



Q3 2022 CONFERENCE CALL

Acceleration of growth

11/10/2022

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Q3 2022 Group Highlights

Acceleration of growth

- Group sales growth of 12% to €1,415 m
- Operating profit rose by €11 m to €117 m
- Sequentially improved operating margin of 8.3%
- OFCF at -€37m
- Full-year guidance 2022 confirmed

- Large bore piston disposal signed
- First ring swap agreement signed

M&A update

Large bore pistons disposal marks next milestone in our transformation process



- Koncentra Verkstads AB, Sweden agreed to acquire the global large bore piston business of Rheinmetall
 - Transaction covers 290 employees on sites in Germany, the US and China with an annual sales volume of around €80m (2021 act)
 - Closing expected beginning of 2023
 - Transaction price remains undisclosed
- **Process for small bore pistons continues**

Market update: Germany status quo

Slow order processing delays order intake into 2023

Slow administrative progress

- Delays in order intake driven by slower than expected administrative process
- Inflationary environment requires adjustment of overplanned 100bn special fund
- Mainly reduction of navy and air force projects, army projects less affected

Negotiations on major projects in progress

All projects confirmed with delay

- **“Schwerer Waffenträger”** is under discussion in an GtoG deal and expected for H1 2023
- **Puma:** Upgrade decision for the first lot expected soon. Marder successor currently under respecification
- **Caracal** decision expected for 2023
- **IdZ** first call offs expected in Q4, framework contract expected for 2023
- **Ammunition framework** contract – decision expected for H1 2023
- **Trucks framework** contract – decision expected for H1 2023

Market update: International markets

International markets provide sustainable growth



Australia

- No shortage of defence budget!
- Instead of cutting the budget, review indicates an upside potential of 1.3% for 22/23
- Land 121 3b finalized & 5b ongoing
- Land 400 Phase II: Initial operating capability confirmed in October 22
- Land 400 Phase III: Announcement expected in 2022/ early 2023
- Potential of ~400€m order intake in 2023 for navy projects and ammunition



United Kindom

- Updated budget draft indicates path towards 3% defence spending until 2030
- Boxer potential of total ~1000 vehicles in different variants. Currently 600+ vehicles under contract.
- Potential ammunition framework contract



Ring Swaps

Leopard 2A4

- Cz Republic will receive 14 Leo II and 1 Buffel recovery vehicle
- Additional agreement in preparation with Slovakia

