

A globe of the Earth is shown from space, with a glowing blue network of white lines and dots overlaid on it. The network consists of numerous nodes connected by thin lines, creating a complex web that covers the entire globe. The background is a dark blue space with some faint grid patterns and light effects.

Financials of the Supercycle 2.0

Helmut Merch

16/11/2022

Financials of the Supercycle 2.0

AGENDA

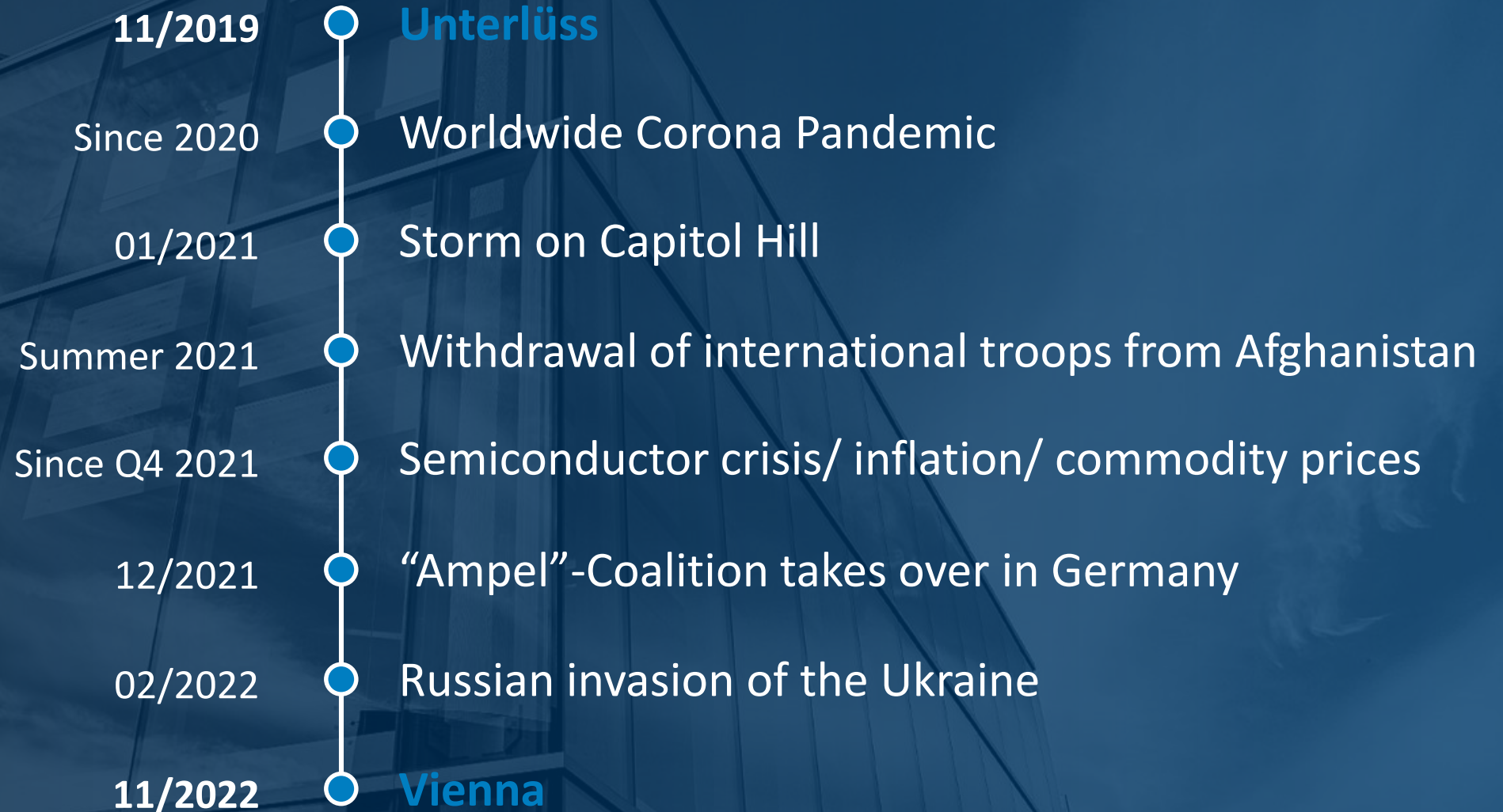
WHAT HAPPENED SINCE THE LAST CMD? **01**

FINANCIALS OF THE SUPERCYCLE 2.0 **02**

03 OPPORTUNITIES & CHALLENGES

04 MID-TERM GUIDANCE

What happened since our last CMD?

