Quarterly Release for the first three months of **2025**

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In case of discrepancies between the English and the German report, the German report shall prevail.

HENSOLDT
Detect and Protect.

A Earnings release

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1 Business development and key events

Business development and key events in the reporting period

Germany’s security policy environment has become even more complex and volatile in recent years due to numerous crises and conflicts around the world. The growing tensions between the United States and Europe raise questions not only concerning bilateral relations, but also the entire international order. This presents Germany, Europe and the North Atlantic Alliance with major challenges. As a result, both national and European actors are determined to strengthen defence capabilities and respond to current challenges in security policy. The ongoing investment in the security and defence industry will not only provide assurance of operational readiness, but also open up significant business opportunities for HENSOLDT (hereinafter also referred to as “HENSOLDT” or “the Group”) in the European market.

In this dynamic environment, HENSOLDT’s operating business continued its positive development in the first three months of 2025 and again recorded strong order intake. The € 701 million contract volume during this period surpassed the high € 665 million order intake for the previous year period. The main drivers were orders under extended contracts for Eurofighter Mk1 radars and orders placed under the Eurofighter Halcon programme. Revenue, which once again included significantly lower revenue from pass-through business compared to the previous year period, was up by 20.0 % (€ 395 million; previous year: € 329 million) year-on-year. Besides the additional contribution from ESG Group's business activities, revenue growth was achieved in the Optronics segment. The most important key projects continued to progress as expected with lower pass-through revenues. The decline in adjusted EBITDA (€ 30 million; previous year: € 33 million) is explained mainly by lower productivity in the Sensors segment as a result of temporary delays in the commissioning of a new logistics centre. The impact of the delays is expected to be offset over the course of the year.

Events after the reporting period

In April 2025, under a comprehensive refinancing programme, HENSOLDT successfully completed the realignment of its financing structure and took a decisive step towards further financial independence and flexibility. Under this refinancing, HENSOLDT has replaced the previous financing arrangement with an unsecured, flexible corporate financing structure. The previous term loan and term facility totalling € 1,070 million and the € 370 million revolving credit facility were replaced by a new syndicated loan agreement. The new syndicated loan includes a € 850 million term loan, a € 150 million bridging loan and a new revolving credit facility of € 400 million. A guarantee line of € 400 million was also agreed with the banking syndicate. The new financing arrangement made improvements in all aspects of the financial conditions. The optimised capital structure leads to a more stable interest burden in the long term, while creating additional corporate leeway for more rapid strategic decision-making independent of external capital providers.

HENSOLDT entered into a strategic cooperation with defence tech startup Quantum Systems, Munich, Germany, in April 2025. This partnership is accompanied by an investment by HENSOLDT into Quantum Systems and sets the foundation for a deeper collaboration in the area of Software-Defined Defence (SDD). The partnership brings together HENSOLDT’s extensive expertise in sensor data fusion, sensor resource and data management, and distributed systems with Quantum Systems’ cutting-edge unmanned aerial systems (UAS) and software stack. Together, the companies aim to accelerate the development and deployment of interoperable, multi-domain defence capabilities.

2 Economic conditions

General economic conditions

According to the spring report by leading economic research institutes, published on 10 April 2025 on the basis of information available at 1 April 2025, the global economy at the beginning of the year was marked by profound changes in the geopolitical and economic policy environment. Against the backdrop of political change in the United States, new security challenges have emerged, particularly in Europe but also elsewhere. Furthermore, the new US administration has begun to impose further trade barriers and create additional uncertainty for economic actors. This has weighed heavily on global trade in goods and production with impact felt not only worldwide but also in the USA itself, resulting in considerable uncertainty in current forecasts.

While the global economy maintained a fairly steady growth rate at around 3% last year, following similar performance in 2023, the institute expects a significant decline in growth over the next two years, with global production expanding at only about 2.4%.

For the European Union member nations in central and eastern Europe, the institute predicts overall GDP growth to reach 2.6% in 2025 and 2.9% in 2026.

The German economy remains beset by crisis. As forecasted by leading economic research institutions, the outlook is set to deteriorate further. Economic growth in Germany is therefore predicted to sink even lower than earlier anticipated. In their spring report, the institutes no longer project GDP growth at 0.8%, but only 0.1%, representing a significant downturn of 0.7 percentage points compared to the autumn forecast. For 2026, the institutes forecast GDP growth at 1.3%. Besides structural weaknesses such as the shortage of skilled workers and bureaucratic red tape, the current geopolitical tensions and massive uncertainty triggered by US trade policy are exacerbating the already challenging economic situation in Germany.

Conditions in the defence and security sector

Like before, the security environment for Germany, the EU and NATO is marked by global tensions. Dominating the geopolitical agenda are the ongoing war in Ukraine, the superpower rivalry between the USA and China, and the conflict in the Middle East. These developments are spurring increased investment in military capabilities and technological superiority worldwide.

As the leading power in NATO, the USA, in particular, has pressured its allies to do more to increase defence spending and assume greater responsibility for collective security. This has intensified the pressure to take action within the alliance and, in particular, is driving additional investment in Europe's defence industries.