Marder 1A3

- Greece will receive 40 Marder with first vehicles delivered

Trucks

- Slovenia about to receive 35 trucks and 5 tankers



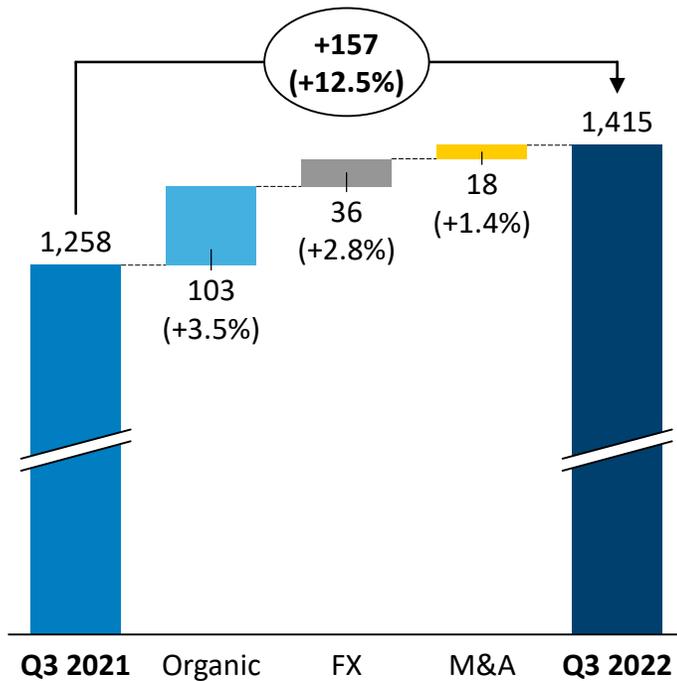
Financials Q3 2022

Q3 2022 Group Highlights: Key financial data

Double digit growth of sales and operating result

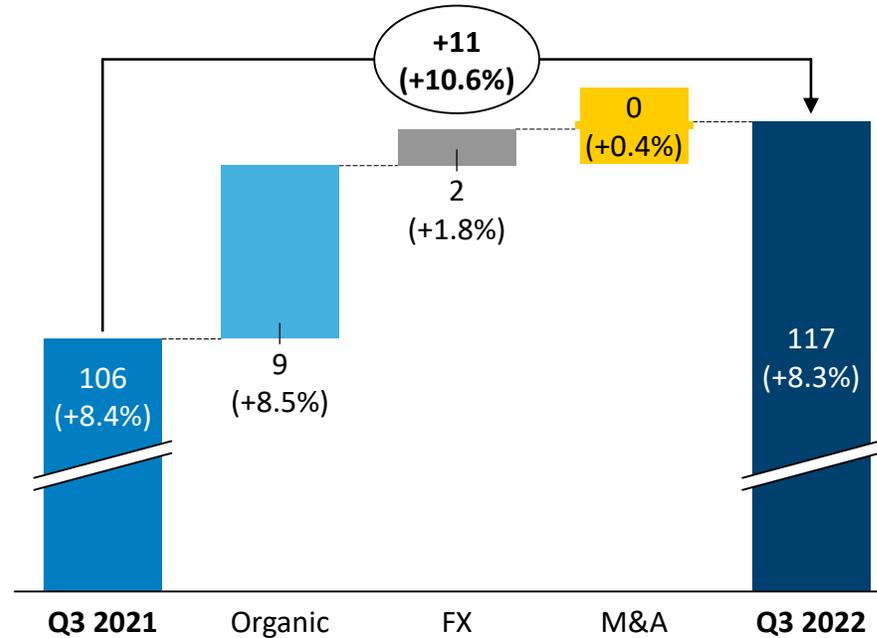
Sales*

in €m



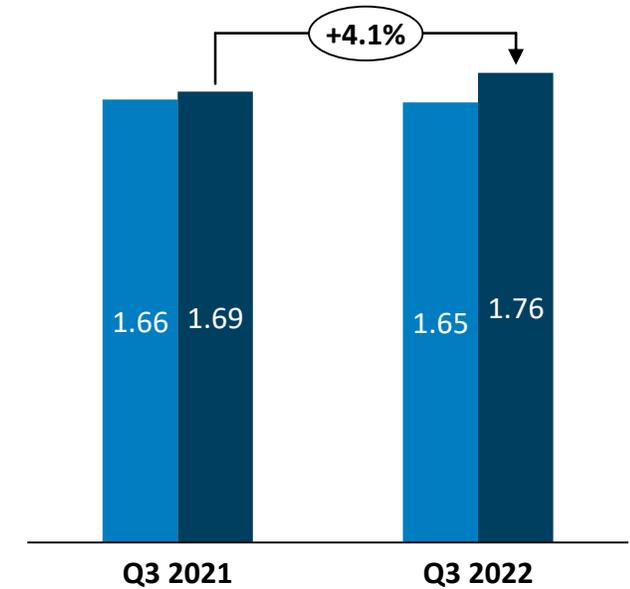
Operating result and margin in %*

in €m



Earnings per share