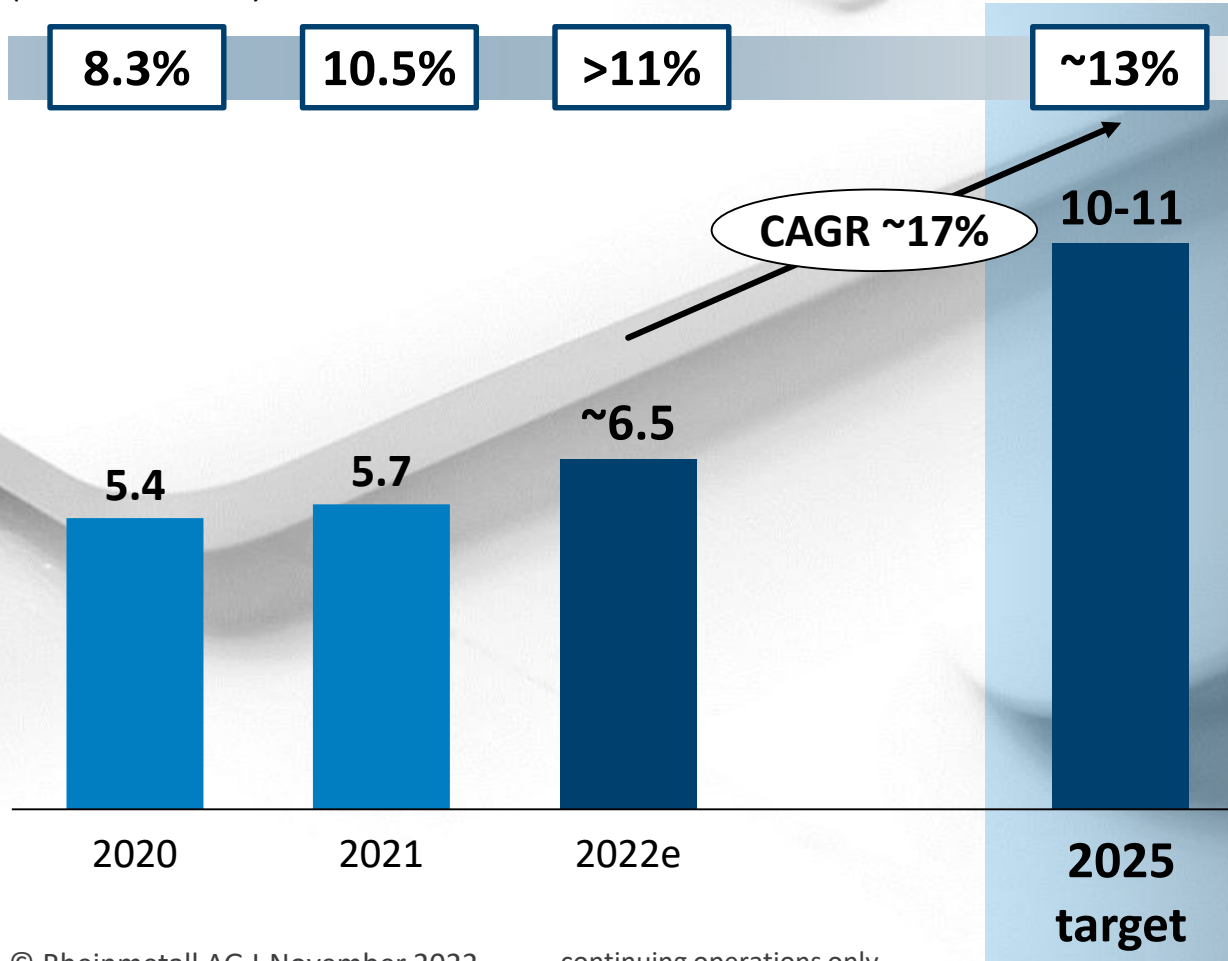


Financials of the Supercycle 2.0

Profitable growth at double digit speed

Sales and operating margin

(in €bn and in %):



