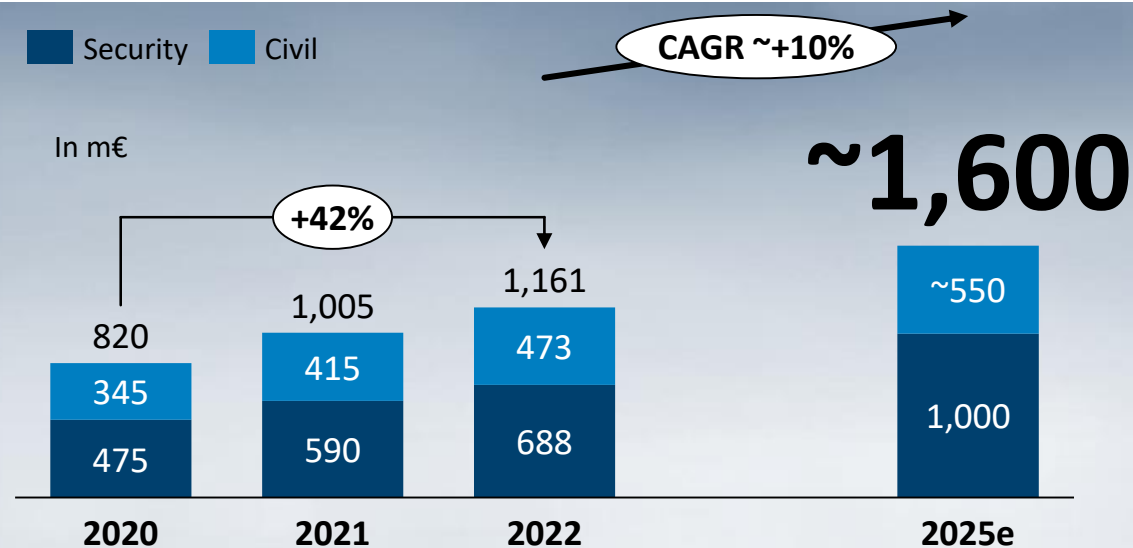
Significant reduction in export risk due to high NATO order backlog

■ NATO and related countries* ■ RoW



Markets & Drivers: Product life cycle potential

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**

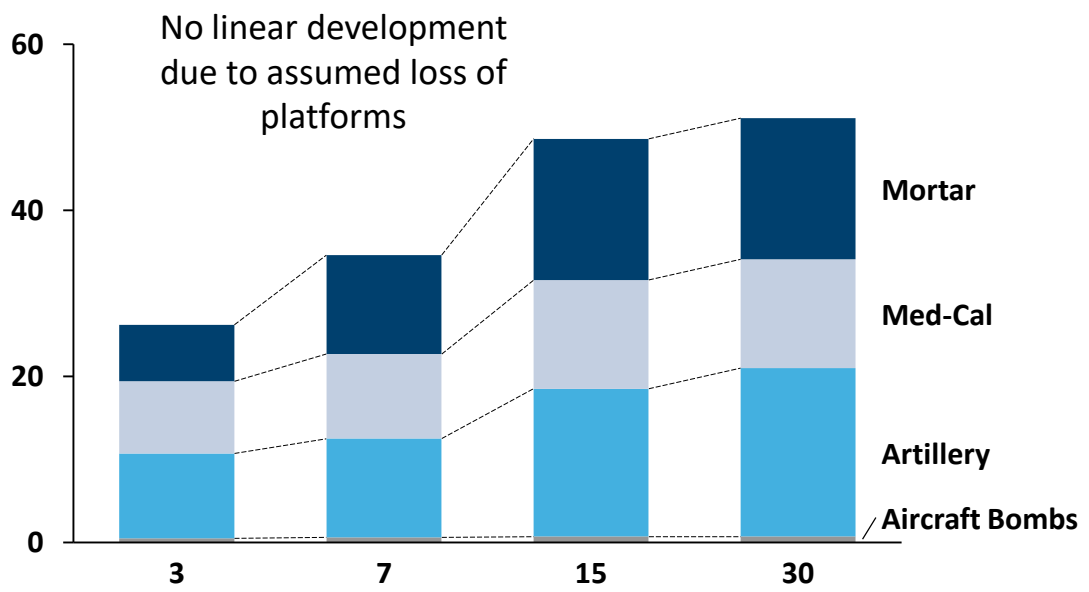
- Rising number of platforms
 - 1x platform sales creates 2x lifecycle spendings
- Expansion beyond traditional vehicles service business with
 - Helicopter service and maintenance
 - Service potential in aviation (F-35) (post 2025)
 - Maintenance for vehicles in services in NATO countries
 - Service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

Supply-demand imbalanced!

ARTILLERY



Estimated demand in €bn



Different conflict scenarios in days



Assumed total Western-European capacity excluding Rheinmetall of < 200k rounds

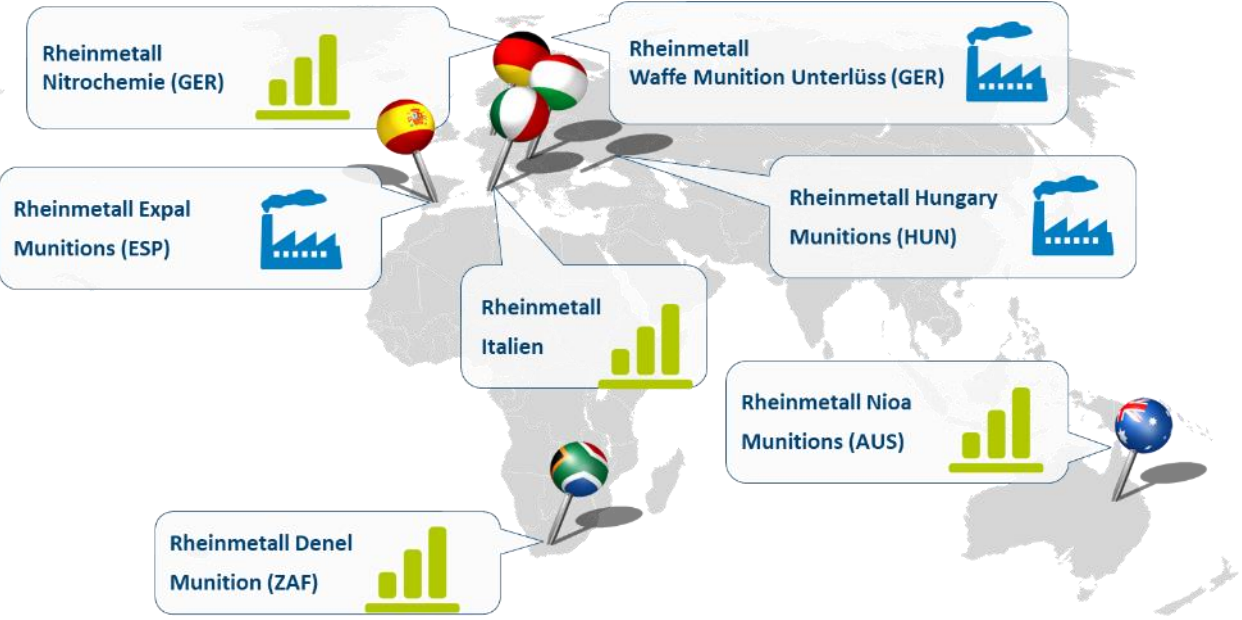
First volume, then range!

ARTILLERY



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

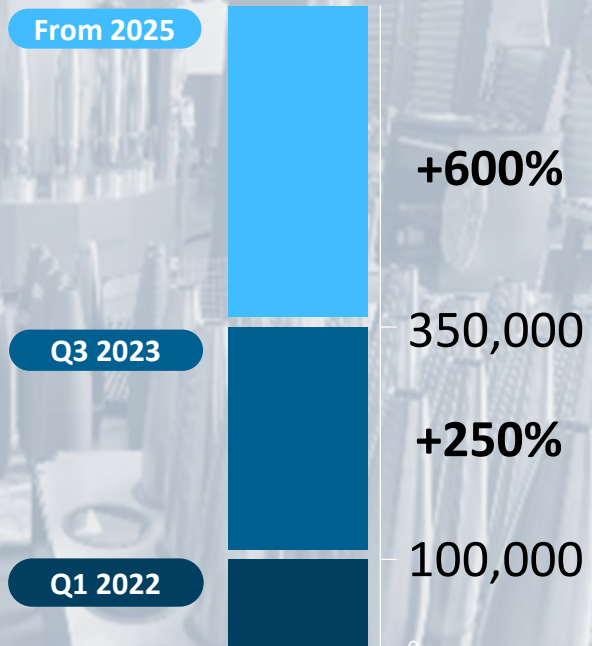


ARTILLERY

Growth propellant!



~700.000 rounds



155mm production capacity (full shot)



MAIN BATTLE TANK

The cats are back!



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 - 100% Rheinmetall!

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

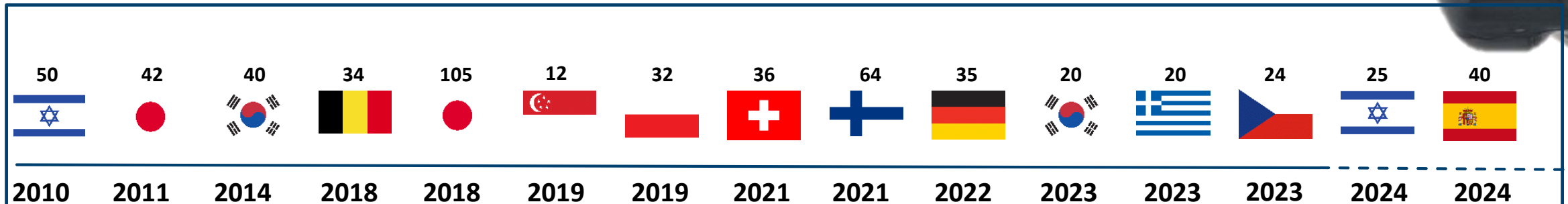
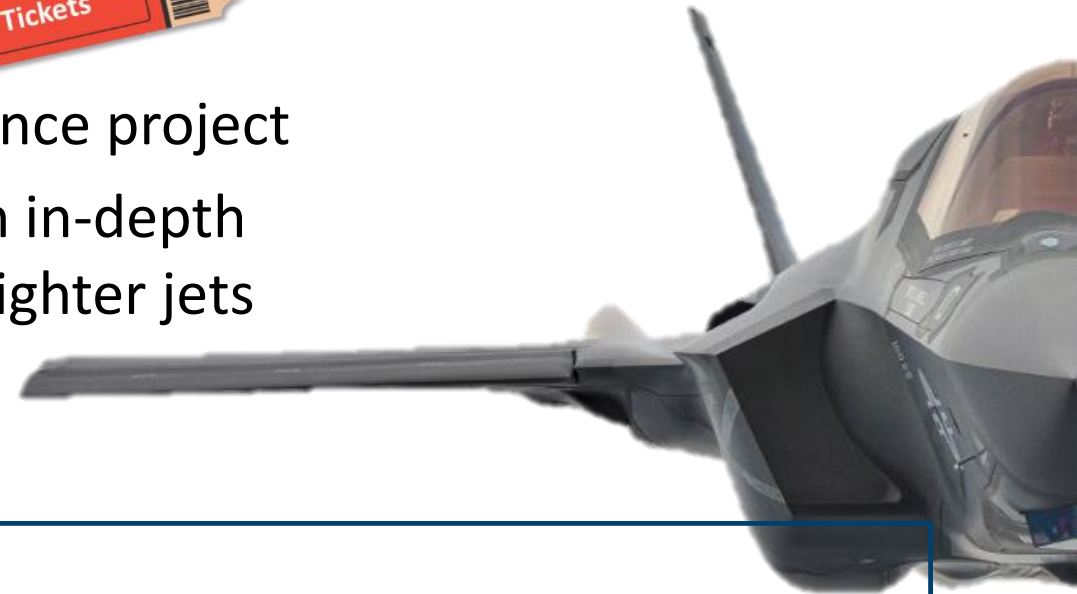
Fully integrated and automated ammunition handling and target engagement systems pave the way for reduced crew sizes and unmanned turret options.

