

May 8, 2025

## Steep growth at Rheinmetall in the first quarter of 2025 – operating result in defence business almost doubled

- Dynamic continues: Group sales grew by 46% in the first three months to €2.3 billion – defence business increased by 73%
- Group operating result significantly increased by 49% from €134 million to €199 million; the operating result in defence business almost doubled
- Group operating result margin climbs to 8.7%
- Orders increased significantly: Rheinmetall Nomination increased by 181% to €11 billion
- Order Backlog: Rheinmetall Backlog increases significantly to €63 billion
- Operating free cash flow improves by €454 million to €266 million
- Annual forecast 2025 confirmed, further upside potential

The growth curve at Rheinmetall continues to trend steeply upwards. The Düsseldorf-based technology group concludes the first quarter of 2025 with new record values in both sales and income. Demand in the defence business remains high and the market situation continues to gain momentum, particularly driven by the geopolitical developments since the beginning of the year. The Group's civilian business, on the other hand, remains behind the previous year due to the continued weak market conditions.

The Group once again achieved a significant improvement in operating free cash flow due to increased customer advance payments, which leads to a further increase in the flexibility of the financial cushion.

Due to the current market situation, the continued very good order situation and the expected business development in the second quarter of 2025, the management confirms at least the current annual guidance for the expected sales growth and operating profit margin for the Group. As already stated in the previous ad hoc announcement on April 28, 2025, the Group sees the possibility to adjust the annual guidance if the expected increase in demand due to the latest geopolitical developments materializes.

Armin Papperger, Chair of the Executive Board of Rheinmetall AG, on the company development: "Rheinmetall is needed – customers are buying entire factories from us today. Europe must prepare itself for a new era in which we must oppose the threat to our liberal values with all our strength. Rheinmetall stands firmly by its responsibility in this epochal break."

Armin Papperger: "We must and will deliver. We are experiencing growth like never before in the Group and are getting closer to our goal of becoming a global defence champion. Future-oriented cooperations testify to this. We also have promising projects in the USA, the UK, Italy or Ukraine and numerous major orders in the pipeline that will secure further sales growth in the coming years. We are also massively expanding our capacities with the construction of new plants and strategic acquisitions."

### ► Key facts

- ▷ Group sales reach €2.3 billion – up 46%
- ▷ Defence business grows 73%
- ▷ Rheinmetall Nomination improved by 181% to €11 billion
- ▷ Backlog increases to €63 billion
- ▷ Operating result increases by 49% to €199 million
- ▷ Result margin rises to 8.7%
- ▷ Operating free cash flow improves €454 million
- ▷ Annual forecast 2025 confirmed, further upside potential

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## **Rheinmetall Group:**

### **Profitable sales growth of 46% – Rheinmetall Nomination increased by 181%**

After the first three months, Group sales increased noticeably by €724 million or 46% to €2,305 million compared to the previous year (previous year: €1,581 million). Of this, 70% of sales were generated abroad. In the defence business, i.e. excluding the Group's civilian activities, sales growth was as high as 73%. In the first quarter, sales rose from €1,038 million to €1,795 million here.

At Group level, the operating result as at March 31, 2025 - after deduction of holding costs - was €199 million, up €66 million or 49% on the previous year's figure of €134 million. The Group's operating profit margin increased slightly to 8.7% after the end of the first quarter of 2025 (previous year: 8.5%). The Group's defence activities saw its operating result rise to €206 million, up from €105 million in the previous year. With growth of 96%, it has almost doubled.

Basic earnings per share improved from €1.13 to €1.92 in the first three months of the 2025 fiscal year compared to the same period of the previous year (continuing operations).

Operating free cash flow improved significantly year-on-year by €454 million to €266 million, compared to €-187 million in the same period of the previous year. The main driver for the positive development of the operating free cash flow is the improvement in working capital as a result of increased advance payments received, particularly from the TaWAN contract with the German Armed Forces.

The Rheinmetall Nomination increased significantly by 181% compared to the same period of the previous year. It increased to €11 billion in the first three months (previous year: €4 billion). Among other things, this was due to orders from Germany – here primarily from the special fund for the German Armed Forces.

Rheinmetall's backlog reached a new all-time high of €63 billion at the end of the first quarter (previous year: €40 billion) due to several major orders. In addition to orders on hand, the order backlog also includes the call-offs expected from framework agreements in place with defence customers and the potential from customer agreements with civilian clients.

### **Vehicle Systems: Sales nearly doubled compared to last year**

Sales at Vehicle Systems, with activities primarily in the field of wheeled and tracked vehicles, amounted to €952 million after three months of the fiscal year of 2025, up €459 million or 93% on the previous year's figure. The increase is due in particular to the delivery of swap body trucks for the German armed forces and the launch of tactical vehicle programs. Loc Performance, which was acquired on November 29, 2024, contributed €116 million to sales growth.

