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## PRESENTATION

**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Good afternoon, everyone, and thank you very much for joining us today. With me on the call is my colleague, our CFO, Klaus Neumann, who will guide you through the financials. Before we start, please be reminded of our disclaimer on page number 2.

So ladies and gentlemen, please have a view to slide number 3. On slide number 3, you see that on the sales side for the quarter, and we always told that the Q2 because also of the election delays, but also, and I will give you in details more that we are reducing a little bit the speed if you compare it with Q1.

So we have in Q2 on the Defense side, a growth of 13%, and I focus a lot on the defense side because as we had made a strategic decision that at the end of the day the civilian business we will take out of that, and I think in Q4 we will also find out if it is possible to take it to take it from the head.

In the first quarter we had on the Defense a growth -- in the first half year we have a growth of 36%. And we had EUR600 million goods which were ready, EUR300 million on the truck side. We signed last week this contract, so there was a delay of some weeks, so that it was impossible to do it on the top line. And we had also EUR300 million on the ammunition side. So if we would be able, the growth rate would be a level of nearly 60%, so we are ready with that product, and that is the reason that we are still convinced that everything in this year is growing into the right direction.

So the second point is the operating results. On the operating results, we have -- because we miss EUR600 million sales which are very profitable. And if you compare on this EUR600 million, it would be between EUR120 million and EUR150 million extra profit so that we would have an extraordinary good result. if we go what we have ready goods in our stocks, and the operating result is now EUR276 million, which is a plus of 2% in the Group.

Operating margin, it's on a level of 11.3%, which is, as I said before, operationally much better than we can show you in -- for the first half year. Very positive also is applications. We have more. We have nearly 150,000 applications, a lot of people who want to join Rheinmetall.

And the operational free cash flow is with minus EUR911 million, much -- it's not as a good number that we had last year and it's also very clear. The reason for that is the German government could not give us down payments because there was a delay of six months at the moment in the negotiations about that.

Q3, Q4, and especially then also because you can't -- you cannot really guide every quarter, the first quarter in the next year will be the huge -- we will get huge order intakes and also then down payments about that. CapEx with 8.2% is on a high level, but this is also very important. Because with all the contracts that we have and we expect and Minister of Defense in Germany especially says, but also other European Ministers of Defense tell us we must accelerate, we must be faster.

And on the Rheinmetall Nomination, we are in the first half year, nearly on the same level than we were last year, but in the quarter, we had EUR2.6 billion. Reason again is no decisions from Germany because of election. Rheinmetall backlog is with EUR63 billion, a plus of 30%, so we are in good shape in that way.

So what is the -- how do we see the future and what are the next month or the next quarter? And you know there are new NATO targets, and this is you see on slide number 4. And from 2% in 2024 up to 2035, there is a target now of 3.5% of core defense spendings and related infrastructure spending is 1.5%.

If you only focus on the 3.5%, it's a huge booster for the business, and this is exactly what we will see over the next quarters. And our idea is to show you because you really -- there is at the moment not enough capacity in [buying] (inaudible) especially in Germany, to bring all these contracts into the line. So we need a little bit more time and we have to look also at the first and the second quarter last year.

So if you look now on slide number 5 here, we gave you an overview about the Rheinmetall Nominations and the potential. And as we discussed last quarter, we -- the indication is coming also from the Ministry of Defense that a lot of the nomination will change into really fixed contracts. So in the first half of '25, we booked in between EUR13.7 billion, so nearly EUR14 billion. So on the Vehicle side for the next period in '25 and the middle to 2026, we see that Leopard 2, there is a huge need Puma, Boxer, Heavy Weapon Carrier, Caracal, Support Vehicles, but it's Self-Propelled Howitzer RCH, et cetera, et cetera.

So there is a potential for Rheinmetall between EUR30 billion and EUR35 billion, and I think that we can grab most of the things. Last time you asked me the question, what are the competitions about that things and in Leopard, Puma, Boxer, et cetera, there are no competitions because there are no other producers, and we do that together with our friends from Munich.

Second point, weapon and ammunition. On the weapon and ammunitions side we see a potential between EUR10 billion and EUR15 billion. There is loitering ammunition, medium caliber, a huge contract about medium caliber 155 SMARt ammunition. This is the ammunition which have the seeker heads to fight against the main battle tanks and also another contract on the 120 millimeter.

On the electronic solution side, there are Skyranger. This is one opportunity between EUR6 billion and EUR8 billion and another opportunity came up now Friday last week. This is also on TaWAN's side. There is a need to double the contract on TaWAN, as there was around EUR8 billion, seems to be that it can go up to EUR16 billion so to double that. This is not in that list.

Lynx on medium caliber, powder plants, Boxer, and a lot of different other things is at the moment on the international side to EUR13 billion to 15 billion is what we see, and you see the flags from Italy, Romania, Lithuania, Latvia, et cetera, et cetera. So Bulgaria is the newest thing that we that we go forward.

We think that we can make everything happen over the next 12 months. So in total, we see and that from 2025, so this year the second half of this year and the first half of 2026, and we gave you -- we give you that information because of these 6 month delay of the German election and Germany is a driver at the moment for the national but also for the international business here in Europe that we have an opportunity of more than EUR80 billion in order intake.

So the next slide is showing you the strategic partnership or the M&A activities that we made in between. I will start with CAD Malaysia. This is a production line in Malaysia for electronics, and we had a minority shareholdership, and we have now the majority of CAD in Malaysia, a production area where we can produce electronic components for a fair value. Blackned is for the digitization of important company where we took over the majority. Hagedorn, this is where we are able to produce up to 3,500 tons of nitrous cellulose. Tick in a box, it's ready.

Now, the Lockheed Martin joint venture is -- we are nearby for signing. The same is for ICEYE and also the cooperation with Indra. Leichtwerk is an investment that we made in North Germany, in Braunschweig where we have a drone factory where a lot of specialists of drones are there where we want to produce and develop a new drone technologies.

