

The background features a blue-toned image of the Earth from space, overlaid with a complex network of white lines and dots representing a global communication or data network. In the upper left, there are blurred blue grid patterns.

Q1 2022 CONFERENCE CALL

Another sound start into the year

06/05/2022

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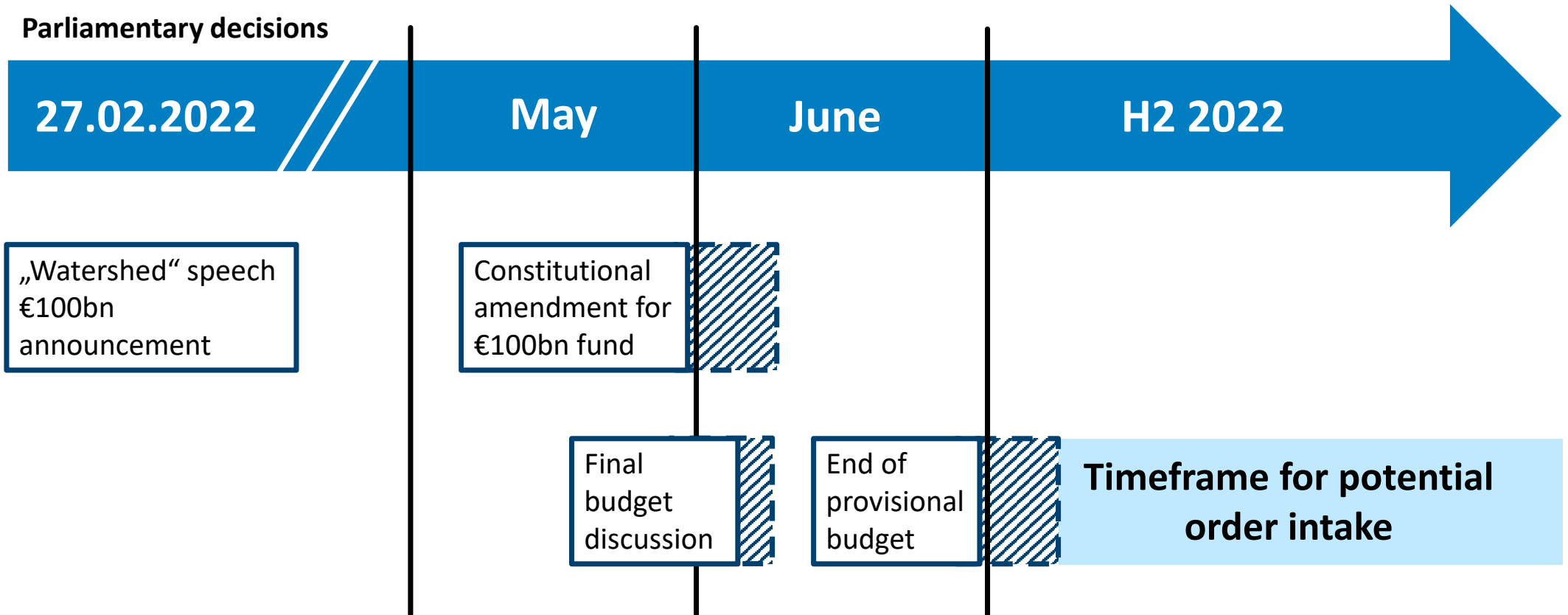
Q1 2022 Group Highlights

Operating result and margin further improved

- Group sales at prior-year level of EUR 1,266 million
- Operating profit improved by 10% to EUR 92 million
- Operating margin of 7.3% significantly higher than prior-year figure of 6.7%
- Continued high order intake
- Full-year guidance 2022 confirmed

Market update

German budget timeline focusses order intake on H2 2022



Market update

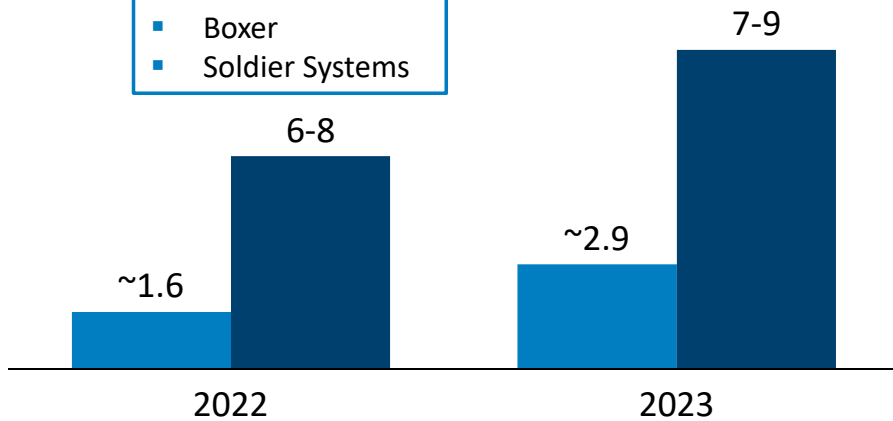
German defence orders and sales gain further momentum in 2023

