

TAKING RESPONSIBILITY



# SECURING TOMORROW FINANCIALS

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# Agenda

- **OUR KPIS**
- **OUR MID-TERM GUIDANCE**
- **OUR CAPITAL ALLOCATION**
- **OUR BALANCE SHEET AND MATURITIES**



## SECURING TOMORROW

Let's start with the boring part first - a new KPI approach

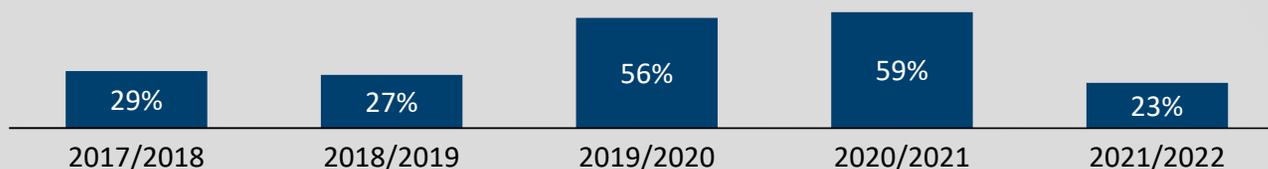
### OPERATING RESULT PRE PPA

- The operating result will be reported pre PPA post Expal acquisition
- Preliminary PPA effect of €7m per month

### CASH CONVERSION RATE

Cash conversion will be guided as percentage of operating result

**2 years rolling cash conversion**  
(in % of operating result)



## SECURING TOMORROW

### Consolidated and adjusted income statement

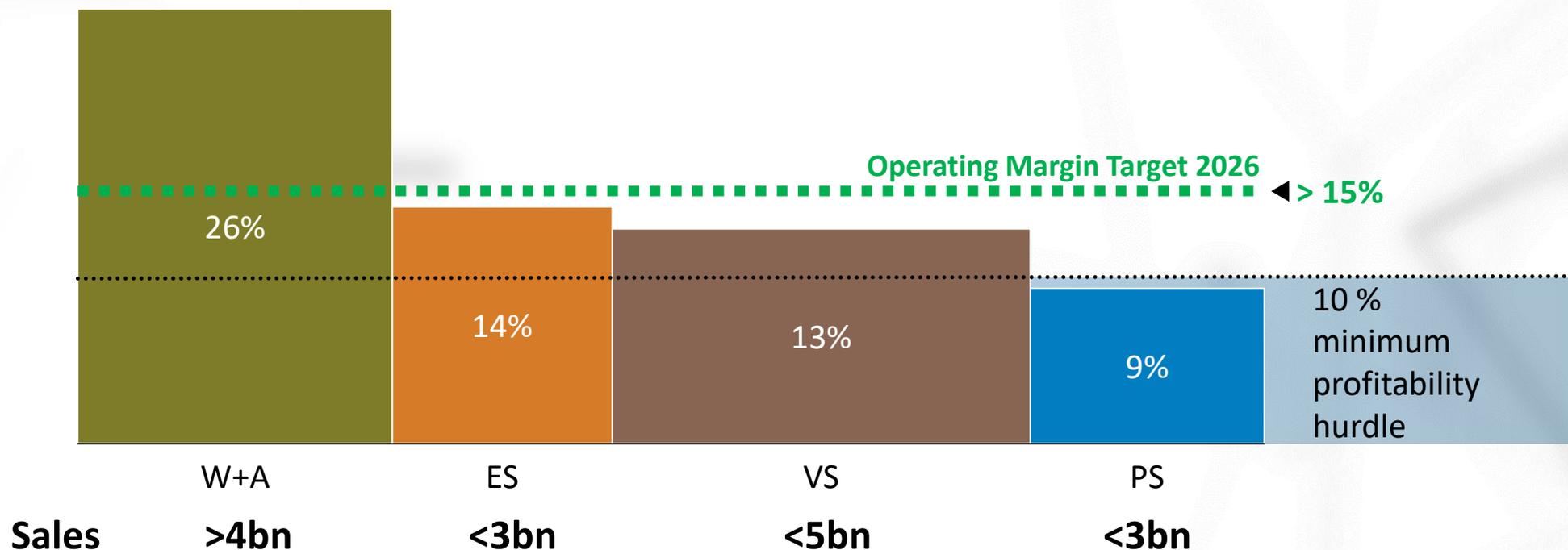
In €m	Reported	Special effects	PPA effects	Adjusted
<b>Sales</b>	<b>4,618</b>			<b>4,618</b>
<b>Total operating performance</b>	<b>5,336</b>			<b>5,336</b>
Cost of materials	2,761			2,761
<b>Gross profit</b>	<b>2,576</b>			<b>2,575</b>
Other operating income	96			96
Personnel costs	1,502			1,502
Depreciation and amortization	205		21	184
Other operating expense	573			573
Other financial result	-6	2		-4
<b>EBIT</b>	<b>364</b>	2	21	<b>387</b> Operating result pre-ppa
<b>EBT</b>	<b>316</b>	2	21	<b>339</b>
<b>EPS</b>	<b>4.73</b>	0,04	0,35	<b>5.12</b>