in €

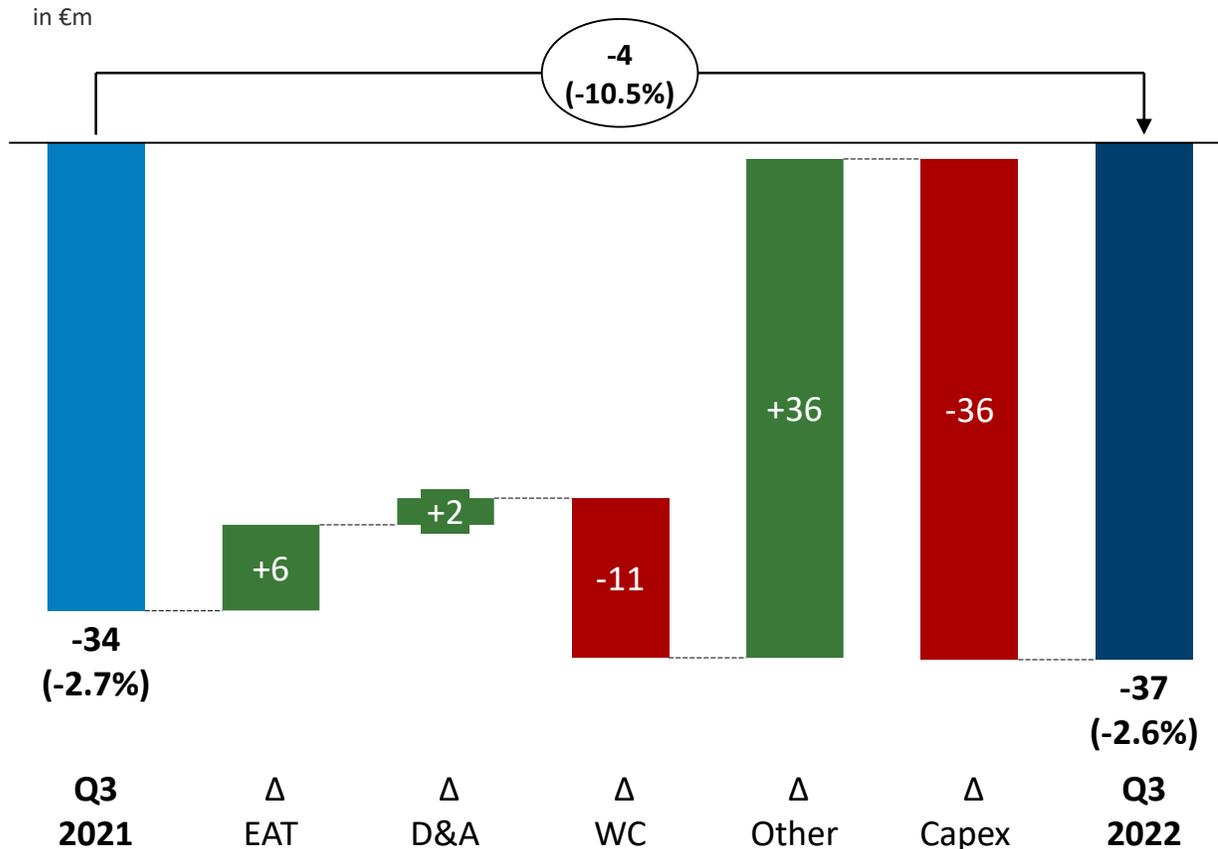


■ reported
■ continued business

Q3 2022 Group Highlights: Cash Flow

Operating Free Cash Flow on previous year's level

Operating Free Cash flow*



Highlights / Comments

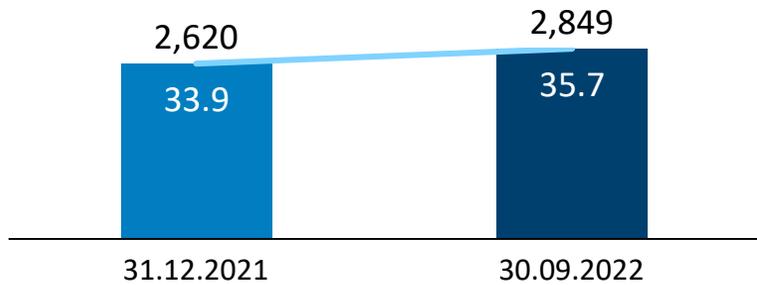
- Working capital build up continues
- Strong operating cash inflow from major projects in all divisions
- Capex increased by the purchase of our existing and formerly rented site in Rome