Order intake expectation Germany

In net € bn

Key projects 2022

- Ammunition
- Trucks
- Puma 2nd Lot
- Boxer
- Soldier Systems



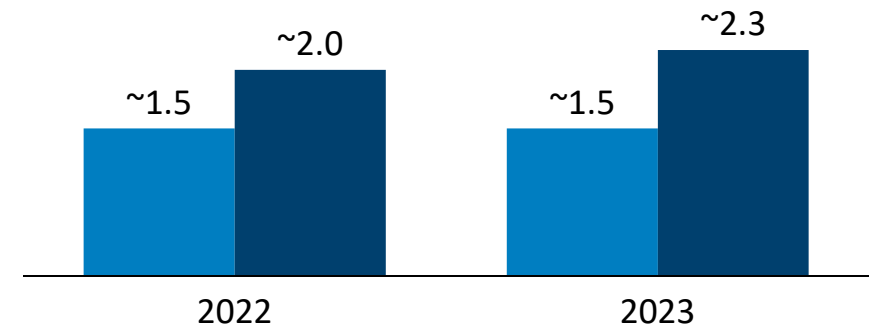
Sales estimates Germany

in net € bn

Key projects 2022

- Ammunition
- Trucks
- Helmets

■ Before UKR
■ After UKR



Ukrainian direct support not included

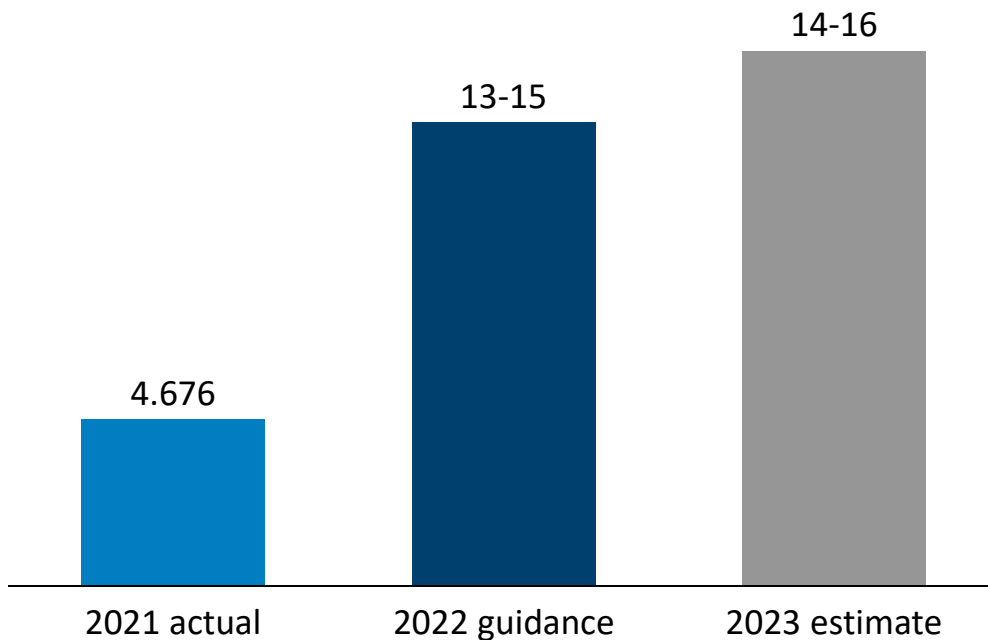
- Total order intake potential of €300-500m in 2022
- Sales potential of €60-100m already in 2022

Outlook

Germany is the main driver for accelerated growth

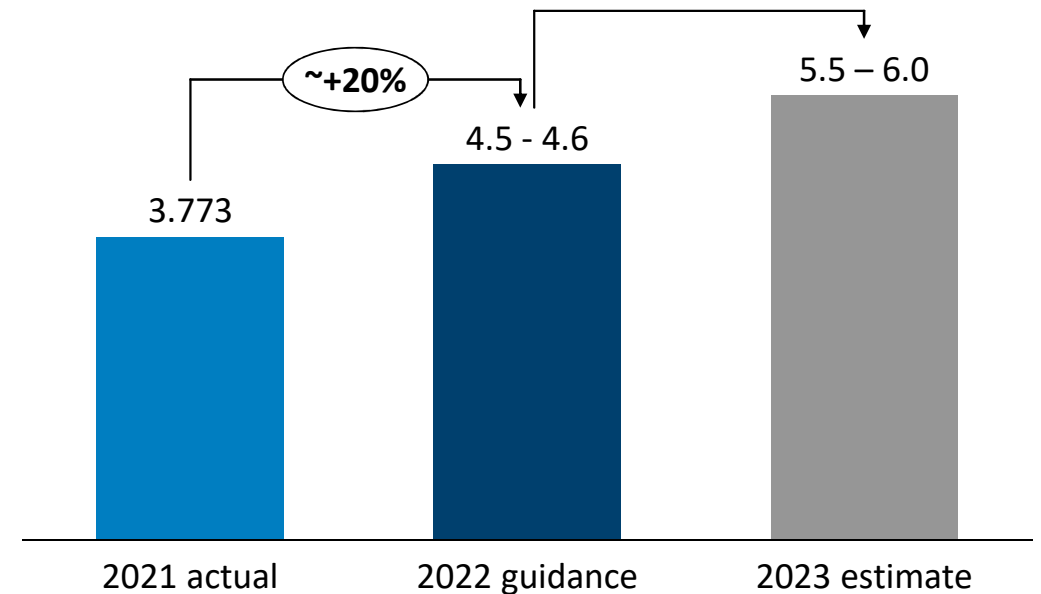
Order intake expectation defence divisions

in €bn



Sales estimates defence divisions

in €bn



Market update

Lynx tenders offer huge order potential

Current international tenders



Slovakia

Lynx

Decision expected in H2 2022

Potential of up to €1.5bn



Australia

Lynx
Land 400 Phase III

Decision in September 2022

Potential of ~€4bn
400+ vehicles



Czech

IFV

Tendering procedure ongoing, currently on hold
Decision expected in 2023

Potential of ~€2bn



USA






Bradley replacement
Tender: 2021-2023
Potential start of production: 2028

Phase 2 decision in 2023 with USD 500m funding
Potential of ~USD42bn
~4.000 vehicles

Market update

New international order potential taking shape

Additional international potential

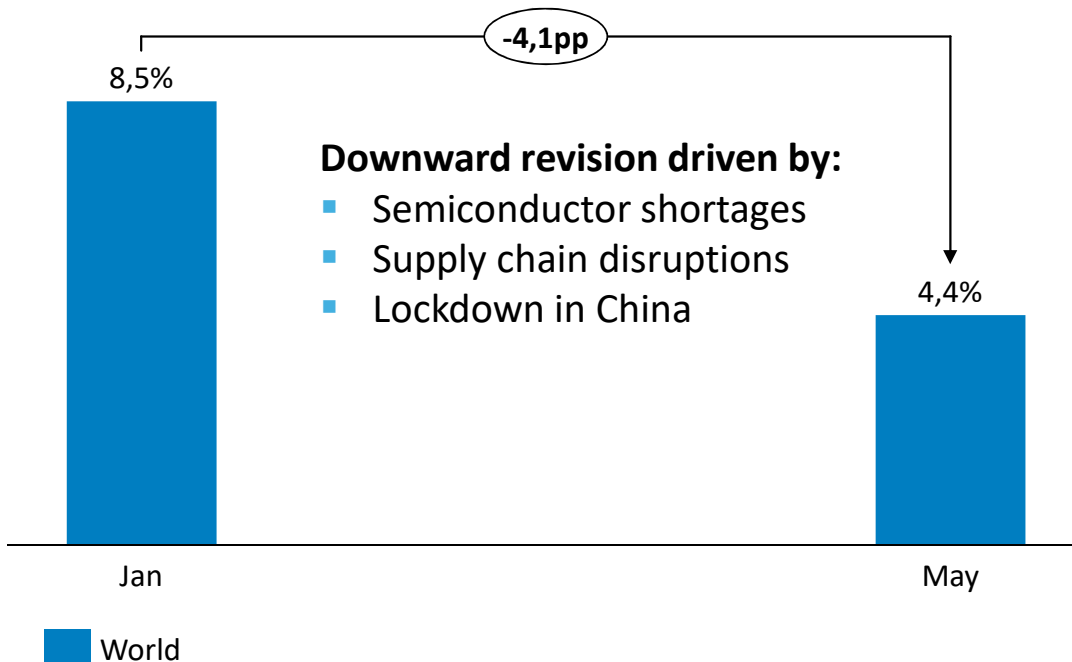
|  |  |  |  |  |
|---|---|--|---|---|
| Italy MBT IFV Other vehicles 10 year budget with up to €8bn, of which €2.3bn will be available already in 2023 | Greece Lynx Leopard upgrade Up to €3.5bn | UK Boxer 3rd lot ~400 vehicles Up to €1.1bn | Hungary Loitering Ammo ~€250m Digitalisation and soldier systems Up to €1.5bn RDX plant ~€170m Ammo plant ~€100m | Lithuania Boxer 100+ vehicles Up to €150m |