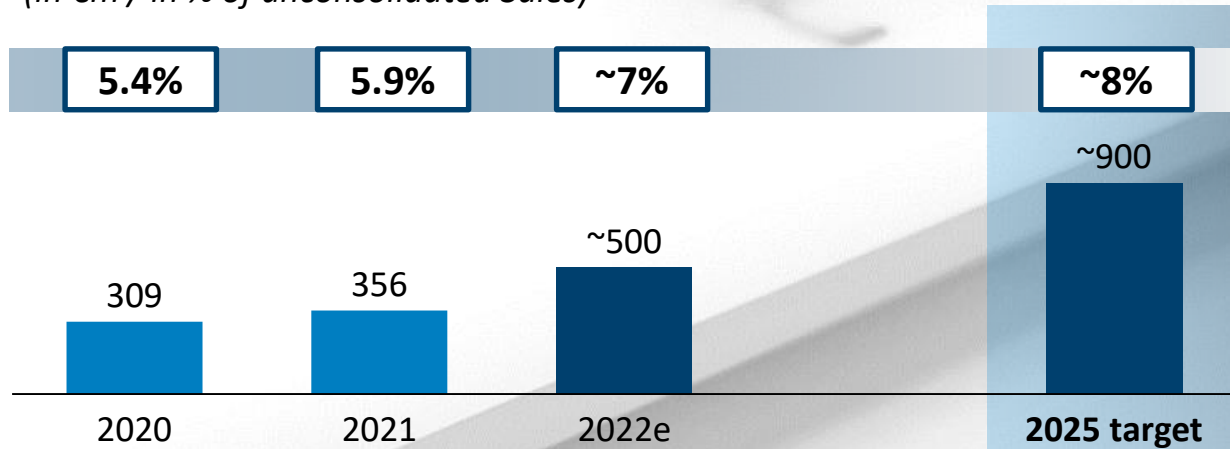
- ➔ Project pipeline is filled and diversified
- ➔ Strong sales increase over the mid-term
- ➔ Margin improvement continues
- ➔ Prepared for solid program execution

Financials of the Supercycle 2.0

Growth needs to be organized

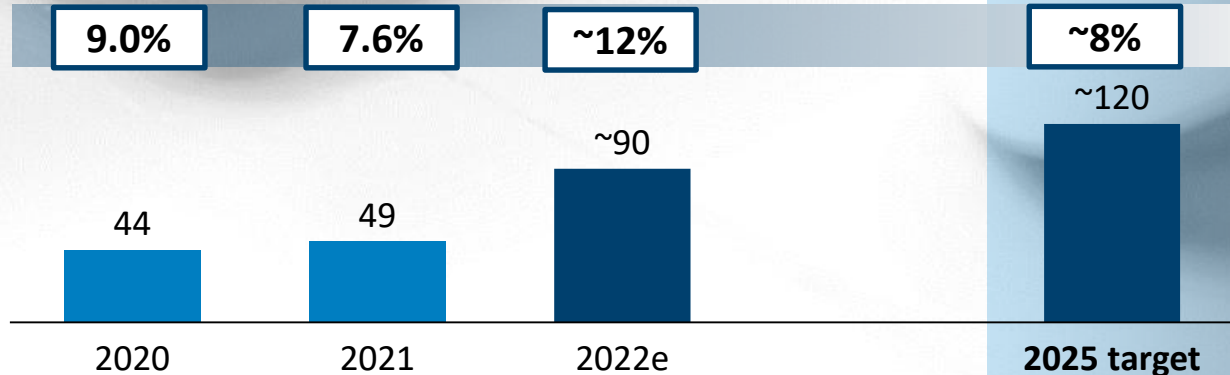
Sales Consolidation

(in €m / in % of unconsolidated Sales)



Operating Result Consolidation

(in €m / in % of unconsolidated Operating Result)