Numerous European nations, including Germany, are taking further steps to increase their defence budgets, to reinforce their deterrence and defence capabilities and respond to the threats posed by Russia. Germany in particular is committed to a sustained strengthening of its own security and defence industries and significant expansion in the capabilities and military hardware of the Bundeswehr.

In March 2025, the German Parliament passed a financial package that lifted the debt brake in support of defence and security spending in excess of the approximately € 44 billion that represents 1% of GDP. The German Parliament approved the package by a two-thirds majority, and the Bundesrat – the German Federal Council – also gave a green light for the requisite amendment of articles in the German Constitution. This decision paves the way for Germany to engage in long-term, flexible investment in defence, civil protection, intelligence services, cyber security and infrastructure. The aim is to respond to the growing threat situation and reinforce the nation's security architecture for the long term. Given this new baseline position, it is incumbent on the future Federal Government of Germany to prepare a draft budget for 2025 and 2026 for subsequent adoption by the German Parliament after the new government is sworn in. The budget draft prepared by the outgoing federal government envisaged defence spending of about € 75.2 billion in 2025, consisting of the regular defence budget (Section 14) and the special fund for the Bundeswehr. In addition, further defence-related expenditures of about € 20 billion are planned in other portfolios. The total planned defence expenditure is therefore about € 95 billion, corresponding to 2.1% of GDP and thus meeting the NATO target of at least 2%.

With the announcement of the new coalition agreement on 9 April 2025, the CDU/CSU and SPD have sent a clear signal for the strengthening of the German security and defence industry. The incoming German government has reaffirmed its commitment to NATO, the transatlantic partnership and European cooperation in armaments. Defence spending is set to undergo a major, systematic expansion by the end of the parliamentary term, in line with the shared goals for NATO capabilities.

Of particular relevance to the industry is the announced launch of a multi-year investment plan intended to create long-term planning certainty. In addition, Germany envisages a new law on planning and streamlining of procurement, expected to be passed during the first half of the year. Beyond that, the German government is planning targeted support for future technology, such as electronic warfare and software-defined defence, in addition to the introduction of retention contracts and acceptance guarantees in especially critical fields.

In 2025, significant steps have also been taken at European level to strengthen security and defence capabilities. At the informal EU summit in February 2025, heads of state and government discussed improvement of common defence capabilities, optimal use of the EU budget and mobilisation of private funding. The summit devoted particular focus to the development of air and missile defence systems, expansion of missile and ammunition stocks and improvement of military mobility. The goal of these talks was to bolster the strategic autonomy of the EU and bolster the defence industry for the long term.

Beyond this, the European Union is planning to increase defence readiness through a comprehensive rearmament by 2030 with a total expenditure volume of € 800 billion. This initiative includes the provision of € 150 billion in EU loans and exemption for defence spending from the EU rules on borrowing with the aim of expanding the European security architecture and bolstering military support for Ukraine.

All in all, it is clear that national and European-level actors are firmly resolved to strengthen defence capabilities and respond to ongoing security policy challenges. The continuous investment in security and defence industries will not only ensure adequate levels of operational readiness, but also open up significant business opportunities for HENSOLDT in the European market.

3 Results of operations

Order intake, revenue, book-to-bill ratio and order backlog

	Order intake			Revenue			Book-to-bill			Order backlog		
	First three months			First three months			First three months			31 Mar.	31 Dec.	
in € million	2025	2024	% Delta	2025	2024	% Delta	2025	2024	Delta	2025	2024	% Delta
Sensors	664	622	6.8 %	339	286	18.6 %	2.0x	2.2x	-0.2x	5,769	5,463	5.6 %
Optronics	50	72	-30.7 %	59	44	34.2 %	0.8x	1.6x	-0.8x	1,211	1,225	-1.2 %
Elimination/ Transversal/ Others	-13	-29		-4	-1					-50	-44	
HENSOLDT	**701**	**665**	**5.5 %**	**395**	**329**	**20.0 %**	**1.8x**	**2.0x**	**-0.2x**	**6,929**	**6,644**	**4.3 %**

Starting with fiscal year 2025, a new division reporting structure has been rolled out within the two, still unchanged, Sensors and Optronics segments. The new division structure consists of four divisions. The two divisions “Radar Electromagnetic Warfare” (REW) and “Optronics” together make up the product area. The “Multi Domain Solutions” (MDS) division consists of systems or complete solutions with the former ESG division and the former Spectrum Dominance & Airborne Solutions division. The service area is covered by the “Services & Training” division.

Order intake

- *Sensors*: Order intake in the Sensors Segment for the first three months of 2025 came to € 664 million, surpassing the previous year’s strong order intake by 6.8 %. In particular, the order intake was driven by contracts for Eurofighter Mk1 radars in the REW division and orders for the Eurofighter Halcon program in the REW division. Order intake from the ESG Group, acquired in the second quarter of 2024 and whose business activities are allocated to the MDS division in the Sensors segment, also contributed to this growth. The previous year period mainly included orders for the short range and very short range air defence system (LVS NNbS) and orders for TRML-4D radars to support Ukraine.

