

August 7, 2025

Financial report for the first half of 2025:

Rheinmetall stays on course for success – defence business grows by more than a third

- Group sales rises by 24% to €4.7 billion, with 36% sales growth in the defence business
- Group operating result climbs from €404 million to €475 million, an increase of 18% – operating result margin at 10.0% at Group level
- Defence business: Operating result rises by 20% to €464 million, operating result margin reaches 12.4%
- Rheinmetall Nomination slightly below previous year's level at €14 billion – delayed order placement following new elections in Germany
- High order backlog: Rheinmetall backlog reaches €63 billion
- Operating free cash flow at €-644 million – influenced by high investments and order-related increase in inventories
- Forecast for 2025 confirmed

Düsseldorf-based Rheinmetall AG closes the first half of fiscal 2025 with new record figures for both sales and income. In light of the decisions made at the NATO summit in June and in view of significantly increasing defence budgets in numerous countries, demand in the defence business remains high. The core markets continue to be Europe, Germany and Ukraine.

Due to the political situation following the elections in spring 2025, the awarding of contracts in Germany will not begin until well into the second half of the year. Nevertheless, the technology Group's order books are full, reaching record levels. The Group's civil business lagged behind the previous year due to the continuing weak market environment.

Due to the current market situation, the continuing very good order situation and the expected business development in the second half of 2025, the Group management confirms at least the current annual forecast for expected sales growth and operating result margin within the Group. As in the first quarter of 2025, the Group continues to anticipate an adjustment to the annual forecast if the expected increase in demand due to recent geopolitical developments materialises.

Armin Papperger, CEO of Rheinmetall AG, on the company's development: "Rheinmetall is successfully on its way to becoming a global defence champion. We are now also a serious partner for US companies. Our order books are full and will continue to grow in the future."

Armin Papperger: "We stand by our responsibility for our democracy and the independence of Europe, where we are contacted by many countries regarding new projects. We will take advantage of these opportunities. We are in the process of significantly strengthening our foothold in Central and Eastern Europe."

► Key facts

- ▷ Group sales reaches €4.7 billion – an increase of 24% compared to the previous year
- ▷ Rheinmetall nomination at €14 billion
- ▷ Operating result rises by 18% to €475 million
- ▷ Operating result in defence business reaches €464 million
- ▷ Operating result margin at 10.0%
- ▷ Forecast for 2025 confirmed

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"We are working hard to further increase sales significantly and are investing in many European countries to create new capacity. We are constructing new plants, expanding existing ones and have also converted facilities from civil to defence production. We will soon be inaugurating Europe's largest ammunition factory in Lower Saxony," said Armin Papperger.

Rheinmetall Group: Sales growth of 24% – Consolidated operating result up 18%

In the first half of fiscal 2025, consolidated sales climbed significantly by €919 million or 24% year-on-year to €4,735 million (previous year: €3,815 million). Business with the German armed forces is becoming increasingly important: The share of sales generated in Germany rose by 5 percentage points to 29% in the first half of the year compared with the same period last year, while the share of sales generated abroad amounted to 71%.

In the first half of fiscal 2025, the operating result was €475 million, up €71 million or 18% from the previous year's figure of €404 million. The defence-oriented business of the Group also contributed the lion's share here: The operating result from business with the armed forces amounted to €464 million in the first half of the year, representing an increase of 20% compared with the previous year's figure (€385 million).

Due to the difficulties in civil business and the expenses for the start of production at the Weeze/Lower Rhine location, the operating result margin at Group level fell slightly to 10.0% compared with the same period of the previous year (previous year: 10.6%).

Undiluted earnings per share from continuing operations improved in the first six months of the 2025 fiscal year compared with the same period of the previous year, from €4.21 to €5.02.

Operating free cash flow from continuing operations fell significantly by €626 million to €-644 million compared with the same period last year, when it stood at €-19 million. The decline is mainly due to the increase in cash-effective investments, particularly for the construction of new plants and capacity expansion at existing locations, as well as order-related inventory build-up.

The value of Rheinmetall Nomination decreased by 11% compared to the same period last year to €14 billion (previous year: €15 billion). The delay in passing the federal budget following the change of government as a result of the new elections, combined with the NATO summit at the end of June 2025, has delayed order intake.

Nevertheless, Rheinmetall backlog reached a new all-time high of €63 billion (previous year: €49 billion) as of June 30, 2025 following several major orders. In addition to orders on hand, Backlog also includes the call-offs expected from framework agreements in place with defence customers and the potential from contracts with civil clients.

Vehicle systems: Vehicle Systems: Sales up by almost 50% compared to the previous year

Sales at Vehicle Systems, which is primarily active in the military wheeled and tracked vehicles division, amounted to €1,897 million after six months of the 2025 fiscal year, up €597 million or 46% on the previous year's figure. The positive development is mainly attributable to the delivery of pre-produced swap body trucks for the German armed forces, the launch of tactical vehicle programmes with Germany and other international customers, and increased service activities. Loc Performance in the USA, which was acquired on November 29, 2024, contributed €231 million to sales growth.

Rheinmetall Nomination for the segment – the sum of order intake and the volume of newly concluded framework agreements with defence customers – was €1,427 million in the first half of the 2025 fiscal year, €1,687 million below the comparable figure for the previous year, which was significantly influenced by the order for the German armed forces' Boxer wheeled armoured vehicle ('Heavy Weapons Carrier Infantry') worth €1,643 million and the associated service contract worth €628 million.