Increased consolidation driven by growing structures

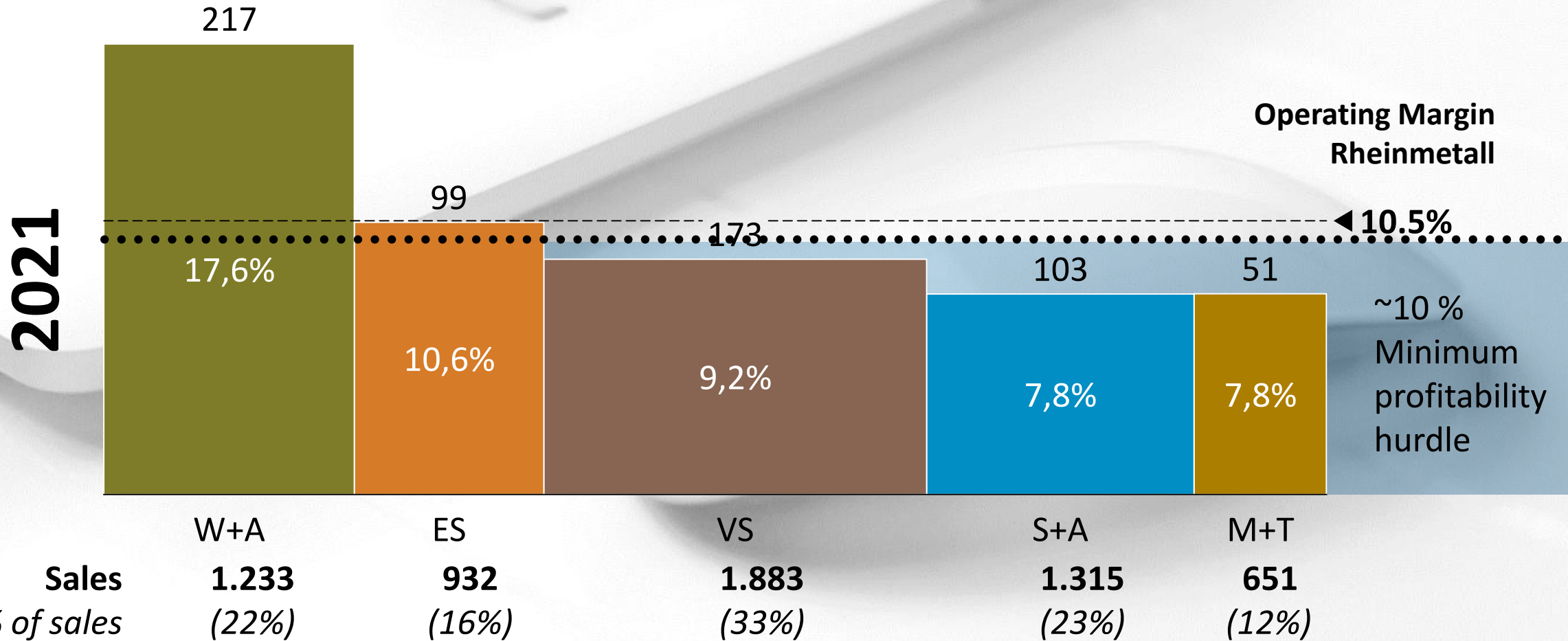
- ➔ Sales consolidation reflects new growth dynamics
- ➔ Ongoing increase of intra-divisional projects
- ➔ Insourcing of IT infrastructure
- ➔ Higher corporate R&D spending

Financials of the Supercycle 2.0

Performance already on a strong level . . .