- *Optronics*: At € 50 million, order intake in the Optronics segment in the first three months of 2025 was significantly lower than for the same period in the previous year. In particular, this intake included orders in the Ground Based Systems (GBS) and Customer Support (CS) product lines. The order intake in the previous year also featured the LVS NNbS project.

Revenue

- *Sensors*: At € 339 million in the first three months of 2025, revenue was significantly higher than for the same period one year earlier (€ 286 million), representing an increase of 18.6 % or € 53 million. In this, the key drivers were additional revenue from the ESG Group’s business activities in the MDS division, which were partly offset by a planned decrease in revenue from pass-through business. In addition, the core business contributed to the increased sales revenue with slight growth. The two key projects, PEGASUS (airborne electronic signals intelligence system) and the Eurofighter radars in the REW division, achieved progress as expected.

- *Optronics*: The 34.2 % increase in revenue to € 59 million was mainly generated in the Ground Based Systems (GBS) product line of the German unit. Due to market refocusing and restructuring of the product portfolio, revenue at the South African unit again registered modest decline during the period under review.

Book-to-bill ratio[1]

The book-to-bill ratio remained at a high 1.8x, albeit slightly below the level of the previous year period (2.0x).

- *Sensors*: The Sensors segment achieved a book-to-bill ratio of 2.0x, down by a modest 0.2x compared to the previous year period. The high book-to-bill ratio in the previous year period was marked by a robust order intake, particularly for the LVS NNbS project and for further TRML-4D radars.

- *Optronics*: At 0.8x the book-to-bill ratio came significantly below the strong 1.6x recorded in the previous year period. This drop is explained primarily by significantly lower order intake compared to the previous year period.

Order backlog

- *Sensors:* Due to the high level of order intake, especially in the REW division and with the inclusion of the order book from the ESG division, the order backlog increased by 5.6 % to € 5,769 million as per 31 March 2025 compared to year-end 2024.

- *Optronics:* The order backlog contracted slightly by 1.2 % to € 1,211 million compared to year-end 2024, primarily due to weak order intake during the period under review.

Income

	Profit			Profit margin[1]	
	First three months			First three months	
in € million	2025	2024	% Delta	2025	2024
Sensors	29	40	-26.1 %	8.7 %	13.9 %
Optronics	1	-6	112.4 %	1.3 %	-14.2 %
Adjusted EBITDA	**30**	**33**	**-9.9 %**	**7.6 %**	**10.2 %**
Depreciation and amortisation[2]	-38	-28	-33.9 %		
Special items[3]	-8	-13	37.3 %		
Earnings before financial result and income taxes (EBIT)[2,3]	**-16**	**-8**	**-106.1 %**	**-4.0 %**	**-2.3 %**
Financial result	-22	-2	>-200 %		
Income taxes[2]	7	-6	>200 %		
Group profit / loss[2]	**-31**	**-15**	**-105.6 %**	**-7.8 %**	**-4.6 %**
Earnings per share (in €; basic/diluted)[2]	**-0.26**	**-0.12**	**-112.3 %**		

1 The profit margins are calculated in relation to the corresponding revenue.
2 Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.
3 Special items are "non-regularly recurring and extraordinary" effects.

Adjusted EBITDA

- *Sensors*: The decrease in adjusted EBITDA compared to the previous year period resulted most importantly from reduced productivity due to the temporary impact of commissioning a new logistics centre during the period under review. In addition, adjusted EBITDA declined due to an unfavorable product mix. These impacts are expected to be offset over the course of the year. Positive effects on adjusted EBITDA came from a positive contribution from the ESG Group in the MDS division.

- *Optronics*: Adjusted EBITDA improved significantly compared to the previous year period, especially in the German unit. This increase is explained primarily by volume effects attributable to increased production. Partially offsetting this positive development was a further decline in revenue at the South African unit owing to market refocusing and restructuring of the product portfolio through investments in digitalisation. In the first three months of 2025, the measures taken had already begun to show results and were able to partly compensate for the decline in sales.

1 Defined as ratio of order intake to revenue in the relevant reporting period.

Earnings before financial result and income taxes (EBIT)

- *Depreciation and amortisation:* Depreciation and amortisation increased primarily in response to higher amortisation on intangible assets capitalised as part of purchase price allocations as well as on right-of-use assets from the acquisition of the ESG Group in the second quarter of 2024. In addition, the capitalization rate for costs relating to the business transformation for SAP S/4HANA increased.

- *Special items*[2]: The decrease compared to the previous year period was attributable, inter alia, to lower OneSAPnow-related expenditures in connection with the business transformation for SAP S/4HANA as well as reduced expenditures for consulting services and transaction costs incurred in connection with the acquisition and integration of the ESG Group. In addition, the capitalization rate for costs relating to the business transformation for SAP S/4HANA increased.

Group result

- *Financial result*: The downturn in the financial result was attributable most importantly to higher interest expenses on loans, lower interest income on financial investments and expenditures relating to the valuation of foreign currency forwards at the settlement date. In the previous year, gains from the valuation of interest rate swap transactions were also included in the financial result.

