

STRENGTHENING HORIZONS INVESTOR PRESENTATION

January 2025

Content

1 Rheinmetall at a glance

2 Markets & Drivers

3 Four segments

4 Financials

5 Outlook

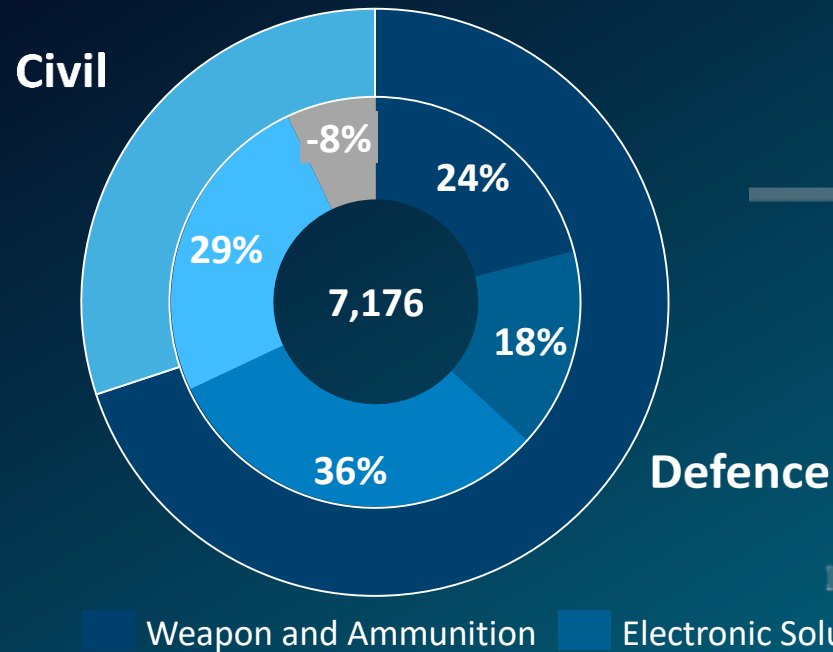
6 Appendix

Rheinmetall at a glance

Selected key business highlights

Sales by segment

In €m, FY 2023

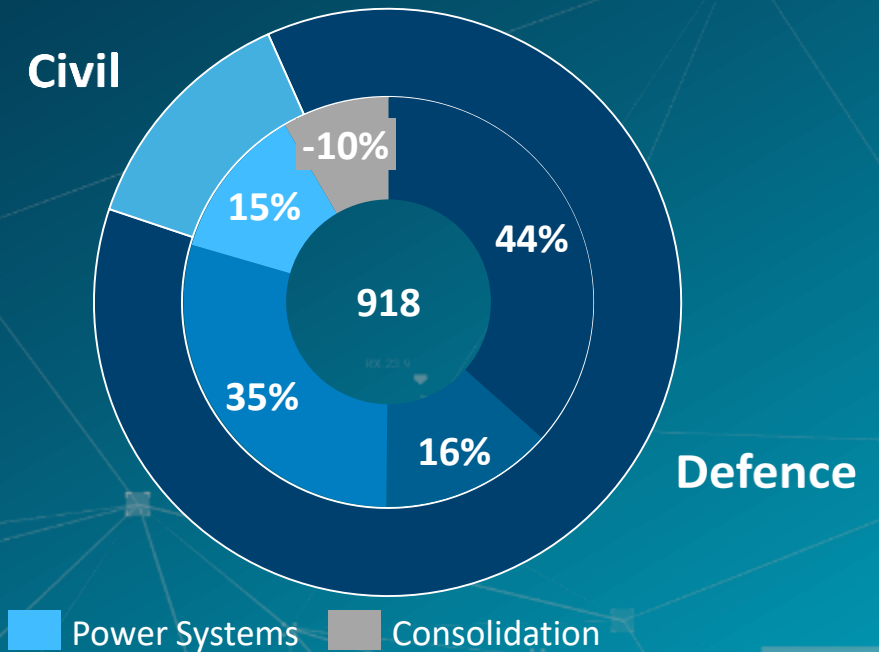


Business Model

- Defence systems house with 85% army focus
- High level of backward integration

Result by segment

In €m, FY2023



Market Driver

- High priority for defence and security
- Increasing defence budgets

Rheinmetall at a glance

Four segments under one roof



Weapon and Ammunition
Defence

- Mid & large caliber ammo
- Mid & large caliber weapons
- Explosives & Propulsions
- Protection Systems



Electronic Solutions
Defence

- Integrated Electronic Systems
- Air Defence & Radar Systems
- Avionics
- Other projects



Vehicles Systems
Defence

- Tactical Vehicles
- Logistic Vehicles



Power Systems
Civil

- Air management
- Thermal management
- Electrification & Digitalization
- Hydrogen
- Trade
- Bearings
- Castings (50:50 JV)
- Invent

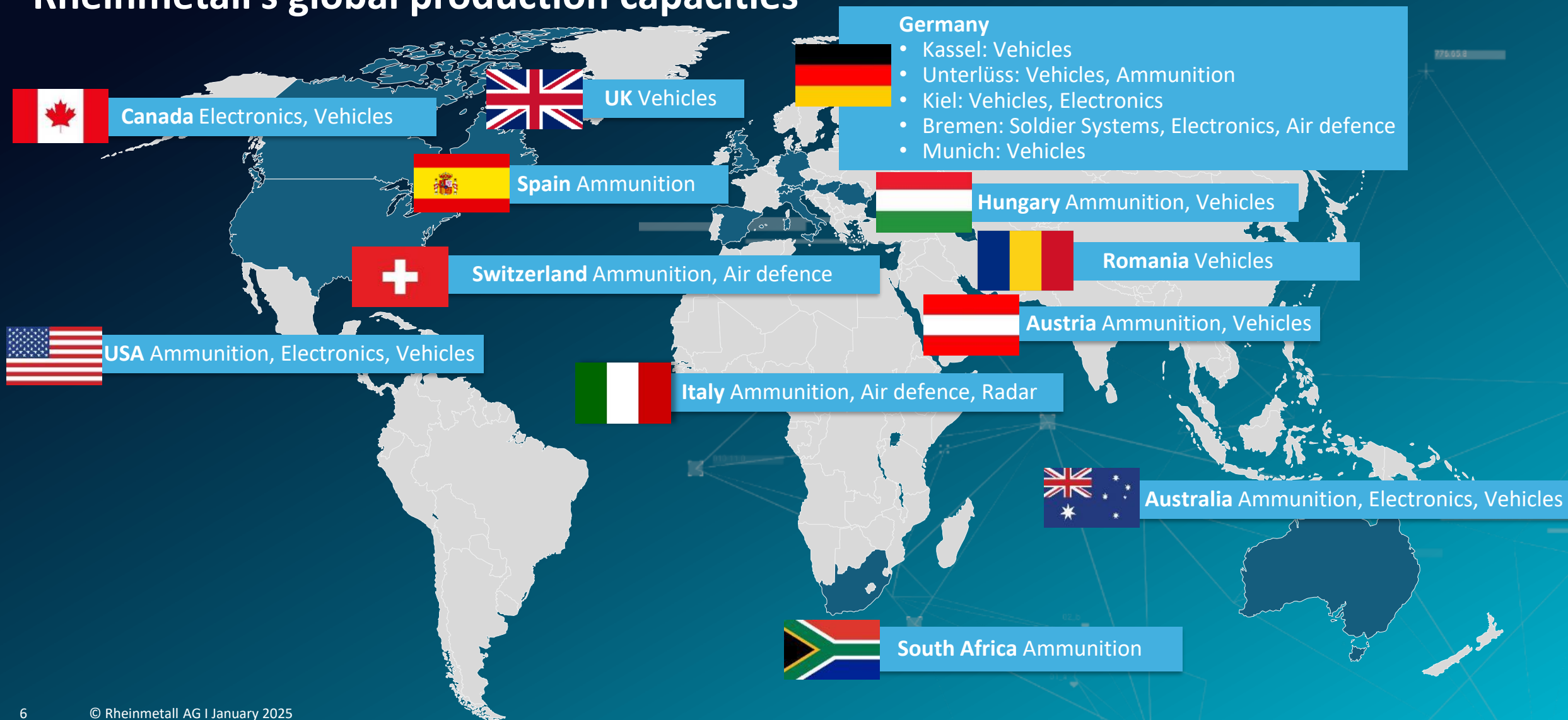
Rheinmetall at a glance

Rheinmetall portfolio perfectly matches need for land warfare



Rheinmetall at a glance

Rheinmetall's global production capacities



Rheinmetall at a glance

Defence projects with short-term implementation potential



Ammunition

6-12 months



Logistic vehicles

~12 months



Medium weight wheeled

12-18 months



Medium weight tracked

24 months



Soldier systems

12 months

Lead time

775098

Rheinmetall at a glance

ESG: Taking responsibility in a changing world



ESG Factbook

FRAME-WORKS & INITIATIVES

CSR-DIA¹ Since 2017	GRI Since 2017	UN GC Joined in 2021	CDP Applied in 2021	LkSG 2023	CSRD Pending
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ACTION

ENVIRONMENT

- **Carbon neutral in 2035²**
 - Improve energy efficiency
 - Energy management certificates ISO 50001
 - Increase self-generation of renewables
 - Switch to renewables
 - Environmental certificates ISO 14001
- **Continuous reforestation of FoJaNa³**

SOCIAL

- **Employee well-being**
 - Prioritizing employee well-being through occupational health programs
 - Flexible work arrangements
- **Health protection**
 - LTIR of 5.8 in 2023
 - Extend ISO 45001 certifications for OSH management
 - Extensive and systematic protection of employees
- **Diversity**
 - Promote diversity, equity and inclusion
 - Best practices for female recruitment and careers

GOVERNANCE

- Rigorous governance structures with strict compliance organization especially for export control, trade and tax compliance
- Continuous improvement of ESG transparency and ratings
- ESG objectives introduced in the variable compensation of top and middle management (Since 2022 as part of the STI and since 2024 also part of the LTI remuneration package)

MAIN RATINGS

MSCI ESG: A	ISS ESG: C-	Sustainalytics⁴: 24.6	S&P Global: 43	CDP⁵ Climate Change B
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Markets & Drivers

New reality is prompting Europe to increase their defence budgets

USA

Pushes for higher NATO target
Shift to pacific theater

Europe

Ukraine invasion
EU pushing for higher consolidation

Asia

Conflicts in Middle East
South China Sea Conflict
Redefinition of supply chains

Budget reaction

1.6% → 2.2%
Share **defence budget**
of GDP (Ø EU27)¹

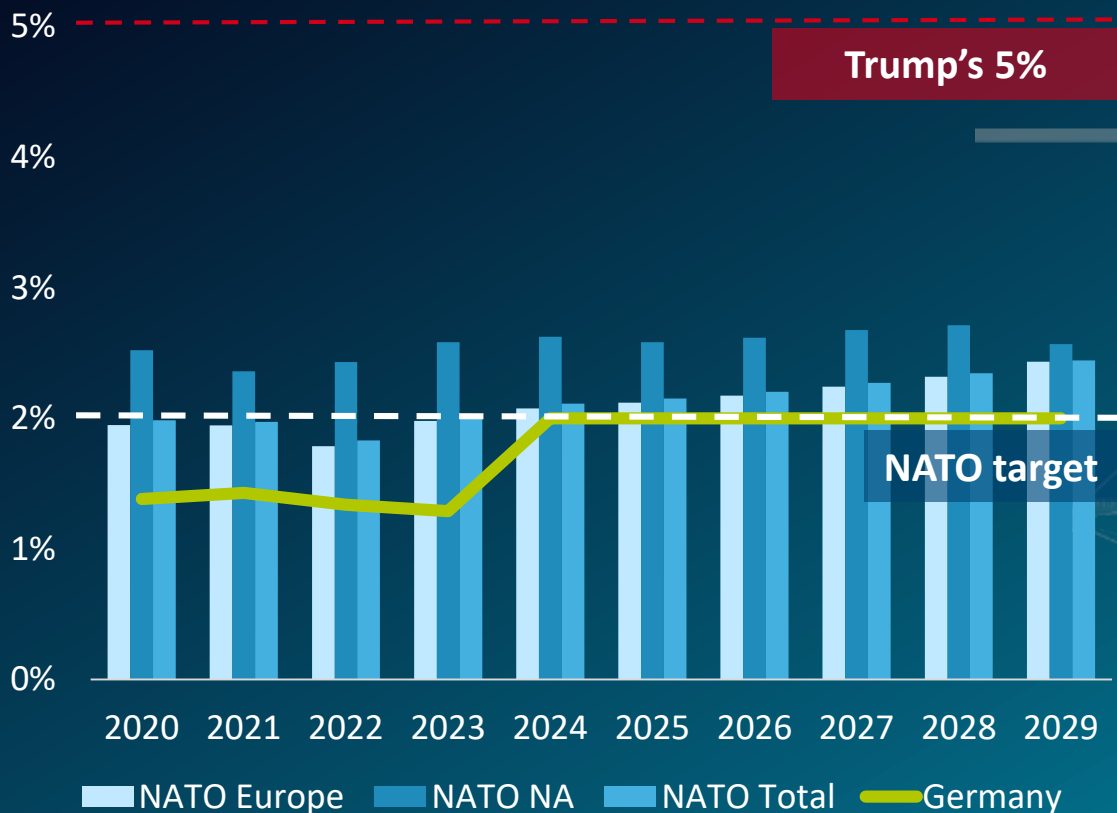
20% → 30%
Investment share
of defence budget²