Operating result by Division

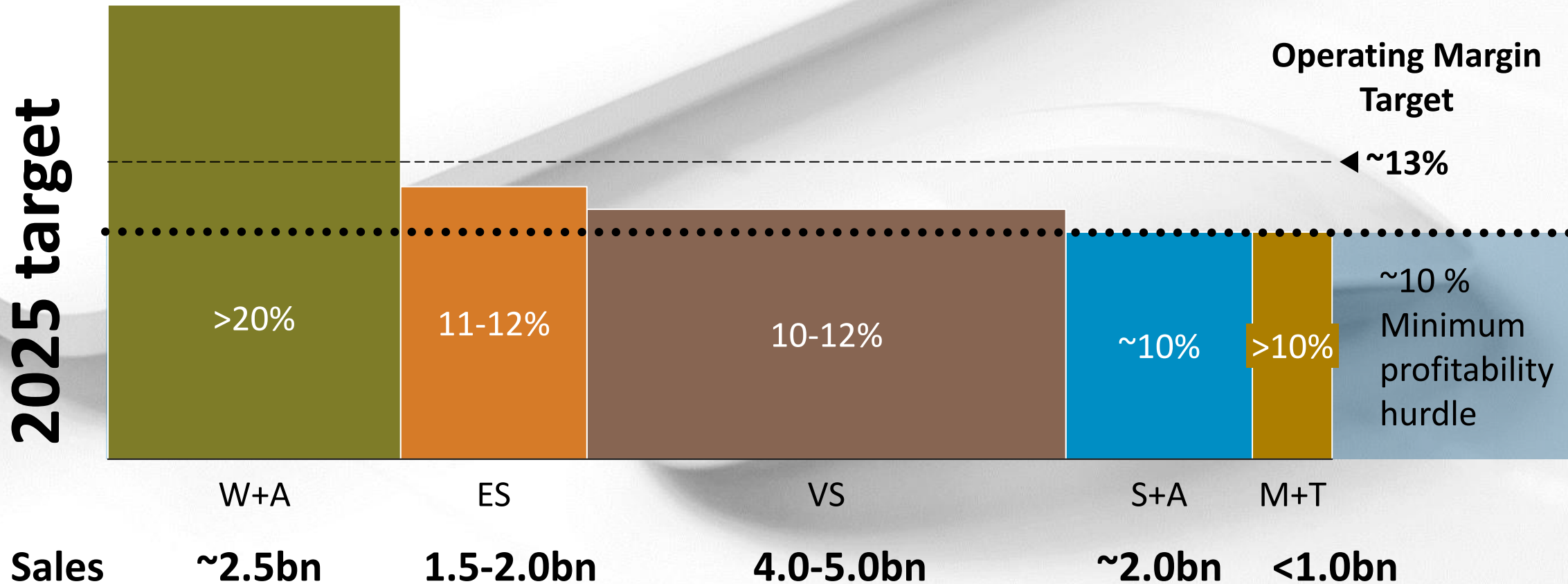
(in €m, in %)



Financials of the Supercycle 2.0

... but with a lot of potential until 2025

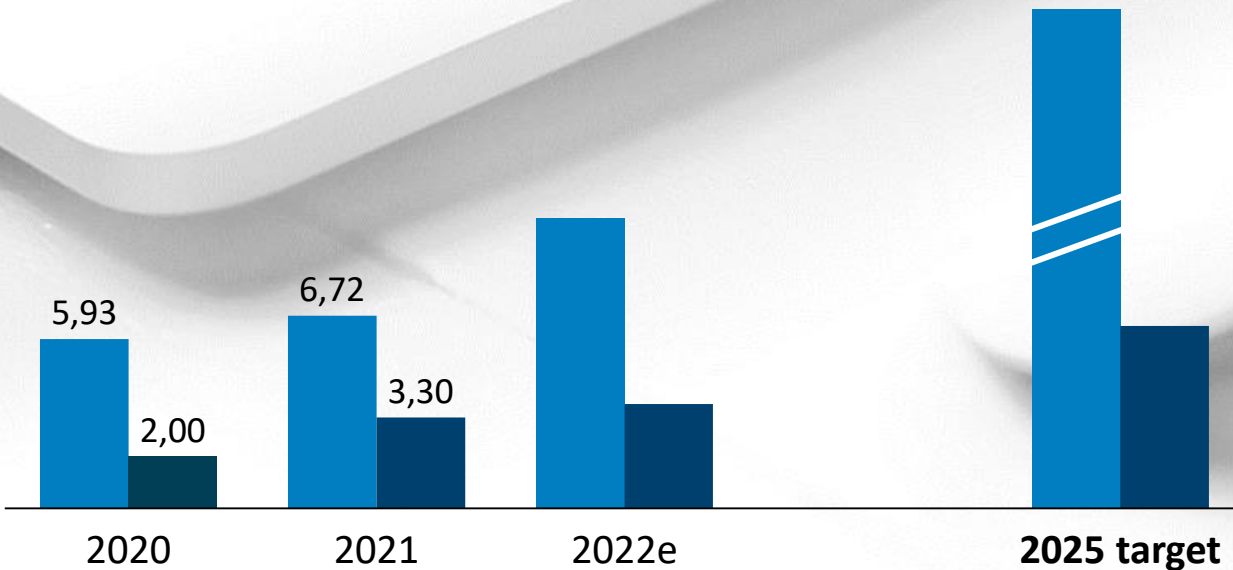
Operating result by Division
(in €m, in %)