The Rheinmetall Nomination of the segment – the sum of the order intake and the volume of the newly concluded framework agreements with defence customers – was €464 million in the first three months of the fiscal year below the previous year's quarter in which the service contract was booked with regard to the commissioning of the Heavy Weapons Carrier for the German Bundeswehr with €628 million.

The segment's Rheinmetall backlog – the sum of the order backlog and call-offs expected from existing framework agreements with defence customers – was around €21 billion as at March 31, 2025, up €4 billion or 23% on the previous year's figure. The operating result improved from €38 million to €81 million. With 8.5%, the operative margin was above the previous year's figure of 7.7%.

### **Weapons and Ammunition: New record sales of around €600 million**

Weapon and Ammunition achieved record sales of €599 million with its weapon systems and ammunition activities in the first three months of 2025 exceeding the previous year's figure by €237 million or 66%. The increase compared to the same period of the previous year is attributable

in particular to higher ammunition deliveries. Important projects included orders for artillery ammunition for NATO countries and Ukraine, as well as increased sales of tank ammunition.

Rheinmetall Nomination is at the level of the previous year at €826 million after the first three months in fiscal year 2025 (previous year: €836 million).

The Rheinmetall Backlog reached around €21 billion as of March 31, 2025. Compared to the previous year's figure (March 31, 2024: €12 billion), the increase was €9 billion or 80%.

The operating result more than doubled by the end of the first quarter of 2025 with an increase of €63 million or 117% to €116 million (previous year: €53 million). Despite higher staff and material costs, the operating margin improved significantly from 14.7% to 19.3%. The main driver for this is the significantly increased sales volume and the associated leverage effect.

### **Electronic Solutions: Rheinmetall Nomination increases by more than five times**

Electronic Solutions, with its products in the areas of digitalization of the armed forces, infantry equipment, air defence and simulation, increased its sales by €141 million to €427 million after three months of the fiscal year 2025 (previous year: €287 million); this corresponds to growth of 49%. The increase in sales is essentially attributable to the framework agreement for intercom sets with hearing protection for the German army, the short-range air defence system LVS NNbS for the German customer, as well as the delivery of other Skyranger and Skynex air defence systems ordered in previous years, in each case to European customers.

Rheinmetall's Nomination more than quintupled year-on-year by €8 billion or 435% to €10 billion. The largest individual orders in the first three months of the fiscal year 2025 related to the two framework orders for a deployable, platform-based communication and radio relay management system (TaWAN LBO) and the follow-up procurement of future soldier systems IdZ-ES, both for the German customer. Rheinmetall's backlog as at March 31, 2025 was around €17 billion, a significant increase of 196% on the previous year's figure (previous year: €6 billion).

The operating result improved significantly to €27 million by the end of the first quarter of 2025, compared to €17 million in the previous year. The operating margin increased to 6.3% (previous year: 6.0%) due to a favorable portfolio mix.

### **Power Systems: Sales below previous year due to economic market weakness**

At €505 million, sales at Power Systems, which bundles technological expertise in civilian markets, were down on the previous year's figure (previous year: €541 million). At €325 million, the booked business after the last three months of the fiscal year 2025 was down significantly on the previous year (previous year: €620 million). The decisive factor is the economic weakness phase of the automotive industry and the associated time delay of the projects. The nominated backlog as at March 31, 2025 fell by 17% to around €7 billion (previous year: €9 billion).

The operating result fell by 70% compared to the previous year to €9 million (previous year: €31 million). The main impact drivers were declining sales due to the weak market environment and a changed product focus. Therefore, the operating margin is at 1.8% (previous year: 5.8%).

### **Outlook: Current annual guidance is at least confirmed**

After the first three months of the fiscal year 2025, Rheinmetall at least confirms the sales and result guidance for the entire fiscal year 2025 with a growth in group sales of 25% to 30% due to the expected business development until the end of the year (sales of the previous year: €9,751 million). Based on this sales forecast, Rheinmetall anticipates an improvement in operating result and an operating result margin of around 15.5% for the Group including

acquisitions in the current fiscal year 2025 (operating result margin in fiscal year 2024: 15.2%), taking into account holding costs.

This outlook does not yet take into account the improvement in market potential that is expected to arise in the markets that are particularly relevant for Rheinmetall in Europe, Germany and Ukraine as a result of the geopolitical developments in recent weeks. Rheinmetall will therefore make any necessary guidance adjustments as the respective requirements of defence customers become more specific over the course of the year.

### **Forward-Looking Statements and Forecasts**

*This press release contains forward-looking statements. These statements are based on Rheinmetall AG's current estimates and forecasts and the information available at this time. Forward-looking statements are not a guarantee of future performance and the results indicated. Rather, they are dependent on a number of factors; they entail various risks and uncertainties, and are based on assumptions that may prove to be incorrect. Rheinmetall is under no obligation to update the forward-looking statements in this press release.*