Gate opener for our Domain Air

F-35

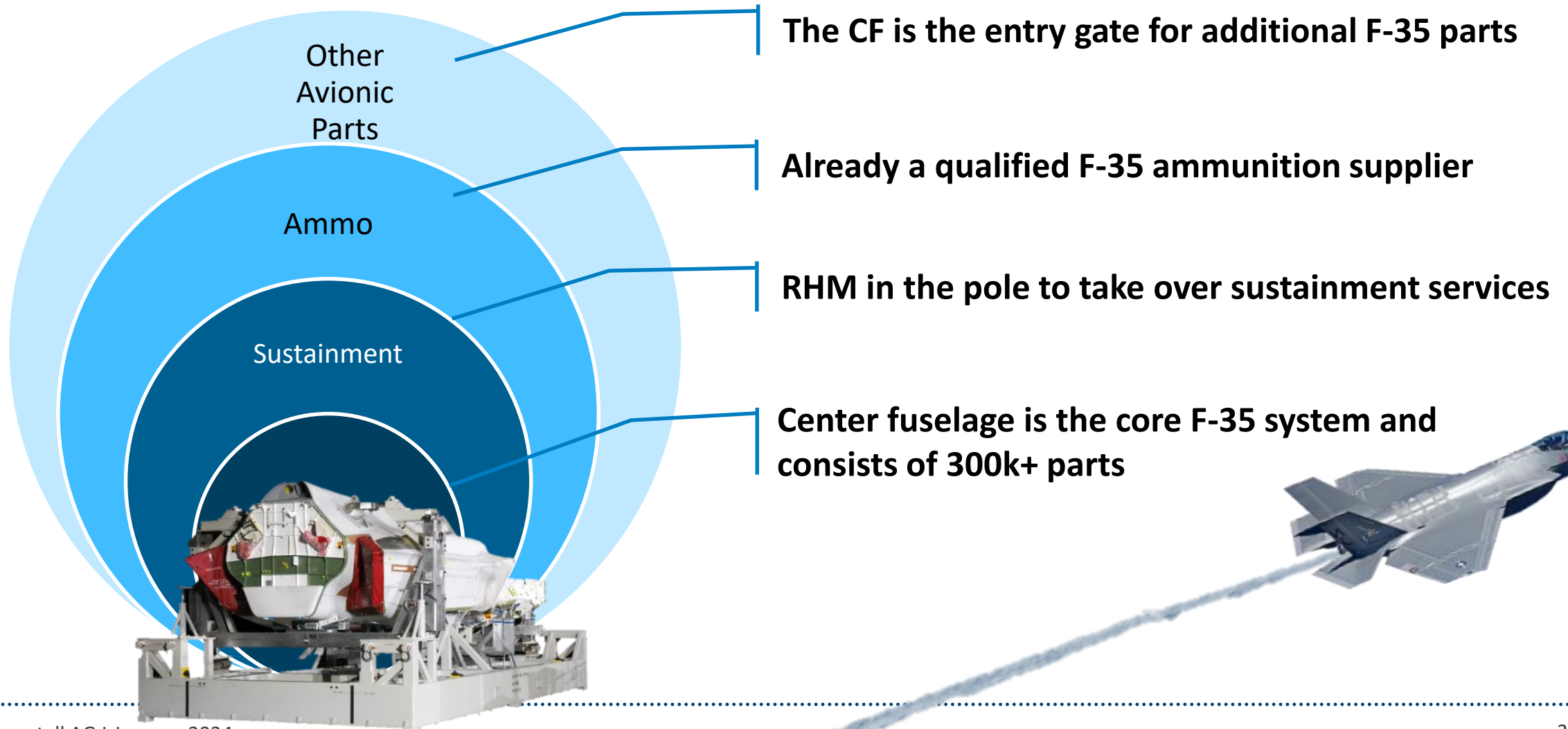


- Rheinmetall is a partner in the world's biggest defence project
- Rheinmetall will be the only German company with in-depth technological knowledge of the 5th generation of fighter jets
- First deliveries scheduled for 2027



Markets & Drivers: Big Tickets

Center fuselage is the nucleus to grow our Domain Air

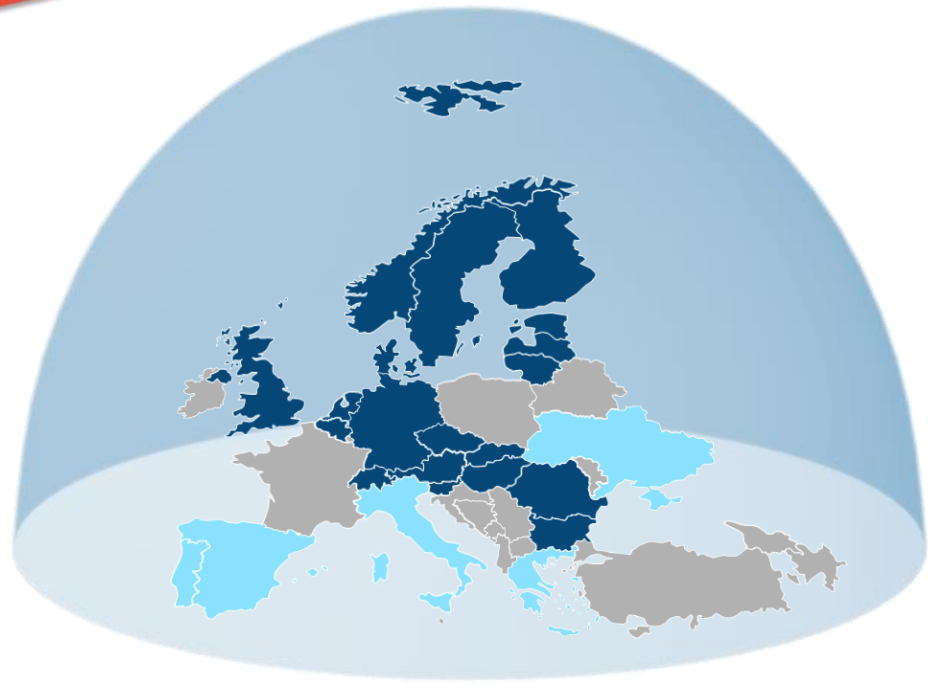


Leading provider of **AIR DEFENCE** Ground Based Air Defence

Order potential 2023-26
of up to 5€bn



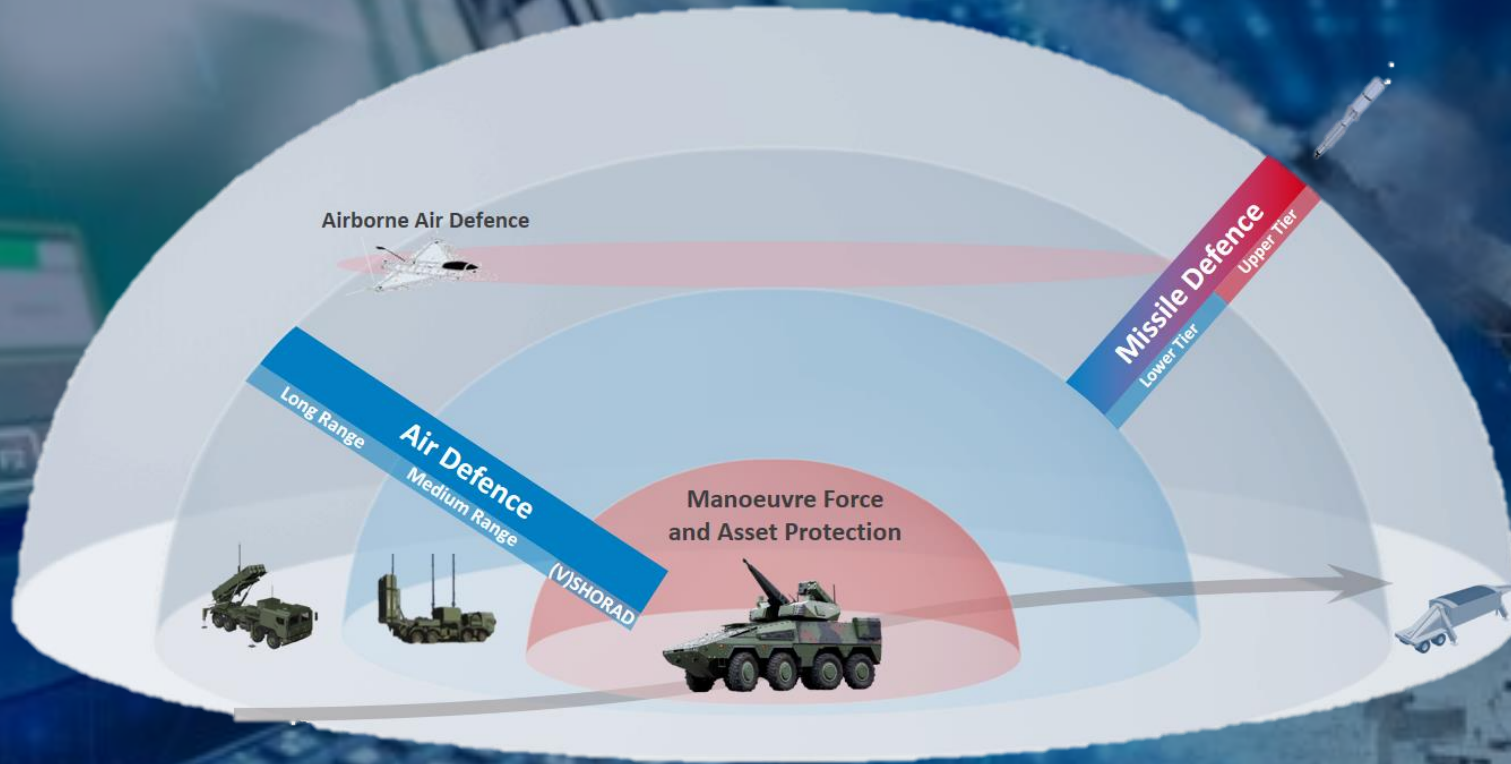
European Sky Shield Initiative (ESSI)



■ ESSI Participants
■ Potential other European customers for Skyranger

BIG TICKETS

Integrated 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

Logistics, Logistics, Logistics!

TRUCKS

User Group



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



HX 3

DIGITIZATION

Our path to a digital future



Top Projects



Gladius and D-LBO



Digitalization of HDF



Land 125

Analog

Digitized

Digitalized

Digital Transformation

DIGITALIZED BRIGADE

DIGITAL CORE

V4 STATE ST.

Markets & Drivers: Big Tickets

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



Gladius Soldier System

Personnel Equipment

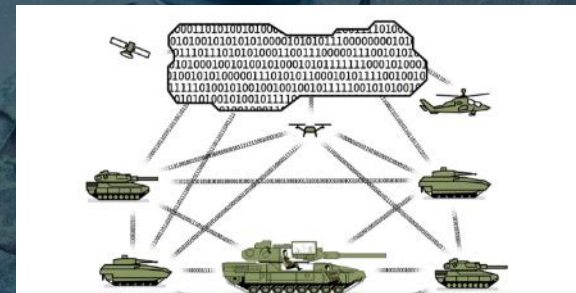
Already in use for VJTF, Full roll-out financed by special fund, first orders received



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: Civil business portfolio

The civil market is changing, we are prepared!



Innovative ICE portfolio with solutions for clean mobility

- Successful nominations for last ICE generation



Well equipped Electrification Portfolio

- Grow market penetration
- Electric Mobility is growing fast within our booked business



Diversify into new applications started successfully

- Entry into the house warming market
- H2 components for mobile and stationary applications



Market disruptions well managed

- Supply chains hardened
- Lockdowns under control
- First milestones of Piston disposal process achieved

Markets & Drivers: Civil business portfolio

Well prepared to address market potentials

Electrification

- Drive market penetration
- Well equipped Electrification Portfolio
- **H2 technology**

- Last man standing, ICE will stick around
- Higher value per engine
- EURO 7 triggers innovation with stricter emission requirements

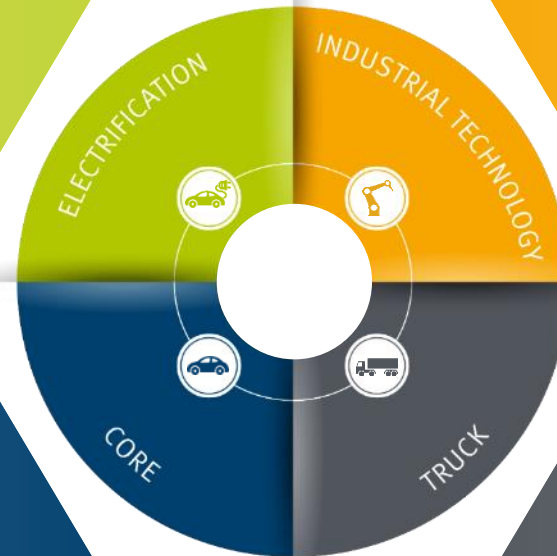
Core ICE

Industrial Technology

- Digital solutions for mobility and industry applications
- Technology leader in DC-link capacitors
- Outstanding USPs regarding size, range and lifetime

- Number of ICE will grow in the future
- Market leader for EGR systems
- Ready for EURO 7 and CO2 reduction
- **H2 technology**