- *Income taxes*: The gains from income taxes are explained by gains on deferred taxes that were partially offset by current tax expenditures.

Earnings per share

The decrease in the group result is reflected in the lower earnings per share at € -0.26 (previous year: € -0.12[3]).

[2] Defined as “transaction costs, effects on earnings from purchase price allocations, OneSAPnow-related special items as well as other special items”.
[3] Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.

4 Assets, liabilities and financial position

Assets and capital structure[4]

in € million	31 Mar. 2025	31 Dec. 2024	% Delta
Non-current assets	**2,447**	**2,289**	**6.9 %**
therein Right-of-use assets	*397*	*249*	*59.4 %*
Current assets	**2,316**	**2,407**	**-3.8 %**
therein Inventories	*817*	*719*	*13.6 %*
therein Contract assets	*425*	*385*	*10.2 %*
therein Trade receivables	*326*	*426*	*-23.5 %*
therein Cash and cash equivalents	*591*	*733*	*-19.4 %*
Total assets	**4,764**	**4,696**	**1.4 %**
Equity	**914**	**886**	**3.1 %**
therein Capital reserve	*439*	*474*	*-7.4 %*
therein Other reserves	*96*	*37*	*158.3 %*
therein Retained earnings	*250*	*245*	*1.9 %*
Non-current liabilities	**2,008**	**1,927**	**4.2 %**
therein Non-current provisions	*345*	*418*	*-17.5 %*
therein Non-current lease liabilities	*400*	*256*	*56.0 %*
Current liabilities	**1,842**	**1,883**	**-2.1 %**
therein Trade payables	*510*	*546*	*-6.7 %*
Total equity and liabilities	**4,764**	**4,696**	**1.4 %**

Total assets

- *Non-current assets*: The increase in non-current assets by € 158 million to € 2,447 million is explained largely by the first-time recognition of right-of-use assets for real estate lease contracts for a new site leased by HENSOLDT in the Optronics segment. It is envisaged that the new site will pave the way for the entity's planned growth and afford maximum flexibility for current and future production models in the manufacturing process as well as efficient and effective work in all areas. Occupancy of the new Oberkochen site will be phased in over the course of fiscal year 2025.

- *Current assets*: The decrease in current assets by € 90 million resulted primarily from the reduction in cash and cash equivalents. This change is largely attributable to negative free cash flow marked by cash outflows for investments in working capital. In keeping with the customary seasonal trend, trade receivables decreased in contrast to increases in inventories and contract assets in the first three months of 2025. Investments to secure and increase production, inter alia of TRML-4D radars, also played a role in the build-up of inventories.

Total equity and liabilities

- *Equity*: The increase by € 28 million to € 914 million resulted in particular from the increase in other reserves due to the actuarial adjustments of provisions for post-employment benefits, as well as the increase in plan assets. In contrast, retained earnings diminished following a € 30 million net loss sustained by the HENSOLDT AG shareholders for the period under review. An amount of € 35 million was withdrawn from the capital reserve and transferred to retained earnings.

[4] Only significant changes to the Consolidated Statement of Financial Position are explained.

- *Non-current liabilities*: The increase in non-current liabilities by € 80 million to € 2,008 million is explained primarily by an increase in lease liabilities following the conclusion of leasing contracts for the new HENSOLDT site in Oberkochen. In contrast, non-current provisions decreased, especially due to lower provisions for retirement benefits as a result of higher interest rates and higher plan assets.

- *Current liabilities*: The decrease in current liabilities by € 40 million to € 1,842 million is primarily attributable to trade payables and follows the usual seasonal pattern relating to the high business volume in the fourth quarter of the 2024 fiscal year.

Financial position

	First three months		
in € million	2025	2024	Delta
Cash flows from operating activities	-97	-79	-18
Cash flows from investing activities	-37	-29	-8
Free cash flow	**-134**	**-108**	**-26**
Transaction costs	0	2	-2
OneSAPnow-related special items	14	9	5
M&A activities	-0	0	-1
Other special items[1]	13	16	-2
Adjusted free cash flow	**-107**	**-81**	**-26**
Cash flows from financing activities	**-9**	**409**	**-418**

[1] Other special items are “non-regularly recurring and exceptional” effects.

Free cash flow

- *Cash flows from operating activities*: The negative cash flows from operating activities came below the previous year's figure and reflected, inter alia, cash outflows for investments in working capital to manage the planned business volume in the following quarters. In addition to investments in inventories, changes in other assets and liabilities, contract balances, and trade payables also contributed to negative cash flow. The large-scale projects were key drivers and continued to progress as planned. Cash inflows from the settlement of trade receivables and higher non-cash depreciation and amortisation and impairment losses had an offsetting effect.

- *Cash flows from investing activities*: Cash outflows related in particular to investments in property, plant and equipment, development services and the business transformation for SAP S/4HANA.

Adjusted free cash flow

- *OneSAPnow-related special items:* The higher cash outflows reflect increased investments explained by the progress of the business transformation within the framework of SAP S/4HANA.

