

Rheinmetall AG: Full-year forecast for operating profit margin raised to around 10% despite slightly slower sales growth due to shortage of semiconductors; divesting process pistons continues

Rheinmetall AG / Key word(s): Change in Forecast/Miscellaneous

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28-Oct-2021 / 13:26 CET/CEST

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Based on initial preliminary figures, Rheinmetall AG tentatively expects Group sales for the third quarter of 2021 to amount to €1.258 billion. Despite the adverse market conditions, this is almost exactly the same as the previous year's figure, €1.261 billion. The sluggish trend in sales growth compared to the third quarter of 2020 is due essentially to the limited availability of raw materials and semiconductors, which led to reduced call-offs from important customers. Based once again on preliminary figures, the operating result for the third quarter of the 2021 financial year will be around €106 million, about the same as last year's figure (Q3 2020: €109 million).

Owing first and foremost to the sustained shortage of semiconductors, Rheinmetall has now scaled back its forecast for sales growth for the entire year to around 6 percent, slightly lower than the previous forecast of 7 percent to 9 percent.

Thanks to strict cost management as well as savings resulting from restructuring the Group, Rheinmetall expects to reach the upper range of its originally projected operating profit margin of 9 percent to 10 percent, and now expects its operating profit margin to be around of 10 percent for 2021.

The previously announced process of divesting the Group's small- and large-bore pistons operations continues, with no result as yet. Thus far, due not least to the weakness of the overall market caused by ongoing supply bottlenecks, a financially sound buyer has not been found. However, Rheinmetall continues to pursue the goal of transferring its small- and large-bore pistons operations and the employees who work there to a new owner capable of running the business in an orderly manner. The next steps in this ongoing process will be reported on in the coming months.

As already announced, Rheinmetall will issue a comprehensive report on business and financial trends during the first nine months of 2021 on 5 November 2021.

28-Oct-2021 CET/CEST The DGAP Distribution Services include Regulatory Announcements,
Financial/Corporate News and Press Releases.

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Language: English

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WKN: 703000

Indices: MDAX

Listed: Regulated Market in Berlin, Dusseldorf, Frankfurt (Prime Standard), Hamburg,
Munich, Stuttgart; Regulated Unofficial Market in Hanover, Tradegate Exchange

EQS News 1244393

ID:

End of Announcement DGAP News Service

1244393 28-Oct-2021 CET/CEST