25% =>29%
Share **land systems** of
invest volume²

Markets & Drivers

EU NATO countries increase spending by an additional €100bn until 2028

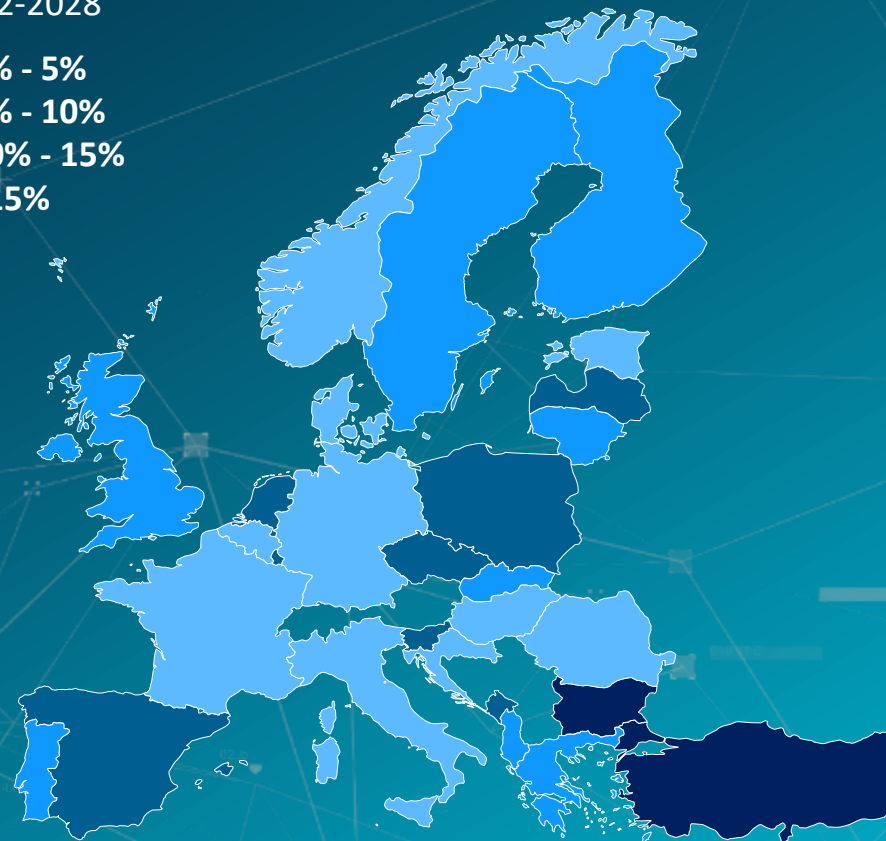
Europe crosses 2% in 2024 ...



... and further growth until 2028

CAGR 2022-2028

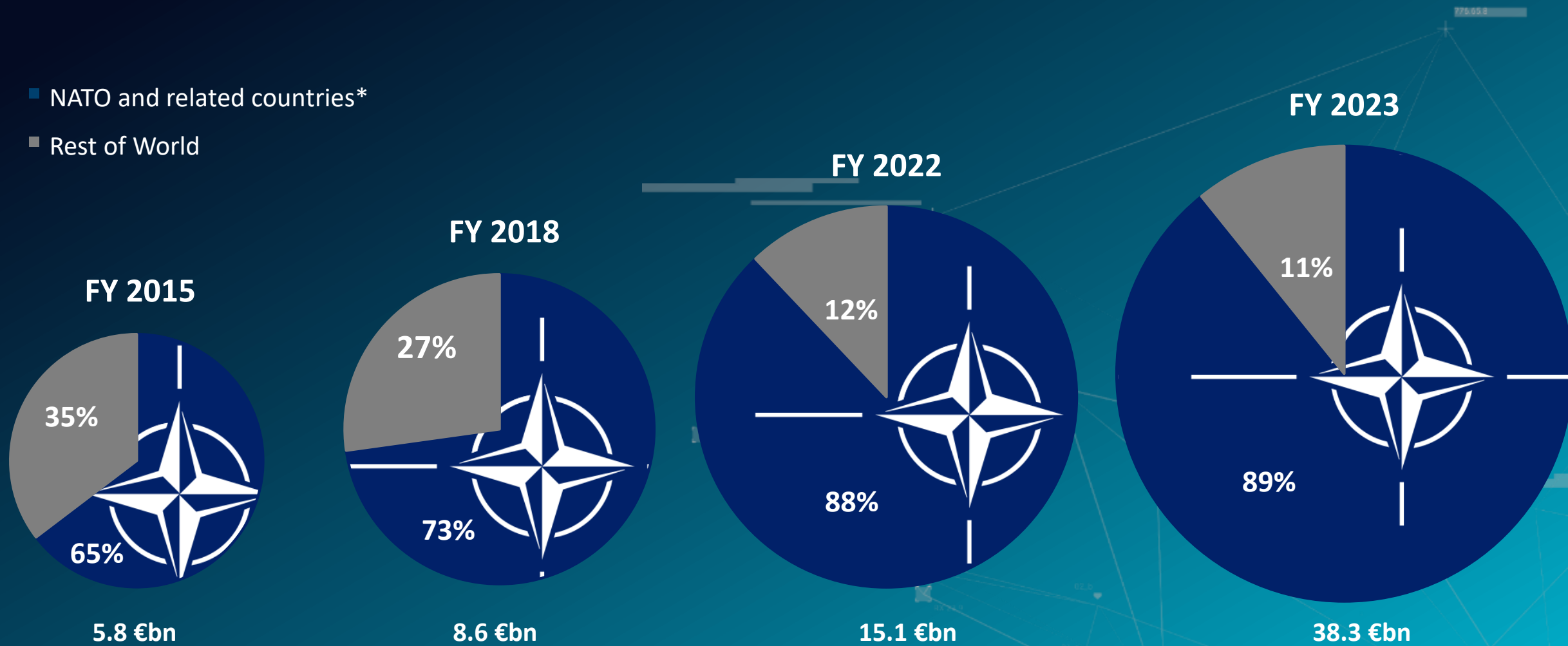
- 2% - 5%
- 5% - 10%
- 10% - 15%
- >15%



Markets & Drivers

Significant reduction in export risk due to high NATO order backlog

- NATO and related countries*
- Rest of World



Markets & Drivers: Italy

New Italian JV increased market potential tenfold

MBT program
in total ~€8bn

SUPPORT VEHICLES
~140 vehicles



PANTHER
~132 vehicles



AICS* program
in total ~€15bn

LYNX
~1,050 vehicles



ITALY
+ EXPORT
+ AMMUNITION
In total **€50bn** over next 10 years

Markets & Drivers: United Kingdom

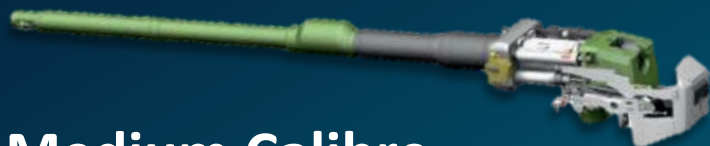
New Anglo-German defence cooperation creates new opportunities

GUNS
in total ~0.5bn

155mm Artillery



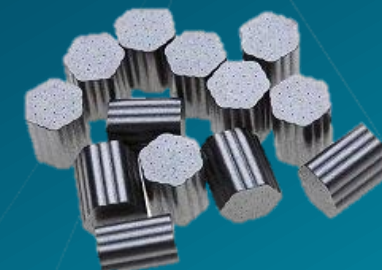
120mm Tank



Medium Calibre



POWDER
in total >€2bn



AMMUNITIONS & VEHICLES
in total ~€5bn

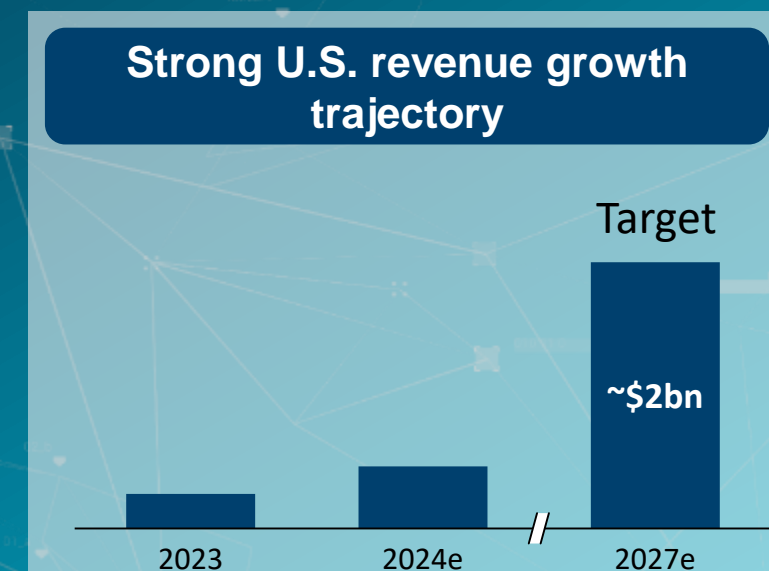


Markets & Drivers: USA

U.S. market entry is a major strategic shift



- U.S. market entry diversifies Rheinmetall's global portfolio
- ARD¹ introduces technology that aligns with key U.S. needs
- New element of competition in the U.S. market
- Gigantic order potential



Markets & Drivers: USA

Numerous promising potentials



Markets & Drivers: USA

Ambition is to quadruple sales over the coming years



Continue organic and inorganic investment to catalyze growth



Effectively integrate Loc Performance and realize growth synergies



Execute key captures



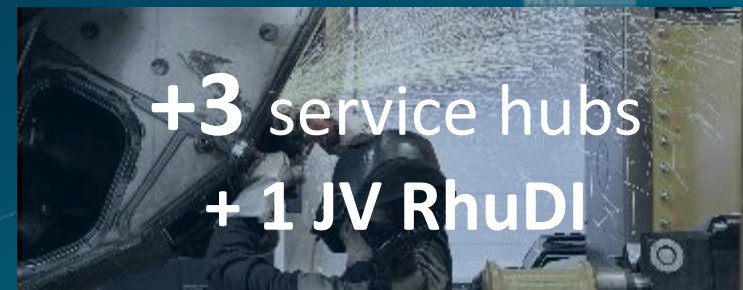
Aggressively pursue opportunities to achieve growth across wider portfolio

Markets & Drivers: Ukraine

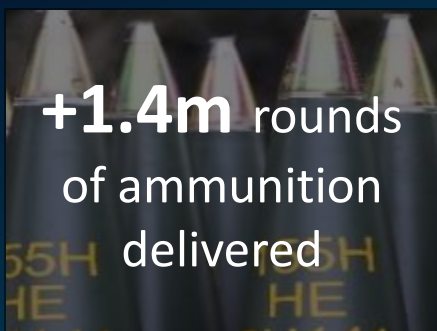
Rheinmetall is the leading industrial defence partner of Ukraine



Total orders since 2022
~€6bn



+3 service hubs
+ 1 JV RhuDI



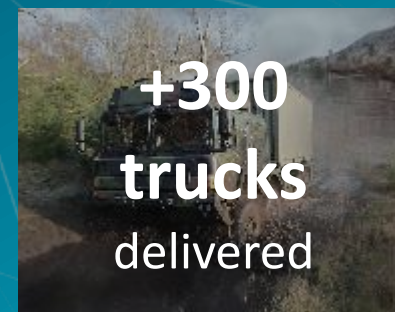
+1.4m rounds
of ammunition
delivered



+250 armored
vehicles delivered



+110 systems
of air defence,
SatCom and UAVs
delivered



+300
trucks
delivered



Markets & Drivers: Ukraine

Lessons learned from the war in Ukraine

- Return to **high intensity conventional warfare**
- Enormous **demand for munitions**
- **Air force alone** does not win wars
- European land forces are **inadequately equipped**
- GDP target of defence spending of **at least 2% necessary**

- **Passive and active protection** (top attack protection) is a decisive combat advantage
- **Local maintenance hub** important to reduce repair times
- **Gun- and rocket-based air defence** is crucial
- **Resilience** against electronic warfare

Markets & Drivers: Ukraine

First industry partner with local footprint in Ukraine



Markets & Drivers: Cooperations

Forging new and strengthening existing alliances



Air defence, missiles, aeronautic systems, simulation & training



Various technology areas, e.g. new visual systems for tactical vehicles



Drone technology



Counter small Unmanned Aerial Systems - C-sUAS



Automated 155mm L52 wheeled self-propelled howitzer



F-35



Laser weapons



SAR satellites



Loitering munition



Markets & Drivers: Cooperations

Successful cooperation with Lockheed Martin enters next phase



&



Expansion of existing collaboration to new technological areas

Estimated market potential over the next ten years

~€5bn

~€7bn

~€0.5bn

~€0.5-1bn

~€4bn

~€1bn

F-35



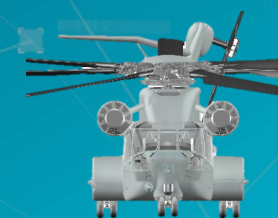
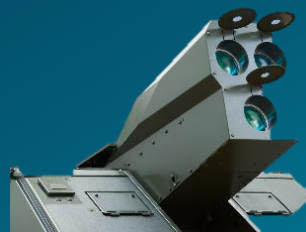
GMARS