Reliance Defense is our cooperation that we have in India with the Reliance company. Resonant Holdings is South Africa. It's also a tick in the box. It's all done. This is our partner now and our company now who is able to build up chemical plants. So the same thing what we do on artillery plants, for example, we can do now on chemical plants. On chemical plants, we need now for sure it's nitrous cellulose, it's nitroglycerine, nitroguanidine, but also ammonium perchlorate and other things that we will build by ourselves. And as we always discuss, we want to do it internally and we want to have a vertical integration in this area.

Iveco Defense Vehicles, we made a very clear decision also with Leonardo because of the process, because the growth process must be very fast, that we can -- that we need some time to take out the truck business from the normal Iveco Defense business. So Leonardo took over the whole business, and we are at the moment in negotiation to take over at the end of the day the truck business in Italy.

And on the Naval equipment side, you have seen now the first information about that. We want to go more into the component side, and you see that the underwater technology is one of the things where we are investing and where we create at the moment also partnerships.

So far, from the market side a small overview about that, and I'm happy to take over to Klaus. He will give you an overview about the financials.

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**Klaus Neumann** - Rheinmetall AG - Chief Financial Officer

Thank you, Armin. Let me start with an overview on our Group's KPIs. As Armin mentioned, we delivered a good set of results within overall expectations. Some momentum as -- our momentum was lost due to pull forward effect into Q1. And also delays in the call off of trucks in Germany, so sales will only start in Q3 rather than in June as it happened in 2024.

As a result, Group sales grew 9% to EUR2.4 billion of which are EUR1.9 billion are defense related. The M&A impact includes EUR115 million from Loc performance, our acquisition at the end of 2024 in the US. All three defense segments delivered good results, but Group overall result was held back by further decline in the civil business, which also includes transformational costs. Overall, Group operating result increased to EUR276 million. As a result, Group margin moved to 11.3% supported by a 13.2% margin in defense.

Moving on to the next page. Vehicle Systems sales increased to EUR945 billion mainly driven by ramp up in the production of tactical vehicles where the performance, as mentioned in the logistical vehicles held back as a big call off from the existing frame contract was only placed earlier this month. But it is put to note that all the vehicles were already -- that we are going to deliver in Q3 and Q4 have already been produced. As a result, a slightly favorable mix effect increased the operating margin to 10.3%.

Weapons and Ammunition. Sales grew by 5% to EUR724 million driven by a 150-millimeter order from a NATO country and increased amount of tank ammunition. This development came despite the already communicated pull forward effect into the first quarter, [set] in the first half of 2025 increased overall by 26%. The operating margin increased by 0.7 percentage points to 22.7% in the second quarter due to a favorable leverage effect.

Moving on to Electronic Solutions. That division showed a stronger sales growth within all defense segments. It grew by 44% to EUR570 million mainly driven by the delivery of intercom sets, the TaWAN ramp up, and the delivery of air defense systems to European customers. Operating margin was affected by ramp up costs for the F-35 production near Dusseldorf, and as a result, the margin declined to 8.6%.

The Power System sales development is with minus 6%, again below previous year's level, mainly due to the weak market environment. The low production volume environment and transformational cost whether the reasons for the decline of the operating margin to 3.0%.

Let's turn to page number 10. As expected, the late government formation in Germany in May and June, NATO summit resulted in cautious order placement by our customers. Several orders, like a call off by Germany for our trucks have been postponed into the second half, and as communicated, have now been placed. Weapon and Ammunition account for almost half of the EUR2.6 billion Rheinmetall Nomination.

Most others across all segments were a relatively smaller size in compared to a strong previous year quarter that was driven by the signing of the larger frame contract for artillery ammunition, the heavy weapon carrier contract and BLS trucks for Germany.

Due to a strong first quarter for Electronic Solutions, this segment shows the biggest increase in the Rheinmetall backlog compared to the previous year, followed by [ramp up] in ammunition and vehicle systems. In total, a backlog increased by 30% to EUR63.2 billion year-over-year.

Let's flip to page number 11 for a detailed look into our operating free cash flow. The low order intake goes hand in hand with low levels of [customer] prepayment as mentioned, which was one of the reasons for the negative operating free cash flow development in the second quarter. The further buildup of operating working capital added to this development.

One of the buildup is also, as mentioned, the increased stock of trucks that are ready to be delivered to all German customers. Lastly, CapEx spent for a new capacities was an additional reason for the negative trend in operating cash flow, which is expected to revert towards the end of this year.

Please turn to page number 12. I would like to give you a brief overview of the latest developments in our balance sheet. The first convertible bond series was issued in 2023 is now fully converted. Series B is approximately 50% converted. As a result, total numbers of shares are almost 56 million pieces. This helped to increase our equity ratio to 33.7%.

The conversion of the convertible bond will have a favorable effect on our interest payments. Already this year and of course also in the following years when the full year effect for Series A will be realized. In the absence of material cost prepayments and the accelerated investment in inventories and equipment, our net financial position decreased slightly year-over-year.

This closed my presentation, and I hand over to Armin. for the outlook.

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Thanks, Klaus. So slide number 14 is taking you what happens at the moment on the power system transformation. We are well on track. The plant conversion of defense is -- Berlin is finished in July 1. So Weapon and Ammunition takes over the Berlin plant. And where we produced automotive components, we will produce now components for defense, especially for ammunition, inert ammunition components in Berlin.

Neuss is still ongoing, but we are on a very good way, and we will have, let me say, a final organization this year. What we want to build up is air defense capacities. We will build Rheinmetall Air Defense in Germany because of this huge contracts that will come from the German side. Turret technology, vehicle technology, protection technology, but also satellites. As we you know, have this cooperation with satellites producers.

We are looking also for other sites, and we are very fast if we do it that way because then we have the factories. The investments is much smaller than if we build up a new factory. So that's the reason that Hungary and Italy, we are looking at -- also at factories in Hungary and Italy, especially in Szeged in the south of Hungary and in Italy in the central part of Italy to create a hybrid factory where we have civilian products and where we have then also defense products.

M&A process. We are in competitive negotiations in different areas. We have currently talks with several interested parties to sell our civilian business and we are aiming for a decision by the end of this year, and we hope that, at least middle of next year we can have a closing of that deal.