Truck

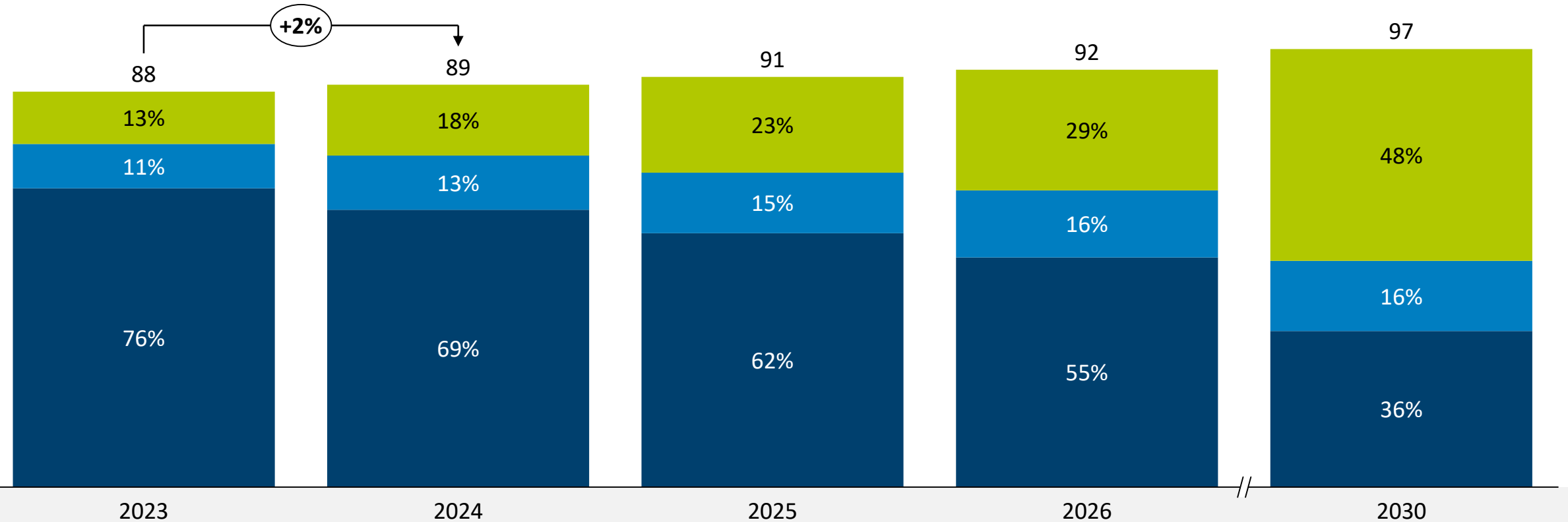


Markets & Drivers: LV growth

Declining ICE volumes and accelerated growth for alternative powertrains

IHS LV production forecast*

In million units



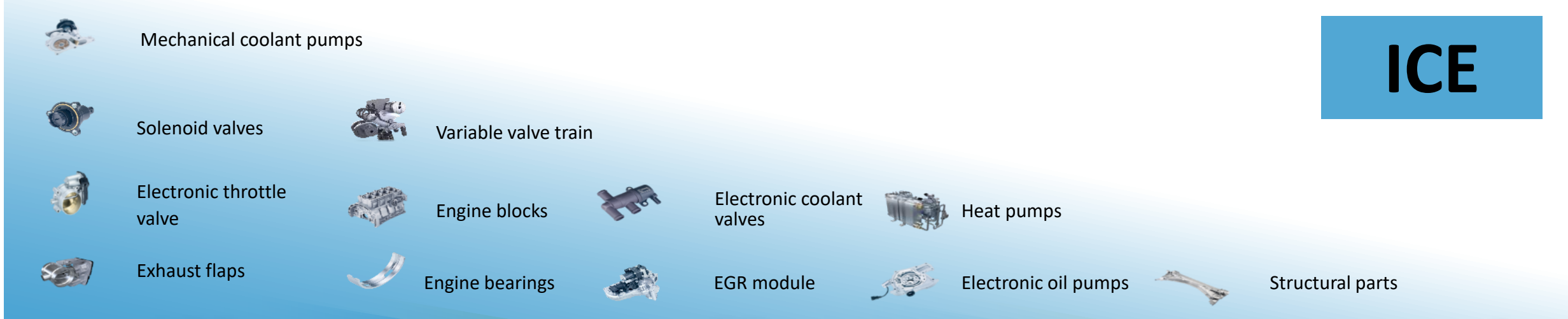
Note: BEV includes: BEV with Fuel Cell and REx
 *Source: IHS, Status 09/2023

BEV Hybrid ICE

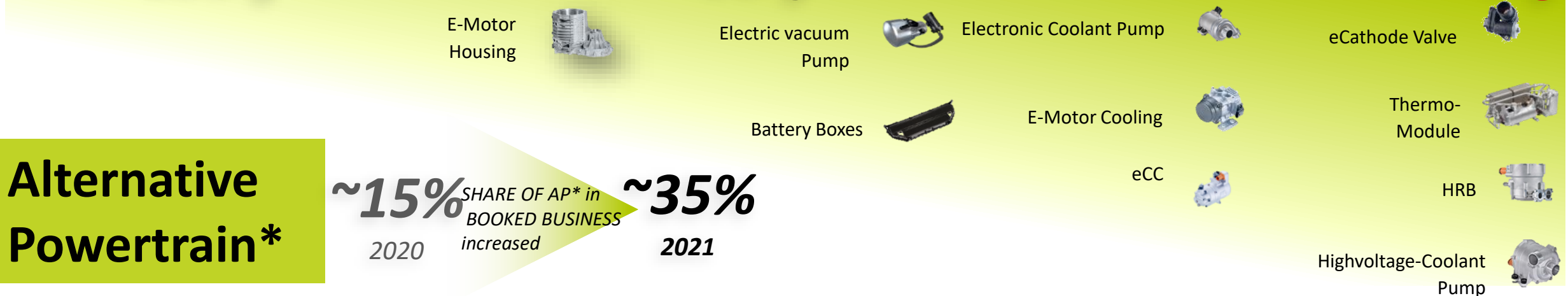
Markets & Drivers: Mobility market trends

From combustion engine to alternative powertrain

ICE



CO₂/km **130 g** → **95 g** → **0 g**



Alternative Powertrain*

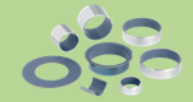
~15% SHARE OF AP* in BOOKED BUSINESS 2020 increased **~35%** 2021

Markets & Drivers: Trucks

Diverse portfolio for truck applications

Materials and Trade

Permaglide bearings for truck compressors and truck hydraulics



Bushings for injection pumps



Main-bearings



Connecting rod bearings

Bearings for seat adjustments and doors

EGR cooler modules and mixer modules



Dual poppet valves



EGR reed valves

High performance actuators



Main coolant pumps



Auxiliary coolant pumps



Electrical oil pumps



Coolant valves

Variable valve Control



Exhaust gas flaps

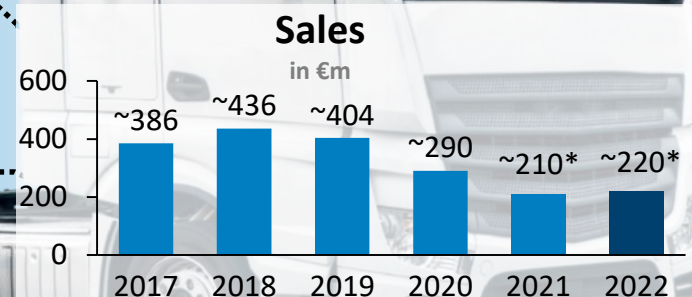
Hydraulic valves



Cylinder bore coating

Electrical bypass valves

Pressure regulating valves



Sensors and Actuators

Markets & Drivers: Sensors & Actuators Prepared for future growth

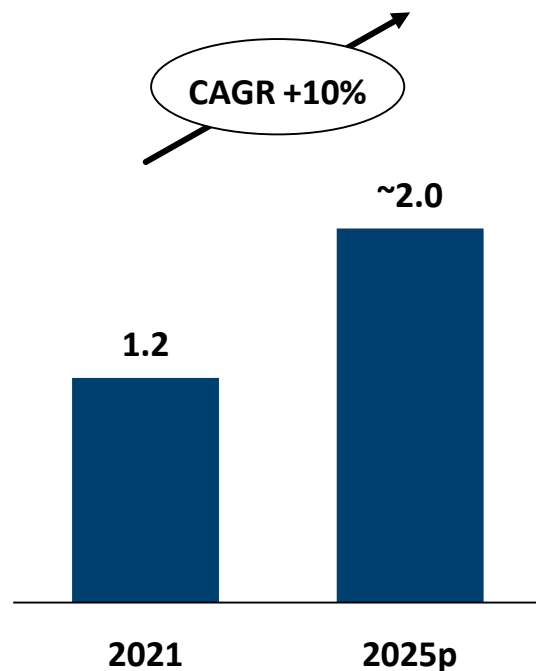
Outperforming the market

Innovative solutions for clean mobility

Growth in alternative powertrains (AP)

Diversify into new applications

* Estimated sales development in €bn



Growth catalysts

Tighter Regulation of fuel fumes

Electronic Vapor Pump (EVAP)



Fuel Tank Isolation Valve (FTIV)



Electrified Mobility

Thermal Management



COOLANT PUMP



COOLANT VALVE



PROPORTIONAL-COOLANT VALVE

H₂ Products



H₂ Recirculation Blower



FUEL-CELL CONTROL VALVE



ELECTRICAL CATHODE VALVE

Sustainability and Performance

Thermal Management

- Heating systems for residential construction

DC link capacitors

- Polycharge JV, Market-ready products in the mobility, industry and defence sectors

H₂ Applications

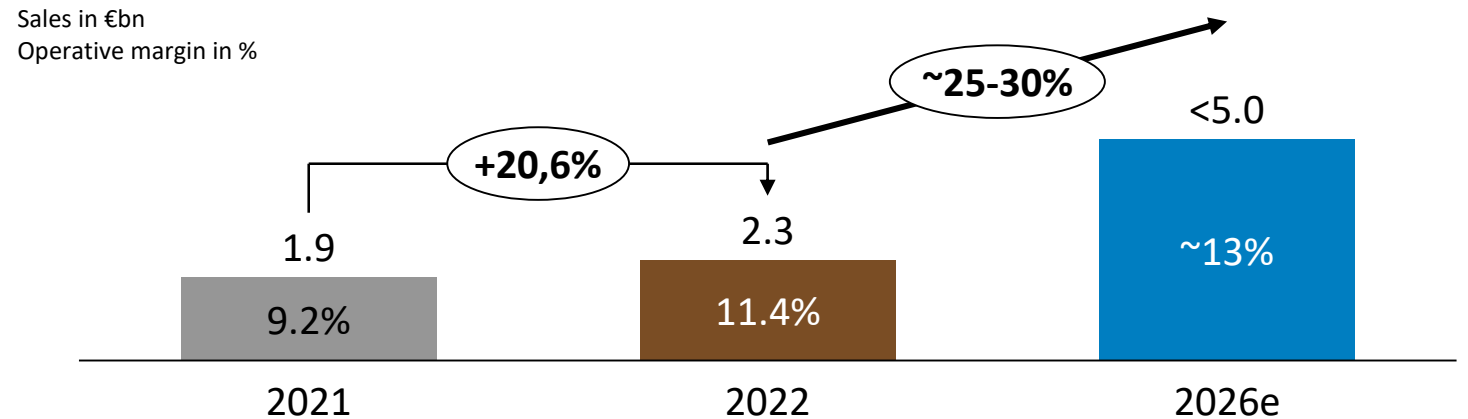
- Stationary fuel cell

Five divisions under one roof

Division Overview: Vehicle Systems



Sales and operative margin



Products



TACTICAL VEHICLES



LOGISTIC VEHICLES

Market profile

Key Competitors

- **Logistic Vehicles**
Scania, IVECO, Daimler
- **Tactical Vehicles**
BAE Systems, KNDS, General Dynamics, Hanwha, Thales

Differentiators

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

Market position

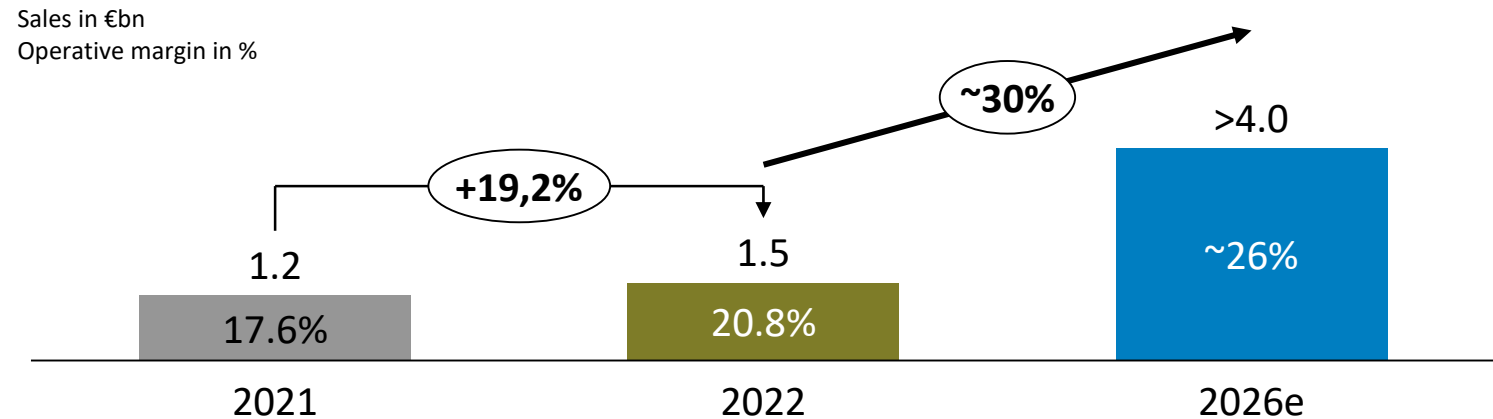
- Key supplier to the German forces
- Leading supplier for wheeled and tracked tactical vehicles