Q3 2022 Group Highlights: Balance Sheet

Strategic working capital build impacts net financial position

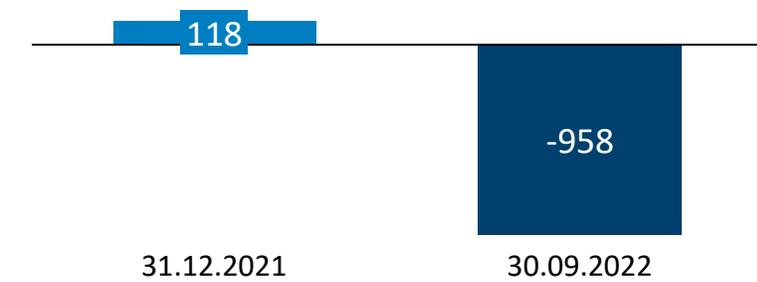
Equity and Equity ratio

in % and €m — Equity ratio ■ Total equity



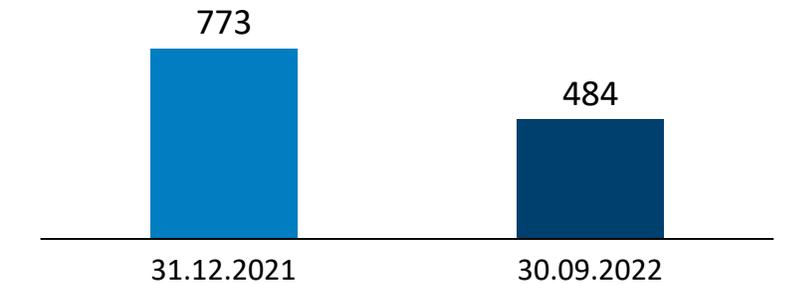
Net financial position*

In €m



Pensions

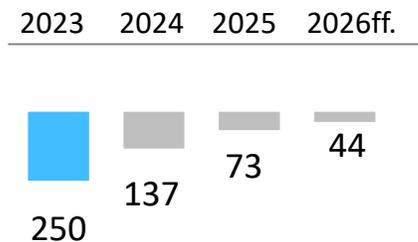
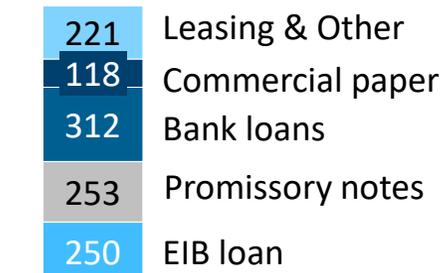
In €m



Gross debt and maturity profile**

in €m

Σ 1,154



30.09.2022

Highlights / Comments

- Net financial position declines on working capital build up, acquisitions and dividend payout
- Increased discount rates lowers pension provisions
- Undrawn credit lines of €0.7bn per end of Q3
- Cash position of €196m and additional securities held for trade with a value of €132m per end of Q3

Q3 2022 Division Highlights

Strong growth across all divisions

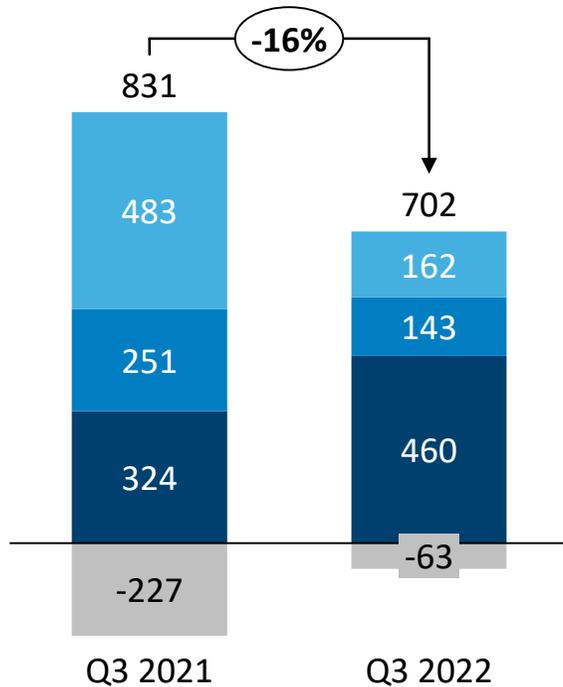
	Sales*			Operating Result*			Margin*		OFCF*		
	Q3 2021	Q3 2022	delta	Q3 2021	Q3 2022	delta	Q3 2021	Q3 2022	Q3 2021	Q3 2022	delta
Vehicle Systems	434	469	8.1%	39	45	17.8%	8.9%	9.7%	60	44	-16
Weapon and Ammunition	228	285	24.7%	26	37	43.1%	11.2%	12.8%	-65	-51	15
Electronic Solutions	195	231	18.3%	19	25	30.0%	9.7%	10.7%	-48	-4	44
Sensors and Actuators	310	355	14.6%	23	16	-32.2%	7.6%	4.5%	21	27	5
Materials and Trade	165	188	14.0%	11	19	68.6%	6.7%	9.8%	5	12	8
Consolidation	-74	-112	-51.8%	-11	-24	-107.2%			-7	-66	-59
Rheinmetall Group	1,258	1,415	12.5%	106	117	10.6%	8.4%	8.3%	-34	-37	-3