Let's have a look to slide 15. The two biggest constructions, there are a lot of construction that we have, are completed in record time. And we will have now the grand opening in Q3 of the Plant Niedersachsen in Unterlüß. Where we have capacity, the maximum capacity of 350,000 rounds. As discussed last time, the fortune capacity is 500,000 and the lapping capacity maximum 350,000. We will produce, this is our target 20,000 this year. And then we have a ramp up curve for next year, so that in the year '27, we will be able to produce a full capacity of nearly 350,000 rounds.

The second point is Fuselage plant in Weeze in Northern Westphalia, and here is manufacturing readiness, so we started some weeks ago with the production of the first fuselage we had -- we will have the grand opening in September this year, so we are also in time. And here after 16 months, we are able to start the production.

If you ever look to page 16. We have pronounced seasonality persists with focus on Q4. We will be back loaded. We want it to be better, but again, and this is very, very important, we had some weeks delay on this truck contract so that we are not able to make this EUR300 million sales in Q2. This will be now -- we will do this now in Q3, and some of them also in Q4, why? Because there is a limited capacity in (inaudible) where they can take over the trucks.

And, per week, there is a limited number they can take over, but we deliver. Everything is ready and we deliver week by week now the trucks till the end of the year. So we've signed this around EUR3.45 billion on trucks, and we are able to deliver everything this year. So that we have very high confidence for a strong order intake Q4 and also [better] for a strong sales.

Rheinmetall backlog expected to raise this year be beyond EUR80 billion but if you count everything up in the middle of next year, if everything is running well and we think we are on a very good wave, we could have a backlog of EUR120 billion. The sales on defense will be plus 35% to 40%. As I told you before, we would be in this range also for the first half, if we could deliver the ready goods that we have in stocks.

We will have a flat business on the civilian business, which is no longer core business about that, so that we said we will have an operating margin of minimum 15.5% as a Group, coming around 19% to on the defense side and the cash conversion rate of more than 40%.

So thank you very much for your attention and we are ready now for Q&A.

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## QUESTIONS AND ANSWERS

### Operator

(Operator Instructions)

Sebastian Growe, BNP Paribas.

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### Sebastian Growe - Exane SA - Analyst

Good afternoon, Mr. Papperger, Mr. Neumann. I have two questions, which are on the demand and order pipeline. From the chart there on slide 5, you mentioned another pipeline of more than EUR80 billion until the end of H1 '26. First part of the question is related to how would this number compare to the previously disclosed target which was more than EUR55 billion in '25.

And how might the mentioned German spending boost impact your pipeline going forward? So both for '26 and especially also beyond '26, or simply put, do you still consider the capture rate of the German procurement budget of 50% that you once mentioned on prior calls. It still is a realistic target. So I would stop there.

**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Yeah. So first of all, the expectation and the numbers that we expected six months ago are now, let me say higher than that what we expected six months ago.

We will not longer speak about and this is the point -- this is an agreement that we have with the government, and this is something to do also with the security levels about numbers of vehicles, but I think the figures are very high and higher than we expected on everything, on main battle tanks, infantry fighting vehicles, and also on the 8x8 and other vehicles sides.

So expectation is high, and there are two things that we have an overview at the moment from now to '29 and from '29 to '35. So these are the two periods that the government is planning. So in -- we will get in details, over the next month, a perfect overview about all the delivery rates up to '35. So a very, very safe thing. This is number one.

The second point is that -- this is a discussion we had also the beginning of that week with Ministry of Defense that we will have no cash issues because there is cash in us at the moment, especially in Germany, and the down payments will be good. We are at the moment in negotiation how the rules and regulations of the downpayments are coming up and these downpayments will be very positive for us for the next years.

And so the trend is also the next point, how long, let me say, will it work. So as I said, especially on the German side, we will have a very clear picture up to '35, so for 10 years. On the international business in some areas, it is longer than 10 years. If you see to Italy, we speak about 15 years where they are going forward. So I think we can -- we will have, over the next six months a very clear picture about that what happens over the next 10, 15 years.

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**Sebastian Growe** - Exane SA - Analyst

That's very helpful. Absolutely. If I may take you up on the comment you made around the downpayments, on prior occasions, we also discussed that the frame backlog, might well be converted and that the largest part of that is Germany, apparently. So how should we square that then the conversion on the one side and then the potential booster, I think around, downpayments is sad to say, on the other side.

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

What we do at the moment is really to find -- because as you see all these nomination letters from the defense side we got at the moment, all of them, yes, are more than fulfilled. So mostly if you have a framed contract, mostly it will happen that -- and this is by law possible that they overrun this stuff by 50%. So if we had a EUR5 billion frame contract that we expect over the next year because there is such a big need and this is what you see what the Minister and the Chancellor says, especially on the German side, that if there is a EUR5 billion nomination letter at the moment or a frame contract that we expect that EUR7.5 billion will come up. So we count at the moment really that the frame contracts will be enlarged and then changed into fixed contracts.

The point is what we have to do, and this is what the financial guys from our side and the Ministry of Defense are doing at the moment is not to overpay also the downpayments because if you get all the downpayments in one slice, yes, you have too much money at the end of the day. What we want to do is we want to make our -- to finance our investments, to have a good operational free cash flow, but not, let me say to eat all the potatoes in the first week.

We need also a lot of food over the next years and also a good cash management in that way. I think at the moment the flexibility of the government are very, very high. And what I hear at the moment, especially from the German government, is that, okay, please tell us what you need. Tell us what you want. Money is there. We can guide, let me say the why -- the way, where we want to go. So I'm on a -- it's very convenient for us.

**Sebastian Growe** - Exane SA - Analyst

Indeed it is. Thank you so much for the color and then very lastly, and quickly go back to my first question, the 50% question. Is that a number that you still feel comfortable with after everything that you have been seeing and discussing?

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

We are going a good way. We are going on a good way at the moment. So the -- I cannot 100% whatever if it is 45%, 55% about that, but I think around that. I'm still convinced that we are able to catch a big part of this orders the German government will give, 100%.

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**Sebastian Growe** - Exane SA - Analyst

Thank you so much, Mr. Papperger.

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**Operator**

Alessandro Pozzi, Mediobanca.

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**Alessandro Pozzi** - Mediobanca SpA - Analyst

Hi there, and thank you for taking my questions. I have two. I believe in the opening remarks you mentioned, you talked about the TaWAN contract that potentially could double. I was wondering if you can give us a bit more color around that.

