

CONFERENCE CALL Q3 2023

Transformation for growth

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November 9, 2023

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Q3 2023 Group Highlights

Third quarter sets the pace

Sales:

€1,758m

(+24.2% PY)

Operating result:

€191m

(+59.2% PY)

Operating margin:

10.8%

(+2.3 pp PY)

OFCF:

-€102m

(-€65m PY)

- Outstanding Rheinmetall nomination propels backlog to €36.5bn
- Expal integration successfully initiated with upgraded sales potential to €1bn
- Cutting edge tank factory inaugurated in Zalaegerszeg, Hungary
- Groundbreaking ceremony of F-35 plant in Weeze, Germany

Q3 2023 Group Highlights

Great customer feedback from international trade fairs

DSEI London



- Presentation of our vision for the digitalized battlefield
- Focus on unmanned systems and air defence solutions

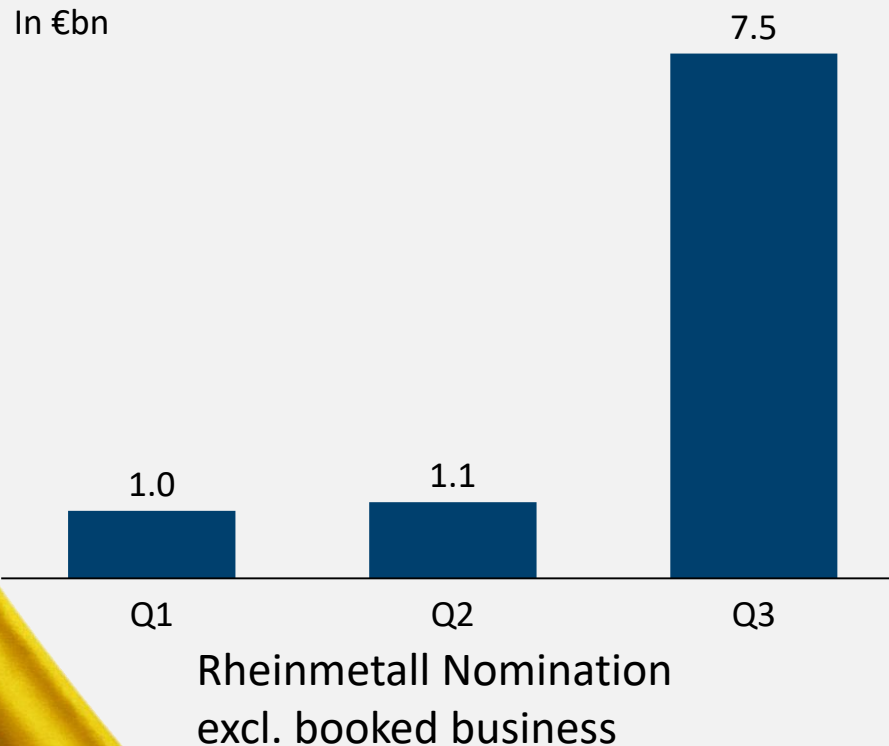
AUSA Washington



- Showcasing of upgraded solutions for the U.S. Army's critical modernization priorities
- Focus on 155mm L52 howitzer Cannon Barrel, Stryker and HX3

Q3 2023 Market update: Germany

German order boost continues in 2024



- Q3 included: Caracal, Ammunition (tank & artillery) and Luna NG
- Q4 expectation of ~ €1.5bn orders
- €13-15bn German order potential for 2024: Ammunition, tactical and logistical vehicles and digitization
- Some approvals may be delayed until 2024 (incl. heavy weapon carrier, SHORAD, LHS, Gladius)
- BAAINBw expects to sign all special fund projects by the end of Q1 2024

Q3 2023 Market update: international markets

Rheinmetall to become a leading industrial partner for Ukraine

Business with Ukraine has already materially increased

- Order intake jumps to €1.9bn YTD
- Sales exceed €400m, but significantly stronger impact in 2024 anticipated
- Further supply contracts to be signed until end of year 2023

RUDI approved

- Rheinmetall and UDI launch 1st Ukrainian JV
- Building joint capabilities in defence technology
- 1st phase: focus on maintenance and repair of vehicles
- Later phases: production of selected Rheinmetall products in Ukraine



*“The **cooperation** between our **countries** (...) will allow us to **build the arsenal of the free world together.**”*

Denys Shmyhal

Q3 2023 Market update: international markets

Heavy weapon carrier on the horizon – work in progress




- German-Australian letter of cooperation signed in Q3
- Negotiations in the final stage
- MILVEHCOE to produce > 100 vehicles for ~€2.5bn
- Boxer based solution with a manned turret to strengthen the medium heavy forces of the German Army



One of the largest Australian defence contracts in the nation's history

Q3 2023 Market update: international markets

Our Panther finds a new home



*„We are producing a **Lynx**,
we are buying a **Leopard**
and we have joined in the
development of the **Panther.**“*