Market update

Civil business facing challenging market situation

2022 Global LV Production growth forecast*

in %



2022 Civil divisions expectations

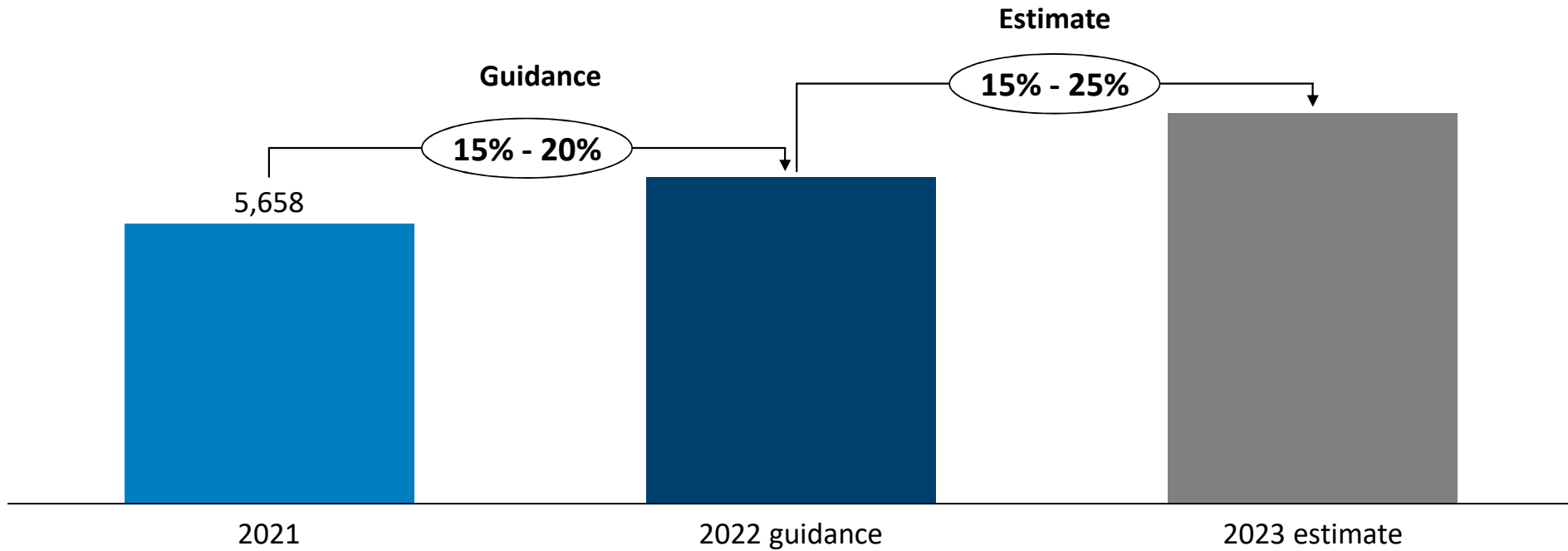
- We are expecting to win nomination letters that will drive our booked business to around €3bn
- Sales estimated to slightly improve compared to 2021
- Operating result estimated to slightly improve compared to 2021

Outlook

Rheinmetall group growth scenario

Group sales estimates

Group sales in €m and growth in%



Outlook

2022 Guidance confirmed

Organic Sales Growth

15%-20%

Operating Margin

>11%

This growth forecast assumes that the German government's plans for possible procurements from the defense budget for 2022 and from the special assets to be created for the Bundeswehr will materialize as announced.