Laser weapons

Simulation & training

SHORAD

Aeronautic systems





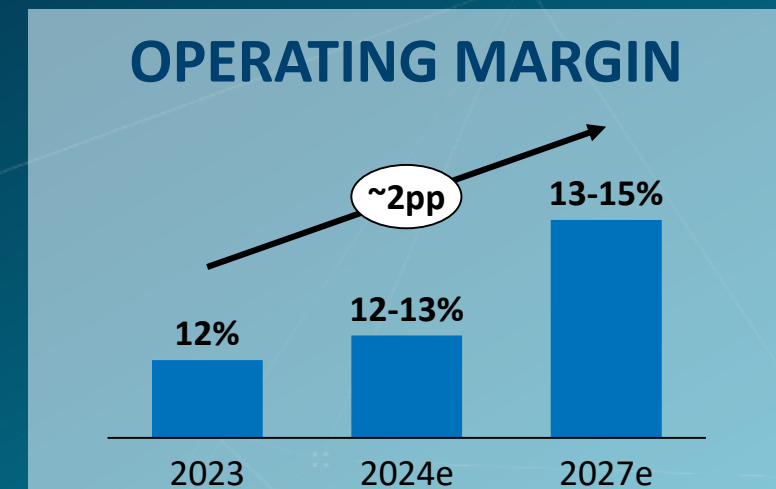
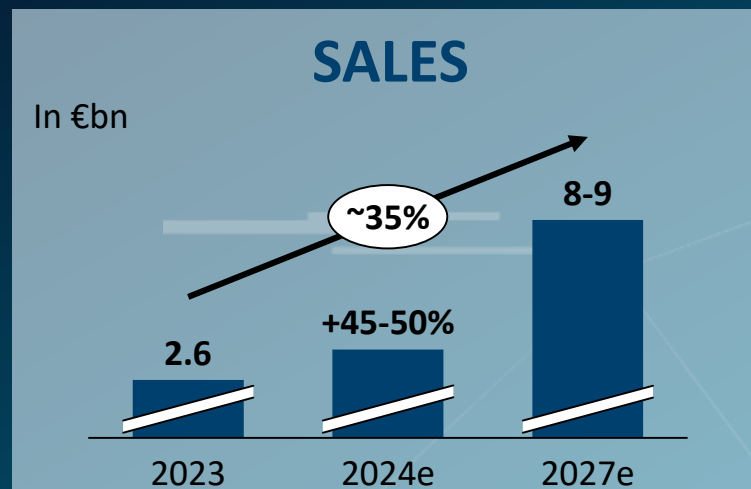
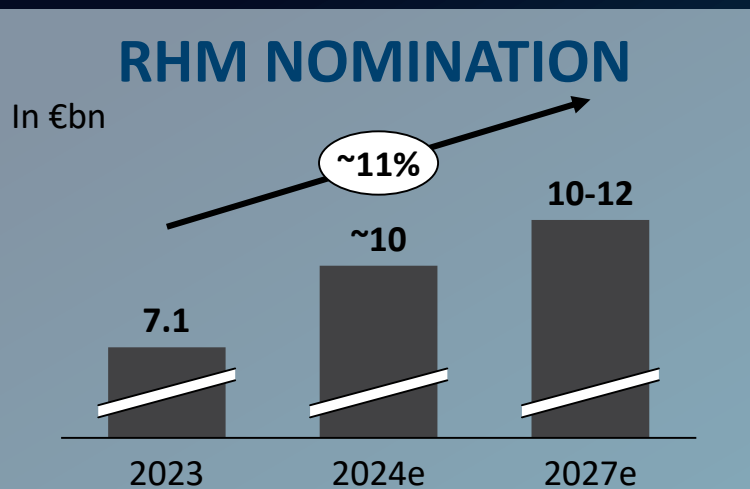
Segment

VEHICLE SYSTEMS

2027 Sales potential **€8-9bn**

Four segments: Vehicle Systems

Multiple programs enter ramp-up phase and create leverage



TOP PROJECTS

- Panther KF51 Hungary
- XM30 USA
- Common Tactical Truck USA
- Trucks Germany
- Caracal Germany & Netherlands
- Lynx Hungary
- Italian tactical vehicles (Lynx & Panther)

MARKET PROFILE

Key competitors

- **Logistic Vehicles**
Scania, IVECO, Daimler, ARQUUS, Oshkosh
- **Tactical Vehicles**
BAE Systems, KNDS, General Dynamics, Hanwha, Patria

Differentiators

- International footprint
- Broad product portfolio
- System integrator
- Modular and open architecture
- Excellent engineering
- Know-How & capabilities

Value proposition

- High vertical integrated vehicle production
- Diverse portfolio of operationally proven wheeled and tracked vehicles

Four segments: Vehicle Systems

Selected product overview

Heavy weight tracked



Panther KF51



Leopard 2*



Challenger 3

Medium weight tracked



Lynx



Puma*



Marder*



XM30

Medium weight wheeled



Boxer*



Fuchs

Artillery systems



Panzerhaubitze 2000*



Wheeled Howitzer



RCH155*

Logistic vehicles



TG-MIL



HX81 with Load Handling System



HX 8x8 Excavator



HX3 WLS

HX User Group



4x4 vehicles



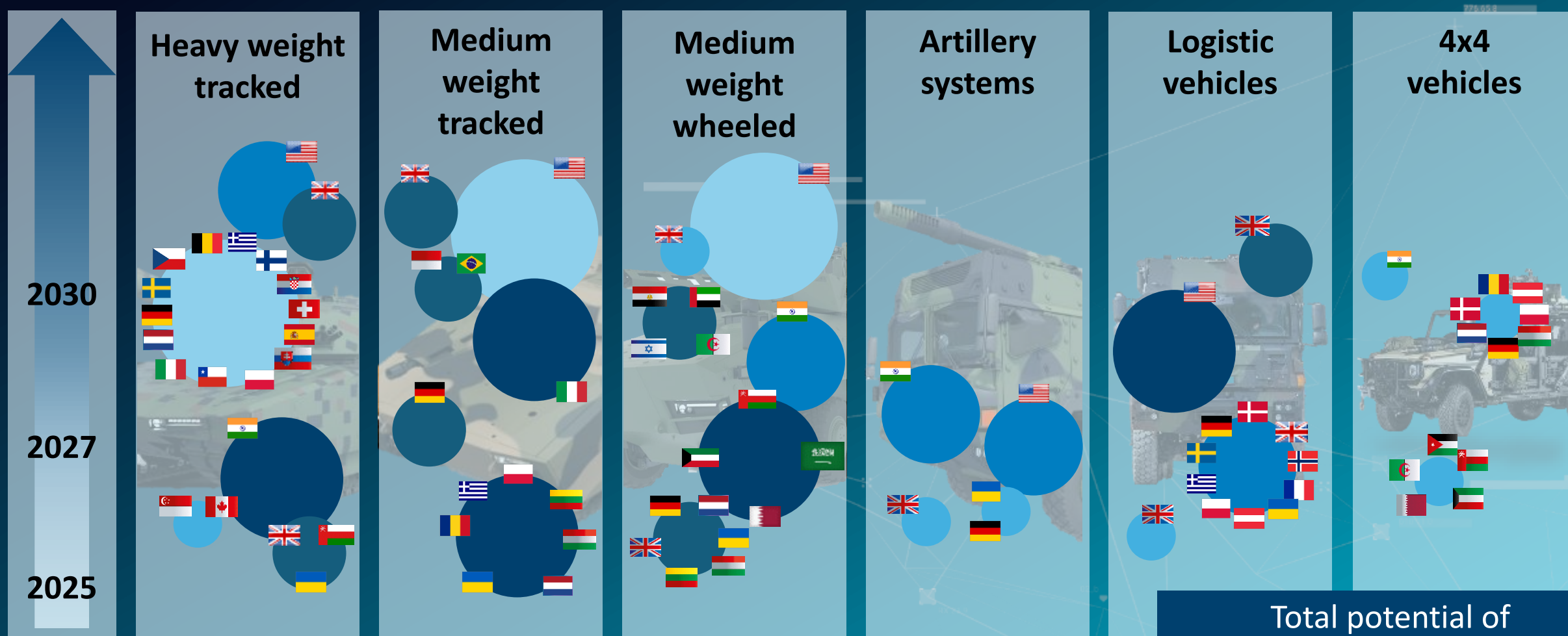
Survivor R



Caracal

Four segments: Vehicle Systems

Gigantic demand for vehicles of all kinds



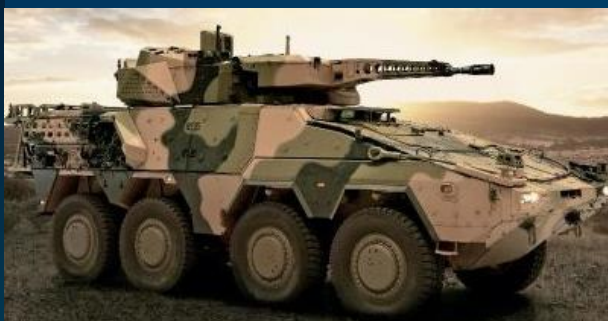
Total potential of
>€200bn

Four segments: Vehicle Systems

Re-scoped Boxer business opens new possibilities

- Growing demand for wheeled tactical vehicles
- Boxer well positioned to participate in this growth
- Boxer orders will be handled by ARTEC*