- *Other special items*: Other special items primarily reflect cash outflows for the construction of a new logistics centre and the introduction of an IT merchandise management system that took place in fiscal year 2024, as well as cash outflows for consulting services incurred relating to the acquisition and integration of the ESG Group.

Cash flows from financing activities

Cash flows from financing activities in the first three months of 2025 consisted primarily of payments relating to leasing agreements. The cash inflow in the previous year period relates to the drawdown of the loan under the syndicated loan agreement ("Term Facility") to finance the purchase price for the acquisition of shares in the ESG Group.

5 Outlook

For fiscal year 2025, the management expects a moderate increase in order intake for the Group owing to the security policy context. Contrary to the forecast for the Group overall, order intake for the Optronics segment is expected to drop significantly in 2025 due to the fact that order intake in 2024 was unusually high. In the business planning for the Group, the Management Board anticipates strong revenue growth for fiscal year 2025, especially due to the continued high order backlog. Overall, the management expects a book-to-bill ratio of 1.2x. A strongly increasing adjusted EBITDA is expected for fiscal year 2025.

These expectations assume unchanged underlying conditions compared to year-end 2024.

The outlook is heavily dependent on the circumstances described in the opportunities and risks report and is based on the Group's multi-year business plan as well as the aforementioned macroeconomic developments. The latter was described in the combined management report of HENSOLDT AG for the fiscal year ended 31 December 2024.

Overall, the Management Board is confident that HENSOLDT can build on the successful fiscal year 2024 and expects further positive development for 2025.

The outlook remains unchanged compared to year end 2024.

6 Opportunities and risks

The combined management report of HENSOLDT AG for the fiscal year ended 31 December 2024 describes the key elements of HENSOLDT's risk and control management. The detailed explanations include accounting-related internal controls, risk management, certain risks that could have a negative impact on HENSOLDT and key opportunities.

The acquisition of the shares in ESG GmbH is associated with various risks that may arise from both the integration as well as business operations. Possible risks such as the loss of expertise in the ESG Group or diminished benefits from synergy in combination with reduced operational business are countered by a structured integration process under the umbrella of an Integration Management Office with various functional and operational workstreams involving both sides.

HENSOLDT has to manage complex and long-running projects with high technical requirements and large volumes. The corresponding operational risks reported in the HENSOLDT AG combined management report for the fiscal year ended 31 December 2024 remain essentially unchanged. The status of the key projects is regularly reported to the Supervisory Board. If necessary, external audits with different focal points will also be commissioned.

Like before, HENSOLDT faces a risk with the challenges of the labour market in attracting and retaining highly qualified technical personnel for both segments as well as qualified sales employees and efficient management. In the Sensors segment, this risk is stable, whereas the risk in the Optronics segment increased compared to year-end 2024.

In view of the expected increased frequency in attempted attacks on IT networks due to the continued deterioration of the geopolitical situation, particularly between Russia, the USA, China and Europe, the likeliness of successful cyber-attacks is generally estimated to be higher than in the past. The heightened risk from cyber-attacks worldwide also poses an increased risk for HENSOLDT. To counter this, HENSOLDT Group is constantly expanding its cyber security measures. This includes the expansion of its cybersecurity team, increased budgeting, security monitoring, a Group-wide security team, penetration testing, regular internal IT audits and external assessments.

HENSOLDT continuously monitors the impact of the war in Ukraine and in the Middle East, such as possible supply bottlenecks affecting materials and rising prices for specific components. It continues to face procurement risks and possible consequences arising from the changed situation and issues over availability of materials on the world market, but these developments are on a downward trend. In both segments, the consequences of inflation are at a low level, while consequences from the supply chain situation have been stable since the end of 2024. Nevertheless, in order to continue counteracting the effects of the supply chain situation, close monitoring remains in place so that appropriate measures can be taken where necessary.

Working groups consisting of in-house and external experts are addressing the potential risks that may arise during completion and commissioning of the new logistics centre, as well as the possible impacts caused by relocation of the Oberkochen site including during the relocation itself. Targeted, specific measures will be pursued to the maximum extent possible on a timely basis to counteract potential delays.

Specially established working and expert groups work continuously to analyse and monitor in detail both potential further effects of the continuing deterioration in the geopolitical situation and the opportunities that could arise for HENSOLDT.

Conflicts and developments at the international, national, political and economic level, along with growing geopolitical tensions between the US, Europe, Russia and China, have potential to bring about political changes with worldwide implications for import and export regulatory frameworks, trade agreements and tariffs. In view of the highly dynamic nature of present developments, particularly in the USA, for the time being it is not possible to estimate the effects of all this on the overall economic situation and HENSOLDT Group companies and are being continuously analysed by HENSOLDT. The increase in defence budgets in European countries, including Germany, will engender greater planning security and in addition bolster corporate growth.