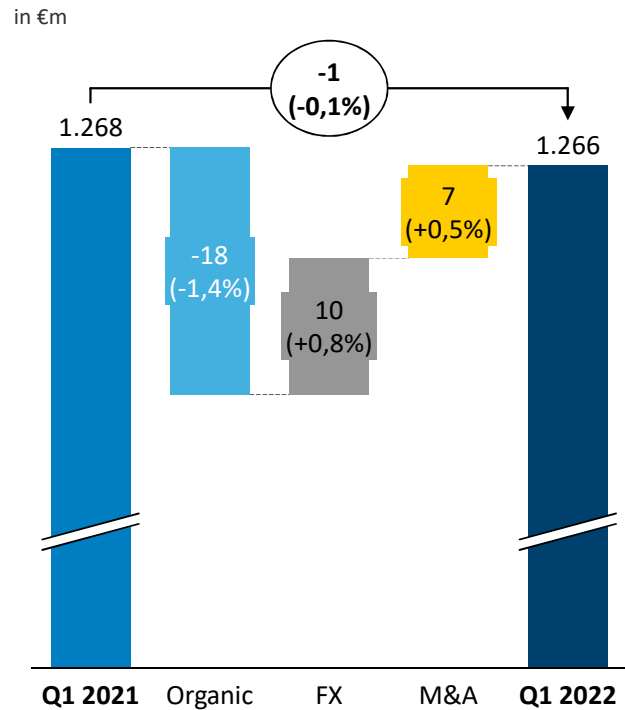


Financials Q1 2022

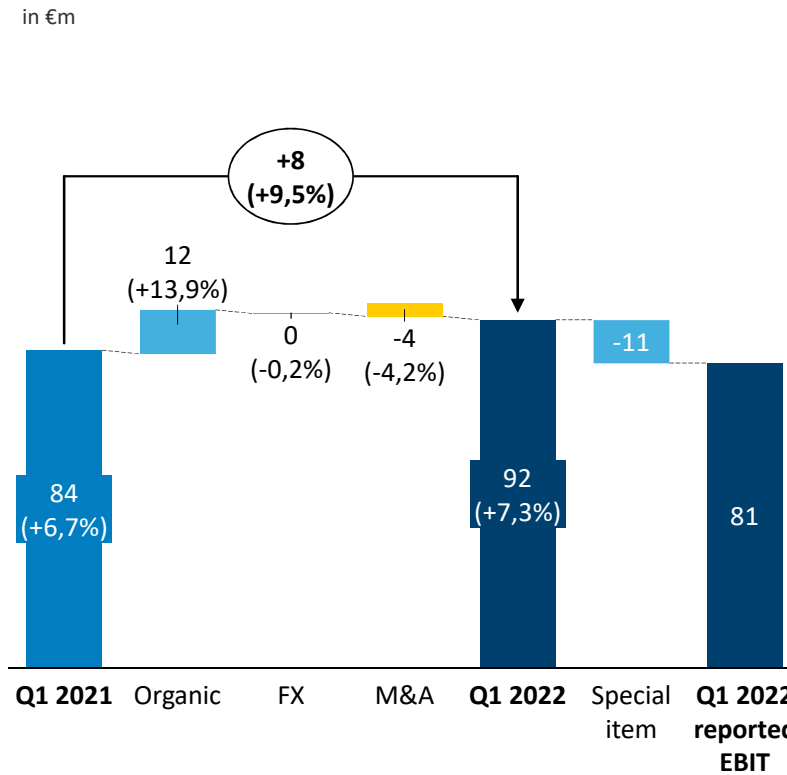
Q1 2022 Group Highlights: Key financial data

Stable sales development with further margin expansion

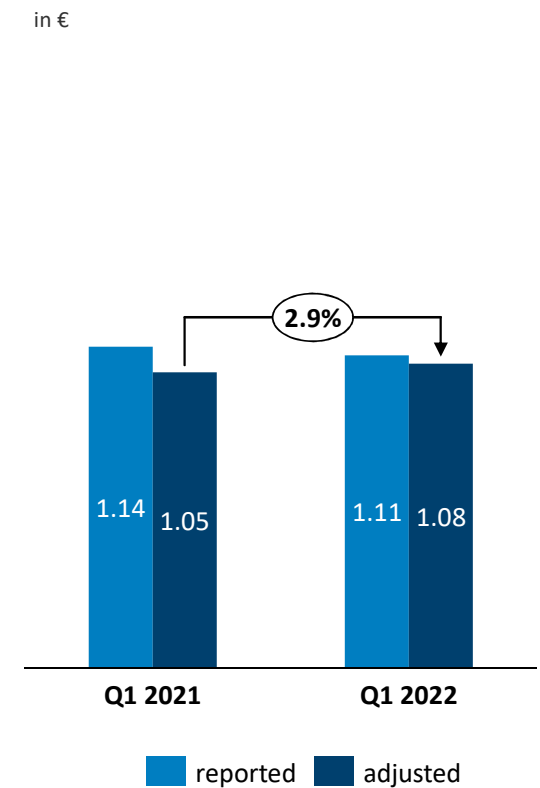
Sales*



Operating result and margin in %*



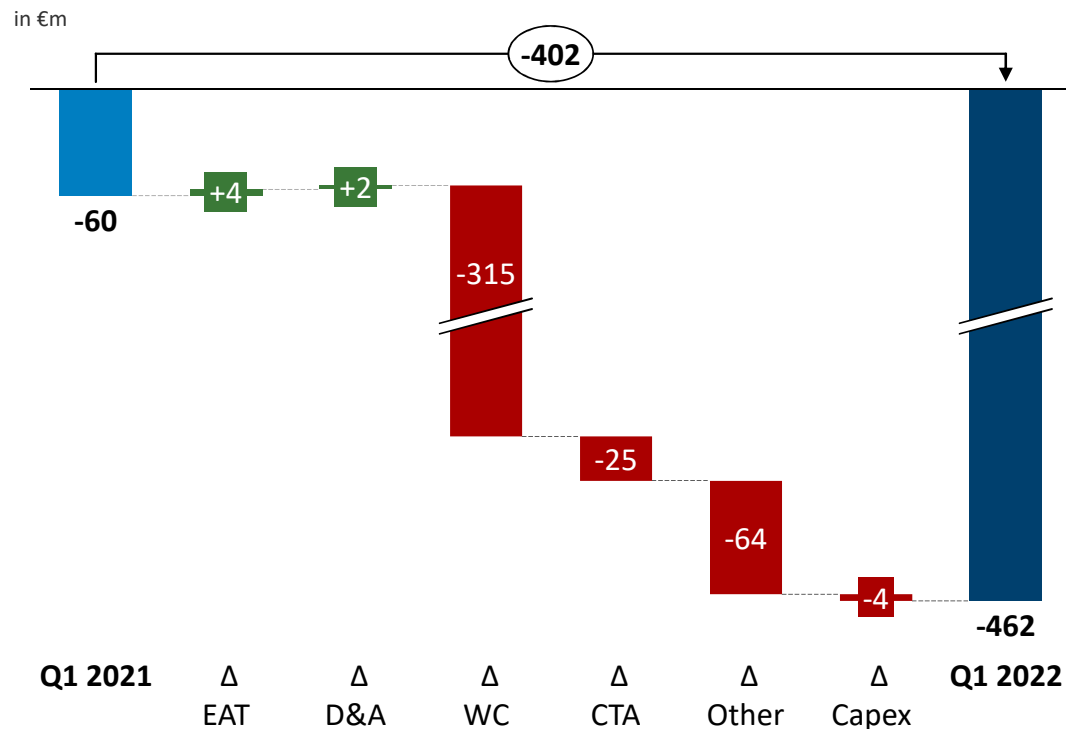
Earnings per share



Q1 2022 Group Highlights: Cash flow

Strategic working capital build up held back cash development

Operating Free Cash flow*



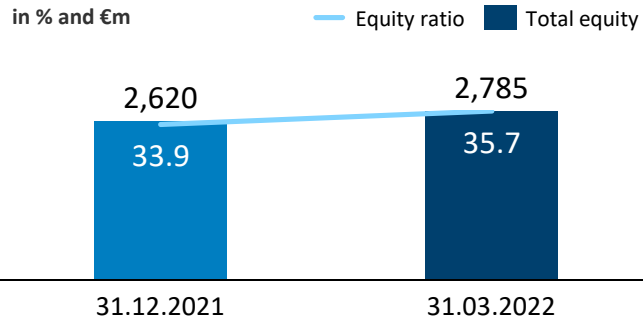
Highlights / Comments

- Q1 2022 OFCF compares to the best first quarter ever in Q1 2021, which benefitted from high level of prepayments
- Strategic working capital build up to manage stressed supply chains and to prepare future growth
- Higher payment into the German CTA funding of € 50m compared to € 25m in Q1 2021