Viktor Orban

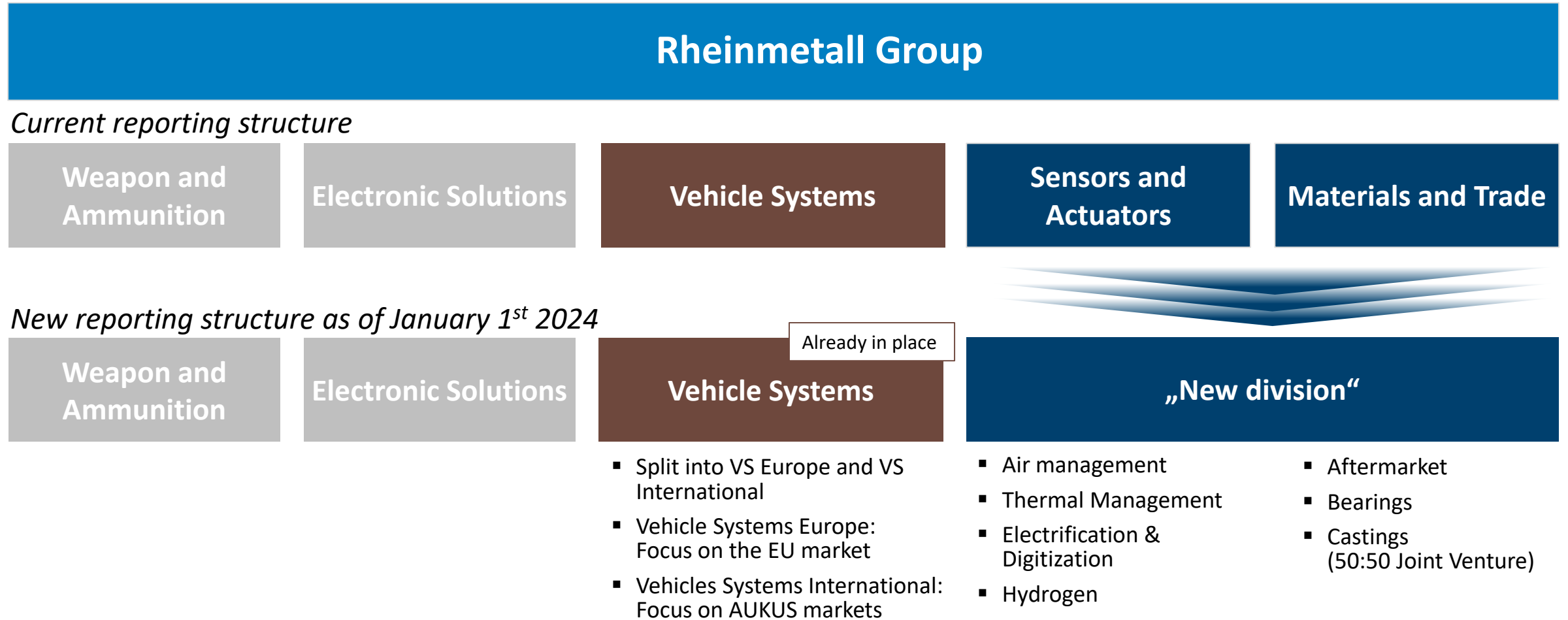


Customer funded **development agreement** provided by
Hungary for the development of the **Panther**.

Our recently opened **tank factory** in **Zalaegerszeg** will
play an **important role** in the **development**.