For HENSOLDT, increasing military investments worldwide and a growing and steadily improving European market environment offer opportunities in all dimensions of military production and in the numerous technologies of the future. The implications of geopolitical developments, increases in defence budgets and expanding military investments worldwide, NATO's priorities in its strategic concept and changes in the operational doctrines of armed forces, in tandem with advancements in defence technology, further strengthen the opportunities for HENSOLDT. Rapid creation of comprehensive situation reports, mission-oriented distribution of information in a network of connected sensors and effectors, and control of the electromagnetic spectrum are highly sought-after skills for which HENSOLDT with its portfolio is extremely well positioned. The opportunity for diversification of its product range, the expansion of its service business and HENSOLDT’s ability to act as an innovation leader within its industry are as promising as ever and will act as a multiplier.

The Management Board currently assesses the overall opportunity and risk situation of HENSOLDT as predominantly stable, and thus unchanged compared to year-end 2024.

B Financial results

1 Consolidated Income Statement

	First three months	
in € million	2025	2024[1]
Revenue	395	329
Cost of sales	-339	-269
Gross profit	**56**	**60**
Selling and distribution expenses	-32	-27
General administrative expenses	-32	-31
Research and development costs	-8	-8
Other operating income	5	4
Other operating expenses	-7	-6
Share of profit / loss from investments accounted for using the equity method	1	–
Earnings before financial result and income taxes (EBIT)	**-16**	**-8**
Interest income	6	17
Interest expense	-25	-19
Other finance income / costs	-4	1
Financial result	**-22**	**-2**
Earnings before income taxes (EBT)	**-38**	**-9**
Income taxes	7	-6
Group profit / loss	**-31**	**-15**
thereof attributable to the owners of HENSOLDT AG	*-30*	*-14*
thereof attributable to non-controlling interests	*-1*	*-1*
Earnings per share		
Basic and diluted earnings per share (in €)	-0.26	-0.12

[1] Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.

2 Consolidated Statement of Comprehensive Income

	First three months	
in € million	2025	2024[1]
Group profit / loss	**-31**	**-15**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Measurement of post-employment benefit plans / plan assets	83	10
Tax on items that will not be reclassified to profit or loss	-23	-3
Subtotal	**59**	**7**
Items that can be reclassified to profit or loss		
Difference from currency translation of financial statements of foreign companies	-1	-1
Subtotal	**-1**	**-1**
Other comprehensive income net of tax	**59**	**6**
Total comprehensive income	**28**	**-9**
thereof attributable to the owners of HENSOLDT AG	*28*	*-8*
thereof attributable to non-controlling interests	*-1*	*-1*

[1] Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.

3 Consolidated Statement of Financial Position

ASSETS	31 Mar.	31 Dec.
in € million	2025	2024
Non-current assets	**2,447**	**2,289**
Goodwill	1,117	1,115
Intangible assets	669	667
Property, plant and equipment	207	202
Right-of-use assets	397	249
Investments accounted for using the equity method	5	4
Other investments and non-current other financial investments	25	24
Non-current other financial assets	8	7
Non-current other assets	19	20
Deferred tax assets	1	1
Current assets	**2,316**	**2,407**
Non-current other financial investments, current portion	0	0
Inventories	817	719
Contract assets	425	385
Trade receivables	326	426
Current other financial assets	5	8
Current other assets	130	115
Income tax receivables	22	20
Cash and cash equivalents	591	733
Total assets	**4,764**	**4,696**

EQUITY AND LIABILITIES	31 Mar.	31 Dec.
in € million	2025	2024
Share capital	116	116
Capital reserve	439	474
Other reserves	96	37
Retained earnings	250	245
Equity held by shareholders of HENSOLDT AG	**900**	**872**
Non-controlling interests	13	14
Equity, total	**914**	**886**
Non-current liabilities	**2,008**	**1,927**
Non-current provisions	345	418
Non-current financing liabilities	1,071	1,072
Non-current contract liabilities	4	4
Non-current lease liabilities	400	256
Non-current other financial liabilities	12	13
Non-current other liabilities	11	15
Deferred income	26	27
Deferred tax liabilities	138	123
Current liabilities	**1,842**	**1,883**
Current provisions	256	257
Current financing liabilities	18	22
Current contract liabilities	792	776
Current lease liabilities	30	25
Trade payables	510	546
Current other financial liabilities	59	74
Current other liabilities	145	151
Tax liabilities	33	33
Total equity and liabilities	**4,764**	**4,696**

4 Consolidated Statement of Cash Flows

	First three months	
in € million	2025	2024[1]
Group profit / loss	**-31**	**-15**
Depreciation, amortisation and impairments of non-current assets	38	28
Impairments (+) / reversals of impairments (-) of inventories, trade receivables and contract assets	2	-1
Share of profits in investments accounted for using the equity method	-1	–
Financial expenses (net)	16	-1
Other non-cash expense / income	1	-3
Change in		
Provisions	9	-25
Inventories	-102	-80
Contract balances	-23	-31
Trade receivables	101	124
Trade payables	-36	-26
Other assets and liabilities	-43	-50
Interest paid	-20	-13
Interest received	3	7
Income tax expense (+) / income (-)	-7	6
Income tax payments (-) / refunds (+)	-4	1
Cash flows from operating activities	**-97**	**-79**
Acquisition / addition of intangible assets and property, plant and equipment	-37	-29
Proceeds from sale of intangible assets and property, plant and equipment	1	0
Payments for investments in non-consolidated affiliates, joint ventures, associates, other investments and other non-current financial assets	-0	-1
Proceeds from disposals of non-consolidated affiliates, joint ventures, associates, other investments and non-current financial assets	–	0
Other	0	-0
Cash flows from investing activities	**-37**	**-29**
Proceeds from financing liabilities to banks	–	425
Transaction costs paid from refinancing	–	-1
Change in other financing liabilities	-1	-9
Payment of lease liabilities	-8	-5
Other	0	-1
Cash flows from financing activities	**-9**	**409**
Effects of changes in exchange rates on cash and cash equivalents	1	-0
Net changes in cash and cash equivalents	**-142**	**300**
Cash and cash equivalents		
Cash and cash equivalents on 1 January	**733**	**802**
Cash and cash equivalents on 31 March	**591**	**1,103**