Five divisions under one roof

Division Overview: Weapon and Ammunition



Sales and operative margin



Products



MID & LARGE CALIBER AMMO



MID & LARGE CALIBER WEAPONS



PROTECTION SYSTEMS

- ACTIVE
- PASSIVE
- SOFTKILL

Market profile

Key Competitors

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

Differentiators

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

Market position

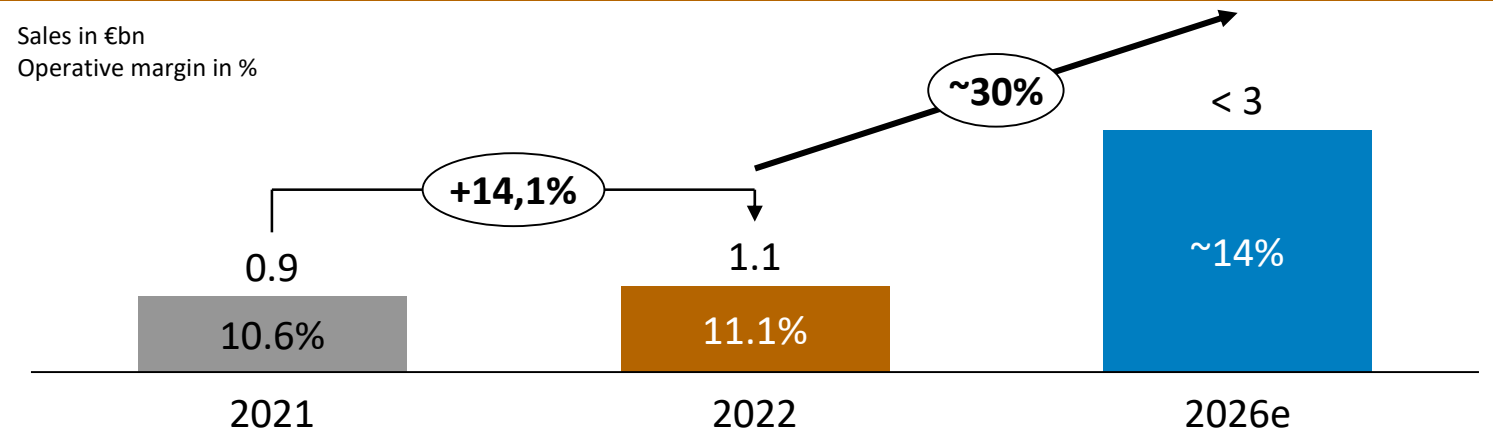
- Leading European supplier
- Global technology leader

Five divisions under one roof

Division Overview: Electronic Solutions

DIVISION ELECTRONIC SOLUTIONS.

Sales and operative margin



Products



**INTEGRATED
ELECTRONIC
SYSTEMS**



**AIR DEFENCE &
RADAR SYSTEMS**

TECHNICAL PUBLICATIONS

Market profile

Key Competitors

- **Integrated Electronic Systems**
Hensoldt, Elbit, Thales
- **Air Defence**
Norinco, Rosoboron, GDLS
- **Technical Publications**
CONDOK, ESG

Differentiators

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

Market position

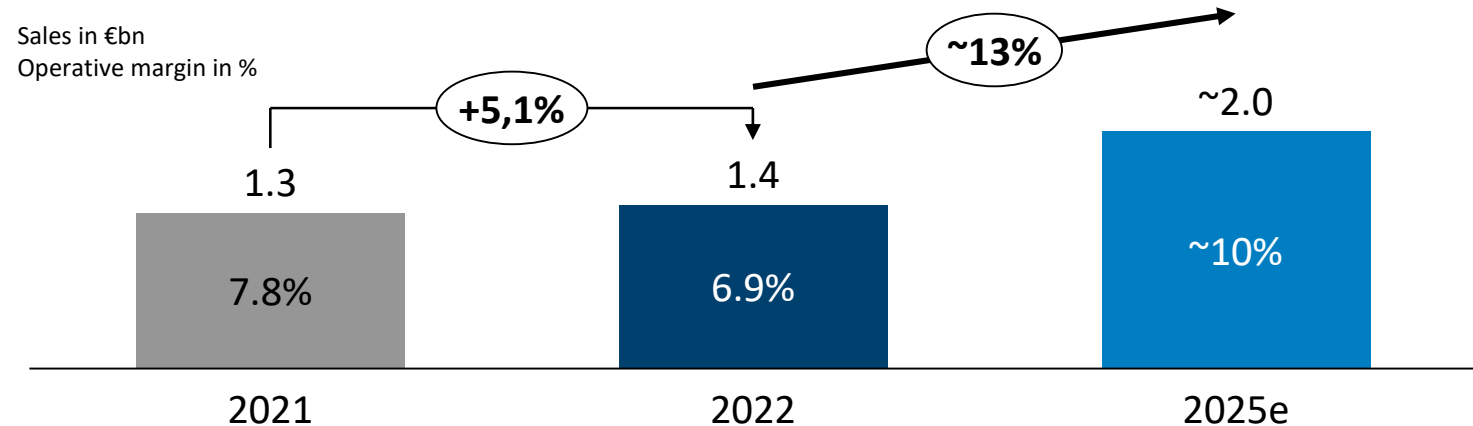
- Leading European supplier

Five divisions under one roof

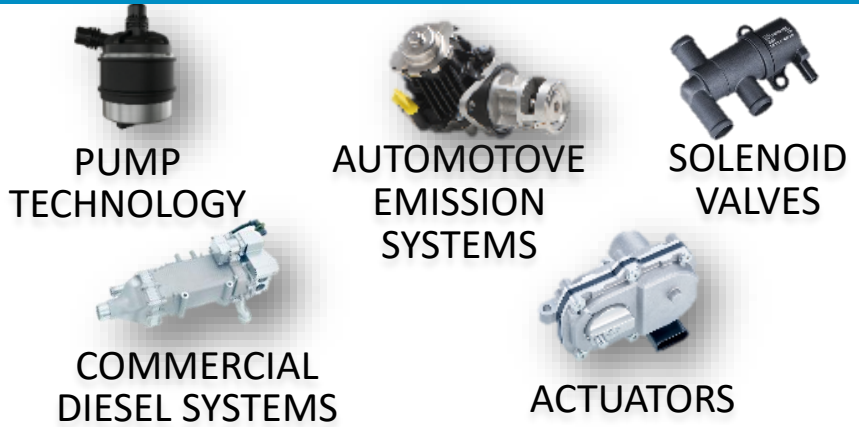
Division Overview: Sensors and Actuators



Sales and operative margin



Products



Market profile

- | | | |
|---|--|---|
| <h4>Key Competitors</h4> <ul style="list-style-type: none"> ▪ Actuators
Bosch, Continental ▪ AES / CDS
BorgWarner, Valeo ▪ Solenoid Valves
Bitron, Denso ▪ Pump Technology
Hella, Magna | <h4>Differentiators</h4> <ul style="list-style-type: none"> ▪ Wide technology portfolio ▪ Extensive product Know-How ▪ Strong brand ▪ Global footprint | <h4>Market position</h4> <ul style="list-style-type: none"> ▪ Leading European Tier 1 supplier |
|---|--|---|

Five divisions under one roof

Division Overview: Materials and Trade



Products



AFTERMARKET

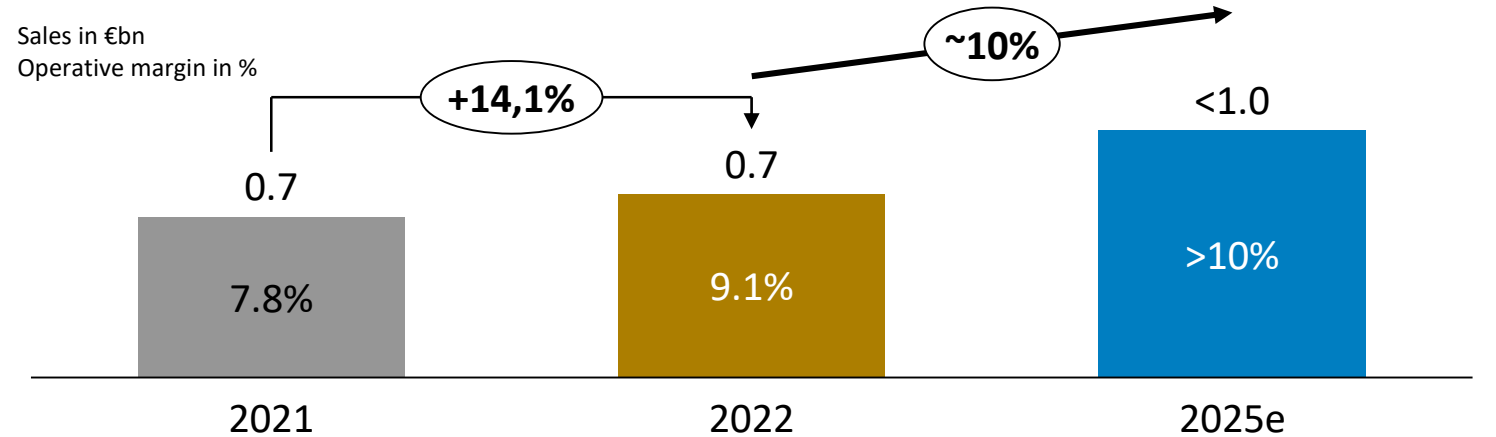


BEARINGS



CASTINGS

Sales and operative margin



Market profile

Key Competitors

- Daido
- GGB
- Tenneco
- Nemak
- KMM
- Mahle
- BorgWarner

Differentiators

- Broad material and surface treatment know-how
- Lightweight technologies: materials and structures
- Extensive friction reduction know how
- Broad Aftermarket network

Market position

- Leading supplier
- Strong partnerships



Quarterly Update

Q3 2023 Group Highlights

Third quarter sets the pace

Sales:

€1,758m

(+24.2% PY)

Operating result:

€191m

(+59.2% PY)

Operating margin:

10.8%

(+2.3 pp PY)

OFCF:

-€102m

(-€65m PY)

- Outstanding Rheinmetall nomination propels backlog to €36.5bn
- Expal integration successfully initiated with upgraded sales potential to €1bn
- Cutting edge tank factory inaugurated in Zalaegerszeg, Hungary
- Groundbreaking ceremony of F-35 plant in Weeze, Germany

Q3 2023 Group Highlights

Great customer feedback from international trade fairs

DSEI London



- Presentation of our vision for the digitalized battlefield
- Focus on unmanned systems and air defence solutions

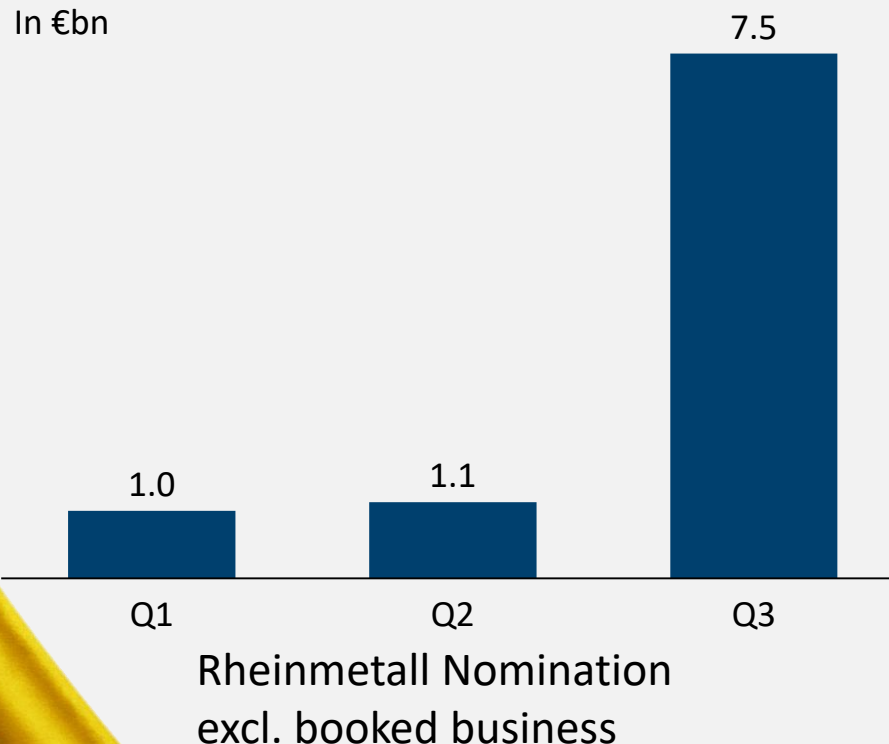
AUSA Washington



- Showcasing of upgraded solutions for the U.S. Army's critical modernization priorities
- Focus on 155mm L52 howitzer Cannon Barrel, Skyranger and HX3

Q3 2023 Market update: Germany

German order boost continues in 2024



- Q3 included: Caracal, Ammunition (tank & artillery) and Luna NG
- Q4 expectation of ~ €1.5bn orders
- €13-15bn German order potential for 2024: Ammunition, tactical and logistical vehicles and digitization
- Some approvals may be delayed until 2024 (incl. heavy weapon carrier, SHORAD, LHS, Gladius)
- BAAINBw expects to sign all special fund projects by the end of Q1 2024

Q3 2023 Market update: international markets

Rheinmetall to become a leading industrial partner for Ukraine

Business with Ukraine has already materially increased

- Order intake jumps to €1.9bn YTD
- Sales exceed €400m, but significantly stronger impact in 2024 anticipated
- Further supply contracts to be signed until end of year 2023

RhUDI approved

- Rheinmetall and UDI launch 1st Ukrainian JV
- Building joint capabilities in defence technology
- 1st phase: focus on maintenance and repair of vehicles
- Later phases: production of selected Rheinmetall products in Ukraine



*“The **cooperation** between our **countries** (...) will allow us to **build the arsenal of the free world together.**”*

Denys Shmyhal

Q3 2023 Market update: international markets

Heavy weapon carrier on the horizon – work in progress



- German-Australian letter of cooperation signed in Q3
- Negotiations in the final stage
- MILVEHCOE to produce > 100 vehicles for ~€2.5bn
- Boxer based solution with a manned turret to strengthen the medium heavy forces of the German Army



One of the largest Australian defence contracts in the nation's history

Q3 2023 Market update: international markets

Our Panther finds a new home



*„We are producing a **Lynx**,
we are buying a **Leopard**
and we have joined in the
development of the **Panther.**“*

Viktor Orban



Customer funded **development agreement** provided by
Hungary for the development of the **Panther**.