And the second question is over the last few quarters, I would say you've substantially expanded the number of partnerships with Lockheed, Anduril, Reliance, and potentially Naval as well. Maybe can you talk about the last two partnerships with Reliance and Anduril in terms of upside? And also what do you think is the line between the trade-off in terms of expanding your product portfolio and maintaining focus on execution? Thank you.

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Hi there, and thank you for taking my questions. I have two. I believe in the opening remarks you mentioned, you talked about the TaWAN contract that potentially could double. I was wondering if you can give us a bit more color around that.

And the second question is over the last few quarters, I would say you've substantially expanded the number of partnerships with Lockheed, Anduril, Reliance, and potentially Naval as well. Maybe can you talk about the last two partnerships with Reliance and Anduril in terms of upside? And also what do you think is the line between the trade-off in terms of expanding your product portfolio and maintaining focus on execution? Thank you.

Yeah, let's start, Alessandro with TaWAN. On the TaWAN side, this is the information we got over the last two weeks that the need -- and this is also very clear. The fleet is growing strong. So -- especially, Germany is looking for a lot of new vehicles and much more than we expected some months ago. If we have more vehicles and if we try to get also more people, new brigades, you need also more electronics.

You need more communication, and that is -- the reason that there is a potential at the moment to double the need on the TaWAN side to have the communication from the front line to 500 kilometers, let me say, into the back.

The second point is also -- and this is what I told also to have better and more satellite communication, yes. And we are also now on the way, especially on the LEO satellites, and that is the reason that we are investing in that point that we will not only build the building of the satellites

for us is a door opener, but we have to be a service company also. And this is part of our digitization strategy. This will also grow, and this will also, or it could be part, let me say on [top of] TaWAN

The second point is that -- or the third point is that the corporations with Lockheed are running into the right direction. So as you know, we are in discussions with this missile production, and I think we will have the first success this year. So the production line of rocket motors and missiles in the north of Germany are on a very good way. The reason for that is that we got green lights and permissions for these factories. We are now in 12 months ready. In 12 months' time, we will have all the mixers, all the curing stations, et cetera, et cetera to be able to create 5,000 rocket motors.

Anduril is a partnership in different areas. We check different softwares, if we can implement softwares. And what we do is we are checking also, let me say, long range missile technologies, but totally different technologies than on the Lockheed side because Anduril has, let me say very cheap versions. So what we want to do is we want to go into the maximum technology version which will be for sure a Lockheed version, and then the Anduril version where we have cheaper missile version.

So in the unmanned plane side, we have a look at the moment to all partners. There is Anduril. There is Lockheed, but there is also Boeing who is taking care about that thing, and we take care of what the German government wants. And the advantage that we have is that this unmanned planes have to act with the F-35.

And on the F-35 side, we have a lot of technologies of F-35 and we have especially the IT infrastructure to handle restricted data from the US government. Nobody has that at the moment. So we are the only ones who are able to do it because on the fuselage of the F-35, yes, it's a very restricted area from the US government. And this, I think, will help us a lot to be a good partner for the German government and to handle a US IT structure and especially restricted IT structures.

On the Naval side, we are at the moment in some negotiations with partners, and I hope that we can give you as an investors over the next five, six, maybe seven weeks an overview about that what we are doing. We are in non-disclosures in this area, but we think we are able to create really a big business also on the naval side. And we will make investments. This is at the moment our target on the Naval side to invest in this area to enlarge our product portfolio.

So missiles is enlarging of the product portfolio. Naval side is enlarging of the product portfolio, and the artificial intelligence corporations, is it, but we don't -- we not only do it with Lockheed, with Anduril, yeah, we speak with Deutsche Telekom about that thing on the satellite side, on the artificial intelligence side. We speak with a lot of digital providers in this area because we think we could be a good interface manager on the defense side.

Is that good for you, Alessandro.

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**Alessandro Pozzi** - Mediobanca SpA - Analyst

Yeah. It's very clear. But also I think your product portfolio is getting quite big and I guess, you have to prioritize management time but also financial resources, and I was wondering how you prioritize that.

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Yeah, so it's a very clear thing what we do. The biggest investment at the moment is going into the ammunition side and also into the missile side. So huge investment on building up the capacity of energetics so of powder, (inaudible) and this is a strong thing and of production of ammunition. So in the ammunition, there are missiles and [artillery] where we at the moment focus because we think and we know that up to in some areas like powders, we are fully booked up to 33 in between. So this is this is the point where we need more capacities.

The second point is we have to take care about the vehicle production on the vehicle side. The investments are not as big as in the energetics because in the energetics is our very clear strategy that we have a vertical integration and in this vertical integration we invest at the moment in

nitroguanidine in other things, but also, we will make investment in AP, so ammonium perchlorate, because we want to have a vertical integration also on the missile, on the rocket motors.

Vehicles, coming back to that, we make automatization. So automated welding shops, automated chassis production, and also helping on the robot side, on the turret production, et cetera, this is the next point. And if you see the factory that we implemented in Unterlüß, it's unbelievable. That is a nearly manless factory. We can drive ghost shifts where the third shift is only let me say, with two or three people, with two technicians who take care of by the robots and the automatized side. So this is where we do that investment.

Our investment level on the CapEx, we'll be on a level at the moment of 8%, which is we can guide that very clear with the downpayments. As I told you, the governments are very flexible with the down payments, so it will not hurt us. And the return of invest -- of all that investment is mostly less than three years. So it's not a big risk. In some areas it's less than two years. So this is a very good investment also, and we are not suffering in that area.

So now the missiles are coming and on the missile side the investments are not as big, and the reason for that is also that we are not investing in R&D. We are not investing in 10 years R&D programs to say, okay, we want to do, we want to cooperate. And that's the reason that we make these joint ventures and this joint venture with Lockheed, for example, gives us a good opportunity with less spending to make very fast business as an example.

And so we make a risk analysis for every product group and for sure we don't overspend the point, and we want -- we don't want to overspend. We take care about our resources.

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**Alessandro Pozzi** - *Mediobanca SpA - Analyst*

Thank you very much for the answer. I'll turn it back.