Q3 2022 Markets & Drivers

Order Backlog coverage supports Q4 growth ambitions

Order intake*

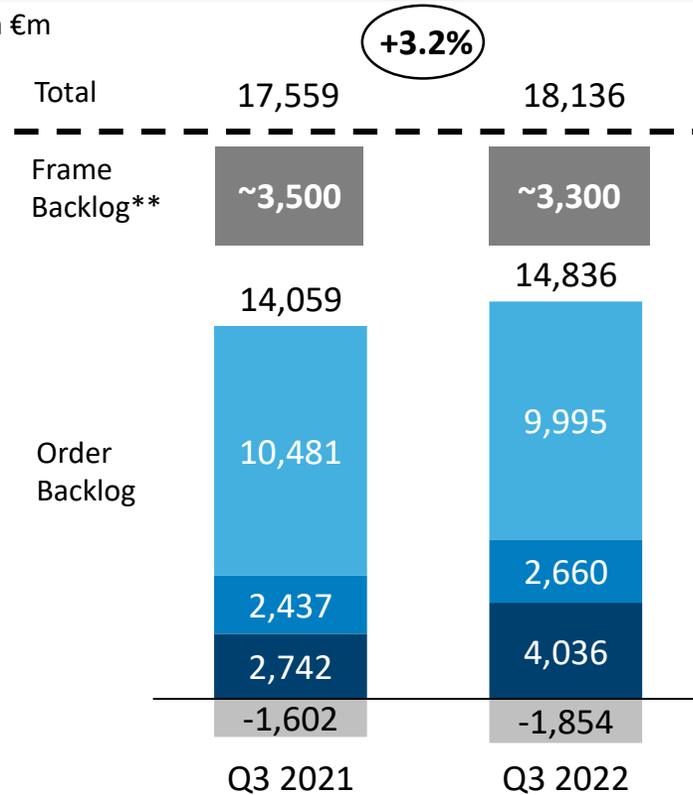
In €m



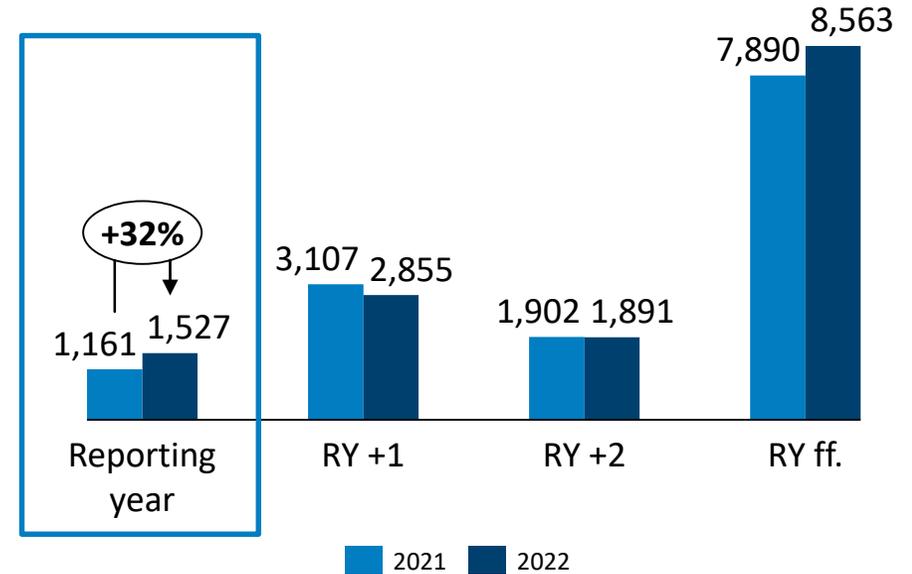
WA ES VS Consolidation

Order Backlog Profile*

In €m



WA ES VS Frame backlog* Consolidation



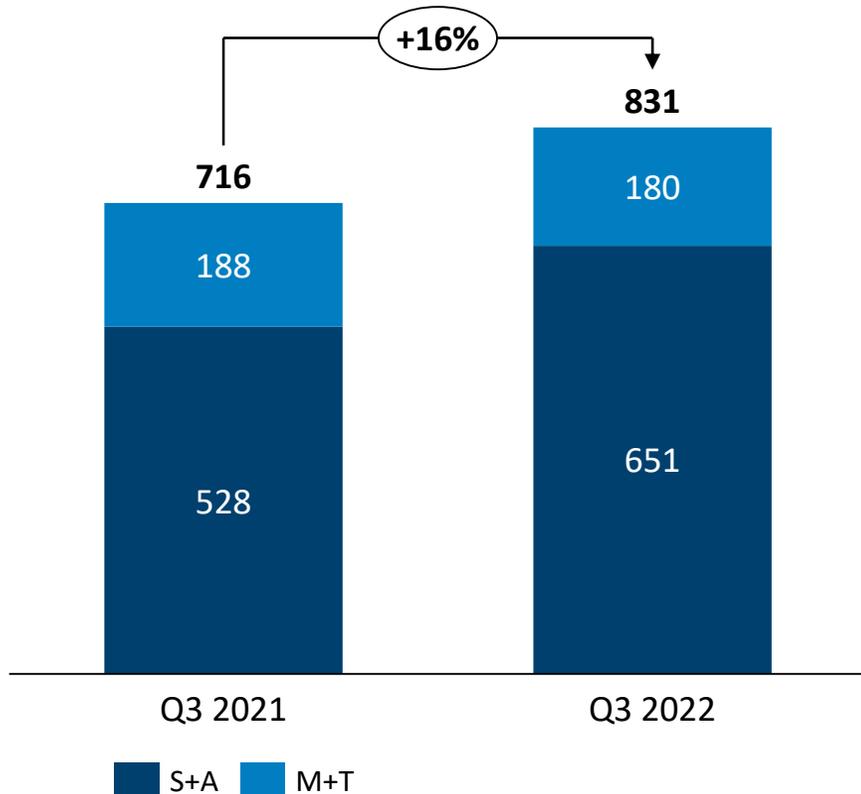
2021 2022

Q3 2022 Markets & Drivers