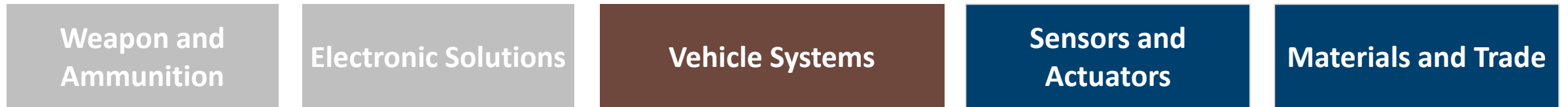
Our recently opened **tank factory** in **Zalaegerszeg** will
play an **important role** in the **development**.

Rheinmetall Group

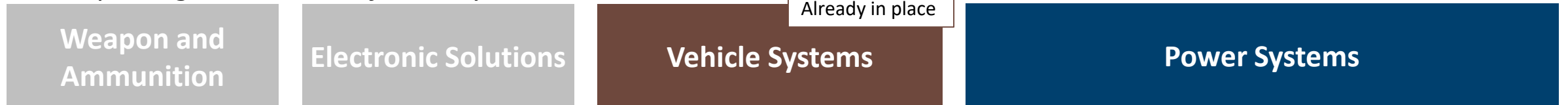
A new group structure to suit our needs

Rheinmetall Group

Current reporting structure



New reporting structure as of January 1st 2024



- Split into VS Europe and VS International
- Vehicle Systems Europe: Focus on the EU market
- Vehicles Systems International: Focus on AUKUS markets

- Air management
- Thermal Management
- Electrification & Digitization
- Hydrogen

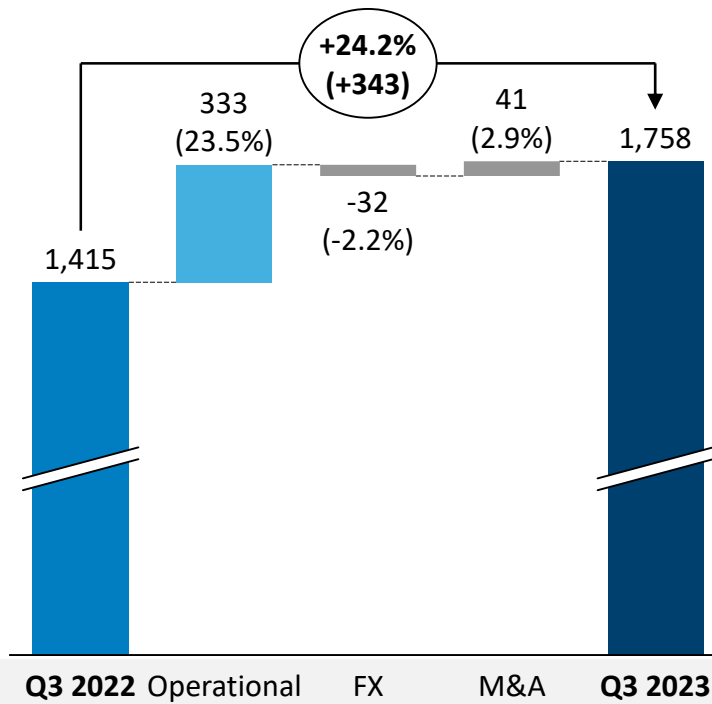
- Aftermarket
- Bearings
- Castings (50:50 Joint Venture)

Q3 2023: Key financial data

Strong leverage pushes results

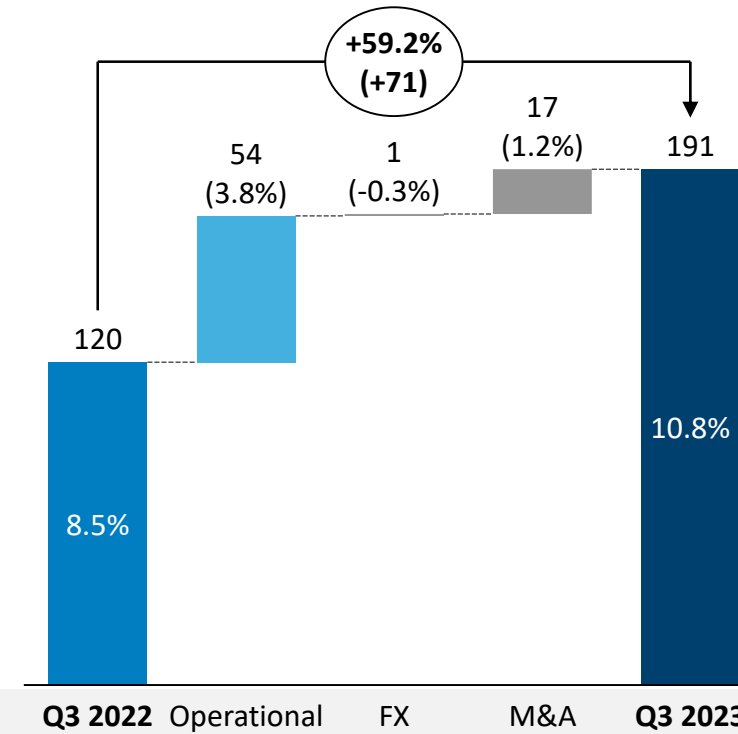
Sales ¹⁾

in €m



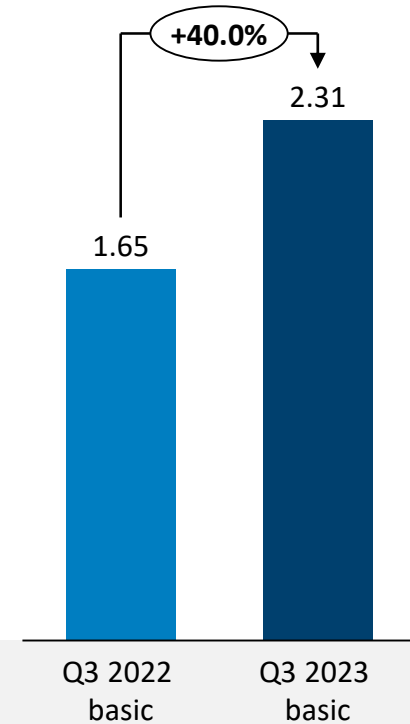
Operating result and margin in % ^{1,2)}

in €m



Earnings per share ¹⁾

in €m



Q3 2023: Divisions

Weapon and Ammunition elevates group margin to 10.8%

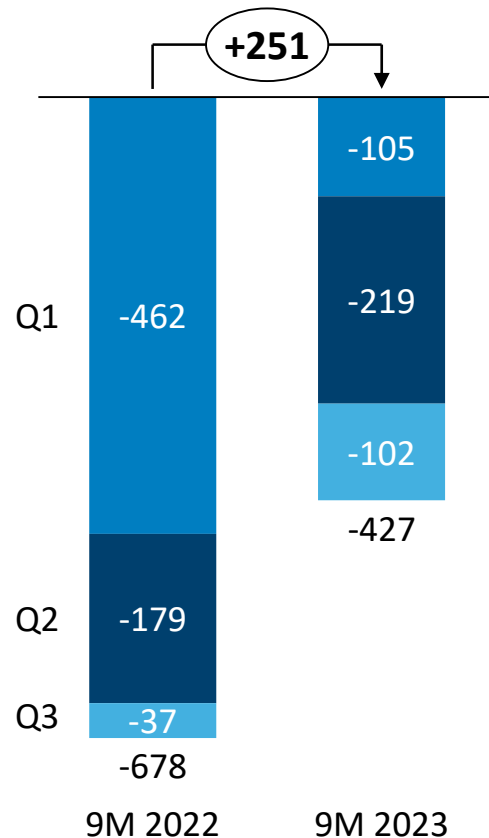
in €m	Sales*			Operating Result*			Margin*	
	Q3 2022	Q3 2023	delta	Q3 2022	Q3 2023	delta	Q3 2022	Q3 2023
Vehicle Systems	469	659	40.5%	46	82	77.7%	9.9%	12.5%
Weapon and Ammunition	285	437	53.6%	38	89	135.9%	13.2%	20.3%
Electronic Solutions	231	278	20.5%	25	25	-0.7%	10.9%	9.0%
Sensors and Actuators	355	350	-1.4%	16	16	3.1%	4.5%	4.7%
Materials and Trade	188	197	4.9%	18	25	32.5%	9.8%	12.4%
Non-divisional / Consolidation	(112)	(164)	-46.3%	(24)	(46)	-94.4%		
Rheinmetall Group	1,415	1,758	24.2%	120	191	59.2%	8.5%	10.8%

Q3 2023: Key financial data

Inventory build-up in preparation for year-end rally

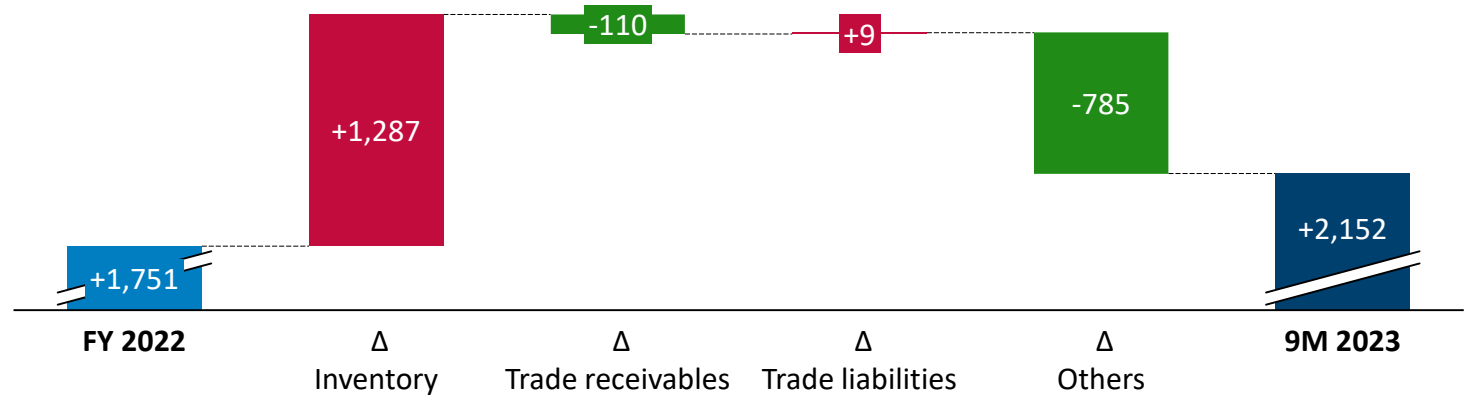
Operating free cash flow¹⁾

in €m



Working Capital¹⁾

in €m



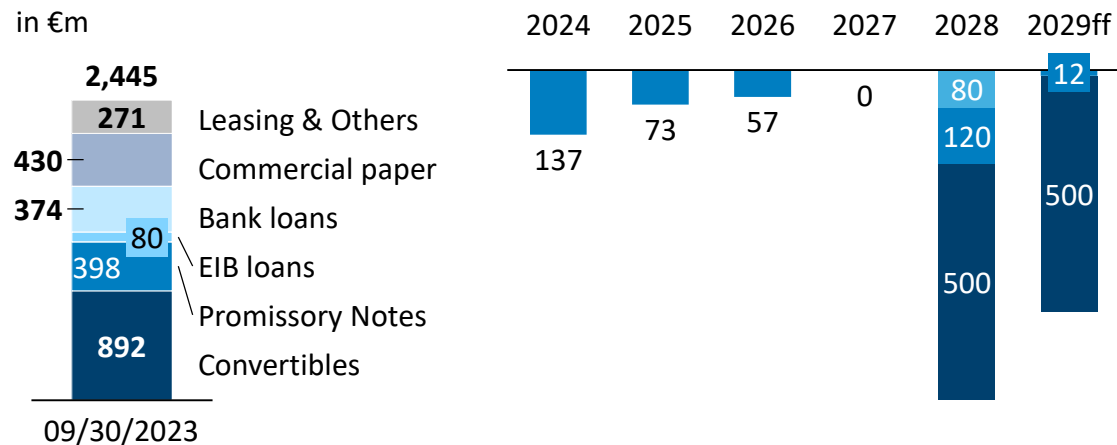
Comments

- Inventory levels continue to rise while prepayments pick up
- Electronic Solutions and Vehicle Systems are the main drivers behind the working capital increase