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**Operator**

Sven Weier, UBS.

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**Sven Weier** - *UBS AG - Analyst*

Yeah. Good afternoon. Thanks for taking my questions. The first one Mr. Papperger is kind of circling back to our previous discussions we had on kind of the mid and long-term sales potential. I think last time we spoke, you pointed to kind of a 20-30 sales version of EUR40 billion to EUR50 billion. And I think you were confident to grow the defense business also like at the 20% clip thereafter. I mean, now you talked about getting sales visibility from the German government until 2035, Italy even longer. Do you want to give us an update how you feel about this, after what has happened in the last two months? That's the first one.

Thank you.

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**Armin Papperger** - *Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer*

Yeah. So I stay what the expectation we had. I stay on that level. There is really the potential to grow up in this area, and this is what we said, and I stay on that in 2027. This is the outlook that we gave. We will be between [20%.] There is an opportunity to grow up to [20% to 25%] and [EUR40 billion to EUR50 billion] in 2030 is that what we say.

There are -- there will be also some M&A activities in between. And what you count is -- and this is our target at the end of the day we want to buy -- and we have to buy, let me say to enlarge our product portfolio, but also to deepen the vertical integration in some areas. Every year a company

and I expect that we are able to buy every year a company who makes around one or a little bit more than [EUR1 billion sales] So if you count that up, then at the end of the day between now and 2030, there are also [EUR6 billion, EUR7 billion] only with coming out of M&A. So this is our target.

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**Sven Weier** - UBS AG - Analyst

And beyond 2030, is that still something you're confident with to continue to grow the defense business at a double-digit rate?

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

If we are -- look, if I'm very clear at the moment up to -- as I said, we will be very clear up to 2035 after booking these points because then a 10-year period, especially from the German side. From the international side, I think we get not such a good overview, but I'm very convinced that we are able to grow further because we have the contracts.

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**Sven Weier** - UBS AG - Analyst

Yeah, I guess by the time of the CMD, you probably know more about this. So we'll come back to that. The second question I had was just maybe following up a little bit on what Sebastian asked at the beginning on the kind of longer term pipeline beyond the next 12 months. And I wanted to speak to you about specifically.

Obviously, about the drone decision from the German government, it seems that, Airbus is in the race, (inaudible) is in the race, and you guys are in the race. I mean, what do you think is your edge over those two other groups and what you can potentially offer?

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Yeah. The -- as I said, we are at the moment in discussions with these three main partners. These partners are Boeing, Lockheed and Anduril. And we have not, let me say, a development version to say, okay, we won't develop ourselves and what we do is, as Boeing at the moment is flying in Australia. The Americans, this is a black program that we have is connected with the F-35 program. And at the end of the day, we speak about 400 unmanned vehicles that the Germans need in that area, yeah.

And if you count up what is -- that's a huge business. We think that the running programs and the companies who have developed over the last 15 years, so like a company like Lockheed Martin has technology, let me say, a huge opportunity. So -- and other companies are starting now, with -- in the R&D phase. They're starting now with PowerPoint work. And I think at the end of the day, and this is what I hear from the Ministry of Defense, you have to make it happen.

And a lot of people are always discussing to say, okay, yes, we can do this, we can do that. You remember last time we discussed about new powder technologies, blah blah blah, which are coming up, but you have to deliver. And you have to deliver fast, and I think we are able to deliver fast. So the [USB] time is one thing where we think that we are not bad.

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**Sven Weier** - UBS AG - Analyst

And maybe lastly, I mean, also circling back to the pipeline a bit on Ukraine and the ammunition contract. I mean, what's the current status there. Is that all influenced by the geopolitics and whether the US wants this or not, or how should we think about this contract?

**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

So as the first contract from the Ukrainian side is signed. At the moment not happy with the speed that we have on the Ukrainian side, but because not of us, also because you know that there is a new factory that we build up, but we started in Ukraine on the same level or nearly the same time that we started in Germany.

In Germany we are ready and in the Ukraine, we are not ready. The bureaucracy in Ukraine is unfortunately very high. I'm not happy about that. But they want to double the capacity now, on the factory number 1. This is the good thing of this story, and the other thing is still that they won't go forward with higher numbers, but at the moment there is missing money.

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**Sven Weier** - UBS AG - Analyst

Very clear. Thank you very much, Mr. Papperger.

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**Operator**

Christoph Laskawi, Deutsche Bank.

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**Christoph Laskawi** - Deutsche Bank AG - Analyst

Good afternoon. Thank you for taking my questions. The first book would be just coming back to the pre-payments on the order potential. I think you like before that the pre-payment was roughly 20%-30% of the order value. Considering the pipeline that is from Germany that could be quite substantial this year and next year.

You also commented that you don't want to get too much. So the implication would be if I take it correctly, that the share is likely coming down and you manage it a bit. And then, linked to that, what do you think, is the share of money you need for CapEx requirements to build the capacity and what do you need to in order to get the supply chain ready, right?

So financing your suppliers, getting their capacity ready. And another question linked to cash and also M&A and capacity will be if you buy the Iveco truck business, would you still look at (inaudible) plant either in contract manufacturing or to produce, or is that then essentially gone?

And last question, if I may just on your Q3 indications you gave on the slides. Is it fair to assume the Q3 topline wise would be a slower quarter versus the target run rate for the full year, or should we read that into the segment?

Thank you.

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Yeah. So first of all, on the pre-payment side, I think it's a very important thing that at the end of the day, we guide a little bit at that point because it's a very nice and it's a great story and it's also a great story for you as investors. If you say, okay, we have one quarter where we have whatever some billion downpayments. But you cannot have this in every quarter, and we don't need all that money and we are not a bank, so which is doing -- going forward. That is the reason that our financial guys at the moment take care about that, that we are always positive.

But it makes also not a lot of sense to get all the money, let me say, on one pile, and then over the next five quarters, there is money missing and US investors and also you have also -- you had a great cash conversion rate of some 100% on one day, but in the next quarter then you are negative.