Rheinmetall Group

A new group structure to suit our needs





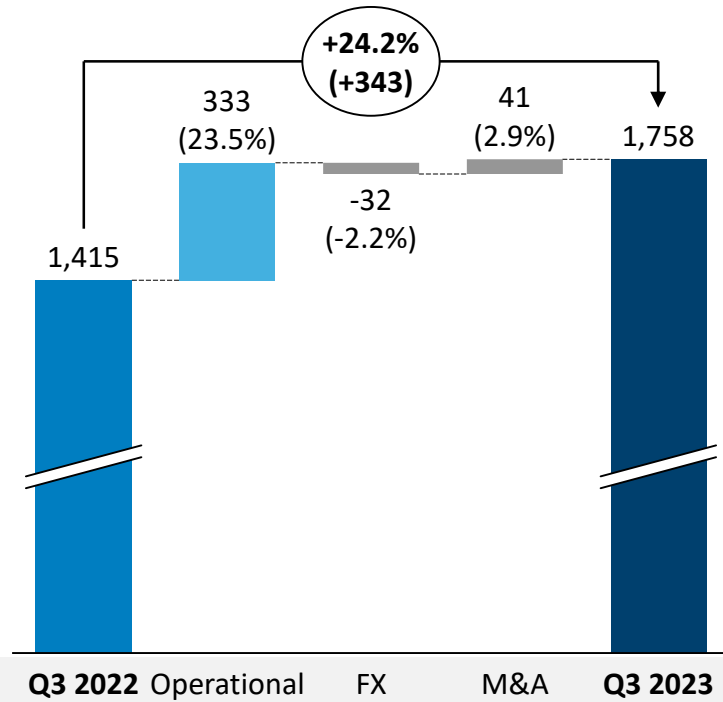
Financials

Q3 2023: Key financial data

Strong leverage pushes results

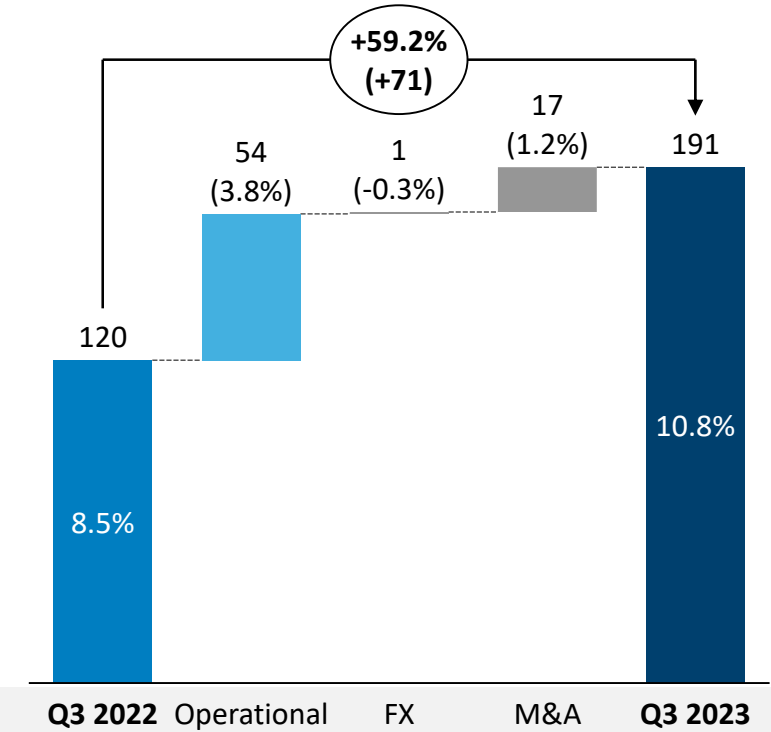
Sales ¹⁾

in €m



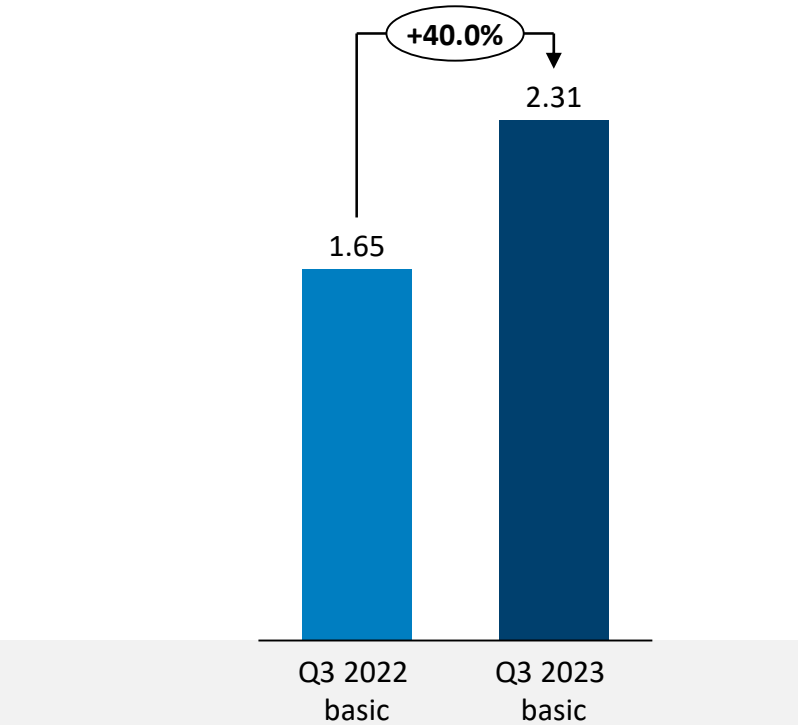
Operating result and margin in % ^{1,2)}

in €m



Earnings per share ¹⁾

in €m



Q3 2023: Divisions

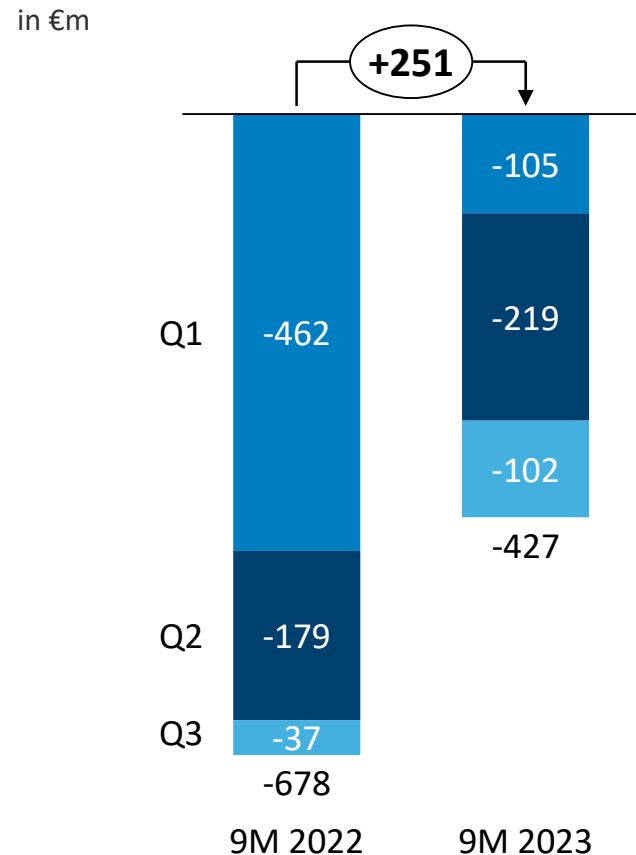
Weapon and Ammunition elevates group margin to 10.8%

| in €m | Sales* | | | Operating Result* | | | Margin* | |
|---------------------------------------|---------|--------------|--------|-------------------|-------------|--------|---------|--------------|
| | Q3 2022 | Q3 2023 | delta | Q3 2022 | Q3 2023 | delta | Q3 2022 | Q3 2023 |
| Vehicle Systems | 469 | 659 | 40.5% | 46 | 82 | 77.7% | 9.9% | 12.5% |
| Weapon and Ammunition | 285 | 437 | 53.6% | 38 | 89 | 135.9% | 13.2% | 20.3% |
| Electronic Solutions | 231 | 278 | 20.5% | 25 | 25 | -0.7% | 10.9% | 9.0% |
| Sensors and Actuators | 355 | 350 | -1.4% | 16 | 16 | 3.1% | 4.5% | 4.7% |
| Materials and Trade | 188 | 197 | 4.9% | 18 | 25 | 32.5% | 9.8% | 12.4% |
| Non-divisional / Consolidation | (112) | (164) | -46.3% | (24) | (46) | -94.4% | | |
| Rheinmetall Group | 1,415 | 1,758 | 24.2% | 120 | 191 | 59.2% | 8.5% | 10.8% |