[1] Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.

5 Consolidated Statement of Changes in Equity

in € million	Attributable to the owners of HENSOLDT AG						Non-controlling interests	Total
				Other reserves				
	Share capital	Capital reserve	Retained earnings	Remeasurement of pensions	Currency translation	**Subtotal**		
As of 1 January 2025	**116**	**474**	**245**	**56**	**-19**	**872**	**14**	**886**
Group profit / loss	–	–	-30	–	–	**-30**	-1	**-31**
Other comprehensive income	–	–	–	59	-1	**59**	-0	**59**
Total comprehensive income	**–**	**–**	**-30**	**59**	**-1**	**28**	**-1**	**28**
Release capital reserve	–	-35	35	–	–	**–**	–	**–**
As of 31 March 2025	**116**	**439**	**250**	**116**	**-20**	**900**	**13**	**914**

in € million	Attributable to the owners of HENSOLDT AG						Non-controlling interests	Total
				Other reserves				
	Share capital	Capital reserve	Retained earnings	Remeasurement of pensions	Currency translation	**Subtotal**		
As of 1 January 2024	**116**	**613**	**62**	**52**	**-21**	**822**	**16**	**838**
Group profit / loss[1]	–	–	-14	–	–	**-14**	-1	**-15**
Other comprehensive income	–	–	–	7	-1	**7**	-0	**6**
Total comprehensive income[1]	**–**	**–**	**-14**	**7**	**-1**	**-8**	**-1**	**-9**
Release capital reserve	–	-140	140	–	–	**–**	–	**–**
Other	–	–	-3	–	–	**-3**	–	**-3**
As of 31 March 2024	**116**	**473**	**185**	**59**	**-21**	**812**	**15**	**827**

[1] Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.

6 Segment information

The Group comprises two operating segments, Sensors and Optronics.

				First three months
				2025
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
Order intake	664	50	-13	**701**
Order backlog	5,769	1,211	-50	**6,929**
Book-to-bill-ratio	2.0x	0.8x		**1.8x**
Segment revenue	339	59	-4	**395**
Revenue from external customers	*339*	*57*	*–*	***395***
Intersegment revenue	*1*	*3*	*-4*	***–***

				First three months
				2025
in € million	Sensors	Optronics	Elimination/ Transversal/ Others	Group
Material non-cash items other than depreciation and amortisation:				
Additions to other provisions	-20	-7	–	**-27**
Reversals of other provisions	2	2	–	**4**
Share of profits or loss in investments accounted for using the equity method	–	1	–	**1**

in € million	Sensors	Optronics	Elimination/ Transversal/ Others	First three months 2025 Group
EBITDA	**26**	**0**	**-4**	**22**
Transaction costs	–	–	0	**0**
OneSAPnow-related special items[1]	0	–	2	**3**
Other special items[2]	3	0	2	**5**
Adjusted EBITDA	**29**	**1**	**–**	**30**
Adjusted EBITDA margin[3]	*8.7 %*	*1.3 %*		***7.6 %***
EBITDA	**26**	**0**	**-4**	**22**
Depreciation and amortisation	-32	-6	-0	**-38**
EBIT	**-6**	**-6**	**-4**	**-16**
Effects on earnings from purchase price allocations	9	2	–	**11**
Transaction costs	–	–	0	**0**
OneSAPnow-related special items[1]	0	–	2	**3**
Other special items[2]	3	0	2	**5**
Adjusted EBIT	**7**	**-4**	**–**	**3**
Adjusted EBIT margin[3]	*2.0 %*	*-6.0 %*		***0.8 %***

1 OneSAPnow-related special items include expenses associated with the business transformation for SAP S/4HANA.

2 Other special items include expenses in connection with setting up new infrastructure for HENSOLDT's R&D, production and logistics, such as for relocations and initial setups as well as expenses for consulting services incurred in connection with the acquisition and integration of the ESG Group.