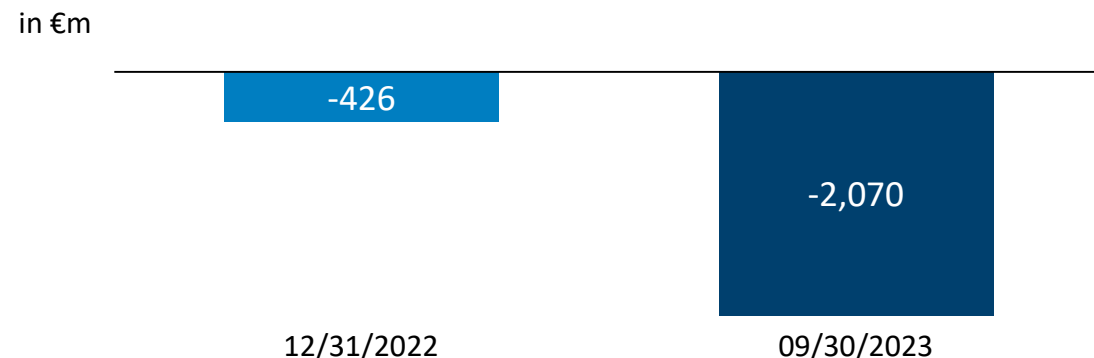
Q3 2023: Balance Sheet

Expal takeover fully absorbed

Gross debt and maturity profile ¹⁾



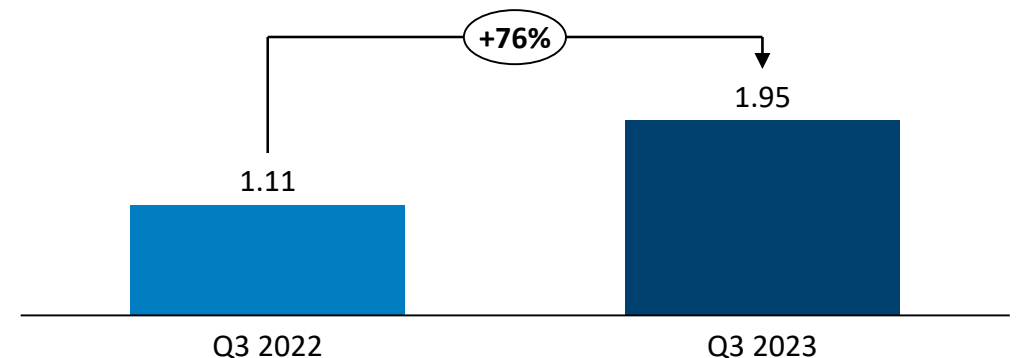
Net financial position ²⁾



Comments

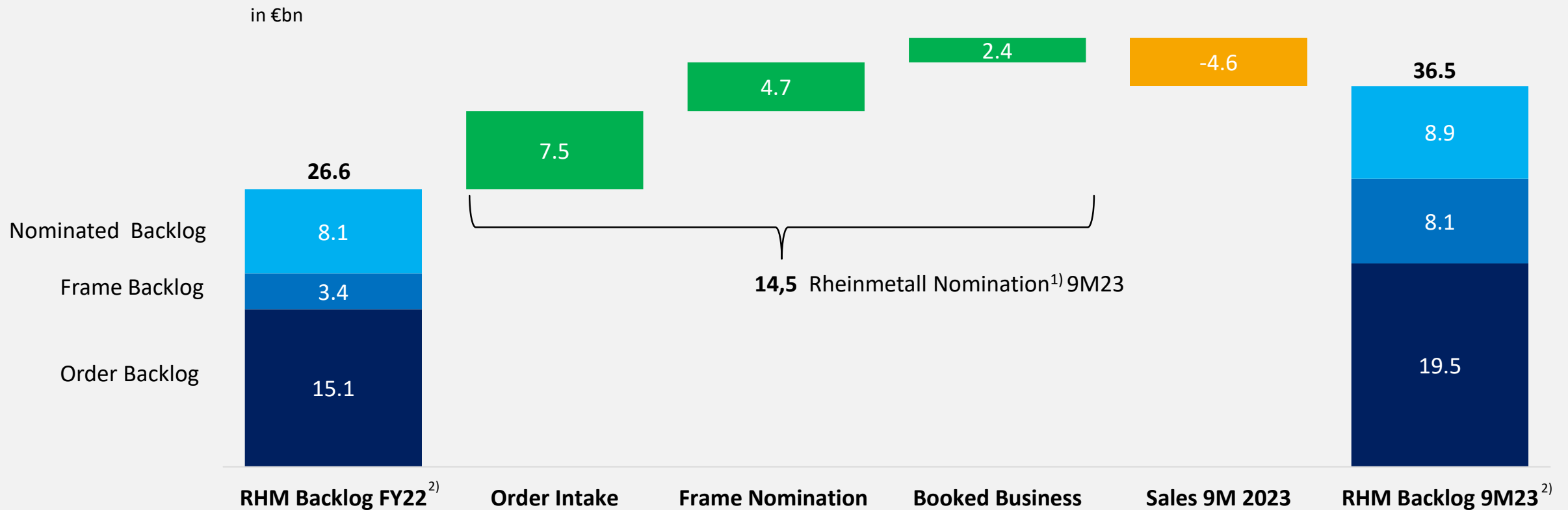
- Convertible bonds issued in Q1 with a nominal value of €1.0bn, due to IFRS accounting split into a debt and an equity component
- Cash position post Expal acquisition amounts to €375m; additionally, securities held for trade with a value of €131m per end of Q3
- Undrawn cash credit lines of €0.9bn per end of Q3
- Investment Grade Rating Baa2 stable outlook (Moody's)

Net Debt / EBITDA (LTM)



9M 2023: Nomination and Backlog

Already €10 billion backlog increase and more to come



1) Rheinmetall Nomination = Order Intake (Div. W+A, ES, VS) + Frame Nomination (Div. W+A, ES, VS: New Frame agreements – call offs from existing frame backlog) + Booked Business (Div. S+A, M+T)

2) Rheinmetall Backlog = Order backlog (signed and fixed contracts) + Frame Backlog (signed frameworks incl. truck and ammunition framework agreements for several years) + Nominated backlog (inventory figure aligned to the annual sales planning S+A/M+T based on the nomination letters of the booked business)

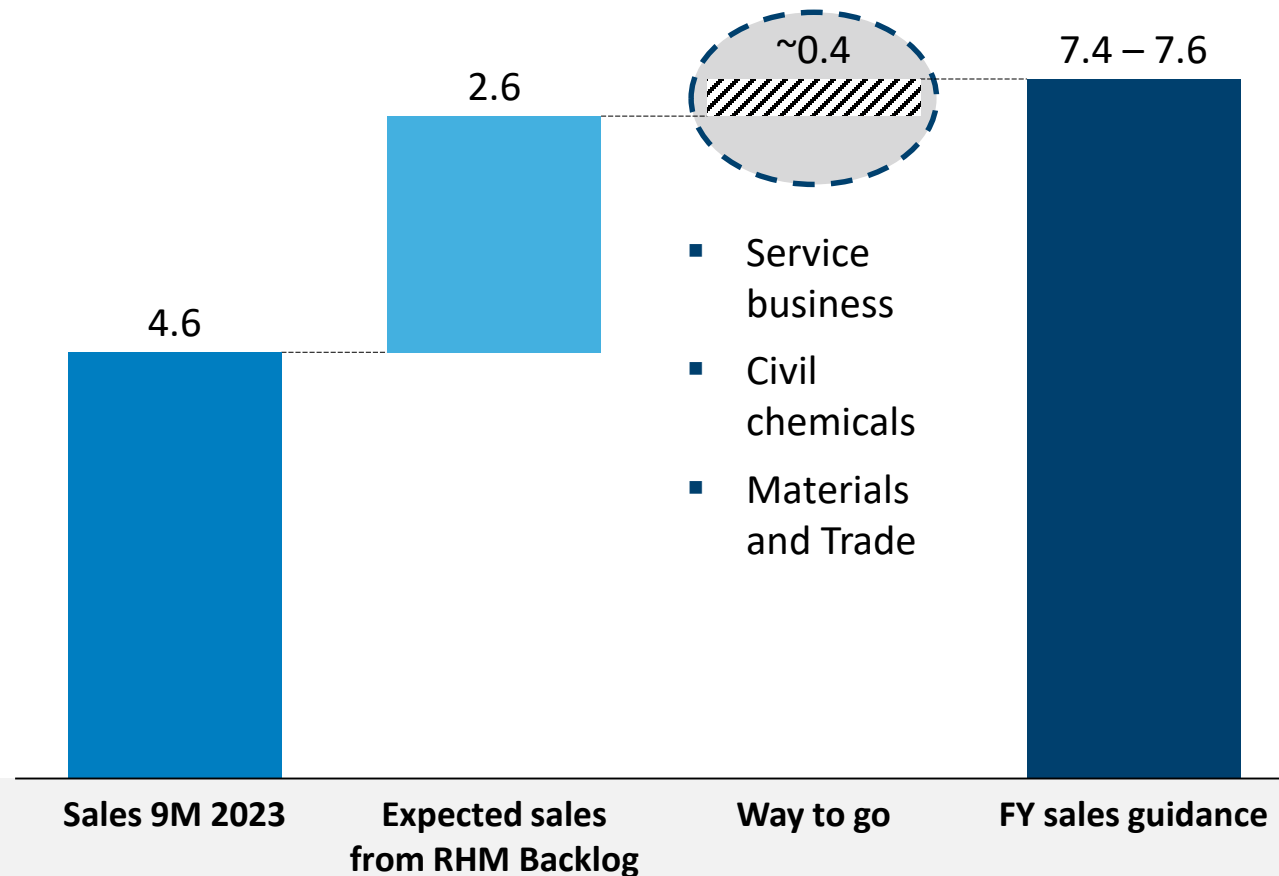


OUTLOOK

Outlook

Minimal effort to reach full year sales guidance

in €bn



- Only ~€400m to go to meet FY sales guidance
- Around €2.6bn call-offs from framework contracts expected
- Confident to close gap with strong order pipeline in Q4 2023 and especially in-for-out trade sales from Materials and Trade

Outlook

FY 2023 guidance confirmed

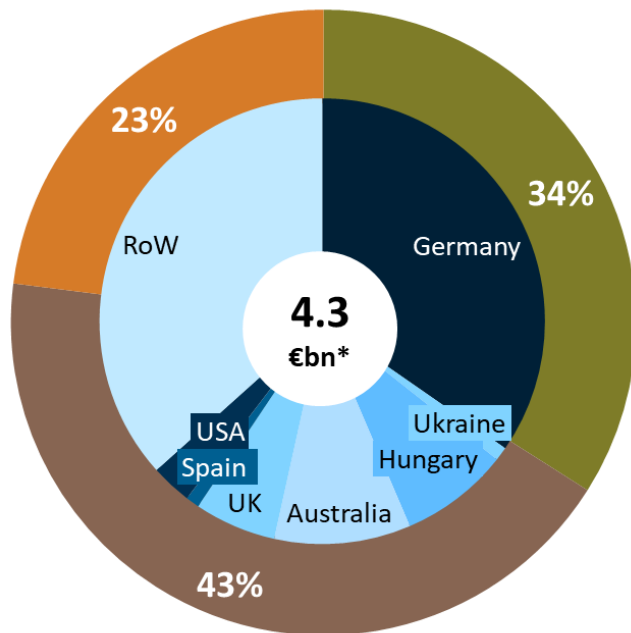
	Group Guidance 2023e	Rheinmetall EXPAL Munitions	2022
Sales	Between €7.4 to 7.6 bn	≥ €190m	€ 6.4 bn
Operating Margin	~ 12%	≥ 25%	11.8%
Operating free cash flow	4-6% OFCF to sales		€-152 m

Sales guidance includes FX effects.

Rheinmetall EXPAL Munitions fully consolidated for the period August – December 2023.