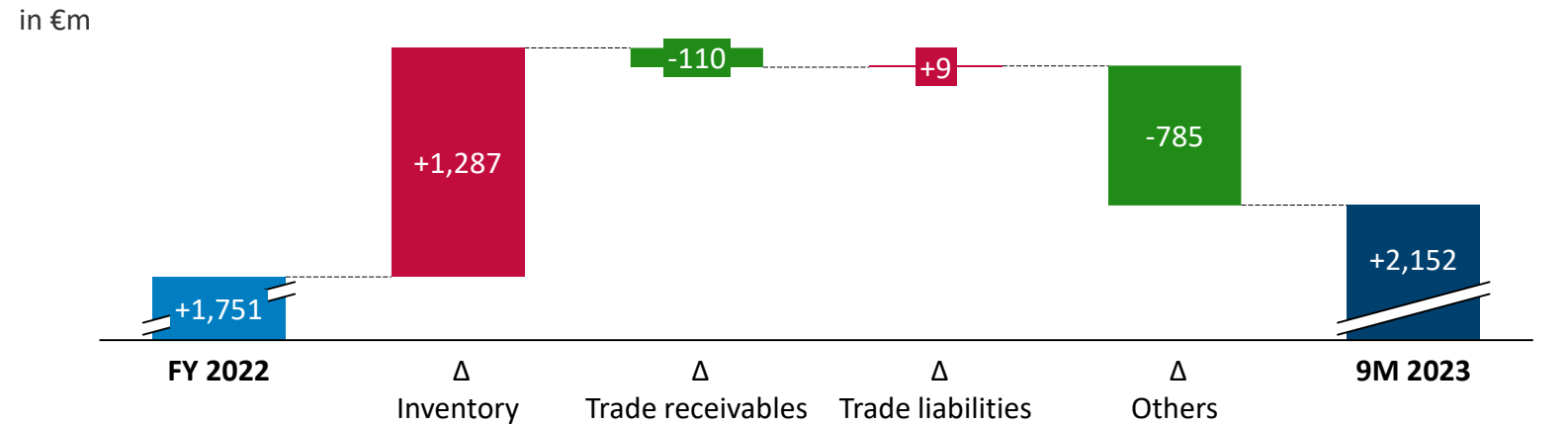
Q3 2023: Key financial data

Inventory build-up in preparation for year-end rally

Operating free cash flow¹⁾



Working Capital¹⁾



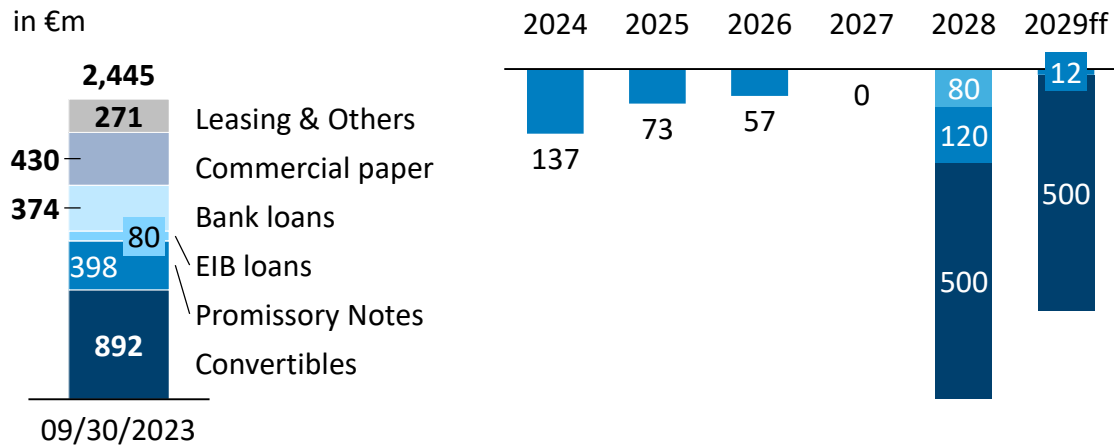
Comments

- Inventory levels continue to rise while prepayments pick up
- Electronic Solutions and Vehicle Systems are the main drivers behind the working capital increase