So at the end of the day, we want to do it that it is good for the customer, and it is good for us and it is good for the shareholder. So this is one thing where we try to find at the moment, the best way. The other thing is what is also very important, if you have 20% to 30% down payments and if you have a 10-years contract, for example, to go forward, we speak about huge figures. And this is a point that we have to handle.

I think it -- a good idea would be at the moment to get down payments for two or three years and then to have the next slide to go forward to mix it a little bit at the end of the day and also not to make the team lazy but because let me say if you swim in money at the end of the day, the team should not be lazy. They should fight also for all that thing. So that is -- let me say it's not easy, but on the other thing, it's a better situation that we have at the moment than some years ago where no downpayment and no other things were possible.

Second point is on the Iveco side. On the Iveco side we at the moment, and this is a common target that we have with Leonardo, that at least let me say end of this year, at least at March next year, we will have a solution. There must be a (inaudible) process of this, and we have to know which machine is working for trucks, which machine is working for technical vehicles. And this is the job that we have to do now.

Most of the jobs we have to do in in this year, so this is, let me say a second due diligence after the due diligence we did with Iveco that we have to do now also on the Leonardo side and then I think we are very safe to go into a process to take that out.

So Osnabrück for us is a point that we made no final decision about that. What we always said is what we need is a very clear plan about all the things because we want to make on one side automatization. With automatization, I think we need less space and also less people that we expected some years ago in such a growth rate. But it is also very clear that the capacity on the vehicle side, these are not huge investments, but these are investments, that we have minimum, let me say to double the capacities on the vehicle side.

And then we will see what's going on with our friends on the automotive side, how can we help, but I cannot make a decision today about that thing. Is that fair enough?

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**Christoph Laskawi** - *Deutsche Bank AG - Analyst*

Thank you. And just, yeah, following up on the Q3 indication that you gave.

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**Armin Papperger** - *Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer*

Yeah. On the Q3 side is -- and I'm coming back because this is very, very important to understand what's going on. So Murcia is giving us on the ammunition site and a problem because we cannot sell full shots. The customer wants to have full shots. The powder is ready, but the sealing of the powder, this is the last step of the production side, so the powder production is ready. All the productions are running.

That's the reason that we pile up different things. It depends on the ammunition site, especially on, and you know that this is at the moment the biggest factory on ammunition that we have in Spain. And it depends a little bit when we get the final permission from the Spanish government to start again the receiving process. We still at the moment have not this permission.

So is there something wrong with the market? No. Is there something wrong with production? No, it's at the end of the day a stamp that we need from the Spanish government. We try to get it as fast as possible. If we do that, then we will work 24/7 in the receiving process to give full shots to our customers. So therefore, if it is September, October, I don't know.

And therefore, I cannot say how big is the impact in Q3, and it's not a disaster or whatever, but at the end of the day we must be careful, and we want to be very transparent to you. For the whole year, we see no impact because we believe 100% that we get the permission in this timeframe September, October, but still at the moment we don't have it. And -- so there will be absolutely an impact on that.

The second point is that we deliver for 300 million trucks now, week by week. But in Q3, at the moment (inaudible) has not the capacity because we continue production that maybe some of the deliveries also have to come from the 1,400 trucks into Q4. So there could be the effect that we have seen in Q2 could be also in Q3, there could be an infection, if I call it that way, that at the end of the day it is more backend loaded on Q4.

We only want to give you the transparency. It's not a problem of production. It's not a problem of market. It's not a problem of contracts. It's really a point, an issue of delivery, how to deliver to the customer. This is exactly what happens on the truck side, and it's part of permission on the ammunition. These are the two things this could impact.

Is there a growth? Yes, for sure. Is there a good growth for the year? Yes. We stay on that what we what we what we told you and what we said on the on the on the outlook where we where we will be. The defense growth will be between 35% and 40%, but it will be what we don't want, but it will be very [backend] loaded on the Q4 side, and we hope that we can do as much as possible in Q3. Is that transparent? Is that clear? It's not a risk, but it's, let me say to be transparent to you.

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**Christoph Laskawi** - *Deutsche Bank AG - Analyst*

That's extremely helpful. Thank you.

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**Operator**

Marie-Ange Riggio, Morgan Stanley.

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**Marie-Ange Riggio** - *Morgan Stanley - Analyst*

Yeah. Hi, Armin and hi, Klaus. Thanks for taking my question.

I have a first one on the full year '25 guidance because it seems quite reassuring to see that during Q2 you did build up EUR1 billion inventories, which is what one of the [recall] levels that you had during Q2, and you just mentioned during the presentation that your Q3 and Q4 deliveries for trucks are already prepared.

So my question is, what is your level of confidence in your current '25 guidance and is there any element of conservatism given the recent development in Europe or we have to think about this year like everything has been pushed to the right and so that's why you have not been able to update the guidance in each one.

And the second question that I have is on your capital allocation, very strong balance sheet since like now a few quarters. We know that your priority and you have said several times that is remain M&A, but given your current firepower that you currently have, does it imply that you can be willing to focus on large acquisition, or will you consider further sheer return? Thanks.

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**Armin Papperger** - *Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer*

Maybe I start with the second point, Marie-Ange. On the, acquisition side, we are looking at the moment really to fill our gaps that we have in the product portfolio. And as I said, year-by-year we want to grow, let me say minimum EUR1 billion on the sales, and we are able to invest also EUR1 billion for the M&A because -- and this is what I tried to tell you before, we don't want to be a bank. We don't want to select all the money only to have it on our bank accounts, so we want to use it, but we don't want, let me say, to overspread, let me say our balance sheet on the other side, and maybe it's a good idea that my colleague Klaus is going about that. He's a financial star here in the company.

**Klaus Neumann** - Rheinmetall AG - Chief Financial Officer

Yeah. In terms of the capital allocation, we don't see any change to what we mentioned earlier. As Armin mentioned, we don't want to be a bank. We see capital as a buyback of shares as the ultimate option if we don't find any better use for the money. We want to balance also the pre-payments and the cash inflows, and there are several ways to balance this. One way also is to basically extend our product portfolio as mentioned through M&A activity and as you rightly mentioned, we are prepared also for larger acquisitions, but at the moment that is not in clear view.