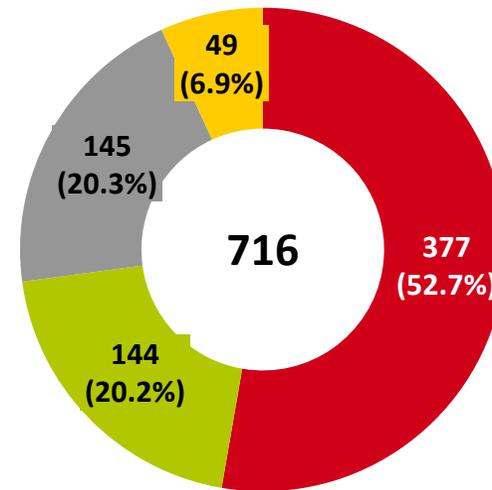
Great interest for innovative electrification products

Booked business for Sensors + Actuators and Materials + Trade divisions

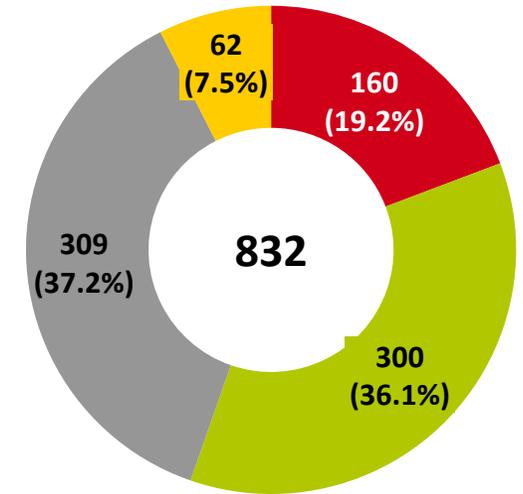
In €m



Booked Business Q3 2021



Booked Business Q3 2022



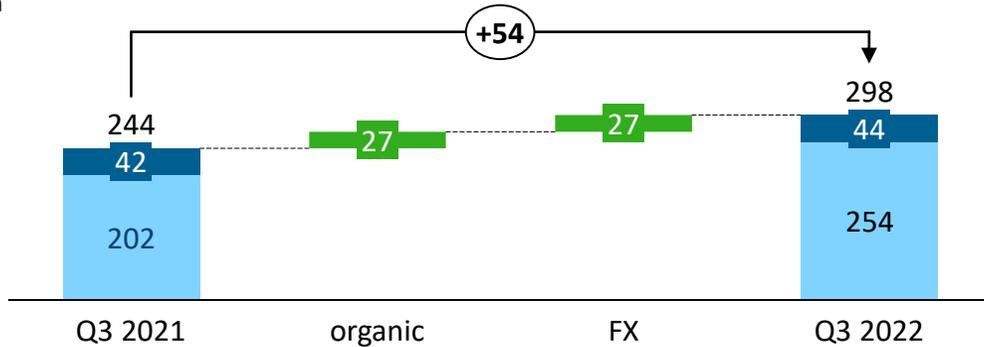
■ LV ICE
 ■ Electrification
 ■ Truck ICE
 ■ Industrial Technology