Total order potential of up to ~€15bn over the next 10 years



Heavy Weapon Carrier

e.g. GER, NL, UK, RoW



RCH 155

e.g. GER, NL, UK, Ukraine, USA, RoW



BOXER MIV

e.g. GER, UK

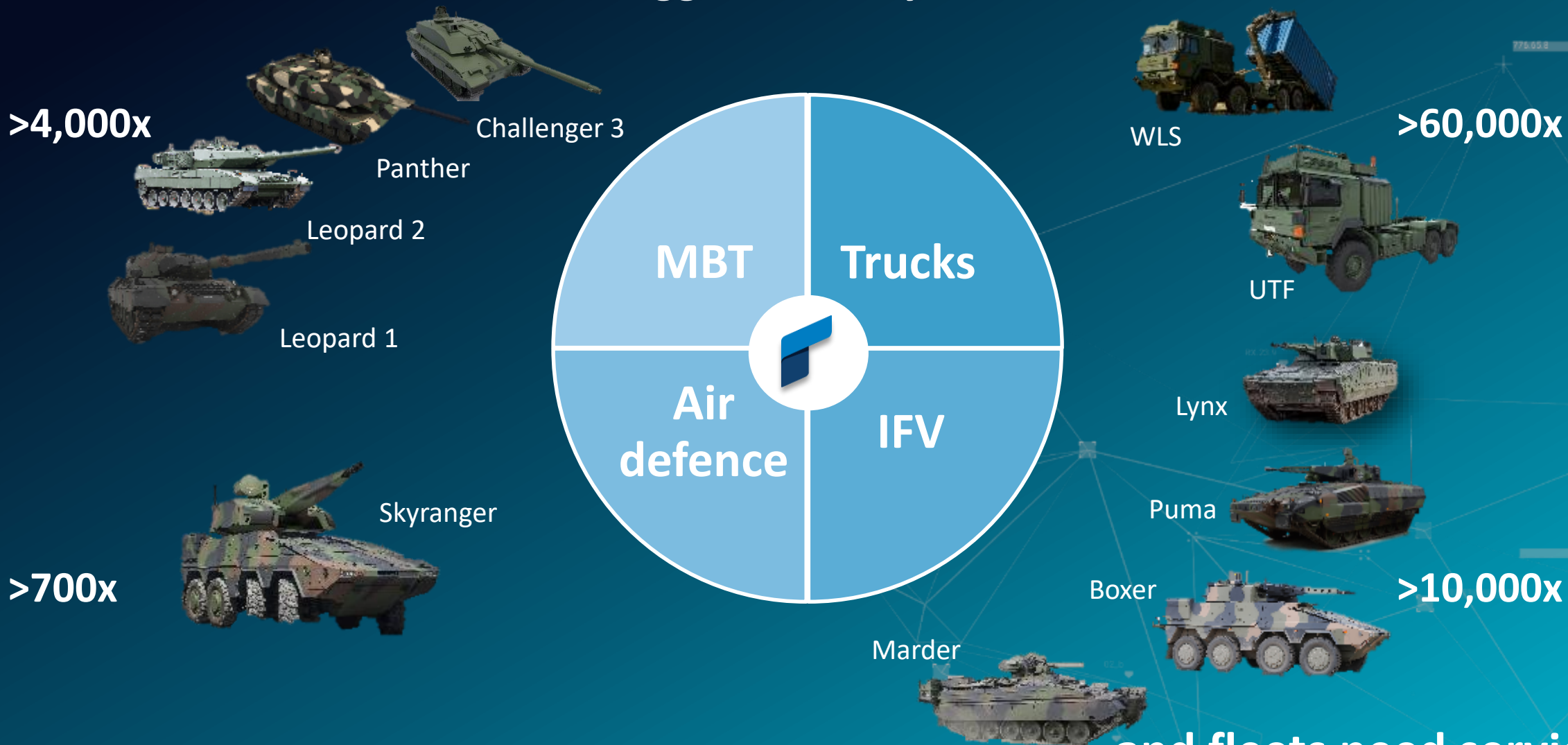


Wheeled IFV

e.g. GER, NL

Four segments: Vehicle Systems

Rheinmetall to create one of the biggest military vehicle fleets



and fleets need service

Segment

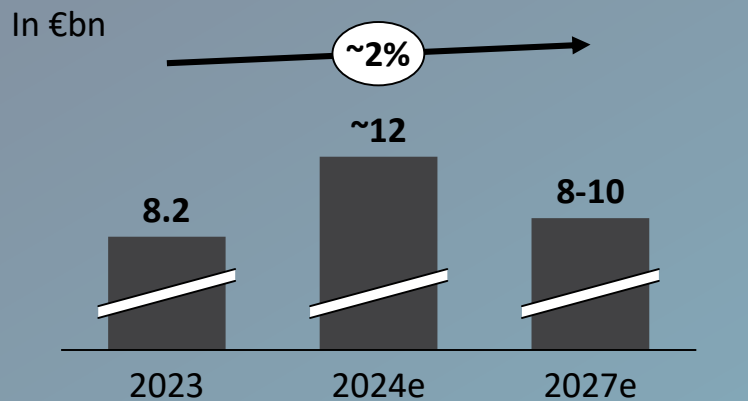
WEAPON AND AMMUNITION

2027 Sales potential **€6-7bn**

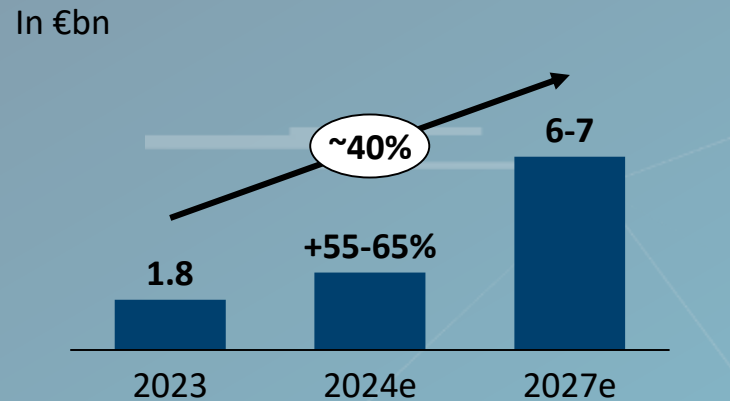
Four segments: Weapon and Ammunition

Transforming backlog into profitable sales

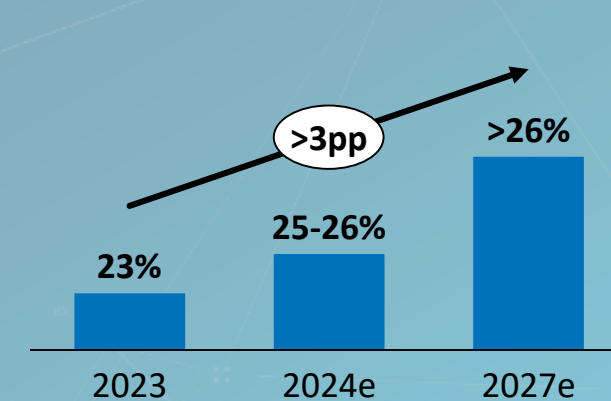
RHM NOMINATION



SALES



OPERATING MARGIN



TOP PROJECTS

- Large-scale 155mm artillery ammunition capacity increases (i.e. Unterlüß)
- 130mm smooth-bore tank gun testing and ammunition development
- Next generation 155mm howitzer L60 development and testing
- F-35 25mm ammunition under discussion
- Rocket motors

MARKET PROFILE

Key competitors

- Weapon and Ammunition**
Nexter, Plasan, General Dynamics
- Protection Systems**
Elbit, TenCate, Nammo
- Propulsion Systems**
Eurenco, Explosia, Milan Blagojević

Differentiators

- International footprint
- Broad product portfolio
- System integrator
- Modular and open architecture
- Excellent engineering
- Know-How & capabilities

Value proposition

- Leading global technology provider
- High economies of scale
- Fully integrated supply-chain (full-shot)
- Supreme battle-proven gun technologies

Four segments: Weapon and Ammunition

Selected product overview

Med & large caliber ammo



155mm



120mm



40mm



35mm



20-30mm

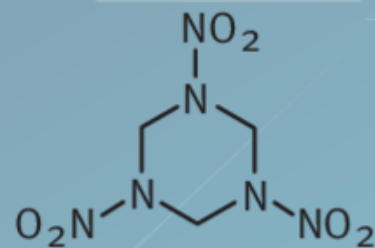


Mortar

Med & large caliber weapons



Explosives & propulsion



Protection systems



Passive



Active

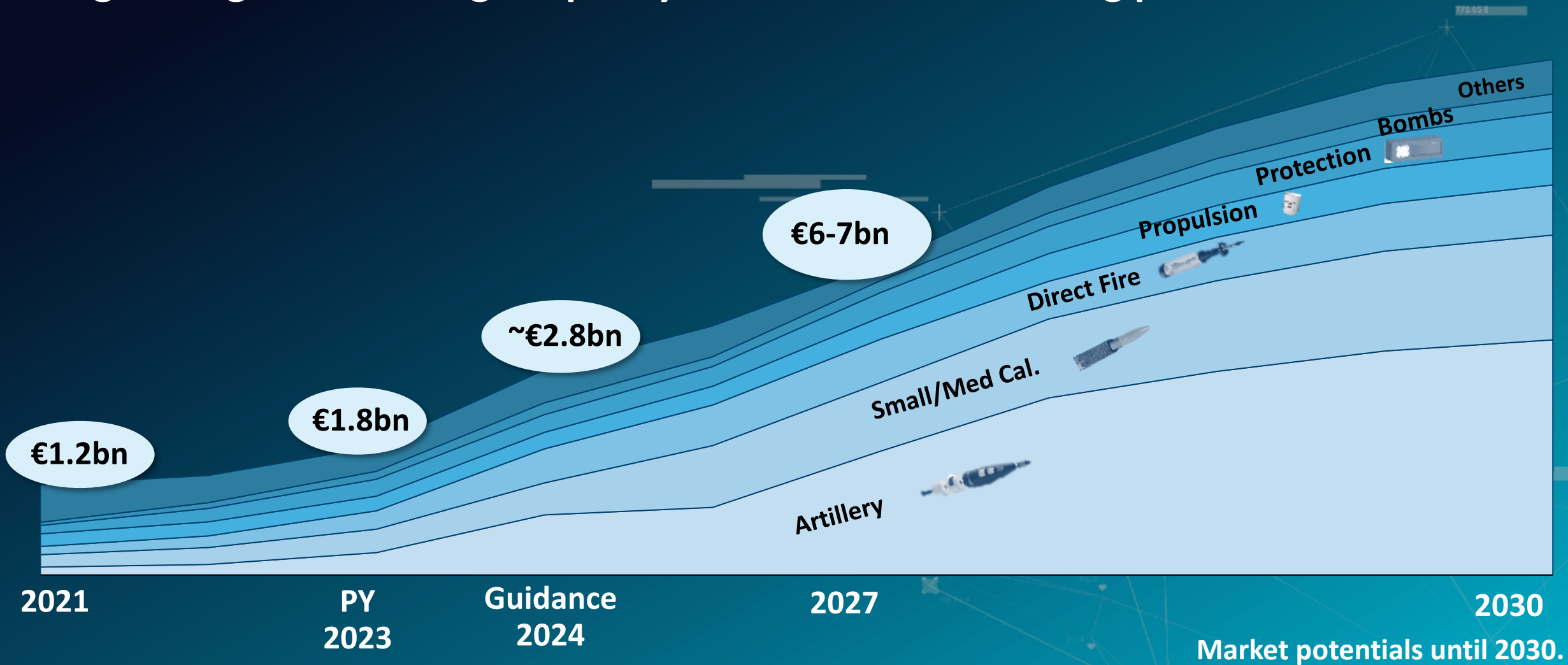
Loitering munition



In cooperation with UVision

Four segments: Weapon and Ammunition

Long-term growth through capacity increases in the existing portfolio



Four segments: Weapon and Ammunition

Establishing Rheinmetall as a power house for rocket motors

- Two main suppliers – Lockheed Martin (HIMARS) and Elbit (PULS)
- **EXPAL acquisition** opened rocket artillery market in Europe to Rheinmetall
- New German capacity in Unterlöss



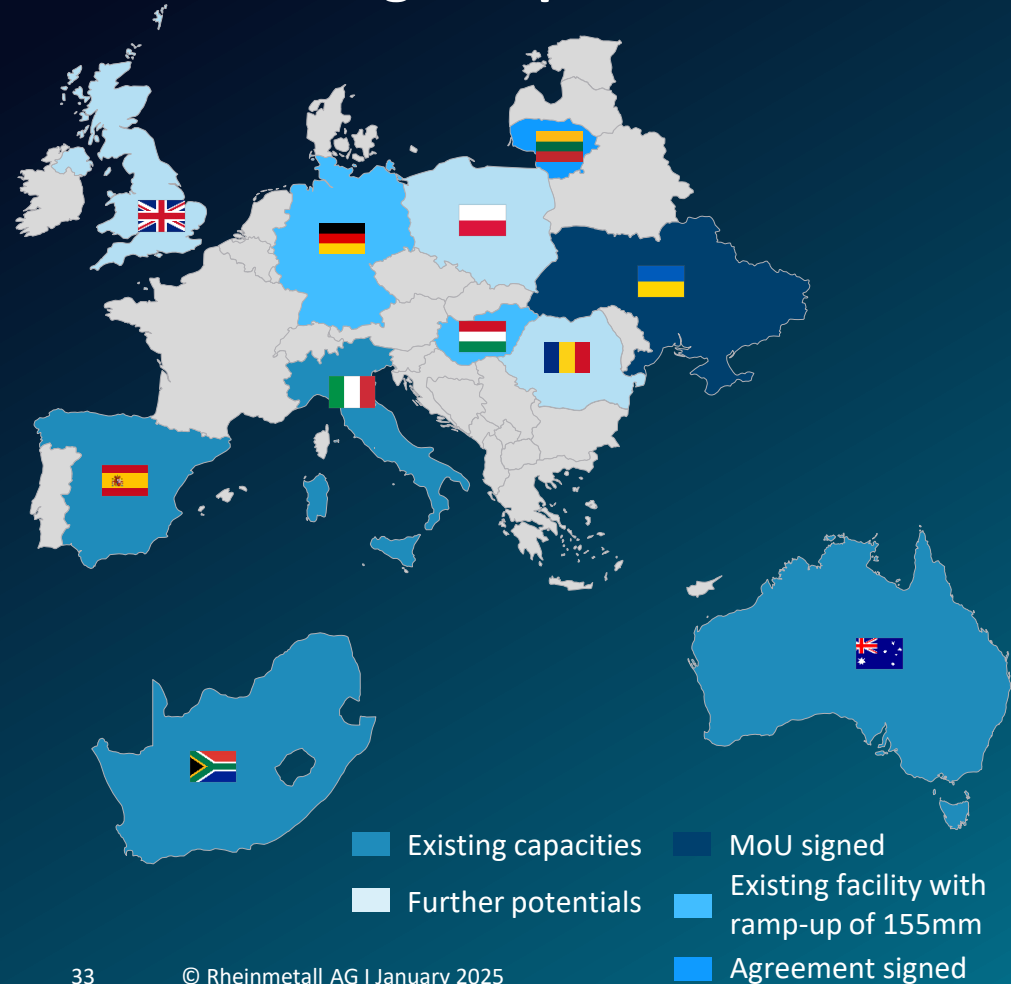
Total production capacity of **up to 5,000 t** rocket motor propellants p.a.

Total potential of **~€3.5bn** p.a.

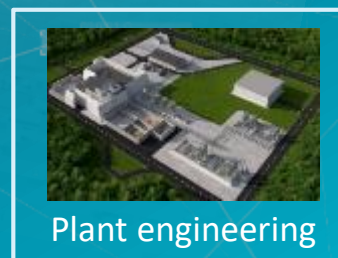
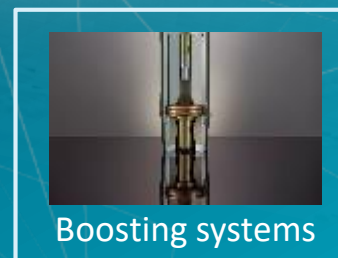
Four segments: Weapon and Ammunition

Strengthening Europe's full shot capacity for 155mm artillery

Scaling footprint



Artillery Ammunition Systems with 30 to 75km+ in range



Four segments: Weapon and Ammunition

On our way to mass production!