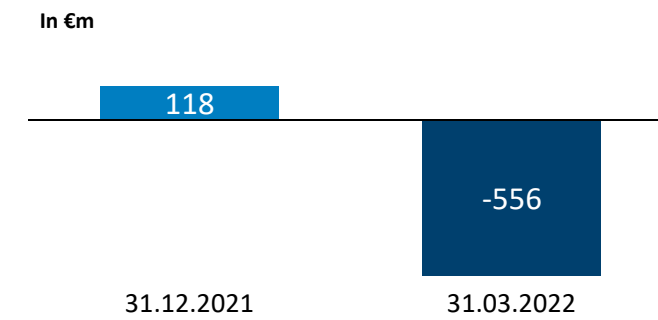
Q1 2022 Group Highlights: Balance Sheet

Solid financial situation rewarded by rating upgrade to Baa2, outlook stable

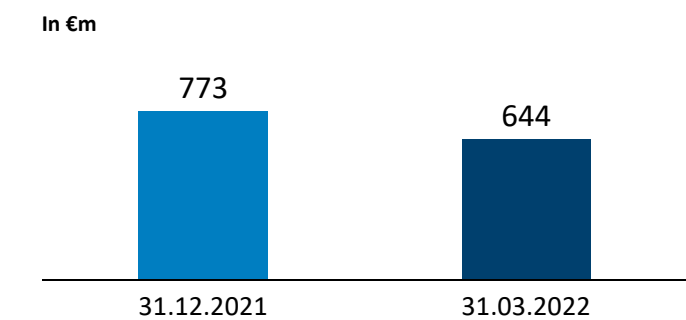
Equity and Equity ratio



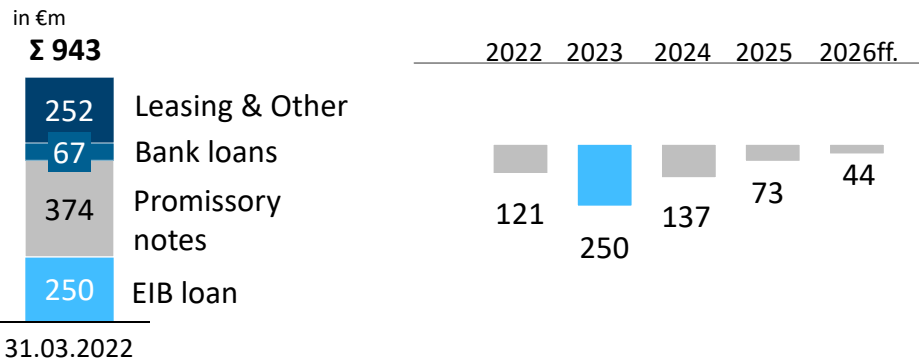
Net financial position*



Pensions



Gross debt and maturity profile**



Highlights / Comments

- Equity ratio further improved to 35.7%
- Moody's rating Upgrade on April 26th to Baa2, outlook stable
- Undrawn credit lines of €0.9bn per end of Q1
- Cash position of €387m and additional securities held for trade with a value of €148m per end of Q1