In terms of the other questions, the confidence for the full year. As Armin mentioned, there have been some delays in the order placement by the German government due to -- by the set-up of the new government and the negotiations also following the NATO summit. So we didn't think it appropriate now to change our guidance given that the contract negotiations are all ongoing. We will have more clarity in the upcoming months, but as of the moment we are very confident that we will achieve what we have promised.

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**Marie-Ange Riggio** - Morgan Stanley - Analyst

Okay. Thank you very much. Very clear.

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**Operator**

David Perry, JPMorgan.

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**David Perry** - JPMorgan Chase & Co - Analyst

Hello, Armin, hello, Klaus. Hope you're both well. Two questions please, maybe one each. Armin, just lots and lots of press reports coming out about these huge numbers of vehicles that Germany may want to buy in particular boxes. So I just wondered if there's anything you can share with us that's maybe more concrete than press reports. I'm also curious how quickly you can industrialize, in particular on the Boxer, like what sort of annual production rates you think are possible in the coming years.

And then maybe the second one is for Klaus if possible. If I take the midpoint of your margin guidance for this year for vehicles and electronics, both of them would imply a very strong margin in the second half, I think higher than you've done before. Are you comfortable with that?

Thank you.

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Yeah, David, first of all, as you said, we have an agreement now that not to speak about numbers, but I can give you one thing that what you can read in the press at the moment is conservative.

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**David Perry** - JPMorgan Chase & Co - Analyst

Okay. With regard to boxer or the whole package of vehicles?

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

The whole package of vehicles and especially on the on the Boxer side. It's -- what you can see in the press is a very conservative number. And the reason for that is also that the press is feeding with conservative numbers because the government don't like that at the end of -- everybody knows what we want to do. This is number one.

The second point is what I told you is -- let's say, we have to build up capacities and not capacities in to have the factories. We have factories about that. What we want to do in the factory side is we want to do more like we did on the ammunition automatization. So -- and in a period and we must be ready in 2027. We must be ready to produce, let me say, in full capacity. We have a very clear picture with the government how many vehicles they want per year.

And we are ready in this area. We started the investments. We started the area of automatization. There will be automated -- totally different than we produce at the moment. As I said, automating chassis production, automating welding stations, automated cutting, staff, finding synergies between different areas, better vertical integration like we did on the ammunition site.

So exactly what we discussed, especially both of us discussed several times about this vertical integration effect that we do. This is also a marginal effect at the end of the day. We are at the moment in that way to make a better vertical integration also on the vehicle side.

The concept is ready. It's harder for me now because I could be also very transparent, not let me say, to have a very clear guidance from the government, not to speak about these numbers. I can give you numbers, 100%, but I could give it, but I cannot because of this agreement that we have with the government. But believe me, it's a very conservative press release that you have.

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**David Perry** - JPMorgan Chase & Co - Analyst

Okay. Thank you.

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**Klaus Neumann** - Rheinmetall AG - Chief Financial Officer

In terms of the margins for electronic solutions, systems, these are both of the divisions that were kind of little bit pulled back into the margin, and in terms of electronic solutions and then growth for vehicle systems as we discussed. So once I mentioned, the production for F-35 will start, the ramp up cost will be compensated, and we won't have the same burden on our P&L together with the additional growth that will significantly lift the margins in electronic solutions.

And for vehicles we have the pre-produced trucks ready for delivery. The deliveries have now started and that will push the margin for the ecosystems as well, considering that we will not have the same level of pre-produced trucks by the end of this year. So these are two drivers for improvement of margins in these two divisions that he questioned.

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**David Perry** - JPMorgan Chase & Co - Analyst

Thank you very much.

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**Operator**

George McWhirter, Berenberg.

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**George McWhirter** - Joh Berenberg Gossler & Co KG - Equity Analyst

Good afternoon. Thank you very much for the questions. I've also got two, please. Firstly, on the slide 5 on the presentation again, I understand you don't want to go into the details, but on the EUR30 billion to EUR35 billion [year] order intake for the vehicles, are you able to broadly split out that by vehicle type if possible?

**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

I'm sure I'm able to do that -- to do this. So the biggest pack is Boxer. So the 8x8s are by far the biggest, and as I said, the numbers you can see in the press are conservative. So the potential is very, very high on Boxer. I would say the second biggest part is the infantry fighting vehicle and the main battle tank area. And we -- on the Boxer, we speak about really double-digit billions, so mid-sized double-digit billions.

On the main battle tank, we say mid-size single digit billions in that area. And then there is coming also then the auxiliary. There are a lot of, auxiliary stuff also coming up. It's a self-propelling howitzer RCH 155. So, but the 8x8 is by far the biggest.

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**George Mcwhirter** - Joh Berenberg Gossler & Co KG - Equity Analyst

Thank you for the detail. The second question is on the same slide. I don't think the UK is on the list of international opportunities there. I think you've already won that gun barrel contract to make gun barrels in the UK. Do you still see potential for winning contracts on how to supply and ammunition in the UK?

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

So the gun barrels are at the moment the point where we go forward. We are in discussion with the British government about special ammunitions and we are in discussion with the British government, especially also about powder technologies.

I believe that this year, we will get a final decision from Great Britain if they want to go with us, but you see, at the moment it is not in our plan. It's a potential to go forward, but it is not safe. And if it is not relatively safe, we don't take it into our potential.

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**George Mcwhirter** - Joh Berenberg Gossler & Co KG - Equity Analyst

Thank you very much., Armin.

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**Operator**

Benjamin Heelan, Bank of America.

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**Benjamin Heelan** - BofA Merrill Lynch Asset Holdings Inc - Analyst

Yeah, afternoon, Armin. Thanks for the questions. I had a couple. First of all, you've announced obviously Capital Markets Day in November. Can you just talk a little bit about what we can expect there? Is there going to be midterm guidance? Is it going to be on capital allocation, just high-level framework of what we can expect at CMD that would be awesome.

Also, there's been a couple of articles now about the German government potentially launching a strategic fund to invest in defense companies. I just wondered if you have any thoughts around this. Is German government wanting German industry an opportunity for you from a consolidation perspective, just any thoughts around that?