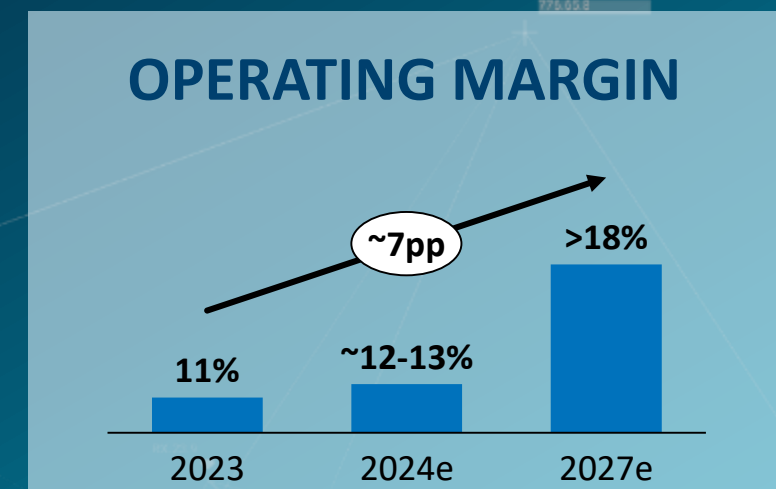
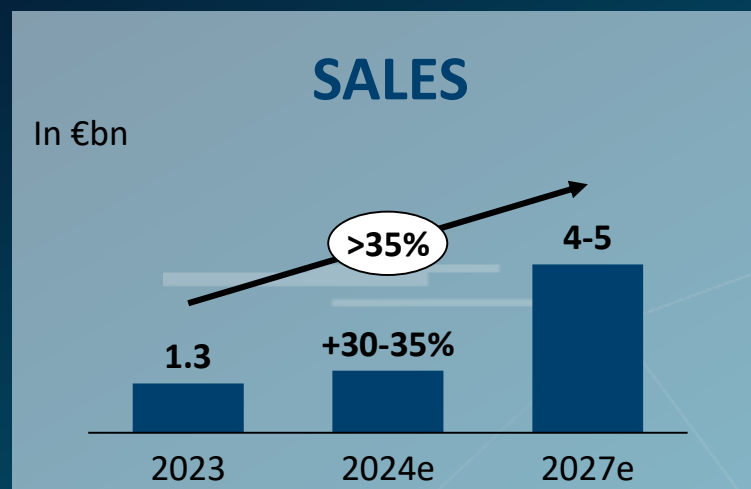
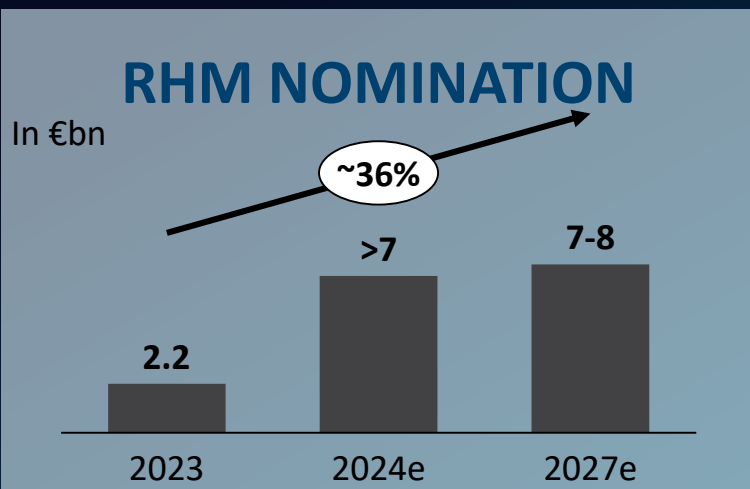
Segment

ELECTRONIC SOLUTIONS

2027 Sales potential **€4-5bn**

Four segments: Electronic Solutions

Air defence and digitalization drive sales to new heights



TOP PROJECTS

- European Sky Shield Initiative / Skyranger
- NNbS (Nah- und Nächstbereichsschutz / Short-Range Air defence in Germany)
- F-35 center fuselage
- Digitalization of the Army in Germany, Hungary, final down selection phase in Australia

MARKET PROFILE

Key Competitors

- **Integrated Electronic Systems**
Hensoldt, Elbit, Thales
- **Air Defence**
Norinco, Rosoboron, GDLS
- **Technical Publications**
CONDOK, ESG

Differentiators

- International footprint
- System integrator
- Modular and open architecture
- Excellent engineering
- Know-How & capabilities

Value proposition

- Sensing the battlefield (Superior situational awareness and intelligence)
- Connecting the battlefield (Digitalization, networking, sensor 2 shooter chains)
- Dominating the battlefield (Smart effects, automation, intelligent empowerment)

Four segments: Electronic Solutions

Selected product overview

Air defence



Mobile air defence
Skyranger



Stationary air defence
Skynex / Skyguard



Non-kinetic effectors
Oerlikon High Energy Laser

Digitalization



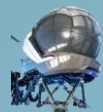
Next generation soldier systems
IdZ / Gladius X



IT system integration
D-LBO (GER), further programs in
HUN and AUS



Unmanned systems
LUNA NG / Mission Master



Virtual / Constructive / Live
Simulation & training

Mission systems



Stabilized sighting system
SEOSS



Driver vision
Trailblazer



Effector integration
ATGM Mission Pod

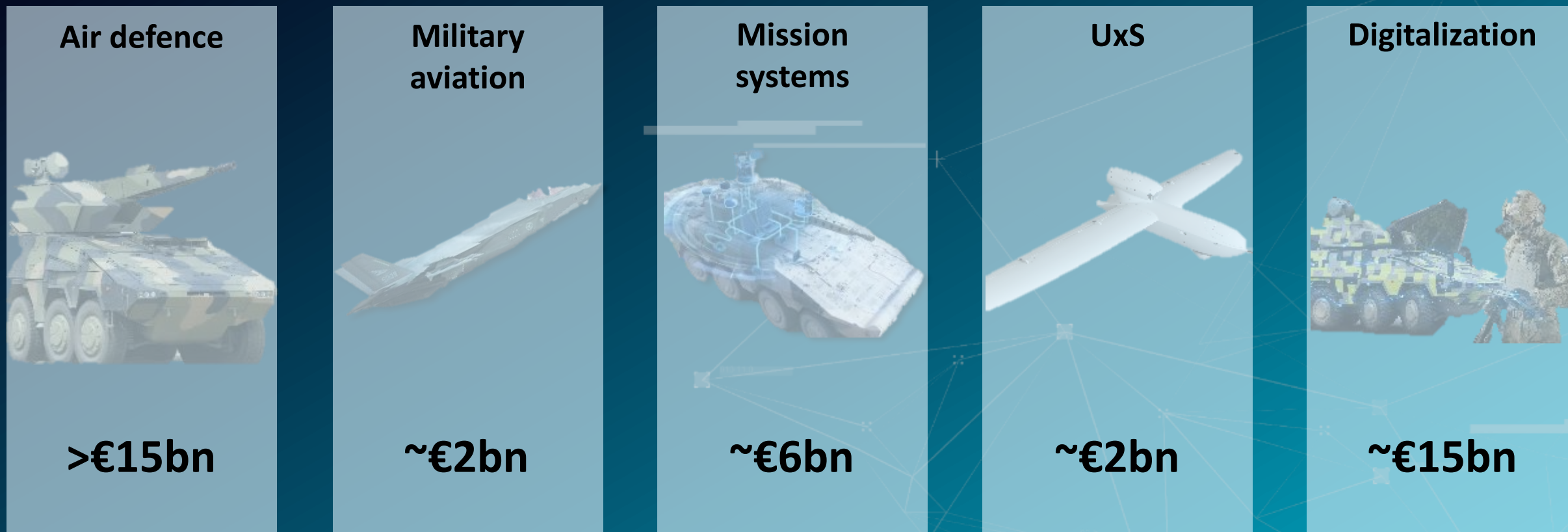
Aeronautical systems



Aircraft structures
F-35 center fuselage

Four segments: Electronic Solutions

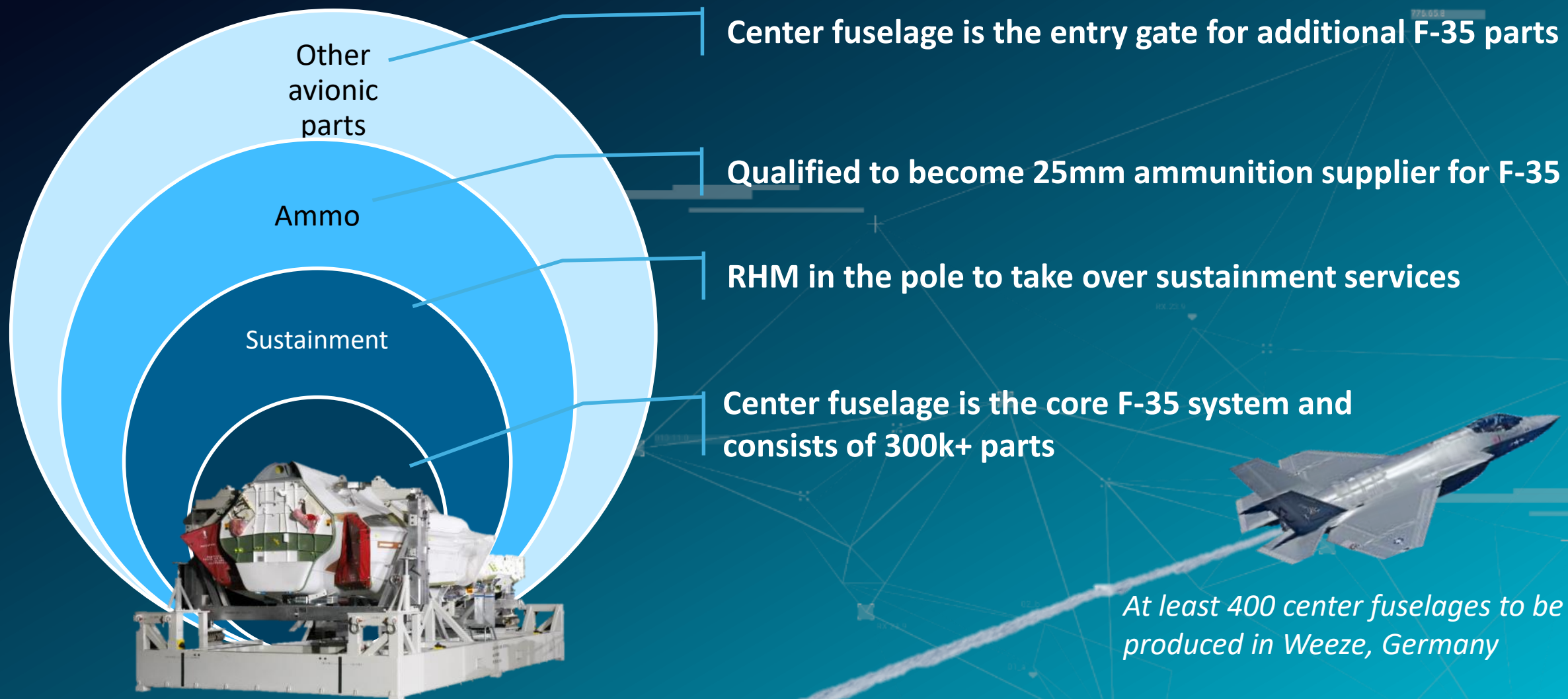
New challenges on the battlefield create huge opportunities



Market potentials until 2030.

Four segments: Electronic Solutions

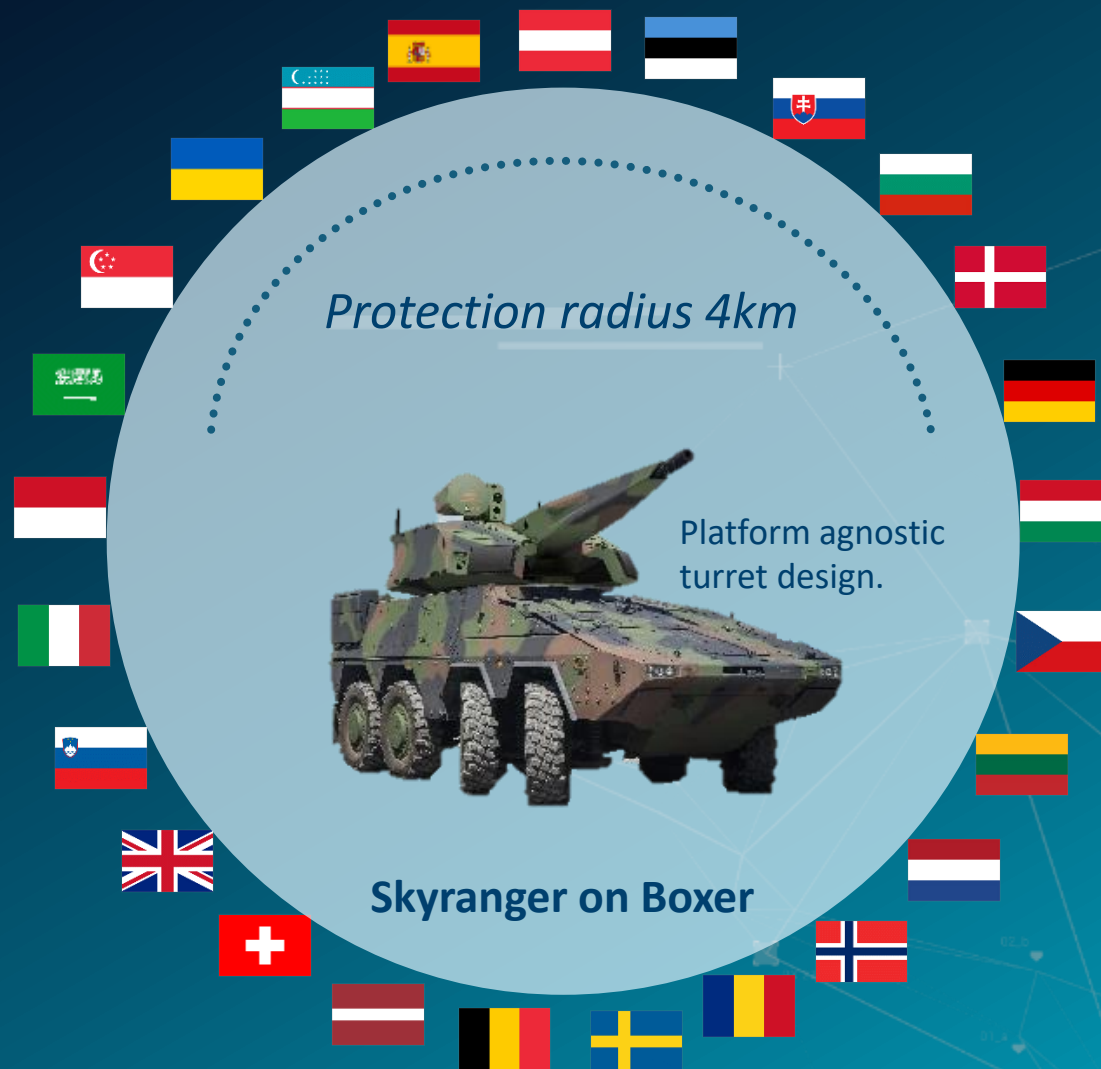
F-35 center fuselage as nucleus to grow domain air



Four segments: Electronic Solutions

Rheinmetall's market leading gun technology is set for VSHORAD

Strong interest in ESSI and beyond!