Q1 2022 Division Highlights

Weapon and Ammunition as well as Materials and Trade move group performance

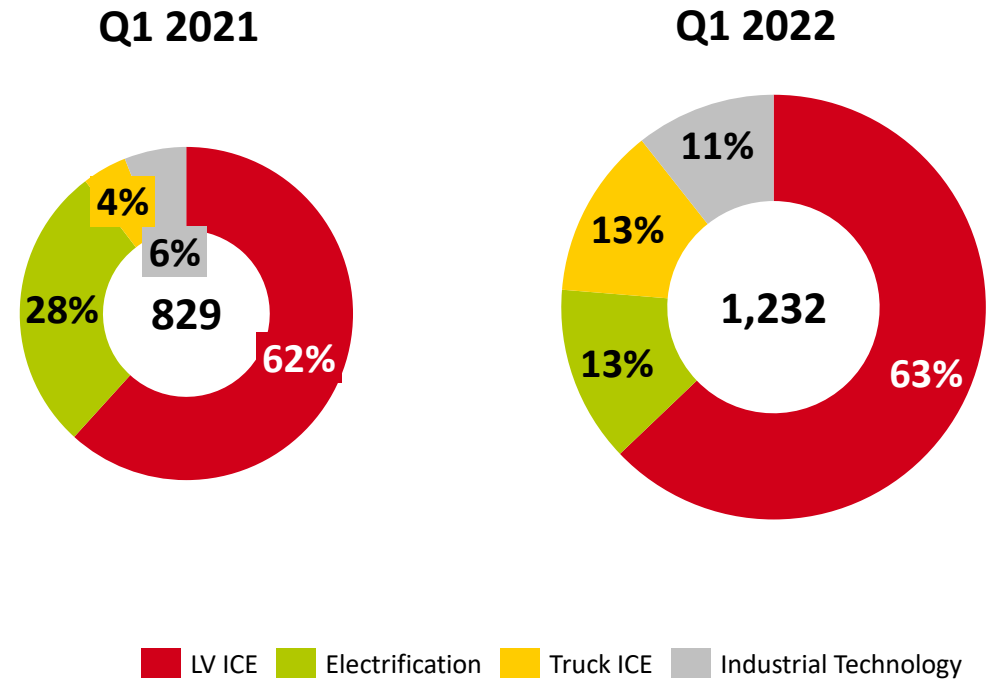
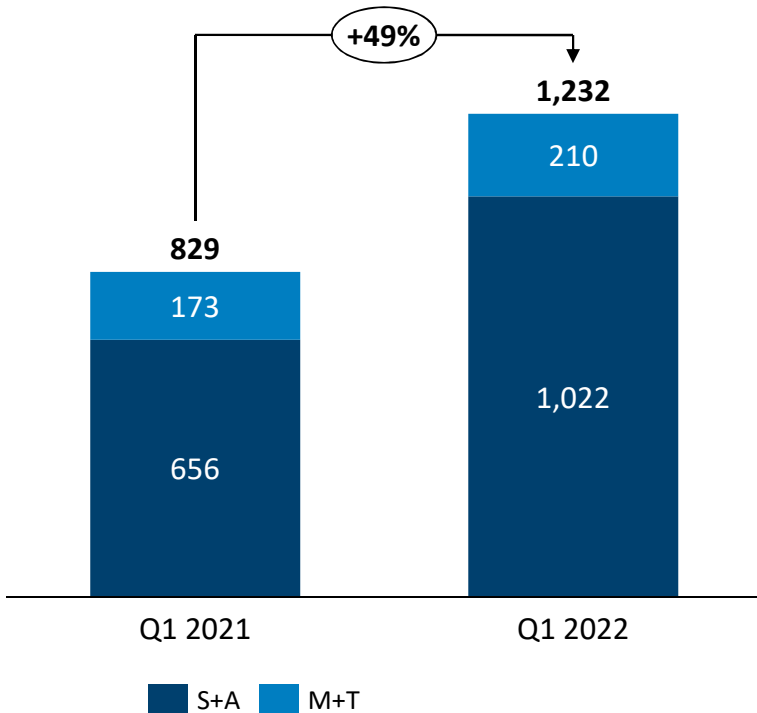
| | Sales* | | | Operating Result* | | | Margin* | | OFCF* | | |
|--------------------------|--------------|--------------|--------------|-------------------|------------|--------------|------------|------------|------------|-------------|-------------|
| | in €m | | | in €m | | | in % | | in €m | | |
| | Q1 2021 | Q1 2022 | Δ | Q1 2021 | Q1 2022 | Δ | Q1 2021 | Q1 2022 | Q1 2021 | Q1 2022 | Δ |
| Vehicle Systems | 409 | 400 | -2.2% | 25 | 29 | +12.6% | 6.2 | 7.2 | 88 | -125 | -213 |
| Weapon and Ammunition | 220 | 258 | +17.0% | 18 | 32 | +74.6% | 8.2 | 12.3 | -56 | -225 | -168 |
| Electronic Solutions | 167 | 168 | +0.3% | 11 | 4 | -64.9% | 6.4 | 2.2 | -90 | -107 | -18 |
| Sensors and Actuators | 372 | 347 | -6.7% | 28 | 26 | -6.7% | 7.5 | 7.5 | -39 | 1 | +39 |
| Materials and Trade | 160 | 190 | +19.3% | 14 | 16 | +15.4% | 8.7 | 8.4 | -9 | -20 | -11 |
| Consolidation | -61 | -97 | | -11 | -14 | | | | 45 | 14 | -31 |
| Rheinmetall Group | 1,268 | 1,266 | -0.1% | 84 | 92 | +9.5% | 6.7 | 7.3 | -60 | -462 | -402 |