And then just coming back on some of your comments on Anduril. It sounds as though you feel the opportunities more in the missile side of the portfolio at Anduril. Obviously, they have quite a wide ranging autonomy portfolio as well. Is there an opportunity in drones and autonomy with Anduril? Just how can we think about that?

**Armin Pappeger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Yeah. So on the Capital Markets Day for sure we have a clear picture because then mostly of the contracts are signed or nearly signed in that point. So on the Capital Markets Day I think we can give you more detailed figures what we did last time for [27] and also for [30] Maybe I can have a few, then also a little bit more behind [30] because of the contracts that we will book. We are as much transparent as we can be, and this is exactly what we want to do on the CMD.

I'm -- we're preparing different things also some -- maybe we can officially -- we made officially then also some decisions on the M&A side to implement that into our growth story. I think there will be a lot of good news for you in that area.

Strategic fund or also consolidation. German government is much more active at the moment and that in that areas German government is let me say, weekly, nearly daily in contact with us and especially also with me. What we can do in this in this point, they love those. On one side they love the boys who let -- who make the job, who have the factories who make the job, who make it happen. And they laugh also to say, okay, what are possible also investments that we do, but these are smaller investments in startups and other things.

The point for me is that we do as Rheinmetall, and that's our bloody job to do both. We have to look for the innovative small companies, and this is what we do. We cooperate with different companies. Anduril is one of them. Other smaller companies are others. We cooperate at the moment with four or five drone factories if there is something going forward. We bought one of the companies now also here in Germany who gives us more capacities. So -- but this is not the big story. That's not the reason that we say if a small company who is at the moment doing nearly no sales and if they make one small agreement, this is, let me say a huge point.

If Rheinmetall is booking EUR100 million for drones, nobody takes care about that. So and this is very clear. I understand that because you expect billions and multi-billions of that of the big boys there. But we do it and we have our own group. We have an own department who is taking care about that.

On Anduril we are very flexible. What we are doing is our team, our technology team, is checking all the technologies Anduril has. The CEO of Anduril says, it's hard for me to make business here in Europe. I need, let me say, one guy who is really taking care about my technologies. And he said Rheinmetall would be a good partner.

So he offered us all the technologies they have to do something also in joint ventures where Rheinmetall have the majority, and this is our idea to create joint ventures with Rheinmetall majority to create European hubs for companies like Anduril, like Lockheed, et cetera, et cetera.

That we open, let me say the business for the United States to make 30%, 40% for the US companies, the rest for European companies. And then we can -- if they have good technologies, we can implement that technology to Germany. So if you say autonomy and if you say yes, but what's going on if you ask me for [fury] and other things in this area, I don't know who is now the winner in that point, and we as Rheinmetall must be open if Anduril, Lockheed or if Boeing is making the race at the moment, I think that the newcomers who want to develop some new things are not the preferred guide because the timeline is so long as I discussed before.

That's okay, Ben?

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**Benjamin Heelan** - Bofa Merrill Lynch Asset Holdings Inc - Analyst

Very clear. Thank you, Armin, I appreciate it.

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**Operator**

Sash Tusa, Agency Partners.

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**Sash Tusa** - Agency Partners - Analyst

Thank you. Good afternoon. I've got two questions. Firstly, on the orders that you're expecting or hoping for over the next 12 or so months, none of those orders seem to include the missile programs that you highlighted as potentially part of your joint venture with Lockheed Martin. And I mean that included a ATACMS, PAC-3, GMARS (inaudible) and so forth.

So when do you see those coming into German spending requirements. And what are the issues in terms of -- and I think on the last call, you said you thought ATACMS would be the first missile you put into production. Is that still the case? And do you have all the authorizations from the US for an overseas, production of a ballistic missile? That's my first question.

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Yeah. So let's start with the ATACMS side. As the ATACMS production in the United States will be closed because they focus on PRISM. And the -- what we are doing at the moment to work out, it's still not done, so we are on the way, and you know it's not easy to handle all this permission stuff which is going forward. So but my expectation is that end of the year, we are able to do it.

In 12 months, we are ready for the rocket motors and first of all, the rocket motor qualification must be done. We start in 12 months the rocket motor production, then we need the rocket motor qualification. So then we are end of '26, so that we see the first impact in let me say middle of '27. So this is our timeframe. That's the reason that at the moment, I'm not looking for that because this will not happen in H1 '26.

And without rocket motors and without the qualification in this area, I think it's very hard. For example, there are discussions also if let me say HIMARS, GMARS, or as we had the first firing on GMARS now also in White Sands. It was very positive, and, but I cannot book it because we are at the moment not qualified.

We prepare ourselves for that and as I said, my timeline that you see something on the top line will be in '27. And in one year's time, maybe in '26 if we are on a good way, if the customer sees that the production lines are ready, et cetera, et cetera, then we can speak about order intake. So it will be after the period that you see on page number 5.

Yeah, is that clear because that's the reason that it's not in.

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**Sash Tusa** - Agency Partners - Analyst

Yeah, okay, no, thank you. That that's very useful. So just to be clear on the rocket motors, is the rocket motor that you will be qualifying, is that an ATACMS motor or a GMLRS motor or a generic design to show that you can do the extrusions and get the reliability in terms of the mixing?

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**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

I think that we have to, as we have to qualify every rocket motor, and we are, we have a multifunctional production line. And in that with three mixers so that we can produce also different rocket motors, let me say in one time slot and it's a huge [base] huge factory that we that we build up there. So that my target is very clear. At the end of the day it should be 10 different rocket motors that we have to produce and then we are a real international player on rocket motors.

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**Sash Tusa** - Agency Partners - Analyst

Great. Thank you very much indeed.

**Operator**

Ladies and gentlemen, that was the last question. I would now like to turn the conference back over to Armin Papperger for any closing remarks. Please go ahead.

**Armin Papperger** - Rheinmetall AG - Chairman of the Executive Board, Chief Executive Officer

Thank you very much. Thank you very much for this interesting discussions, and as I said, I 100% believe that the way that we are going forward is the right way. The team is prepared. We have the right people on board. We build up at the moment our supply chain, which is, is really great. We qualify ourselves with new products in the product portfolio. So let's make it happen. We have now to deliver. Thank you very much for your time and hopefully I see you very soon. Thanks a lot.

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