Total market potential:

>€15bn

Four segments: Electronic Solutions

Evolution of warfare will drive growth in the digitalization business

Potential until 2030

D-LBO ~€1bn

TAWAN ~€7.5bn

IdZ >€2.5bn

OTHERS ~€4bn

Total market potential:

>€15bn



Segment

POWER SYSTEMS

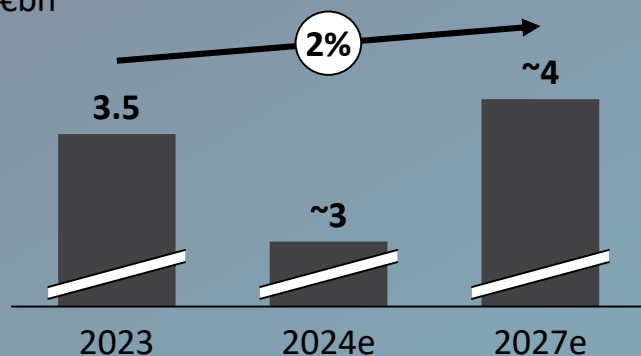
2027 Sales potential **€2-2.5bn**

Four segments: Power Systems

Defying a challenging macro environment

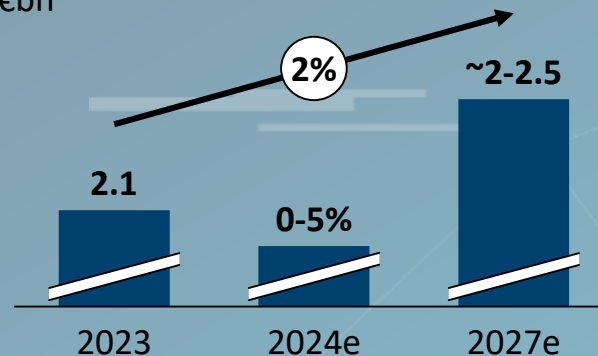
RHM NOMINATION

In €bn

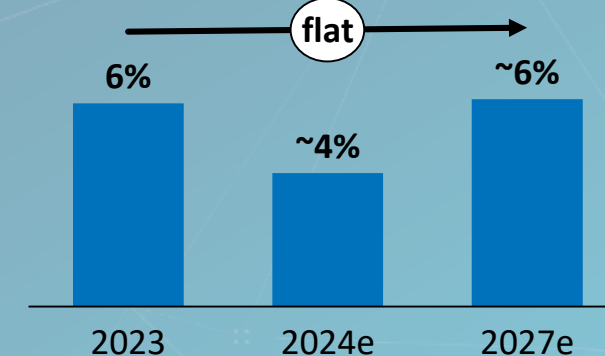


SALES

In €bn



OPERATING MARGIN



TOP PROJECTS

- One face to the customer
- Holistic portfolio for ICE and BEV applications and beyond
- Combining knowledge and expertise
- Technology mergers for more efficient R&D
- Cost reductions and organizational synergies

MARKET PROFILE

Key Competitors

- **Actuators:** Bosch, Conti
- **AES / CDS*:** BorgWarner, Valeo
- **Solenoid Valves:** Bitron, Denso
- **Pump Technology:** Hella, Magna
- **Other:** Daido, Tenneco, Mahle

Differentiators

- Wide technology portfolio
- Extensive material, friction reduction and surface treatment know-How
- Global footprint with broad aftermarket network
- Lightweight technologies: materials and structures

Value proposition

- Leading European Tier-1 supplier
- Technology transfer creates new business opportunities

Four segments: Power Systems

Selected product overview

ICE applications



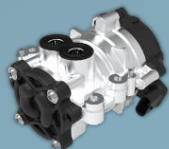
Bearings



Castings

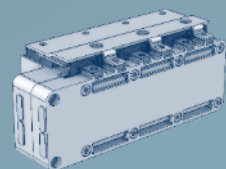


Exhaust control valve



Electric oil pump

BEV applications



Power core



High voltage contractors



EV housing

Aftermarket



Spare parts for cars, vans, buses and off-highway applications

Urban products



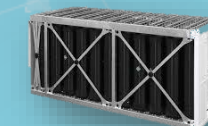
Electric coolant pump



Electric climate compressor



Curbstone charger



Fuel cell tanks

Four segments: Power Systems

Continuous transformation of our civil business

Optimization continues

New divisional set-up

Disposal of the piston business

Portfolio management
Potential reassignment
of civil capacities

Materials & Trade and
Sensor & Actuators
merged into Power
Systems

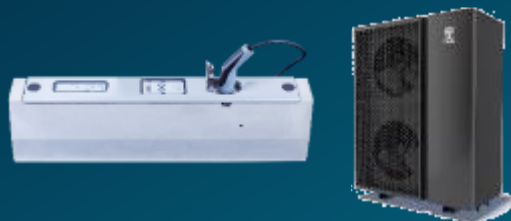


Large-bore pistons
Small-bore pistons



Addressing new markets

Warm house
Curbstone chargers



Financials

Maintaining a balanced capital allocation

Capex



M&A



Debt Leverage



Dividend



Buyback



- Supporting rapid growth with increased capex in the short-term
- 5% level targeted in the mid-term

- Building M&A track record
- Defining key acquisition criteria
- Ongoing portfolio optimization

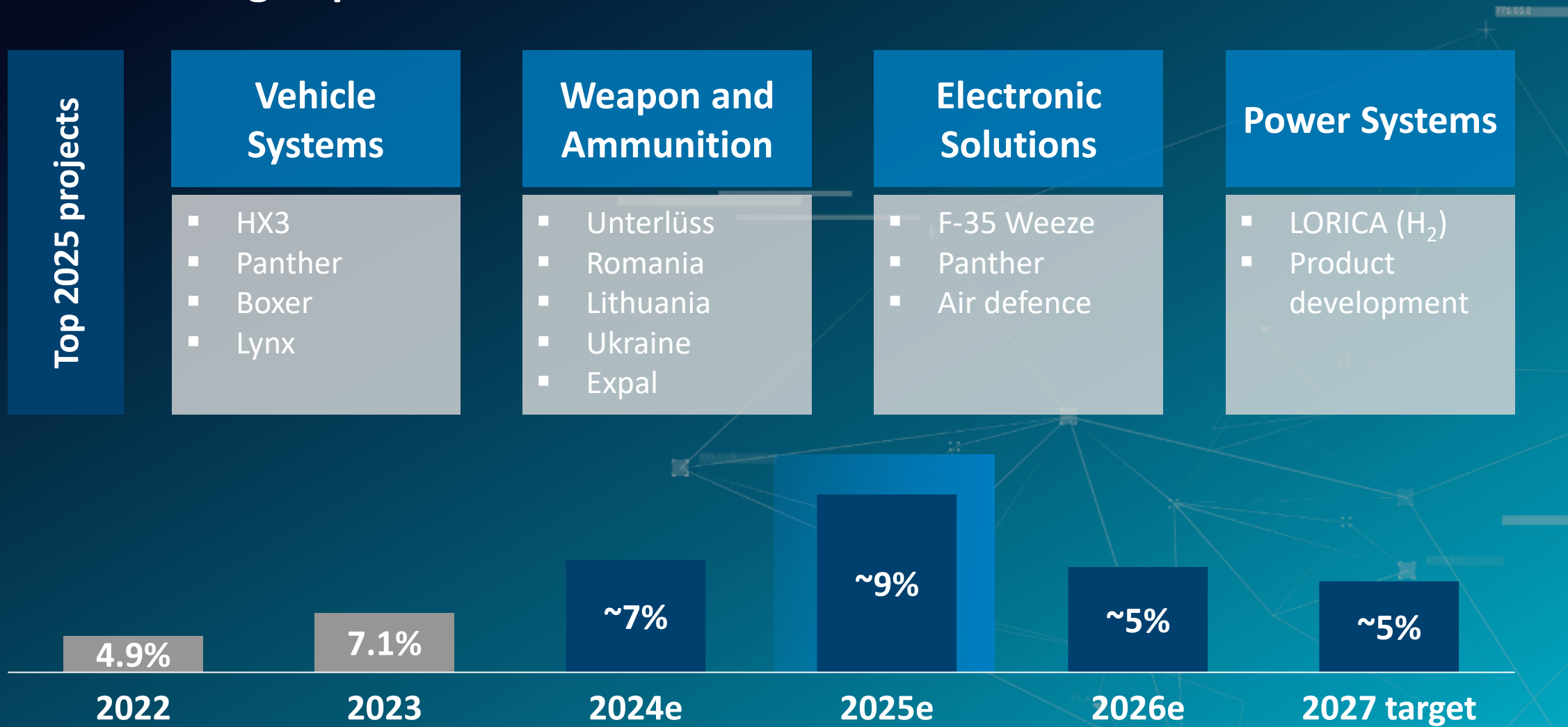
- Low leverage leaves room to be opportunistic
- Maintaining our investment grade rating

- Attractive payout ratio between 35-40% of net income before PPA

- Authorized capital renewed at the AGM 2024
- Buybacks as last optionality

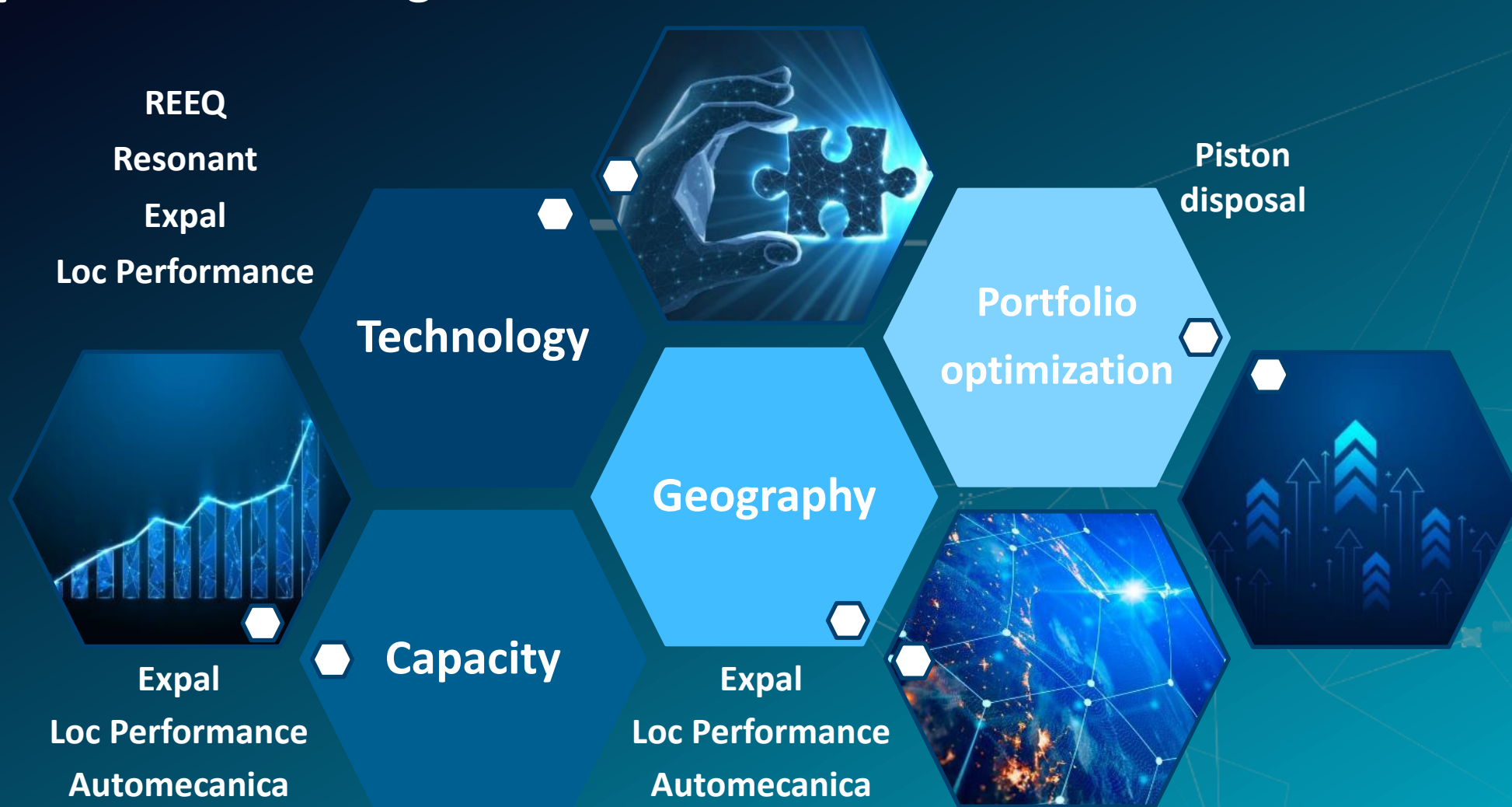
Financials

Growth enabling Capex



Financials

Four key criteria for strategic M&A



Financials

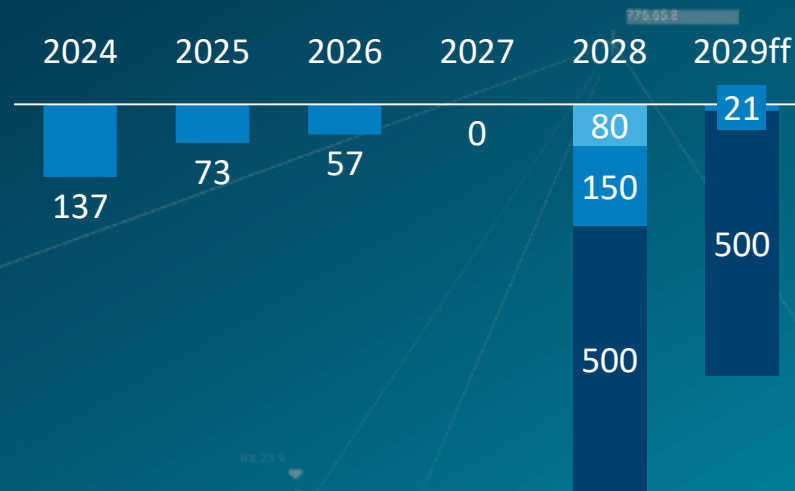
Low leverage ratio allows us to stay opportunistic