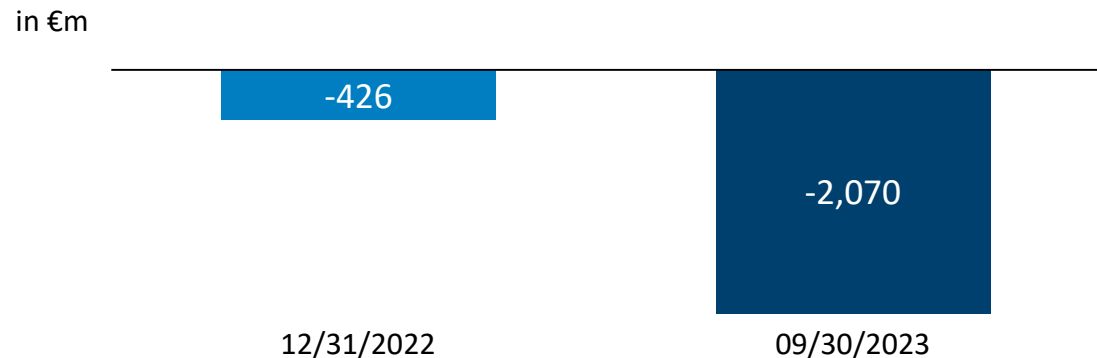
Q3 2023: Balance Sheet

Expal takeover fully absorbed

Gross debt and maturity profile ¹⁾



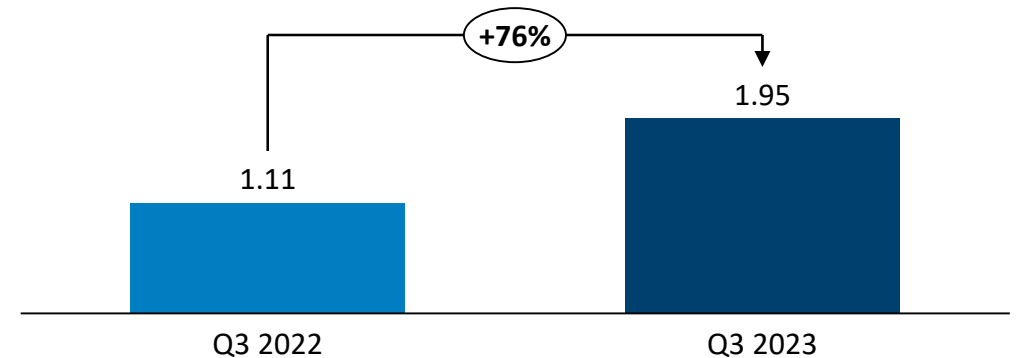
Net financial position ²⁾



Comments

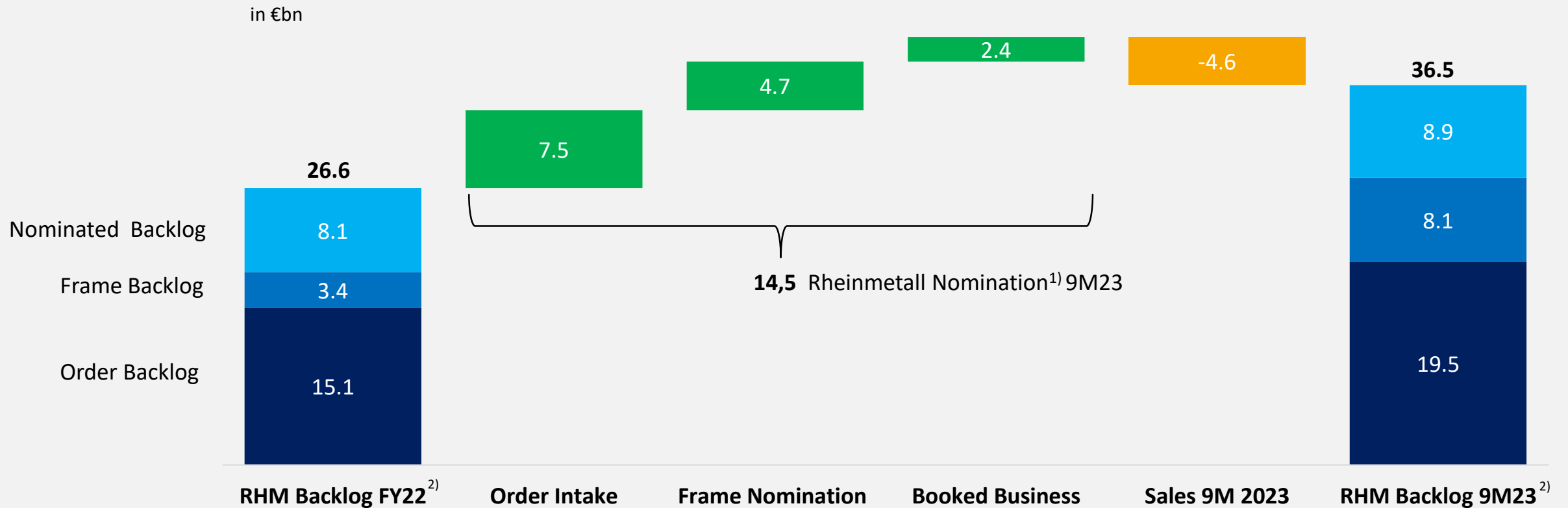
- Convertible bonds issued in Q1 with a nominal value of €1.0bn, due to IFRS accounting split into a debt and an equity component
- Cash position post Expal acquisition amounts to €375m; additionally, securities held for trade with a value of €131m per end of Q3
- Undrawn cash credit lines of €0.9bn per end of Q3
- Investment Grade Rating Baa2 stable outlook (Moody's)

Net Debt / EBITDA (LTM)



9M 2023: Nomination and Backlog

Already €10 billion backlog increase and more to come



1) Rheinmetall Nomination = Order Intake (Div. W+A, ES, VS) + Frame Nomination (Div. W+A, ES, VS: New Frame agreements – call offs from existing frame backlog) + Booked Business (Div. S+A, M+T)

2) Rheinmetall Backlog = Order backlog (signed and fixed contracts) + Frame Backlog (signed frameworks incl. truck and ammunition framework agreements for several years) + Nominated backlog (inventory figure aligned to the annual sales planning S+A/M+T based on the nomination letters of the booked business)