Outlook

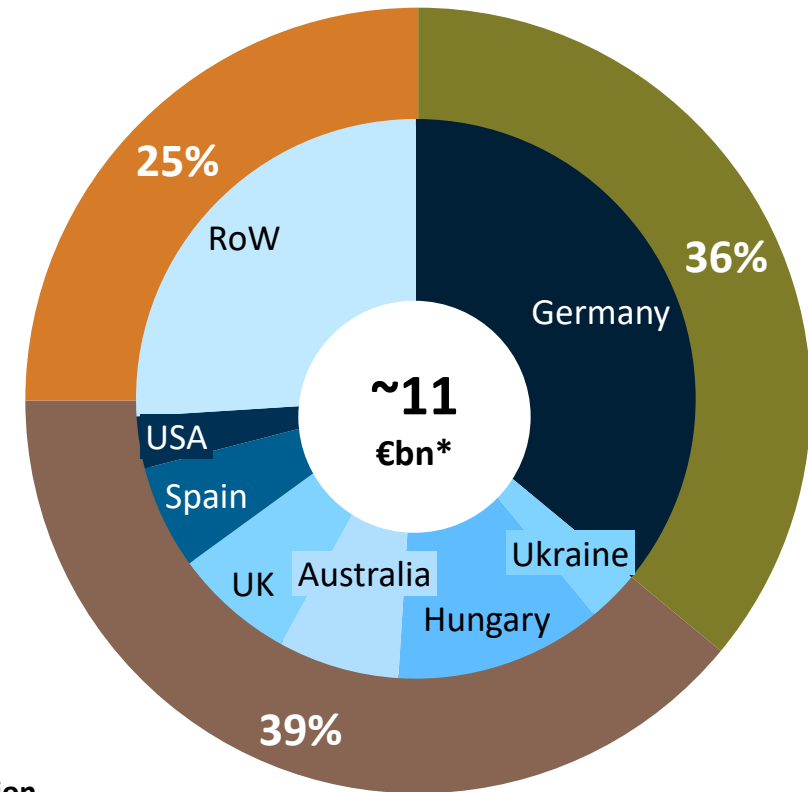
Internationalization of the defence business continues



2022



- Weapon and Ammunition
- Vehicle Systems
- Electronic Solutions



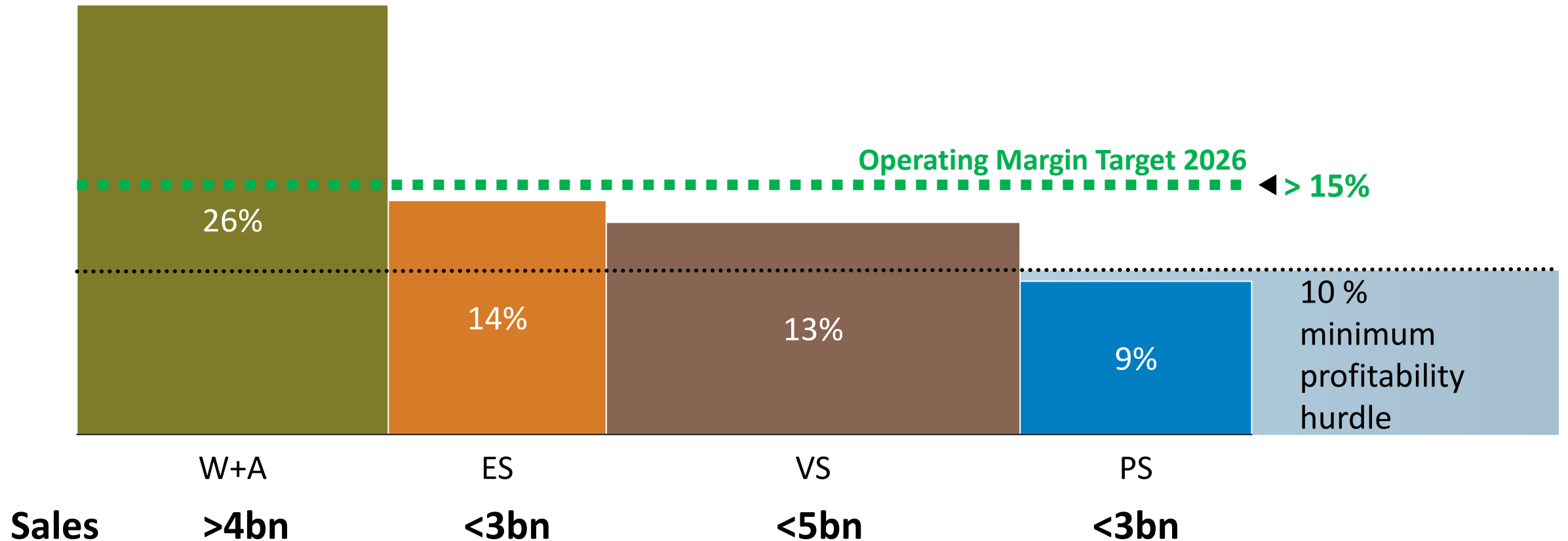
2026e

Outlook

Mid-term guidance drill-down

Operating result by Division

(in €, in %)



Outlook

Our new financial Group targets 2026 are...

Growth continues
Sales target

13-14 €bn

Improved profitability
Operating margin target*

>15%

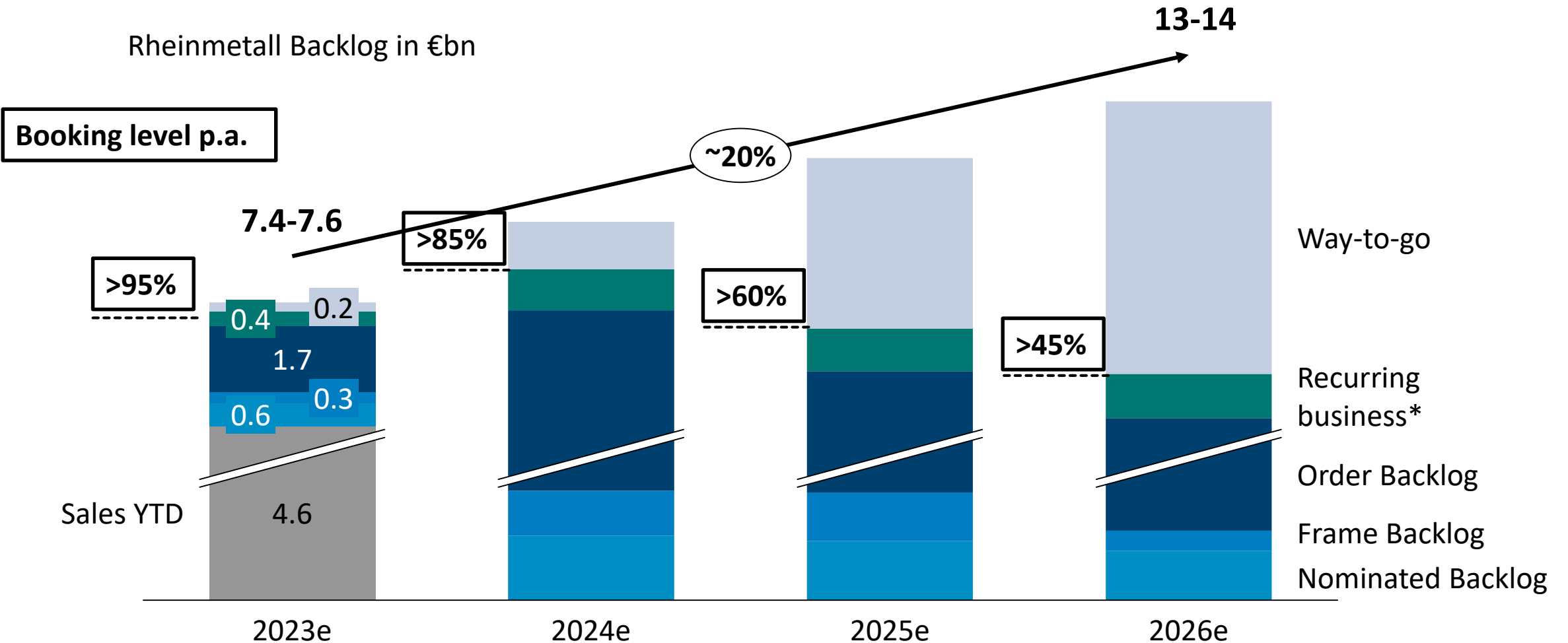
CASH CONVERSION RATE
Cashflow to operating result*

>50%

Outlook

Existing backlog supports our growth targets

Rheinmetall Backlog in €bn



Rheinmetall at a glance

Sustainability is a central component of our corporate strategy

FRAME-WORKS & INITIATIVES

CSR-DIA* Since 2017	GRI Since 2017	UN GC Joined in 2021	CDP Applied in 2021	SBTi Commitment Q4 2021	TCFD 2022	SASB 2022
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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***
- **Water consumption reduction of 10% until 2022**
- **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 6.1 in 2022
 - 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 (20 % as part of LTI remuneration package)

MAIN RATINGS

MSCI ESG: AA Only 1 out of 34 companies score higher in the Industrial Conglomerate Rating Distribution	ISS ESG: C A&D Industry Rating Distribution: only 2 out of 72 companies score higher	Sustainalytics: 26.7 Ranked 15/101 in the A&D industry	S&P Global: 34 Industrial conglomerates average: 29
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Financials

Diversified capital allocation continues

Capex



M&A



Debt Leverage



Dividend



Buyback

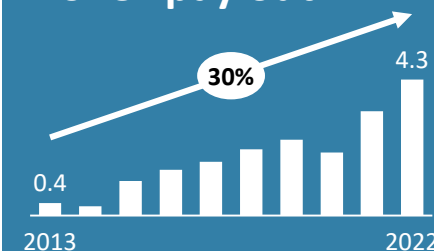


- Supporting growth with **peak in 2024** and then gradually return to 5% level

- 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**
- Almost 70% of our oFCF pay out**



- Renewal of the authorized capital at AGM 2024**

Financials

Successful placement of € 1 billion convertible bonds

Transaction Terms		
Execution Date	31-Jan-23	Effective Date 07-Feb-23
Total Deal Size	€1.0bn (split in 2 equally sized series)	
Underlying Shares	3.2m Shares / 7.4% Share Capital	
Tenor	Series A: 5 Years	Series B: 7 Years
Series Issue Size	€500m	€500m
Coupon	1.875%	2.250%
	<i>Interest is payable semi-annually, firstly due on 07-Aug-23</i>	
Premium	45%	45%
Conversion Price	€309.90	
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%
(29.6%)

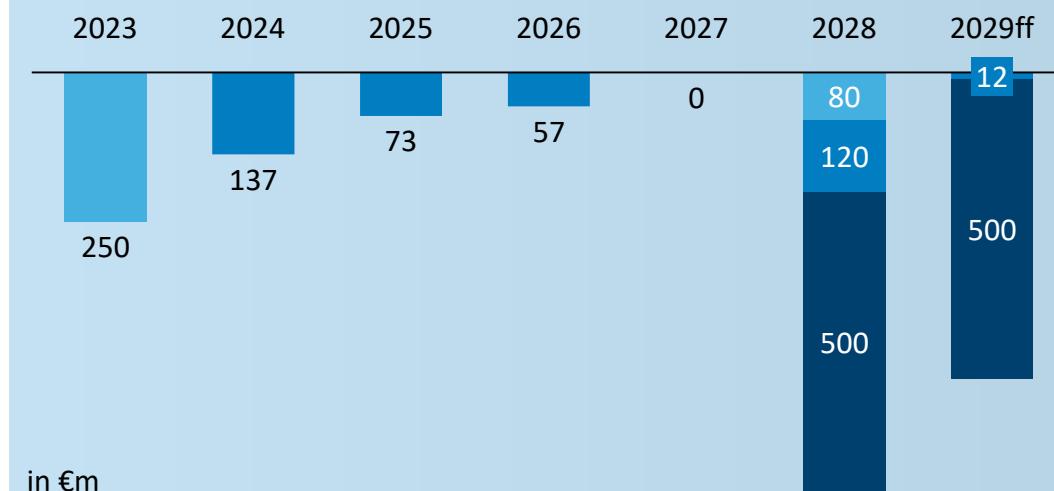
Net debt / Ebitda:

< 3
(1.95)

Investment Grade rating:

Baa2 stable outlook
(Moody's)

Maturity profile ¹⁾



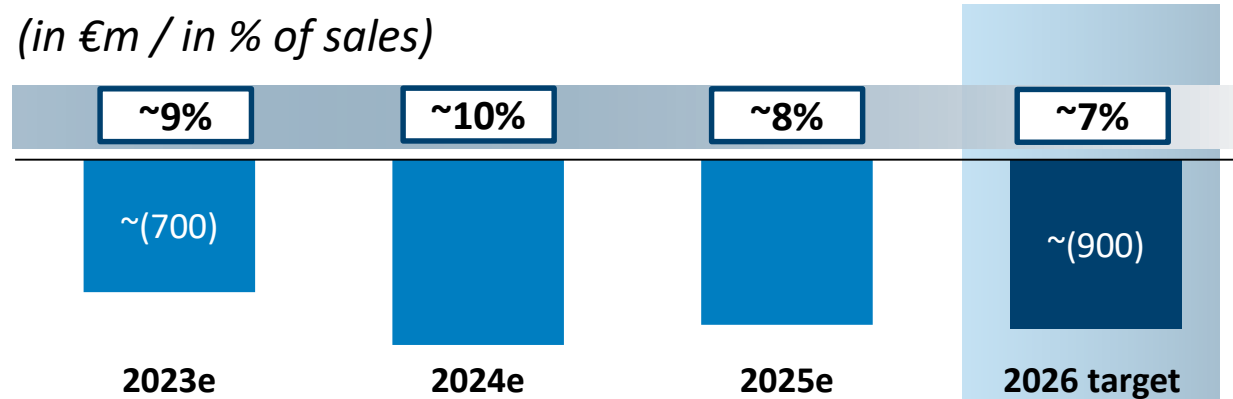
- ➔ We feel comfortable with 30% + equity ratio
- ➔ We want to maintain our investment grade
- ➔ Our balance sheet remains strong with undrawn credit lines of €900m
- ➔ Long-term maturity profile