# SECURING TOMORROW

## Mid-term guidance drill-down

### Operating result by Division

(in €, in %)

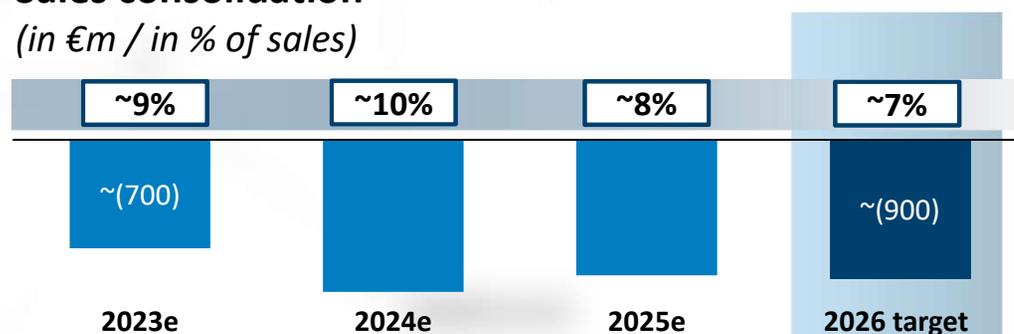


## SECURING TOMORROW

### Successfully structuring growth

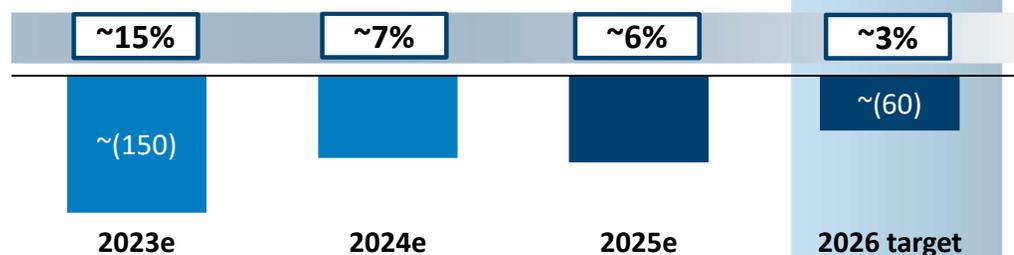
#### Sales consolidation

(in €m / in % of sales)



#### Operating result consolidation

(in €m / in % of operating result)



Increased consolidation driven by growing structures

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

## SECURING TOMORROW

### Diversified capital allocation continues

#### Capex



#### M&A



#### Debt Leverage



#### Dividend



#### Buyback



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

- **Fire power** remains **high** with focus on continued **portfolio optimization** and **strategic acquisitions**

- Setting **leverage targets** and maintaining our **investment grade rating**

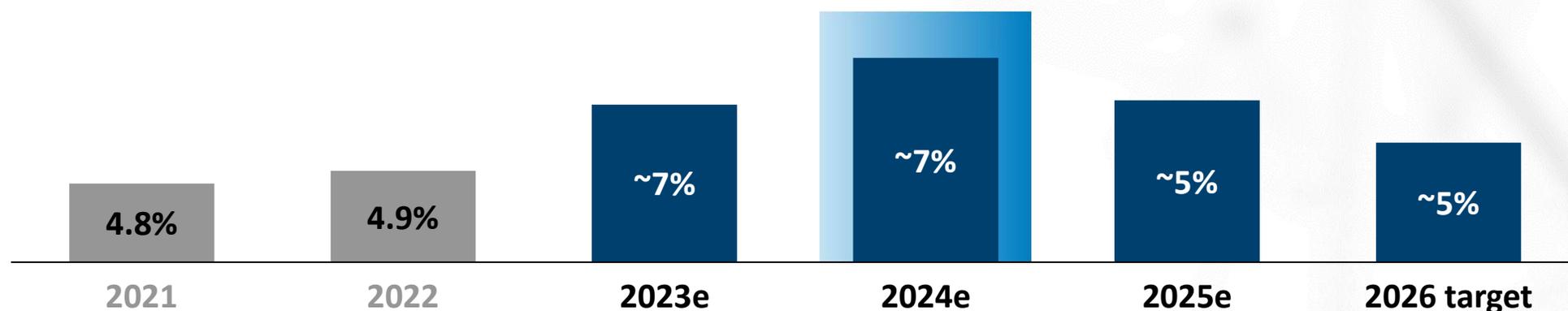
- **Payout ratio of 35-40% of net income before PPA**