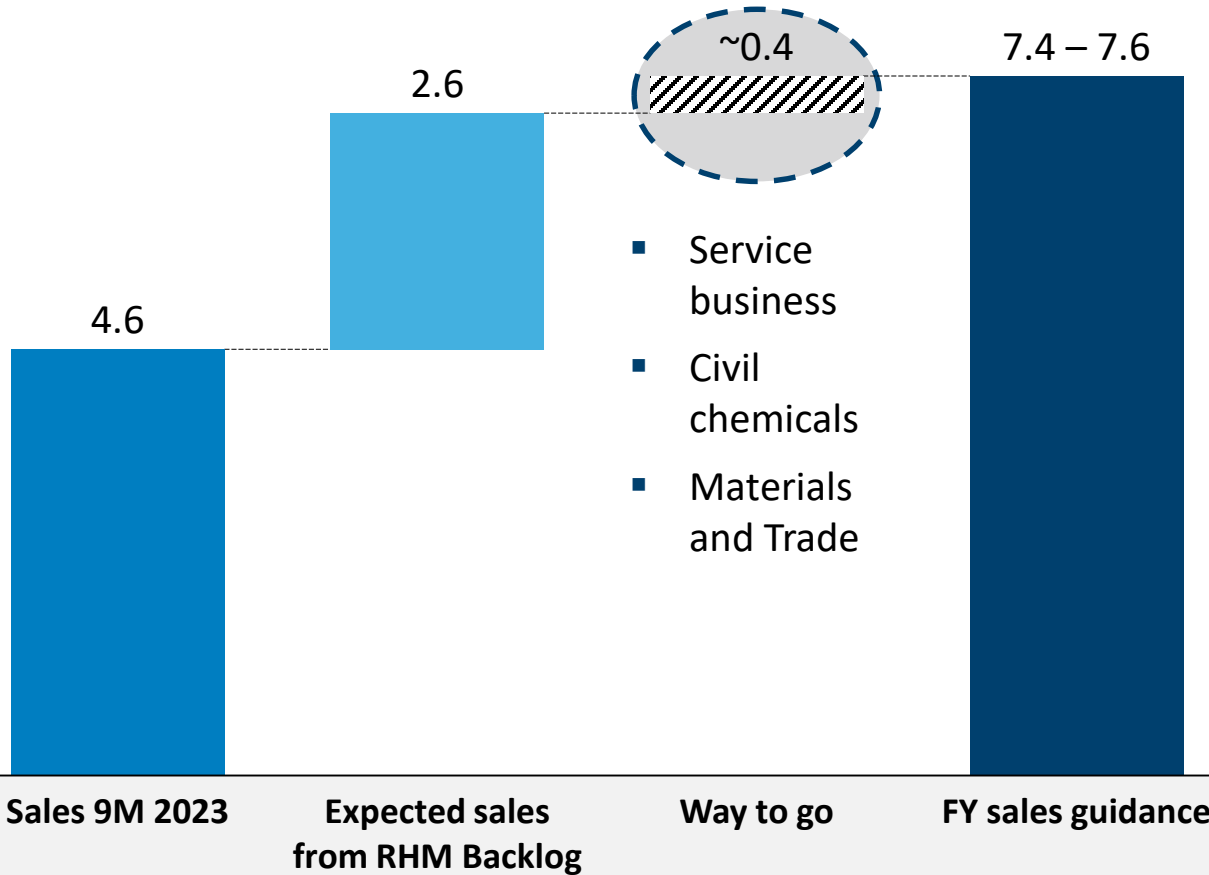


OUTLOOK

Outlook

Minimal effort to reach full year sales guidance

in €bn



- Only ~€400m to go to meet FY sales guidance
- Around €2.6bn call-offs from framework contracts expected
- Confident to close gap with strong order pipeline in Q4 2023 and especially in-for-out trade sales from Materials and Trade

Outlook

FY 2023 guidance confirmed

| | Group Guidance 2023e | Rheinmetall EXPAL Munitions | 2022 |
|---------------------------------|---------------------------------|--|-------------|
| Sales | Between €7.4 to 7.6 bn | ≥ €190m | € 6.4 bn |
| Operating Margin | ~ 12% | ≥ 25% | 11.8% |
| Operating free cash flow | 4-6% OFCF to sales | | €-152 m |

Sales guidance includes FX effects.

Rheinmetall EXPAL Munitions fully consolidated for the period August – December 2023.



Q&A

**Thank you for your
attention!**



Next events and IR contacts

Next Events

| | |
|--|------------------|
| Q3/2023 report | 9 Nov |
| 1 st Foreign Stocks Conference | 10 Nov |
| Capital Markets Day | 20/21 Nov |
| Metzler Roundtable | 27 Nov |
| Deutsches Eigenkapitalforum | 28 Nov |
| UBS Global Mobility Conference | 29 Nov |
| Goldman Sachs Industrial Conference | 6 Dec |
| Berenberg European Conference | 7 Dec |
| Kepler Cheuvreux, CEO Tour, virtual | 11 Dec |
| CoBa Oddo BHF German Investment Seminar | 8-10 Jan |
| Baader German Corporate Day | 11 Jan |
| Oddo BHF Forum | 11/12 Jan |
| Kepler Cheuvreux German Corporate Conference | 16 Jan |
| FY/2023 report | 14 Mar |