Financials

Successfully structuring growth

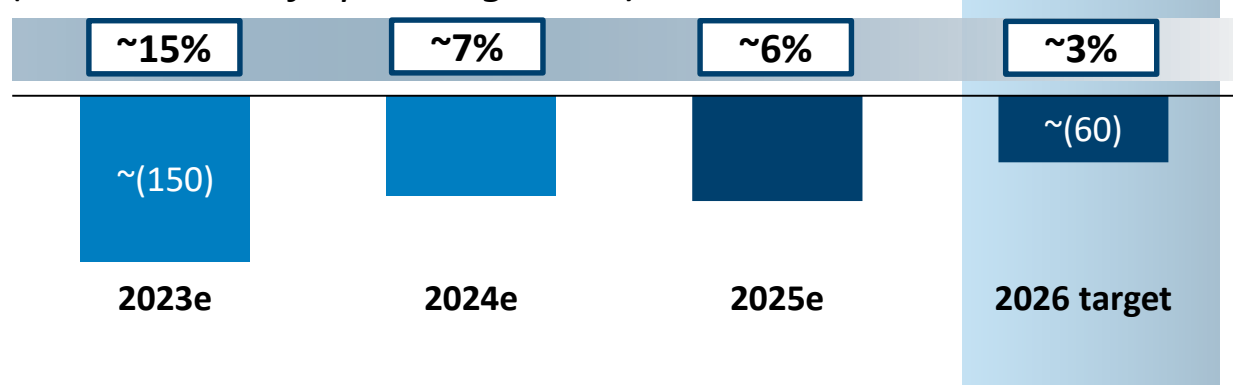
Sales consolidation

(in €m / in % of sales)



Operating result consolidation

(in €m / in % of operating result)



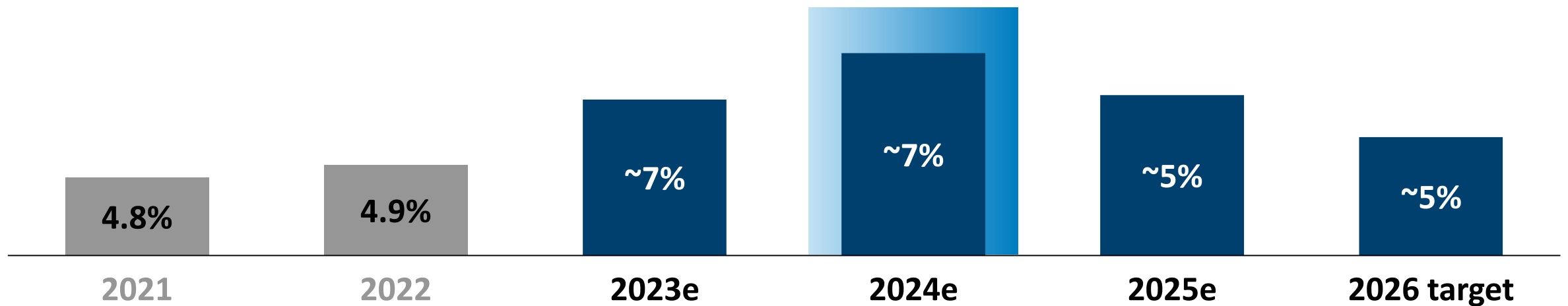
Increased consolidation driven by growing structures

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

Financials

Capex peak in 2024 to support our strong growth trajectory

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



Key Figures

		2022	2021	2020 ¹	2019	2018 ²
SALES/EARNINGS						
Sales	€ million	6,410	5,658	5,405	6,255	6,148
Of which generated abroad	%	70.5	65.9	64.4	68.9	72.3
Operating result	€ million	754	594	446	505	491
Operating margin	%	11.8	10.5	8.3	8.1	8.0
EBIT	€ million	731	608	398	512	518
EBIT margin	%	11.4	10.8	7.4	8.2	8.4
EBT	€ million	711	582	367	477	485
Earnings from continuing operations	€ million	528	432	284	-	-
Earnings from discontinued operations	€ million	8	(100)	(283)	-	-
Earnings after taxes	€ million	535	332	1	354	354
Return on capital employed (ROCE) ³	%	21.3	19.5	11.8	15.4	17.1
CASH FLOW						
Cash flow from operating activities	€ million	174	690	453	602	242
Cash flow from investments	€ million	(349)	(271)	(237)	(288)	(277)
Operating free cash flow	€ million	(175)	419	217	314	(35)
Of which continuing operations	€ million	(152)	458	230	-	-
Of which discontinued operations	€ million	(23)	(38)	(13)	-	-
STATEMENT OF FINANCIAL POSITION (12/31)						
Equity	€ million	3,083	2,620	2,053	2,272	2,173
Total assets	€ million	8,089	7,734	7,267	7,415	6,759
Equity ratio	%	38.1	33.9	28.2	30.6	32.1
Cash and cash equivalents	€ million	545	1,039	1,027	920	724
Total assets less cash and cash equivalents	€ million	7,544	6,695	6,240	6,496	6,035
Net financial debt (-)/Net liquidity (+) ⁴	€ million	(426)	118	4	(52)	(30)
HUMAN RESOURCES (FTE 12/31)						
Germany	FTE	12,768	11,979	11,592	11,587	11,077
Foreign	FTE	12,718	11,966	11,675	12,193	11,822
Rheinmetall Group	FTE	25,486	23,945	23,268	23,780	22,899
Of which continuing operations	FTE	21,788	20,185	19,500	-	-
Of which discontinued operations	FTE	3,697	3,760	3,768	-	-

Balance Sheet

€ million	12/31/2022	12/31/2021
Assets		
Goodwill	483	481
Other intangible assets	338	287
Right-of-use assets	209	214
Property, plant and equipment	1.137	1.056
Investment property	24	30
Investments accounted for using the equity method	408	201
Other non-current assets	187	337
Deferred taxes	98	147
Non-current assets	2.884	2.752
Inventories	1.976	1.651
Contract assets	362	408
Trade receivables	1.548	1.164
Other current assets	242	213
Income tax receivables	23	11
Securities held for trade	132	162
Cash and cash equivalents	545	1.039
Assets held for sale	377	334
Current assets	5.206	4.982
Total assets	8.089	7.734

€ million	12/31/2022	12/31/2021
Equity and liabilities		
Share capital	112	112
Capital reserves	566	561
Retained earnings	2.140	1.755
Treasury shares	(6)	(9)
Rheinmetall AG shareholders' equity	2.812	2.418
Non-controlling interests	271	203
Equity	3.083	2.620
Provisions for pensions and similar obligations	484	773
Other non-current provisions	205	210
Non-current financial debts	517	706
Other non-current liabilities	56	45
Deferred taxes	78	38
Non-current liabilities	1.341	1.772
Other current provisions	674	677
Current financial debts	454	215
Contract liabilities	1.120	1.111
Trade liabilities	931	809
Other current liabilities	200	196
Income tax liabilities	67	87
Liabilities directly associated with assets held for sale	220	246
Current liabilities	3.665	3.341
Total equity and liabilities	8.089	7.734

Income Statement

Income statement of the Rheinmetall Group for fiscal 2022

€ million	2022	2021
Sales	6.410	5.658
Changes in inventories and work performed by the enterprise and capitalized	153	117
Total operating performance	6.563	5.775
Other operating income	221	134
Cost of materials	3.183	2.745
Personnel costs	1.836	1.643
Amortization, depreciation and impairment	249	251
Other operating expenses	768	656
Income from investments carried at equity	32	11
Other net financial income	(48)	(17)
Earnings before interest and taxes (EBIT)	731	608
Interest income	12	4
Interest expenses	32	31
Earnings before taxes (EBT)	711	582
Income taxes	(183)	(150)
Earnings from continuing operations	528	432
Earnings from discontinued operations	8	(100)
Earnings after taxes	535	332
Of which:		
<i>Non-controlling interests</i>	66	41
<i>Rheinmetall AG shareholders</i>	469	291
Earnings per share	€ 10,82	€ 6,72
Earnings per share from continuing operations	€ 10,64	€ 9,04
Earnings per share from discontinued operations	€ 0,18	€ (2,32)

Consolidated and adjusted income statement

9m in €m	Reported	Special effects	PPA effects	Adjusted
Sales	4,618			4,618
Total operating performance	5,336			5,336
Cost of materials	2,761			2,761
Gross profit	2,576			2,575
Other operating income	96			96
Personnel costs	1,502			1,502
Depreciation and amortization	205		21	184
Other operating expense	573			573
Other financial result	-6	2		-4
EBIT	364	2	21	387
Interest result	-47			-47
EBT	316	2	21	339
Income tax	-87		-6	-93
Result continued operations	229	2	15	246
Result discontinued operations	6			6
EAT	235	2	15	253
Of which: Minority interest	24			24
Of which: Rheinmetall AG Shareholders	212	2	15	229
Thereof continued operations	205	2	15	222
EPS	4.73	0,04	0,35	5.12

Cashflow Statement

Statement of cash flows of Rheinmetall Group for fiscal 2022		
€ million	2022	2021
Earnings after taxes	535	332
Amortization, depreciation and impairment	303	254
Impairment of non-current assets of discontinued operations	-	91
Allocation of CTA assets to secure pension and partial retirement obligations	(62)	(35)
Other changes in pension provisions	(18)	(17)
Income from disposals of non-current assets	(5)	0
Changes in other provisions	(9)	(51)
Changes in working capital	(507)	22
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(39)	63
Pro rata income from investments accounted for using the equity method	(74)	(15)
Dividends received from investments accounted for using the equity method	17	30
Other non-cash expenses and income	33	16
Cash flow from operating activities¹⁾	174	690
Of which continuing operations	175	705
Of which discontinued operations	(1)	(14)
Investments in property, plant and equipment, intangible assets and investment property	(349)	(271)
Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property	19	3
Cash inflows from for the disinvestments in consolidated companies and financial assets	2	1
Cash outflows from investments in consolidated companies and financial assets	(205)	(35)
Cash in-/outflows from/ for securities held for trade	-	(160)
Cash flow from investing activities	(534)	(462)
Of which continuing operations	(512)	(438)
Of which discontinued operations	(22)	(24)

Statement of cash flows of Rheinmetall Group for fiscal 2022		
€ million	2022	2021
Dividends paid out by Rheinmetall AG	(143)	(87)
Other profit distributions	(6)	(5)
Increase in shares in consolidated subsidiaries	1	-
Borrowing of financial debts	249	122
Repayment of financial debts	(232)	(231)
Cash flow from financing activities	(131)	(202)
Of which continuing operations	(65)	(300)
Of which discontinued operations	(66)	98
Changes in cash and cash equivalents	(491)	27
Changes in cash and cash equivalents due to exchange rates	1	4
Total change in cash and cash equivalents	(490)	30
Opening cash and cash equivalents January 1	1,058	1,027
Closing cash and cash equivalents December 31	568	1,058
Closing cash and cash equivalents December 31 from discontinued operations	23	19
Cash and cash equivalents as per consolidated statement of financial position December 31	545	1,039

Outlook

Group - forecast business performance in 2023

		2023	2022
Sales			
Group	€ million	sales growth to €7.4 bn to €7.6 bn	6,410
Division Vehicle Systems	€ million	sales growth 25% to 30%	2,270
Division Weapon and Amunition	€ million	sales growth 25% to 30%	1,470
Division Electronic Solutions	€ million	sales growth 15% to 20%	1,063
Division Sensors and Actuators	€ million	sales growth 5% to 8%	1,382
Division Materials and Trade	€ million	sales growth 4% to 7%	743
Operating result margin			
Group	%	operating result margin around 12%	11.8
Division Vehicle Systems	%	operating result margin 11% to 13%	11.4
Division Weapon and Ammunition	%	operating result margin 20% to 22%	20.8
Division Electronic Solutions	%	operating result margin 11% to 13%	11.1
Division Sensors and Actuators	%	operating result margin 7% to 9%	6.9
Division Materials and Trade	%	operating result margin 9% to 11%	9.1
OFCF (in relation to sales)			
Group	%	4% to 6 %	(2.4)

Next events and IR contacts

Next Events

CoBa Oddo BHF German Investment Seminar	8-10 Jan
Baader German Corporate Day	11 Jan
Oddo BHF Forum	11/12 Jan
Kepler Cheuvreux German Corporate Conference	16 Jan
FY/2023 report	14 Mar

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Quick link to our documents



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