3 Based on segment revenues

in € million	Sensors	Optronics	Elimination/ Transversal/ Others	First three months 2025 Group
EBIT	**-6**	**-6**	**-4**	**-16**
Financial result				**-22**
EBT				**-38**

in € million	Sensors	Optronics	Elimination/ Transversal/ Others	First three months 2024 Group
Order intake	622	72	-29	**665**
Order backlog	5,042	880	-43	**5,879**
Book-to-bill-ratio	2.2x	1.6x		**2.0x**
Segment revenue	286	44	-1	**329**
Revenue from external customers	*286*	*43*	–	***329***
Intersegment revenue	*0*	*1*	*-1*	**–**

in € million	Sensors	Optronics	Elimination/ Transversal/ Others	First three months 2024 Group
Material non-cash items other than depreciation and amortisation:				
Additions to other provisions	-13	-5	–	**-18**
Reversals of other provisions	2	3	–	**6**

in € million	Sensors	Optronics	Elimination/ Transversal/ Others	First three months 2024[1] Group
EBITDA	**34**	**-7**	**-6**	**21**
Transaction costs	–	–	0	**0**
OneSAPnow-related special items[2]	2	0	3	**5**
Other special items[3]	4	0	3	**8**
Adjusted EBITDA	**40**	**-6**	**–**	**33**
Adjusted EBITDA margin[4]	*13.9 %*	*-14.2 %*		***10.2 %***
EBITDA	**34**	**-7**	**-6**	**21**
Depreciation and amortisation	-25	-3	-0	**-28**
EBIT	**9**	**-10**	**-6**	**-8**
Effects on earnings from purchase price allocations	5	0	–	**5**
Transaction costs	–	–	0	**0**
OneSAPnow-related special items[2]	2	0	3	**5**
Other special items[3]	4	0	3	**8**
Adjusted EBIT	**20**	**-9**	**–**	**11**
Adjusted EBIT margin[4]	*7.0 %*	*-21.1 %*		***3.2 %***

1 Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.
2 OneSAPnow-related special items include expenses associated with the business transformation for SAP S/4HANA.
3 Other special items include expenses in connection with setting up new infrastructure for HENSOLDT's R&D, production and logistics, such as for relocations and initial setups as well as expenses for consulting services incurred in connection with the acquisition and integration of the ESG Group.
4 Based on segment revenues.

in € million	Sensors	Optronics	Elimination/ Transversal/ Others	First three months 2024[1] **Group**
EBIT	**9**	**-10**	**-6**	**-8**
Financial result				**-2**
EBT				**-9**

1 Adjustment of previous year's figures; refer to chapter 8 in section B - Financial Information.

7 Revenue

The Group’s operations and major categories for revenue recognition are described in the Consolidated Financial Statements as of 31 December 2024.

During the first three months of 2025, revenue increased overall by € 66 million to € 395 million, compared to € 329 million in the previous year’s period.

Revenue (geographical information)

	First three months	
in € million	2025	2024[1]
Europe	355	292
thereof Germany	*268*	*197*
Middle East	6	8
APAC	7	12
North America	19	8
Africa	9	5
LATAM	0	3
Other regions / consolidation	–	1
Total	**395**	**329**

[1] Adjusted allocation of previous year's figures

8 Adjustment of previous year's figures

In the Notes to the Consolidated Financial Statements 2024, an adjustment of previous year's figures was presented in Note 2.1. The items to which this applies in the Financial Statements were adjusted accordingly for the previous years in accordance with IAS 8.41 et seq.

In the Consolidated Income Statement for the first three months of the fiscal year 2024, cost of sales were reduced by € 0.4 million and income taxes increased by € 0.1 million. As a result, group loss as well as comprehensive income and group loss attributable to the shareholders of HENSOLDT AG increased by € 0.3 million.

The basic and diluted earnings per share for the previous year period were also adjusted. The adjustment resulted in an increase from € -0.13 to € -0.12 per share.

Cash flow from operating activities is not affected overall.

C Legal information and contact

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Disclaimer

This report contains forecasts based on assumptions and estimates by the management of HENSOLDT. These statements based on assumptions and estimates are in the form of forward-looking statements using terms such as “believe”, “assume”, “expect” and the like. Even though the management believes that these assumptions and estimates are correct, it is possible that actual results in the future may deviate materially from such assumptions and estimates due to a variety of factors. The latter may include changes in the macroeconomic environment, in the statutory and regulatory framework in Germany and the EU, and changes within the industry. HENSOLDT does not provide any guarantee or accept any liability or responsibility for any divergence between future developments and actual results, nor for the assumptions and estimates expressed in this report.

HENSOLDT has no intention and undertakes no obligation to update forward-looking statements in order to adjust them to actual events or developments occurring after the date of this report.

The report is presented in euros (“€”), which is the Group’s functional currency. Unless otherwise stated, all financial figures presented herein are rounded to the nearest million euros in accordance with established commercial principles. Due to rounding, there may be slight deviations from the absolute numbers when forming totals and calculating percentages. Absolute amounts less than € 500,000 and greater than zero euros are represented as 0 or -0, as indicated by the sign. In contrast, items that have no value are indicated as missing by using a “-”.

This report is a quarterly statement in accordance with Sec. 53 of the Exchange Rules for the Frankfurt Stock Exchange (Frankfurter Wertpapierbörse).

This English report is for convenience only. In case of discrepancies between the English and the German report, the German report shall prevail.