Equity ratio

>30%
(29.6%)

Net debt / EBITDA

<3
(0.88)

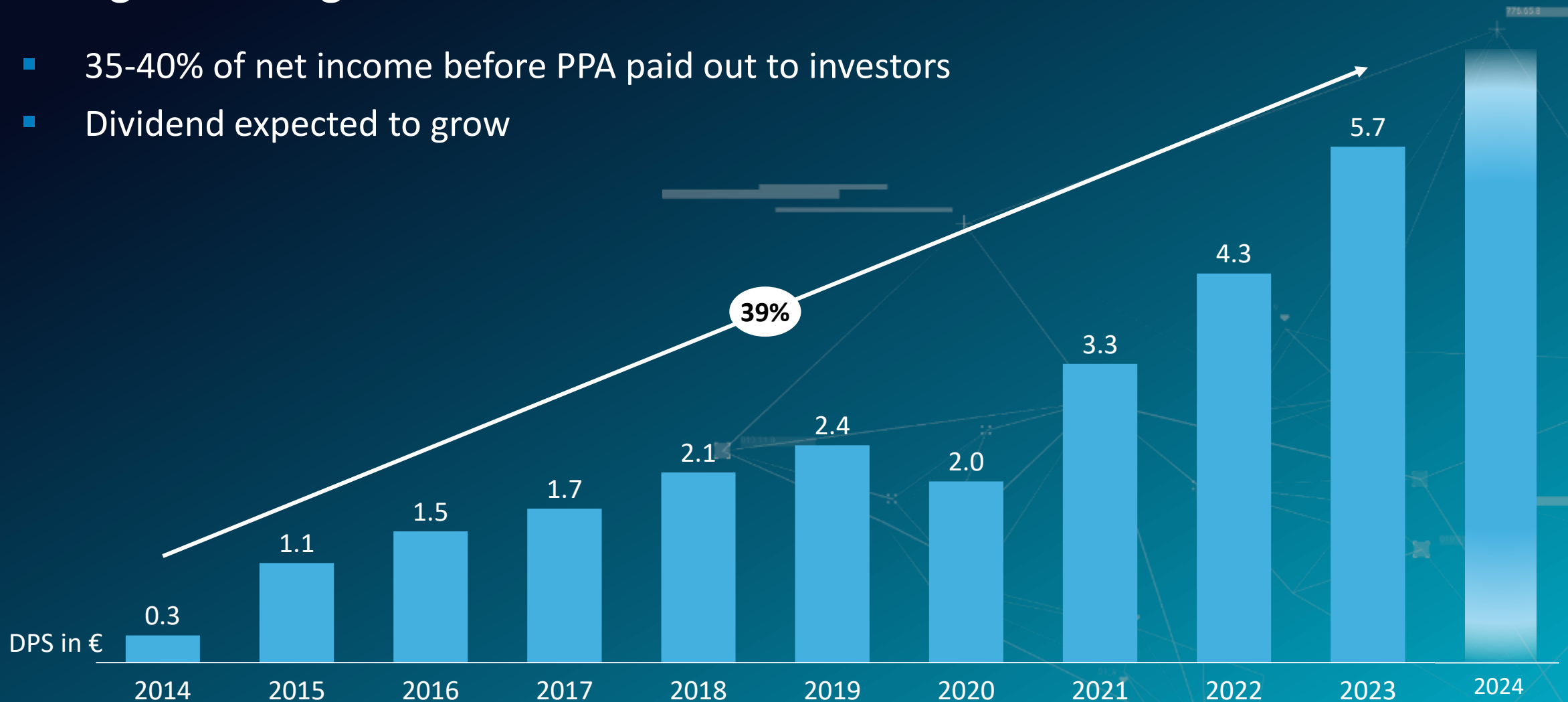


- ➡ We want to maintain our investment grade rating Baa2 stable outlook
- ➡ Our balance sheet remains strong with undrawn credit lines of €1.3bn

Financials

Strong dividend growth rate over the last decade

- 35-40% of net income before PPA paid out to investors
- Dividend expected to grow



Outlook

Solid growth and profitability 2027

	2027e	2024e	2023
Sales	~€20bn	~€10bn	€7.2bn
Operating margin	~18%	~15%	12.8%
Cash conversion rate* (OFCF to operating result)	>40%	≥40%	~39%

Outlook

Solid growth and profitability 2027

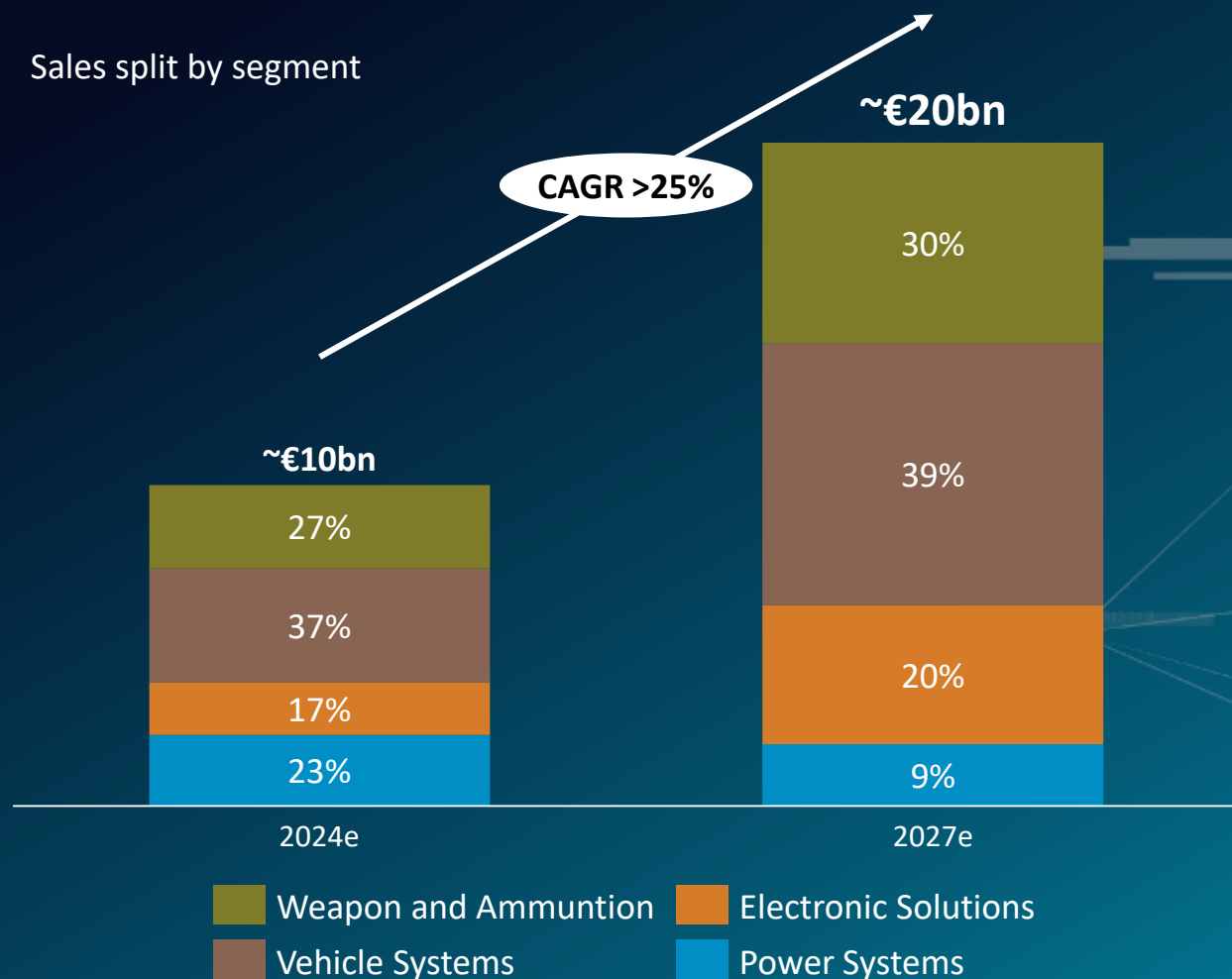
Operating result by segment



Outlook

Accelerated defence growth continues over the next years

Sales split by segment



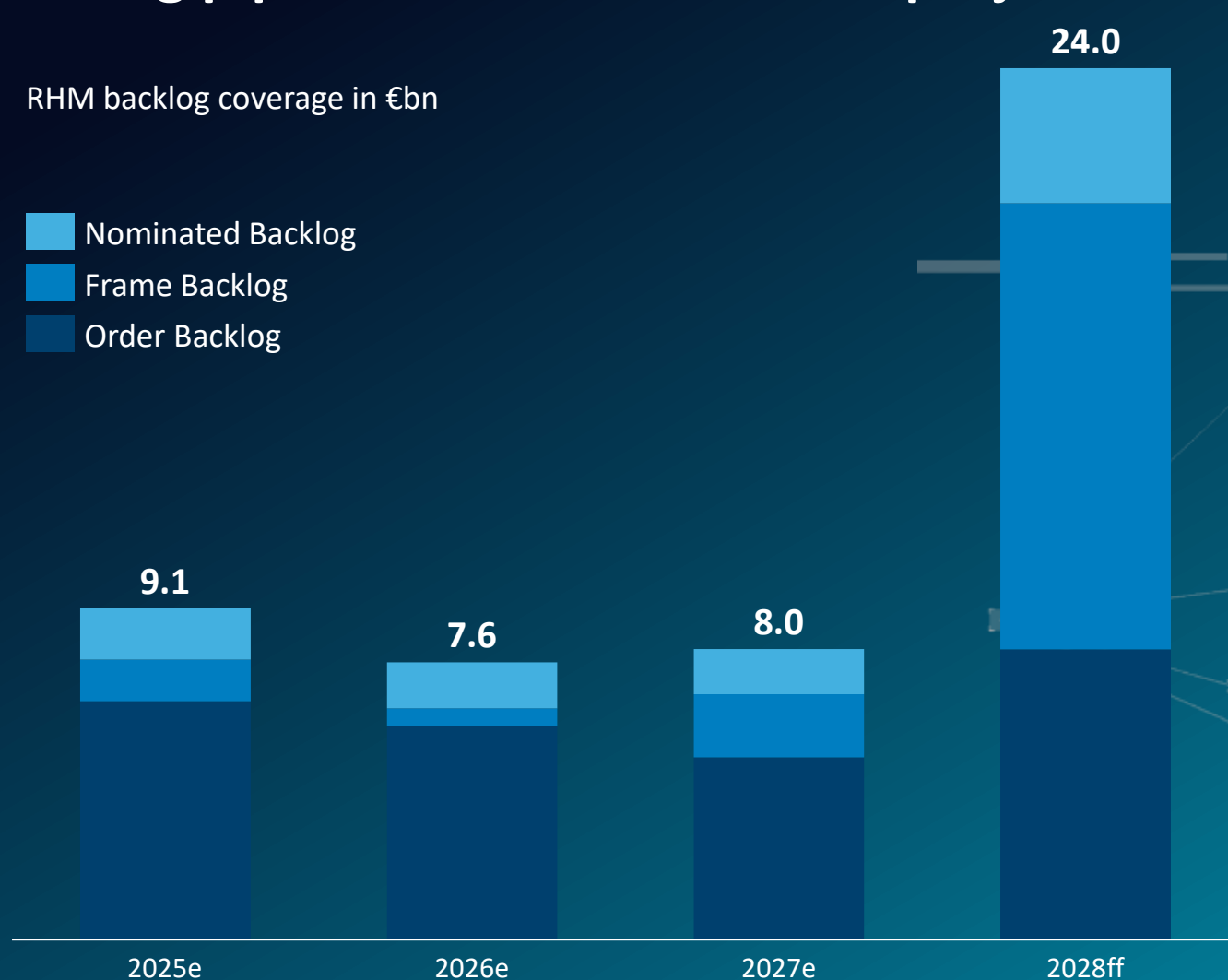
- Business grows by >25%
- Defence segments more than double
- Electronic Solutions highest relative increase
- Power Systems declining to less than 10%