Q1 2022 Markets & Drivers

High demand for our civil products growths booked business by almost 50%

Booked business for Sensors + Actuators and Materials + Trade divisions

In €m

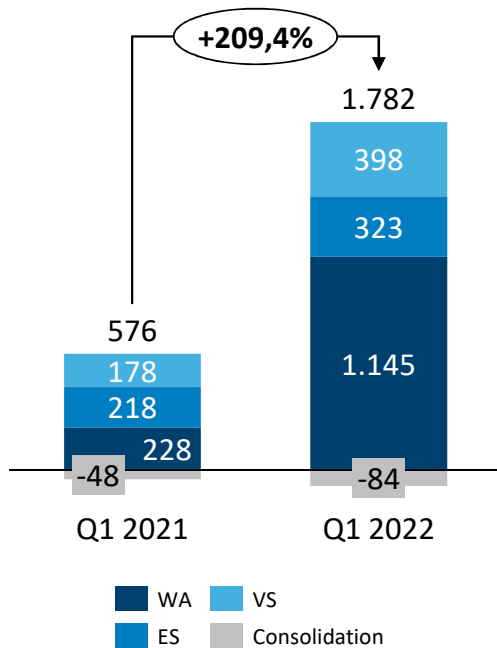


Q1 2022 Markets & Drivers

Weapon and Ammunition contributes most to strong order intake

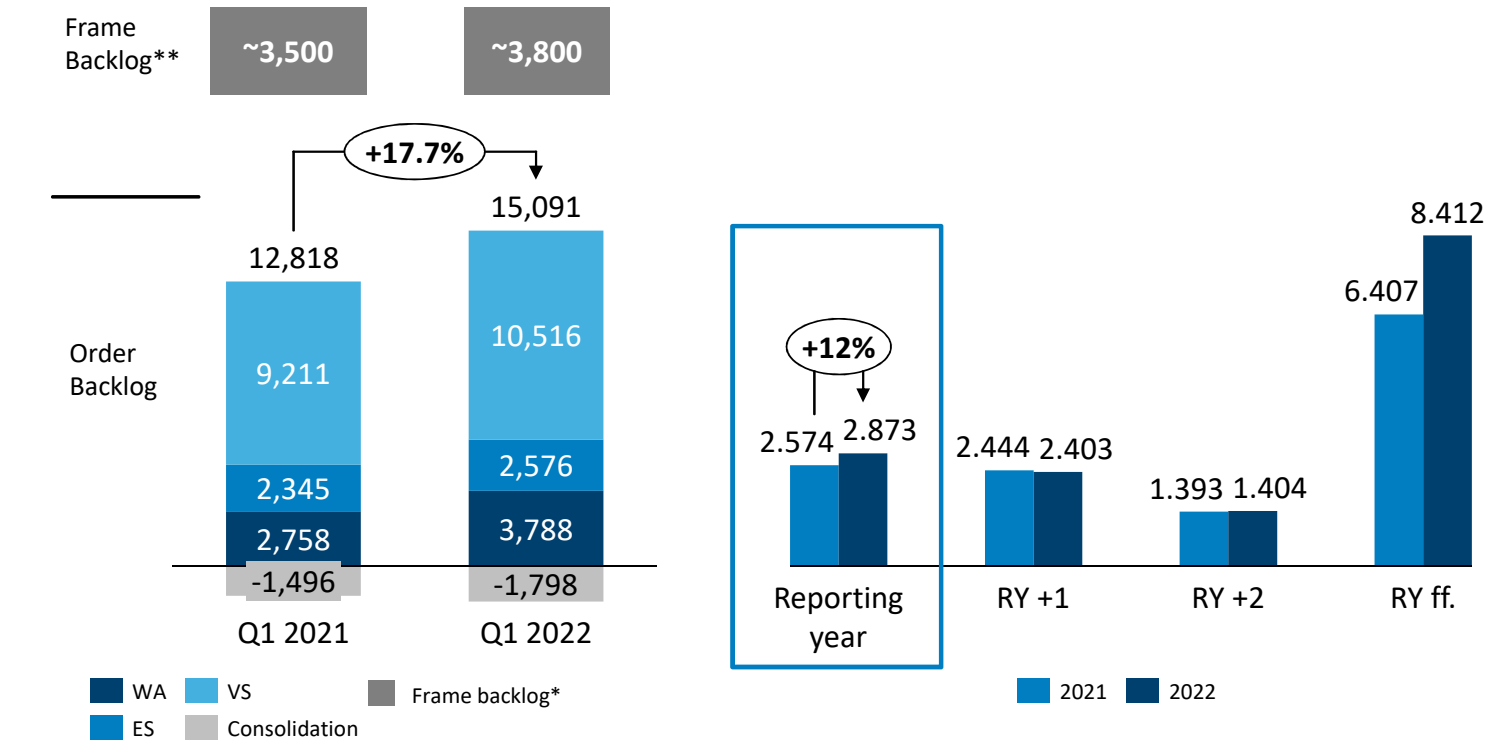
Order intake*

In €m



Order Backlog Profile*

In €m



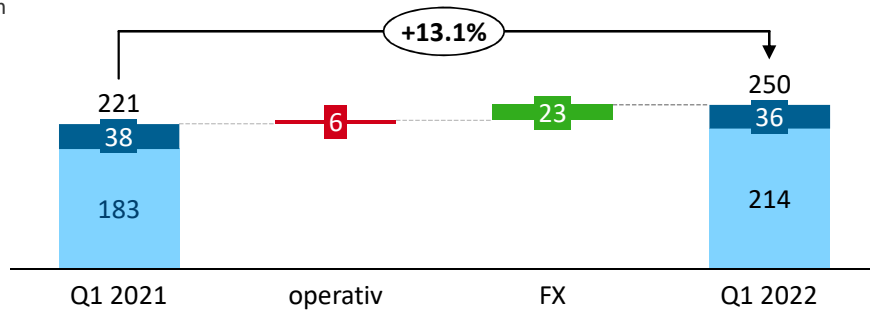
* Order intake and Order Backlog Profile for divisions Weapon + Ammunition, Electronic Solutions and Vehicle Systems
 ** Additional „Frame Backlog“ of ~€3.8bn including truck and ammunition framework agreements for the years 2022-30+

Q1 2022 Markets & Drivers

Material impact from Chinese lockdown expected to continue

Sales*

in €m



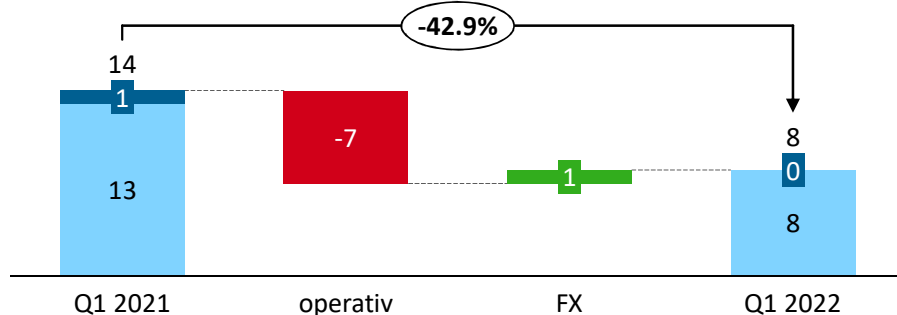
Chinese Market update

Current Situation:

- Shanghai area lockdown
- Areas close to Shanghai start short-term regional lockdowns and shutdowns
- Severe lockdown situation expected to extend until end of May or June

EBIT*

in €m



Status / Measures Rheinmetall China:

- Currently no employees severely impacted
- Employee food packages are being prepared as food supply remains key challenge
- Production activities materially reduced

■ Wholly owned foreign enterprise
 ■ Joint Venture

Capital allocation

Growth remains top priority

- 1 Funding of growth (organic and M&A)**
- 2 Dividend to shareholders (mid-term payout ratio 35-40%)**
- 3 Further funding of pensions via CTA (Germany, target level 50-60%)**
- 4 Share buyback (Currently not a priority)**

Outlook

Forecast uncertainties remain - but chances prevail

Topline

- + Ukrainian war offers additional business potential
- + Rising defence spending worldwide
- Negative impact from China lockdown
- OEM supply chains are negatively affected
- Continuous downward revision of LV production growth by IHS for 2022 from 8.5% in January to 4.4% in May*

Input cost

- Raw material availability and increasing price inflation
- + Hedging of key raw materials and energies in place
- + Strict cost control measures remain

Q2 trading update

Sales growth of 8%-10%
Operating margin expected between 7.5% to 8.5%

Next events and IR contacts

Next Events

| | |
|--|-------------------|
| UBS, Best of Europe, virtual | 17 May 2022 |
| Deutsche Bank, db Access German Corporate, Frankfurt | 24/25 May 2022 |
| M.M. Warburg, Warburg Highlights, Hamburg | 24 June 2022 |
| Stifel, London Cross Sector Insight Conference, London | 8 September 2022 |
| Berenberg and Goldman Sachs, German Corporate Conference | 21 September 2022 |
| Baader Investment Conference, Munich | 22 September 2022 |
| Annual General Meeting | 10 May 2022 |
| Q2 Earnings call | 05 August 2022 |
| Q3 Earnings call | 10 November 2022 |

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Quick link to documents

[Corporate Presentation](#)

(link)



[Interim Report](#)

(link)



[Annual Report](#)

(link)