Q3 2022 Markets & Drivers

Chinese market recovery in line with expectations

Sales*

in €m

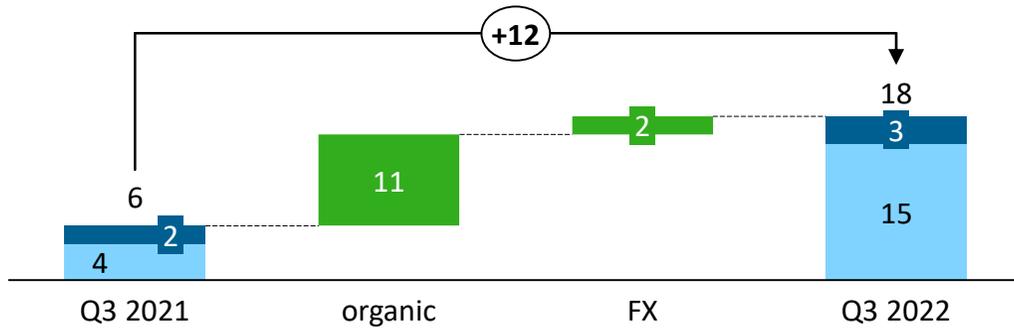


Chinese Market update

- Catch-up effects after Covid lockdown visible
- First positive results from price escalation clauses
- Partial lockdown scenarios still exist (e.g. individual schools, plants, etc.) -> so far no impact

EBIT*

in €m



■ Wholly owned foreign enterprise ■ Joint Venture

Supply Chain & Energy

Inflation and supply chain challenges are well addressed

Energy

- Total energy cost in 2021 were around 50€m incl. gas
- 2022 energy exposure in Germany already ~90% hedged, 2023 already ~80% hedged for electricity and ~65% for gas
- Energy saving measures implemented, preparation for worse case scenarios ongoing

Raw materials & Parts

- Important raw materials significantly down from peak levels in Q1
- Semiconductor situation addressed with strategic inventory build up
- Supply chain secured with focus on inventory management and qualification of further suppliers
- Materials price escalation in place

Recruitment

- Successful recruitment lifts headcount by 1,202 FTE

Outlook

FY guidance confirmed

Organic Sales Growth	~15%	
Operating Margin	>11%	

This growth forecast assumes that the German government's plans for possible procurements from the defence budget for 2022 and from the special funds to be created for the Bundeswehr will materialize as announced.

Next events and IR contacts

Next Events

CMD	15/16 November 2022
Deutsches Eigenkapitalforum	29 November 2022
Goldman Sachs, Industrial Conference	06 December 2022
Berenberg, European Conference	07 December 2023
Commerzbank & Oddo BHF, German Investment Seminar	9-11 January 2023
Baader Bank, German Corporate Day	12 January 2023
UniCredit Kepler Cheuvreux, German Corporate Conference	16/17 January 2023
FY Earnings release	16 March 2023
Bank of America, Global Industrials Conference	21 March 2023

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Quick link to documents

[Corporate Presentation](#)
 (link)



[Interim Report](#)
 (link)



[Annual Report](#)
 (link)





APPENDIX

Balance Sheet

€ million	09/30/2022	12/31/2021
Assets		
Goodwill	479	481
Other intangible assets	301	287
Right-of-use assets	218	214
Property, plant and equipment	1,104	1,056
Investment property	27	30
Investments accounted for using the equity method	397	201
Other non-current assets	228	337
Deferred taxes	119	147
Non-current assets	2,873	2,752
Inventories	2,240	1,651
Contract asset	384	408
Trade receivables	1,384	1,164
Other current assets	255	213
Income tax receivables	113	11
Securities held for trade	132	162
Cash and cash equivalents	196	1,039
Assets held for sale	397	334
Current assets	5,100	4,982
Total assets	7,974	7,734