Outlook

Strong pipeline with multi-billion projects ahead

RHM backlog coverage in €bn

- Nominated Backlog
- Frame Backlog
- Order Backlog

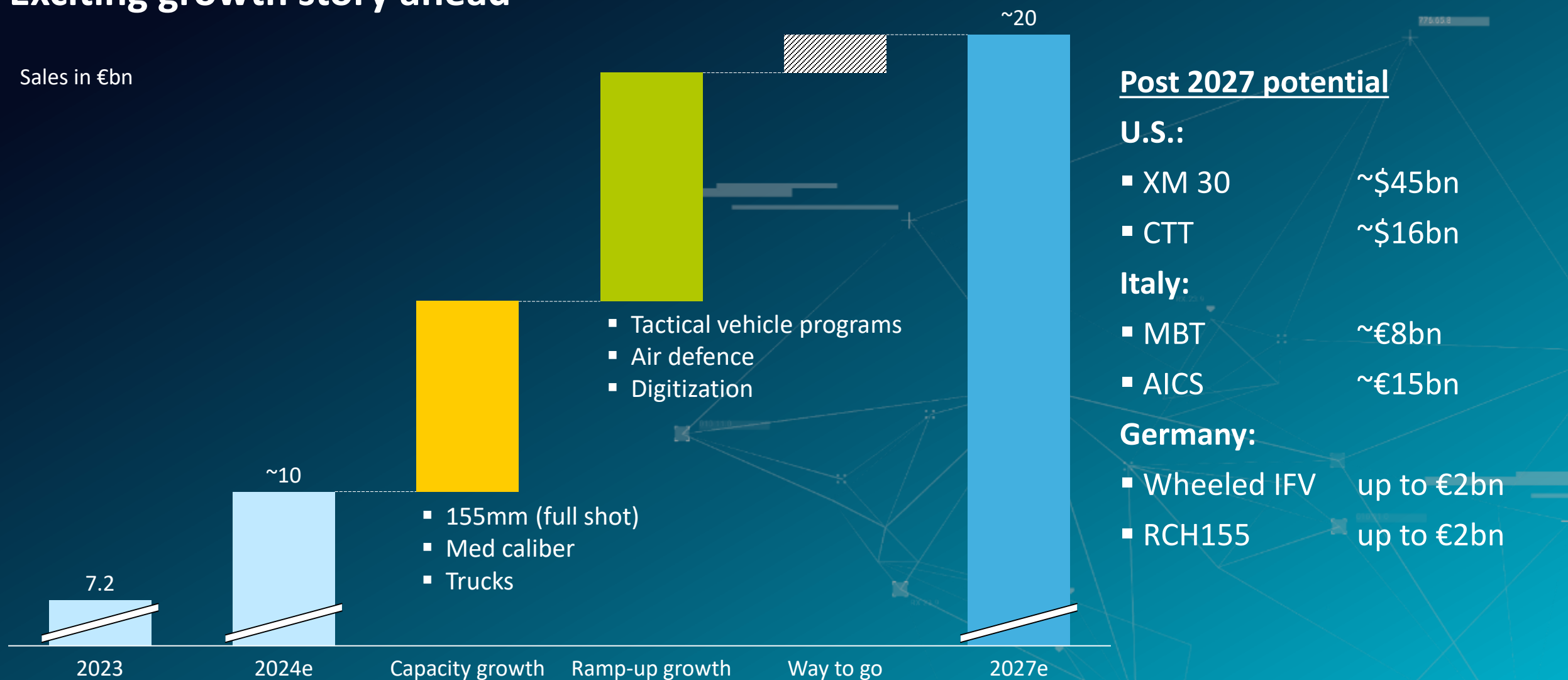


- Additional major projects in final discussions
- **Digitization:**
 - TaWAN
 - D-LBO
 - IdZ
- **Tactical Vehicles:**
 - Germany
 - Italy
- **Weapon and Ammunition**
 - Propulsion 155mm Germany
 - New plants in eastern Europe

Outlook

Exciting growth story ahead

Sales in €bn



Next events and IR contacts

Financial calendar and next events



Documents



Click or scan

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Key figures

		2023	2022	2021	2020 ¹	2019
SALES/EARNINGS						
Sales	€ million	7,176	6,410	5,658	5,405	6,255
Of which generated abroad	%	76.0	70.5	65.9	64.4	68.9
Operating result ^{3, 6}	€ million	918	769	594	446	505
Operating margin ⁶	%	12.8	12.0	10.5	8.3	8.1
EBIT pre PPA	€ million	968	747	-	-	-
EBIT ⁶	€ million	897	738	608	398	512
EBIT margin ⁶	%	12.5	11.5	10.8	7.4	8.2
EBT ⁶	€ million	815	718	582	367	477
Earnings from continuing operations ⁶	€ million	630	534	432	284	-
Earnings from discontinued operations ⁶	€ million	(44)	6	(100)	(283)	-
Earnings after taxes ⁶	€ million	586	540	332	1	354
Return on capital employed (ROCE) ^{4, 6}	%	19.9	21.4	19.5	11.8	15.4
CASH FLOW						
Cash flow from operating activities	€ million	743	174	690	453	602
Cash flow from investments	€ million	(398)	(349)	(271)	(237)	(288)
Operating free cash flow	€ million	344	(175)	419	217	314
Of which continuing operations ⁶	€ million	356	(151)	458	230	-
Of which discontinued operations ⁶	€ million	(12)	(24)	(38)	(13)	-
STATEMENT OF FINANCIAL POSITION (12/31)						
Equity ⁶	€ million	3,643	3,090	2,620	2,053	2,272
Total assets ⁶	€ million	11,707	8,096	7,734	7,267	7,415
Equity ratio ⁶	%	31.1	38.2	33.9	28.2	30.6
Cash and cash equivalents	€ million	850	545	1,039	1,027	920
Total assets less cash and cash equivalents ⁶	€ million	10,858	7,551	6,695	6,240	6,496
Net financial debt (-)/Net liquidity (+) ⁵	€ million	(1,063)	(426)	118	4	(52)
HUMAN RESOURCES (FTE 12/31)						
Germany	FTE	13,449	12,768	11,979	11,592	11,587
Foreign	FTE	14,606	12,718	11,966	11,675	12,193
Rheinmetall Group	FTE	28,054	25,486	23,945	23,268	23,780
Of which continuing operations	FTE	24,753	21,788	20,185	19,500	-
Of which discontinued operations	FTE	3,301	3,697	3,760	3,768	-

1 The previous year's figures for the comparative period 2020 have been restated accordingly, applying IFRS 5

2 Carrying amounts adjusted due to the change in measurement of operating land

3 The definition of the key financial management indicator operating result was adjusted retrospectively in the third quarter of 2023. The figure for the previous year 2022 was also adjusted accordingly.

4 EBIT/average capital employed. The prior-year figure for 2021 has been adjusted to reflect the new calculation methodology.

5 Financial liabilities less cash and cash equivalents

6 The figures for the previous year 2022 were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

Balance sheet

€ million	12/31/2023	12/31/2022
Assets		
Goodwill	1,125	483
Other intangible assets	952	338
Right-of-use assets	271	209
Property, plant and equipment	1,370	1,137
Investment property	22	24
Investments accounted for using the equity method ¹	373	442
Other non-current assets	339	187
Deferred taxes	164	98
Non-current assets ¹	4,615	2,918
Current assets		
Inventories	3,244	1,976
Contract assets	516	362
Trade receivables	2,021	1,548
Other current assets	251	242
Income tax receivables	13	23
Securities held for trade	-	132
Cash and cash equivalents	850	545
Assets held for sale ¹	196	349
Current assets ¹	7,092	5,178
Total assets¹	11,707	8,096

€ million	12/31/2023	12/31/2022
Equity and liabilities		
Share capital	112	112
Capital reserves	676	566
Retained earnings ¹	2,533	2,147
Treasury shares	(5)	(6)
Rheinmetall AG shareholders' equity ¹	3,316	2,819
Non-controlling interests	327	271
Equity ¹	3,643	3,090
Liabilities		
Provisions for pensions and similar obligations	562	484
Other non-current provisions	230	205
Non-current financial debts	1,503	517
Other non-current liabilities	51	56
Deferred taxes	260	78
Non-current liabilities	2,605	1,341
Current liabilities		
Other current provisions	690	674
Current financial debts	410	454
Contract liabilities	2,594	1,120
Trade liabilities	1,222	931
Other current liabilities	274	200
Income tax liabilities	108	67
Liabilities directly associated with assets held for sale	161	220
Current liabilities	5,459	3,665
Total equity and liabilities¹	11,707	8,096

Income statement

Income statement of the Rheinmetall Group for fiscal 2023

€ million	2023	2022
Sales	7,176	6,410
Changes in inventories and work performed by the enterprise and capitalized	696	153
Total operating performance	7,872	6,563
Other operating income	153	221
Cost of materials	3,935	3,183
Personnel costs	2,047	1,836
Amortization, depreciation and impairment	308	249
Other operating expenses	889	768
Result from investments accounted for using the equity method ¹	57	39
Other financial result	(6)	(48)
Earnings before interest and taxes (EBIT) ¹	897	738
Interest income	29	12
Interest expenses	111	32
Earnings before taxes (EBT) ¹	815	718
Income taxes	(185)	(183)
Earnings from continuing operations ¹	630	534
Earnings from discontinued operations	(44)	6
Earnings after taxes ¹	586	540
Of which:		
<i>Non-controlling interests</i>	51	66
<i>Rheinmetall AG shareholders¹</i>	535	474
Basic earnings per share ¹	€ 12.32	€ 10.94
Basic earnings per share from continuing operations ¹	€ 13.34	€ 10.80
Basic earnings per share from discontinued operations ¹	€ (1.02)	€ 0.14
Diluted earnings per share ¹	€ 12.07	€ 10.94
Diluted earnings per share from continuing operations ¹	€ 13.02	€ 10.80
Diluted earnings per share from discontinued operations ¹	€ (0.95)	€ 0.14

Cashflow statement

Statement of cash flows of Rheinmetall Group for fiscal 2023

€ million	2023	2022		2023	2022
Earnings after taxes ¹	586	540	Dividends paid out by Rheinmetall AG	(187)	(143)
Amortization/depreciation/impairment of property, plant and equipment, intangible assets and investment property	308	249	Other profit distributions	(3)	(6)
Impairment/reversal of impairment of non-current assets of discontinued operations ¹	63	13	Increase in shares in consolidated subsidiaries	21	1
Allocation of CTA assets to secure pension and partial retirement obligations	(20)	(62)	Borrowing of other financial debts	279	249
Proceeds from reimbursements of pension payments made from CTA assets	8	-	Repayment of other financial debts	(357)	(232)
Other changes in pension provisions	(48)	(18)	Cash inflows from the issuance of convertible bonds - Addition to equity	113	-
Income/expenses from disposals of non-current assets	(59)	(5)	Cash inflows from the issuance of convertible bonds - Fair value financial liability	887	-
Changes in other provisions	29	(9)	Transaction costs for the issuance of convertible bonds	(7)	-
Changes in working capital	(217)	(507)	Cash flow from financing activities	746	(131)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	39	(39)	Of which continuing operations	721	(65)
Pro rata income/loss from investments accounted for using the equity method ¹	(4)	(39)	Of which discontinued operations	26	(66)
Dividends received from investments accounted for using the equity method	29	17	Changes in cash and cash equivalents	314	(491)
Other non-cash expenses and income	28	33	Changes in cash and cash equivalents due to exchange rates	(9)	1
Cash flow from operating activities²	743	174	Total change in cash and cash equivalents	305	(490)
Of which continuing operations	740	175	Opening cash and cash equivalents January 1	568	1,058
Of which discontinued operations	3	(1)	Closing cash and cash equivalents December 31	873	568
Investments in property, plant and equipment, intangible assets and investment property	(398)	(349)	Closing cash and cash equivalents December 31 from discontinued operations	23	23
Cash inflows/outflows from the disposal of property, plant and equipment, intangible assets and investment property	2	19	Cash and cash equivalents as per consolidated statement of financial position December 31	850	545
Cash inflows from disinvestments in consolidated companies and financial assets	155	2			
Cash inflows/outflows for investments in consolidated companies and financial assets	(1,064)	(205)			
Cash in-/outflows from/for securities held for trade	130	-			
Cash flow from investing activities	(1,175)	(534)			
Of which continuing operations	(1,224)	(512)			
Of which discontinued operations	49	(22)			

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

² Of which: Net interest of €-43 million (previous year: €-11 million), net income taxes of €-157 million (previous year: €-154 million)

Convertible bonds

Transaction Terms		
Execution Date	31-Jan-23	Effective Date 07-Feb-23
Total Deal Size	€1.0bn (split in 2 equally sized series)	
Underlying Shares	3.2m Shares / 7.4% Share Capital	
Tenor	Series A: 5 Years	Series B: 7 Years
Series Issue Size	€500m	€500m
Coupon	1.875%	2.250%
	<i>Interest is payable semi-annually, firstly due on 07-Aug-23</i>	
Premium	45%	45%
Conversion Price	€309.90	
Dividend Protection	Above an increasing reference dividend schedule (FY22: €4.10, FY23: €5.20, thereafter: €6.60 p.a.)	

Highlights

- Dual-tranche structure to spread out maturities
- Multiple oversubscription during book-building
- Attractive funding due to annual cash savings of above 2% p.a. vs. comparable straight bonds cash out

Derivation of diluted earnings per share

Derivation of diluted earnings per share						
	Continuing Operations	Discontinued Operations	2023	Continuing Operations	Discontinued Operations	2022
Earnings after taxes in € million - Rheinmetall AG shareholders¹	579	(44)	535	468	6	474
Adjustment for interest expense in respect of the convertible bond in € million	35	-	35	-	-	-
Tax effects on the adjustment for interest expense in respect of the convertible bond and on the effect on personnel expenses in € million	(10)	-	(10)	-	-	-
Diluted earnings after taxes in € million - Rheinmetall AG shareholders¹	603	(44)	559	468	6	474
Weighted number of shares in millions - basic		43.41			43.36	
Effect from the potential conversion of the convertible bond in millions		2.93			-	
Weighted number of shares in millions - diluted		46.34			43.36	
Basic earnings per share¹	€ 13.34	€ (1.02)	€ 12.32	€ 10.80	€ 0.14	€ 10.94
Diluted earnings per share¹	€ 13.02	€ (0.95)	€ 12.07	€ 10.80	€ 0.14	€ 10.94

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

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The background features a complex, abstract geometric network pattern composed of thin white lines connecting various nodes. Some nodes are represented by small squares, while others are simple points. The pattern is set against a dark teal background that transitions to a lighter teal at the bottom. The overall aesthetic is technical and modern.

TAKING RESPONSIBILITY IN A CHANGING WORLD