The segment's Rheinmetall backlog – the sum of the order backlog and expected call-offs from existing framework agreements with defence customers – exceeded the previous year's figure by €2,309 million or 13% to €20,457 million (June 30, 2025). The operating result improved from €119 million to €179 million. The increase is mainly due to sales growth. At 9.4%, the operating result margin is slightly above the previous year's figure of 9.2%.

Investments in the first half of the 2025 fiscal year amounted to €67 million, €23 million above the previous year's figure of €43 million. The increase is due to investments in locations in the USA and the United Kingdom.

Weapon and Ammunition: Record sales thanks to ammunition orders

Weapon and Ammunition achieved record sales of €1,323 million in the first six months of fiscal 2025 with its activities in weapon systems, ammunition and protection systems, exceeding the previous year's figure by €269 million or 26%. The increase compared to the same period last year is mainly attributable to higher ammunition deliveries. In addition to increased sales of tank ammunition, several medium-calibre ammunition and artillery orders for NATO member states and Ukraine were the main growth drivers.

At €2,151 million after the first six months of the 2025 fiscal year, Rheinmetall Nomination is below the previous year's figure (previous year: €8,828 million), in which the increase in a framework agreement for 155mm artillery ammunition for the German customer was booked at €7,121 million. Significant orders in the first half of fiscal 2025 include orders for 155mm artillery ammunition for European NATO countries.

The Rheinmetall backlog reached €21,593 million as of June 30, 2025. Compared to the previous year's figure (June 30, 2024: €18,965 million), this represents an increase of €2,628 million or 14%.

At the end of the first half of fiscal 2025, operating result rose by €75 million or 36% to €280 million (previous year: €206 million). The main driver for this was the significant increase in sales volume. As a result, the operating result margin increased from 19.5% to 21.2%, despite higher personnel and material costs.

Investments amounted to €188 million, significantly exceeding the previous year's level of €79 million due to transformation and capacity expansion projects in several companies. Particularly noteworthy is the investment in the new "Lower Saxony plant", which will significantly increase Rheinmetall's production capacity in the artillery ammunition division and has already commenced trial operations.

Electronic Solutions: Rheinmetall nomination significantly increased again

Electronic Solutions, with products in the digitalisation divisions of the armed forces, infantry equipment, air defence and simulation, increased its sales by €297 million to €944 million after six months of the 2025 fiscal year (previous year: €647 million); this corresponds to growth of 46%. The increase in sales is mainly attributable to the TaWAN digitisation project and the framework agreement for headsets with hearing protection, both for German customers, as well as the delivery of air defence systems to European customers.

Rheinmetall Nomination increased significantly compared to the same period last year, rising by €6,964 million or 231% to €9,984 million. The largest individual orders in the first half of the 2025 fiscal year related to the two framework contracts for a deployable, platform-based communications and radio management system (TaWAN LBO) and the replenishment of soldier systems "Future Soldier – Extended System" (IdZ-ES), both for the German customer. Rheinmetall backlog as of June 30, 2025 amounted to €16,931 million, up 156% on the previous year (previous year: €6,609 million).

Operating result improved significantly to €71 million by the end of the first half of fiscal 2025, compared with €53 million in the previous year. The operating result margin decreased to 7.6%

(previous year: 8.3%) due to expenses for preparation at the Weeze location for the start of production of the F-35 centre fuselage sections at the third quarter of 2025.

Investments increased by €55 million to €75 million during the reporting period. The main focus was on setting up the necessary IT infrastructure and technical equipment at the plant in the Weeze location, where production of the centre fuselage sections for the F-35 fighter jet has now entered the start-up phase.

Power Systems: Sales down on previous year due to ongoing market weakness

As part of the Rheinmetall Group's decision to focus on business with defence customers and security technology, activities in civil business are no longer part of its core strategic business. Technological expertise for civil markets is being pooled in the Power Systems division.

Sales at Power Systems with a volume of €987 million in the reporting period remained below the previous year's figure (previous year: €1,056 million). Booked business for the first six months of the 2025 fiscal year was also below the previous year's figure (previous year: €1,357 million) at €989 million. The main factor is the ongoing economic downturn in the automotive industry and the associated delay in the implementation of ongoing and planned projects. The nominated backlog as of June 30, 2025 fell by 9% to €7,192 million (previous year: €7,938 million).

Operating result fell by 58% to €24 million (previous year: €57 million), mainly due to declining sales in a weak market environment and changes in product focus. Expenses related to the strategic transformation also impacted operating result. As a result, the operating result margin was 2.4% (previous year: 5.4%).

Outlook: Annual forecast remains unchanged

Based on the expected business development until the end of the year, Rheinmetall confirms that, after the first half of the 2025 fiscal year, it will at least meet its sales and result forecast for the full year 2025, with growth in consolidated sales of 25% to 30% (previous year's sales: €9,751 million). Based on this revenue forecast, Rheinmetall expects the Group, including acquisitions, to achieve an improvement in operating earnings and an operating result margin of around 15.5% in the current 2025 fiscal year, taking into account holding costs (previous year: 15.2%).

This outlook does not yet take into account the improvement in market potential that is likely to result from the geopolitical developments of recent months, particularly in the markets of Europe, Germany and Ukraine, which are particularly relevant for Rheinmetall. Therefore, Rheinmetall will adjust its forecasts as necessary in line with the increasing clarification of the respective requirements of its defence customers in the further 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.