APPENDIX

Outlook

Group - forecast business performance in 2022

| | | 2022 | 2021 |
|--------------------------------|-----------|------------------------|--------------------|
| Sales | | | |
| Group | € million | 15% to 20% | 5.658 |
| Division Vehicle Systems | € million | significantly improved | 1.883 |
| Division Weapon and Amunition | € million | significantly improved | 1.233 |
| Division Electronic Solutions | € million | significantly improved | 932 |
| Division Sensors and Actuators | € million | slightly improved | 1.315 |
| Division Materials and Trade | € million | slightly improved | 651 |
| Operating result | | | |
| Group | € million | >11% | 594 |
| Division Vehicle Systems | percent | significantly improved | 9 |
| Division Weapon and Amunition | percent | at prior-year level | 18 |
| Division Electronic Solutions | percent | at prior-year level | 11 |
| Division Sensors and Actuators | percent | slightly improved | 8 |
| Division Materials and Trade | percent | slightly improved | 8 |
| EBT | | | |
| Group | € million | above previous year | 582 |
| ROCE | | | |
| Group | percent | between 18% and 20% | pro forma* 19,3 |
| OFCF | | | |
| Group | percent | between 3% and 5% | 419 |

Balance Sheet

| € million | 03/31/2022 | 12/31/2021 | | 03/31/2022 | 12/31/2021 |
|---|--------------|--------------|--|--------------|--------------|
| Assets | | | Equity and liabilities | | |
| Goodwill | 482 | 481 | Share capital | 112 | 112 |
| Other intangible assets | 287 | 287 | Capital reserves | 572 | 561 |
| Right-of-use assets | 215 | 214 | Retained earnings | 1,885 | 1,755 |
| Property, plant and equipment | 1,075 | 1,056 | Treasury shares | -6 | -9 |
| Investment property | 28 | 30 | Rheinmetall AG shareholders' equity | 2,562 | 2,418 |
| Investments accounted for using the equity method | 384 | 201 | Non-controlling interests | 223 | 203 |
| Other non-current assets | 346 | 337 | Equity | 2,785 | 2,620 |
| Deferred taxes | 118 | 147 | | | |
| Non-current assets | 2,935 | 2,752 | Provisions for pensions and similar obligations | 644 | 773 |
| | | | Other non-current provisions | 213 | 210 |
| Inventories | 1,859 | 1,651 | Non-current financial debt | 702 | 706 |
| Contract asset | 448 | 408 | Other non-current liabilities | 38 | 45 |
| Trade receivables | 1,332 | 1,164 | Deferred taxes | 37 | 38 |
| Other current assets | 301 | 213 | Non-current liabilities | 1,634 | 1,772 |
| Income tax receivables | 38 | 11 | | | |
| Securities held for trade | 148 | 162 | Other current provisions | 730 | 677 |
| Cash and cash equivalents | 387 | 1,039 | Current financial debt | 241 | 215 |
| Assets held for sale | 365 | 334 | Contract liability | 1,198 | 1,111 |
| Current assets | 4,876 | 4,982 | Trade liabilities | 698 | 809 |
| Total assets | 7,811 | 7,734 | Other current liabilities | 187 | 196 |
| | | | Income tax liabilities | 92 | 87 |
| | | | Liabilities directly related to assets held for sale | 246 | 246 |
| | | | Current liabilities | 3,392 | 3,341 |
| | | | Total equity and liabilities | 7,811 | 7,734 |

Income Statement

| € million | Q1 2022 | Q1 2021 |
|---|-----------------|-----------------|
| Sales | 1,266 | 1.268 |
| Changes in inventories and work performed by the enterprise and capitalized | 142 | 85 |
| Total operating performance | 1,409 | 1.353 |
| Other operating income | 29 | 21 |
| Cost of materials | 684 | 665 |
| Staff costs | 457 | 414 |
| Amortization, depreciation and impairment | 60 | 58 |
| Other operating expenses | 153 | 149 |
| Income from investments accounted for using the equity method | 17 | 7 |
| Other net financial income | -20 | -10 |
| Earnings before interest and taxes (EBIT) | 81 | 84 |
| Interest income | 1 | 2 |
| Interest expenses | 8 | 11 |
| Earnings before taxes (EBT) | 74 | 75 |
| Income taxes | -15 | -21 |
| Earnings from continuing operations | 59 | 54 |
| Earnings from discontinued operations | 1 | 4 |
| Earnings after taxes | 61 | 58 |
| Of which: | | |
| <i>Non-controlling interests</i> | 13 | 9 |
| <i>Rheinmetall AG shareholders</i> | 48 | 49 |
| Earnings per share | 1.11 EUR | 1.14 EUR |
| Earnings per share from continuing operations | 1.08 EUR | 1.05 EUR |
| Earnings per share from discontinued operations | 0.03 EUR | 0.09 EUR |

Cashflow Statement

| € million | Q1 2022 | Q1 2021 |
|---|--------------|--------------|
| Earnings after taxes | 61 | 58 |
| Amortization, depreciation and impairment | 60 | 61 |
| Allocation of CTA assets to secure pension and partial retirement obligations | -50 | -25 |
| Other changes in pension provisions | 125 | -4 |
| Income from disposals of non-current assets | -1 | -0 |
| Changes in other provisions | 76 | 82 |
| Changes in working capital | -429 | -112 |
| Changes in receivables, liabilities (without financial debt) and prepaid & deferred items | -134 | -91 |
| Pro rata income from investments accounted for using the equity method | -17 | -9 |
| Dividends received from investments accounted for using the equity method | 0 | 1 |
| Other non-cash expenses and income | -118 | 22 |
| Cash flow from operating activities ¹⁾ | -426 | -17 |
| of which continuing operations | -420 | -22 |
| of which discontinued operations | -6 | 4 |
| Investments in property, plant and equipment, intangible assets and investment property | -45 | -41 |
| Cash receipts from the disposal of property, plant and equipment, intangible assets and investment property | 2 | 1 |
| Payments for investments in consolidated companies and other financial assets | -198 | -20 |
| Cash flow from investing activities | -241 | -60 |
| of which continuing operations | -239 | -58 |
| of which discontinued operations | -3 | -3 |
| Borrowing of financial debt | 61 | 120 |
| Repayment of financial debt | -50 | -136 |
| Cash flow from financing activities | 10 | -16 |
| of which continuing operations | 54 | -98 |
| of which discontinued operations | -43 | 82 |
| Changes in cash and cash equivalents | -657 | -94 |
| Changes in cash and cash equivalents due to exchange rates | 2 | -0 |
| Total change in cash and cash equivalents | -655 | -94 |
| Opening cash and cash equivalents January 1 | 1,058 | 1,027 |
| Closing cash and cash equivalents March 31 | 402 | 934 |
| Closing cash and cash equivalents March 31 from discontinued operations | 15 | - |
| Closing cash and cash equivalents according to consolidated balance sheet March 31 | 387 | 934 |