€ million	09/30/2022	12/31/2021
Equity and liabilities	-	-
Share capital	112	112
Capital reserves	566	561
Retained earnings	1,942	1,755
Treasury shares	(6)	(9)
Rheinmetall AG shareholders' equity	2,614	2,418
Non-controlling interests	235	203
Equity	2,849	2,620
Provisions for pensions and similar obligations	484	773
Other non-current provisions	195	210
Non-current financial liabilities	446	706
Other non-current liabilities	68	45
Deferred taxes	56	38
Non-current liabilities	1,248	1,772
Other current provisions	661	677
Current financial liabilities	708	215
Contract liability	1,163	1,111
Trade liabilities	792	809
Other current liabilities	213	196
Income tax liabilities	105	87
Liabilities directly related to assets held for sale	235	246
Current liabilities	3,876	3,341
Total equity and liabilities	7,974	7,734

Income Statement

emillion	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Sales	1,415	1,258	4,089	3,841
Changes in inventories and work performed by the enterprise and capitalized	138	76	367	190
Total operating performance	1,553	1,334	4,456	4,030
Other operating income	53	25	121	77
Cost of materials	797	645	2,195	1,946
Staff costs	440	394	1,361	1,232
Amortization, depreciation and impairment	63	61	185	178
Other operating expenses	194	146	513	448
Income from investments accounted for using the equity method	8	3	23	14
Other net financial income	(3)	(4)	(43)	(15)
Earnings before interest and taxes (EBIT)	117	112	302	303
Interest income	1	1	3	4
Interest expenses	7	7	22	24
Earnings before taxes (EBT)	111	106	284	282
Income taxes	(30)	(31)	(75)	(76)
Earnings from continuing operations	82	76	209	206
Earnings from discontinued operations	5	1	11	(98)
Earnings after taxes	86	77	220	108
Of which:				
<i>Non-controlling interests</i>	10	4	39	27
<i>Rheinmetall AG shareholders</i>	77	73	182	82
Earnings per share	1.76 EUR	1.69 EUR	4.19 EUR	1.89 EUR
Earnings per share from continuing operations	1.65 EUR	1.66 EUR	3.93 EUR	4.16 EUR
Earnings per share from discontinued operations	0.11 EUR	0.03 EUR	0.26 EUR	(2.27) EUR

Cashflow Statement

€million	Q1-Q3 2022	Q1-Q3 2021
Earnings after taxes	220	108
Amortization, depreciation and impairment of property, plant and equipment, intangible assets and investment	185	180
Impairment of non-current assets of discontinued operations	-	91
Allocation of CTA assets to secure pension and partial retirement obligations	(50)	(30)
Other changes in pension provisions	(18)	(7)
Income from disposals of non-current assets	(1)	(1)
Changes in other provisions	(26)	(49)
Changes in working capital	(725)	(266)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(96)	9
Pro rata income from investments accounted for using the equity method	(23)	(20)
Dividends received from investments accounted for using the equity method	5	16
Other non-cash expenses and income	18	(7)
Cash flow from operating activities	(511)	24
of which continuing operations	(499)	53
of which discontinued operations	(12)	(29)
Investments in property, plant and equipment, intangible assets and investment property	(191)	(144)
Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property	3	2
Cash outflows for investments in consolidated companies and other financial assets	(199)	(23)
Cash outflows for investments in securities held for trade	-	(77)
Cash flow from investing activities	(387)	(242)
of which continuing operations	(375)	(230)
of which discontinued operations	(12)	(12)
Dividends paid out by Rheinmetall AG	(143)	(87)
Other profit distributions	(6)	(5)
Borrowing of financial debt	353	50
Repayment of financial debt	(155)	(105)
Cash flow from financing activities	49	(147)
of which continuing operations	96	(239)
of which discontinued operations	(46)	92
Changes in cash and cash equivalents	(849)	(365)
Changes in cash and cash equivalents due to exchange rates	4	-
Total change in cash and cash equivalents	(844)	(364)
Opening cash and cash equivalents January 1	1,058	1,027
Closing cash and cash equivalents September 30	213	663
Closing cash and cash equivalents September 30 from discontinued operations	17	22
Closing cash and cash equivalents according to consolidated balance sheet September 30	196	641