Quick link to our documents



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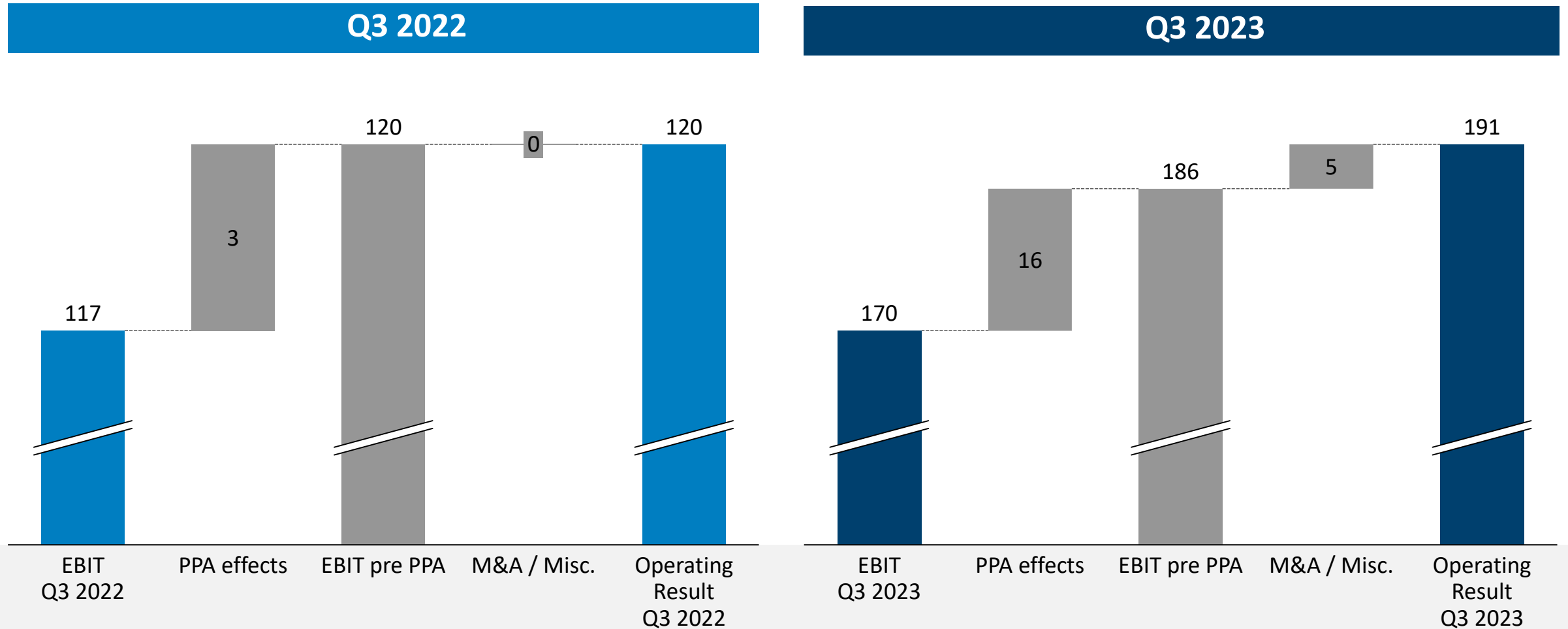
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APPENDIX

PPA Bridge



Statement of financial position

| € million | 09/30/2023 | 12/31/2022 |
|---|---------------|--------------|
| Assets | | |
| Goodwill | 1,308 | 483 |
| Other intangible assets | 684 | 338 |
| Right-of-use assets | 236 | 209 |
| Property, plant and equipment | 1,293 | 1,137 |
| Investment property | 23 | 24 |
| Investments accounted for using the equity method | 383 | 408 |
| Other non-current assets | 226 | 187 |
| Deferred taxes | 141 | 98 |
| Non-current assets | 4,294 | 2,884 |
| Inventories | 3,263 | 1,976 |
| Contract assets | 624 | 362 |
| Trade receivables | 1,503 | 1,548 |
| Other current assets | 255 | 242 |
| Income tax receivables | 132 | 23 |
| Securities held for trade | 131 | 132 |
| Cash and cash equivalents | 375 | 545 |
| Assets held for sale | 320 | 377 |
| Current assets | 6,604 | 5,206 |
| Total assets | 10,898 | 8,089 |

| € million | 09/30/2023 | 12/31/2022 |
|--|---------------|--------------|
| Equity and liabilities | | |
| Share capital | 112 | 112 |
| Capital reserves | 685 | 566 |
| Retained earnings | 2.153 | 2.140 |
| Treasury shares | (5) | (6) |
| Rheinmetall AG shareholders' equity | 2.944 | 2.812 |
| Non-controlling interests | 282 | 271 |
| Equity | 3.226 | 3.083 |
| Provisions for pensions and similar obligations | 500 | 484 |
| Other non-current provisions | 202 | 205 |
| Non-current financial debts | 1.572 | 517 |
| Other non-current liabilities | 59 | 56 |
| Deferred taxes | 227 | 78 |
| Non-current liabilities | 2.559 | 1.341 |
| Other current provisions | 672 | 674 |
| Current financial debts | 873 | 454 |
| Contract liabilities | 2.126 | 1.120 |
| Trade liabilities | 957 | 931 |
| Other current liabilities | 216 | 200 |
| Income tax liabilities | 108 | 67 |
| Liabilities directly related to assets held for sale | 161 | 220 |
| Current liabilities | 5.112 | 3.665 |
| Total equity and liabilities | 10.898 | 8.089 |