- **Renewal of the authorized capital at AGM 2024**

## SECURING TOMORROW

### Capex peak in 2024 to support our strong growth trajectory

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



## SECURING TOMORROW

### M&A with focus on strategic acquisitions and portfolio optimization



## SECURING TOMORROW

We feel comfortable with our current leverage ratio

Equity ratio:

**>30%**  
(29.6%)

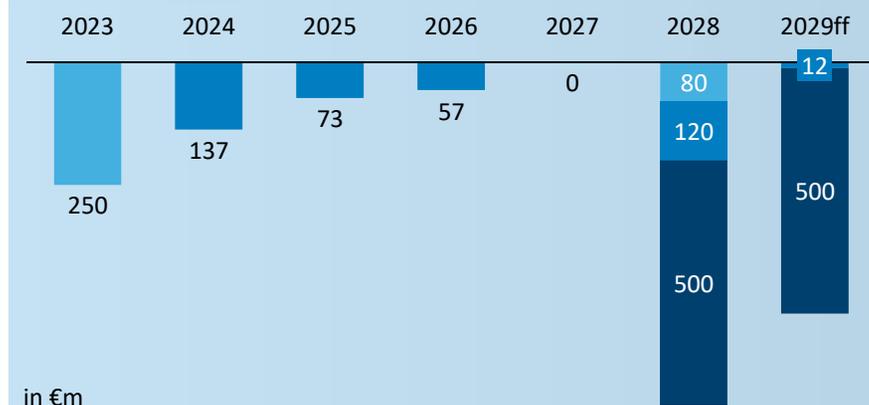
Net debt / Ebitda:

**< 3**  
(1.95)

Investment Grade rating:

**Baa2 stable outlook**  
(Moody's)

### Maturity profile <sup>1)</sup>

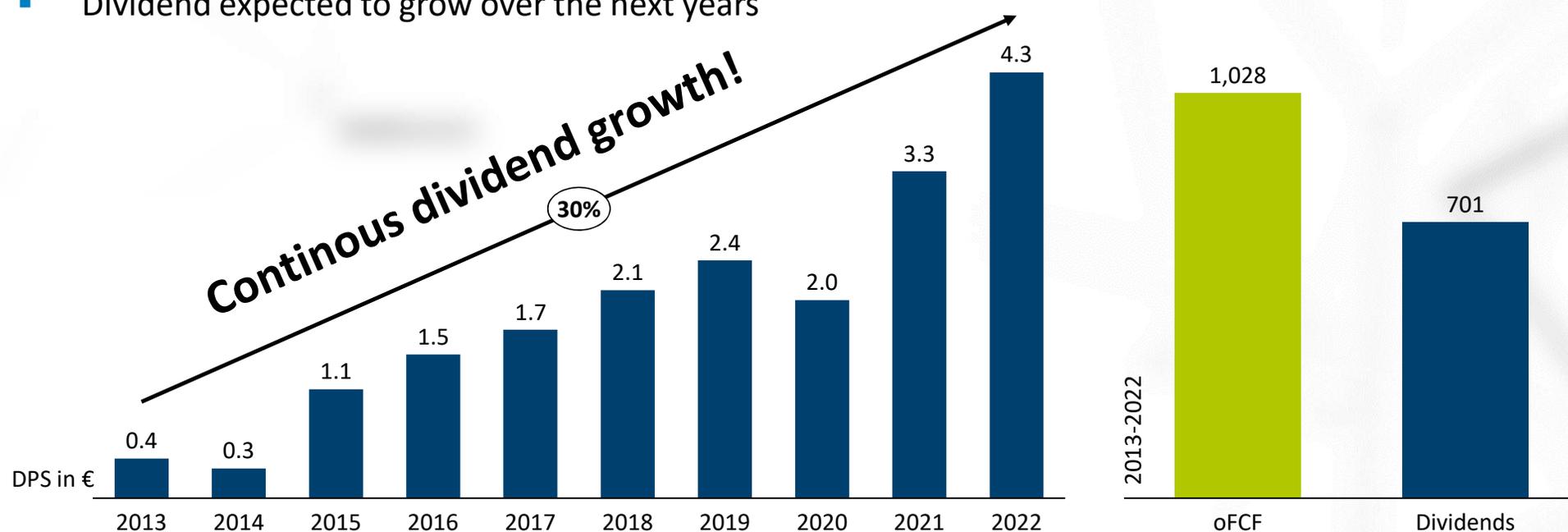


- ➔ We feel comfortable with 30% + equity ratio
- ➔ We want to maintain our investment grade
- ➔ Our balance sheet remains strong with undrawn credit lines of €900m
- ➔ Long-term maturity profile

## SECURING TOMORROW

### Almost 70% of our oFCF paid out to shareholders over the last decade

- Increase of payout ratio to at least 35-40% of net income (before PPA)
- Continued shareholder value creation
- Dividend expected to grow over the next years



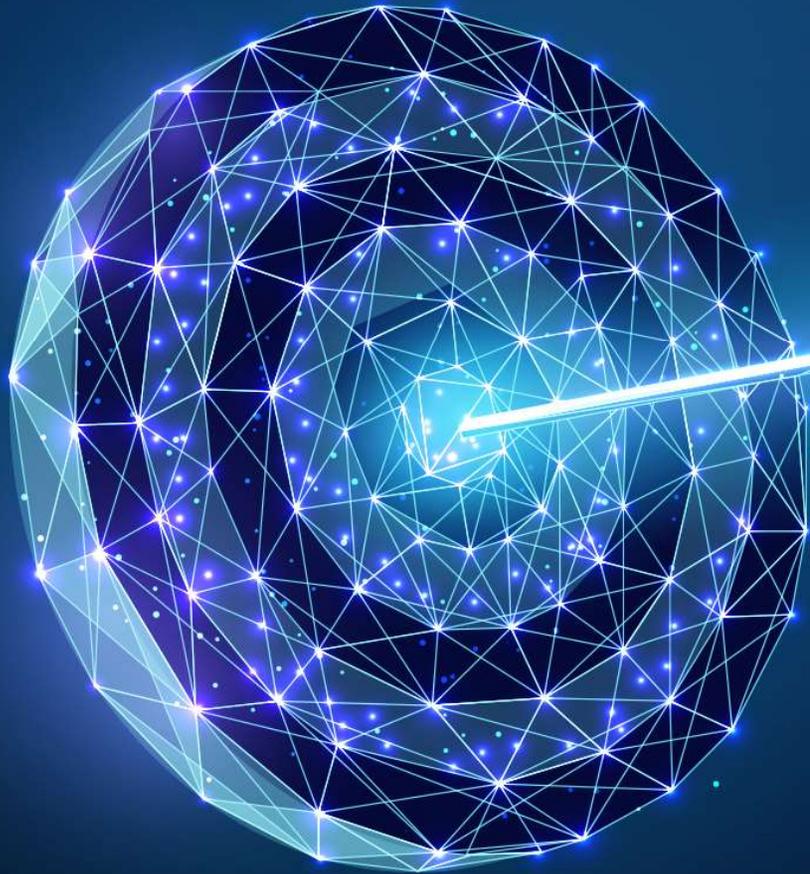
## SECURING TOMORROW

### Share buyback remains on the agenda

New authorization on the agenda for the **AGM 2024** in order to strengthen the instrument **share buyback** in the future

## SECURING TOMORROW

### Key Messages



- **Strong book to bill ratio >1**
- **Backlog coverage secured**
- **Financials to support growth in place**
- **Enough fire power for additional M&A**
- **Continued shareholder value creation**

Time for a short lunch break...



**SECURING TOMORROW**

Our new financial Group targets 2026 are...

<b>Growth continues</b> Sales target	<b>13-14 €bn</b>
<b>Improved profitability</b> Operating margin target*	<b>&gt;15%</b>
<b>CASH CONVERSION RATE</b> Cash flow to operating result*	<b>&gt;50%</b>

...we will continue in 60 minutes

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