Income Statement

| €million | Q3 2023 | Q3 2022 | Q1-Q3 2023 | Q1-Q3 2022 |
|---|--------------|--------------|--------------|--------------|
| Sales | 1,758 | 1,415 | 4,618 | 4,089 |
| Changes in inventories and work performed by the enterprise and capitalized | 173 | 138 | 718 | 367 |
| Total operating performance | 1,931 | 1,553 | 5,336 | 4,456 |
| Other operating income | 41 | 53 | 96 | 121 |
| Cost of materials | 1,007 | 797 | 2,761 | 2,195 |
| Personnel costs | 495 | 440 | 1,502 | 1,361 |
| Amortization, depreciation and impairment | 79 | 63 | 205 | 185 |
| Other operating expenses | 219 | 194 | 584 | 513 |
| Result from investments accounted for using the equity method | 6 | 8 | (11) | 23 |
| Other financial result | (8) | (3) | (6) | (43) |
| Earnings before interest and taxes (EBIT) | 170 | 117 | 364 | 302 |
| Interest income | 5 | 1 | 24 | 3 |
| Interest expenses | 30 | 7 | 72 | 22 |
| Earnings before taxes (EBT) | 145 | 111 | 316 | 284 |
| Income taxes | (36) | (30) | (87) | (75) |
| Earnings from continuing operations | 109 | 82 | 229 | 209 |
| Earnings from discontinued operations | 2 | 5 | 6 | 11 |
| Earnings after taxes | 111 | 86 | 235 | 220 |
| Of which: | | | | |
| <i>Non-controlling interests</i> | 9 | 10 | 24 | 39 |
| <i>Rheinmetall AG shareholders</i> | 102 | 77 | 212 | 182 |
| Basic earnings per share | €2.34 | €1.76 | €4.87 | €4.19 |
| Basic earnings per share from continuing operations | €2.31 | €1.65 | €4.73 | €3.93 |
| Basic earnings per share from discontinued operations | €0.04 | €0.11 | €0.14 | €0.26 |
| Diluted earnings per share | €2.34 | €1.76 | €4.87 | €4.19 |
| Diluted earnings per share from continuing operations | €2.31 | €1.65 | €4.73 | €3.93 |
| Diluted earnings per share from discontinued operations | €0.04 | €0.11 | €0.14 | €0.26 |

Cashflow Statement

| €million | Q1-Q3 2023 | Q1-Q3 2022 |
|---|----------------|--------------|
| Earnings after taxes | 235 | 220 |
| Amortization / depreciation / impairment of property, plant and equipment, intangible assets and investment | 205 | 185 |
| Allocation of CTA assets to secure pension and partial retirement obligations | (14) | (50) |
| Other changes in pension provisions | (11) | (18) |
| Income / expenses from disposals of non-current assets | (13) | (1) |
| Changes in other provisions | (23) | (26) |
| Changes in working capital | (533) | (725) |
| Changes in receivables, liabilities (witho ut financial debt) and prepaid & deferred items | (129) | (96) |
| Pro rata income / loss from investments accounted for using the equity method | 11 | (23) |
| Dividends received from investments accounted for using the equity method | 8 | 5 |
| Other non-cash expenses and income | 38 | 18 |
| Cash flow from operating activities ¹ | (225) | (511) |
| Of which continuing operations | (203) | (499) |
| Of which discontinued operations | (22) | (12) |
| Investments in property, plant and equipment, intangible assets and investment property | (234) | (191) |
| Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property | 1 | 3 |
| Cash inflows from disinvestments in consolidated companies and financial assets | 77 | (0) |
| Cash outflows for investments in consolidated companies and financial assets | (1,063) | (199) |
| Cash flow from investing activities | (1,220) | (387) |
| Of which continuing operations | (1,195) | (375) |
| Of which discontinued operations | (25) | (12) |
| Dividends paid out by Rheinmetall AG | (187) | (143) |
| Other profit distributions | (4) | (6) |
| Borrowing of financial debts | 819 | 353 |
| Repayment of financial debts | (344) | (155) |
| Cash inflows from the issuance of convertible bonds - Addition to equity | 113 | - |
| Cash inflows from the issuance of convertible bonds - Fair value financial liability | 887 | - |
| Transaction costs for the issuance of convertible bonds | (7) | - |
| Cash flow from financing activities | 1,277 | 49 |
| Of which continuing operations | 1,245 | 96 |
| Of which discontinued operations | 32 | (46) |
| Changes in cash and cash equivalents | (167) | (849) |
| Changes in cash and cash equivalents due to exchange rates | (8) | 4 |
| Total change in cash and cash equivalents | (176) | (844) |
| Opening cash and cash equivalents January 1 | 568 | 1,058 |
| Closing cash and cash equivalents September 30 | 392 | 213 |
| Closing cash and cash equivalents September 30 from discontinued operations | 17 | 17 |
| Closing cash and cash equivalents according to statement of financial position | 375 | 196 |

Derivation of diluted earnings per share

| | Continuing Operations | Discontinued Operations | Q3 2023 | Continuing Operations | Discontinued Operations | Q3 2022 |
|---|-----------------------|-------------------------|--------------|-----------------------|-------------------------|--------------|
| Earnings after taxes in €million - Rheinmetall AG shareholders | 229 | 6 | 235 | 209 | 11 | 220 |
| Adjustment for interest expense in respect of the convertible bond in €million | 25 | - | 25 | - | - | - |
| Effect of adjustment for interest expense in respect of the convertible bond on personnel expenses in €million | - | - | - | - | - | - |
| Tax effects on the adjustment for interest expense in respect of the convertible bond and on the effect on personnel expenses in €million | (8) | - | (8) | - | - | - |
| Diluted earnings after taxes in €million - Rheinmetall AG shareholders | 247 | 6 | 253 | 209 | 11 | 220 |
| Weighted number of shares in millions - basic | 43.41 | | | 43.36 | | |
| Effect from the potential conversion of the convertible bond in millions | 2.82 | | | - | | |
| Weighted number of shares in millions - diluted | 46.23 | | | 43.36 | | |
| Basic earnings per share | €4.73 | €0.14 | €4.87 | €3.93 | €0.26 | €4.19 |
| Diluted earnings per share | €4.82 | €0.14 | €4.96 | €3.93 | €0.26 | €4.19 |
| Adjusted diluted earnings per share (due to antidilutive effect) | €4.73 | €0.14 | €4.87 | - | - | - |