Financials of the Supercycle 2.0

Impressive shareholder return

Adj. EPS, DPS and Payout ratio
(in €, in %)



- ➔ EPS and DPS expected to double
- ➔ Payout ratio likely to grow within current corridor

Financials of the Supercycle 2.0

Peak capex to support double digit growth



UK RBSL

- Mainly modernization
- Capex 2022- 2025
Σ~€80m



Germany

- IT structure and div. Operational modernization
- Capex 2022- 2025
Σ~€120m



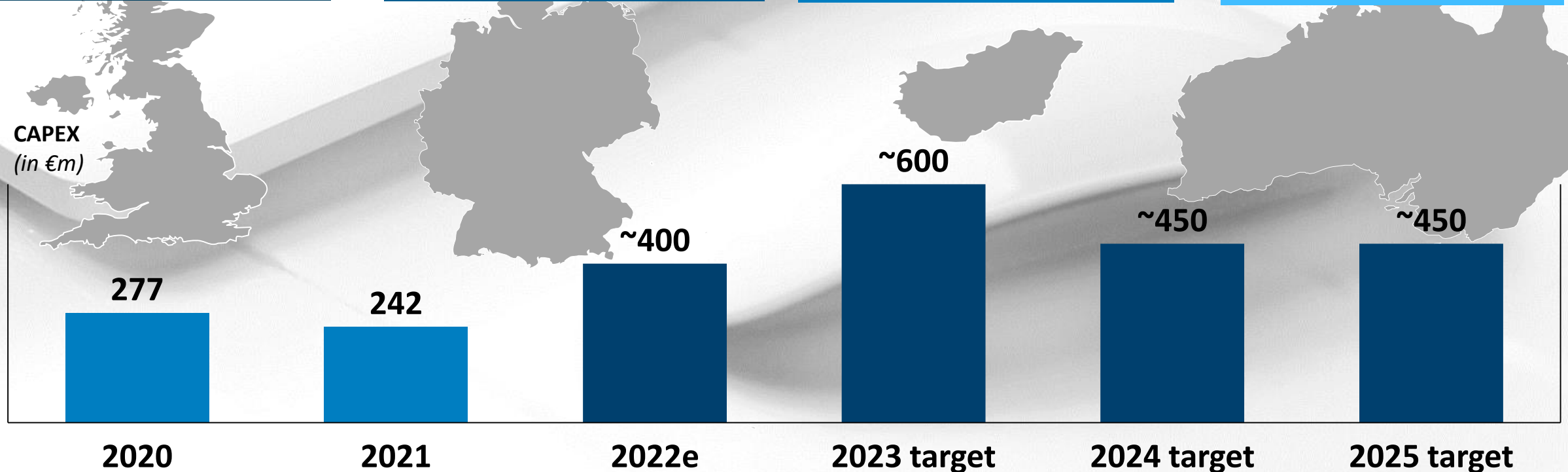
RHM Hungary

- New Lynx production
- Capex 2022- 2025
Σ~€110m



Australia; MilVehCoe

- Production expansion
- Capex 2022- 2025
Σ~€140m

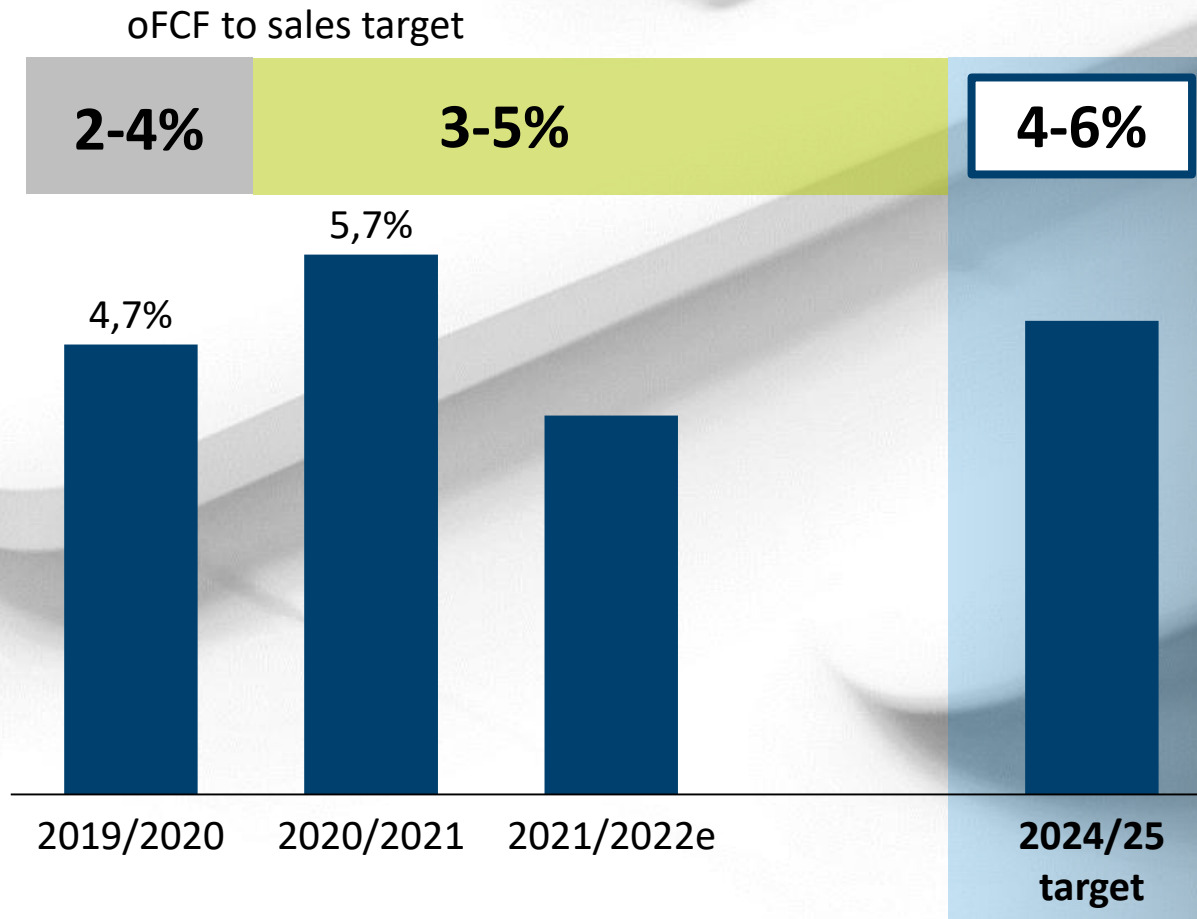


Financials of the Supercycle 2.0

Strong operating Free Cashflow expected to improve

2 year rolling OFCF

(Ratio of Sales in %)



Cash margin to improve further

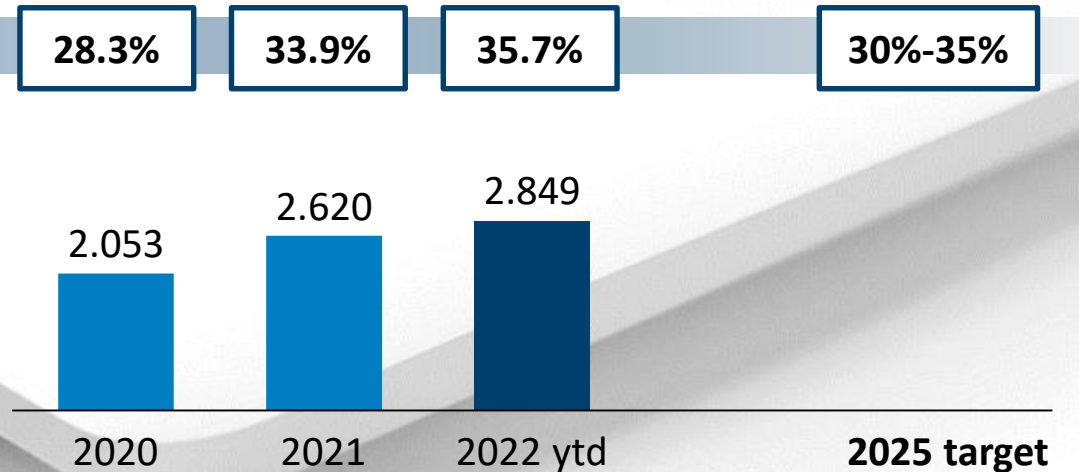
- ➔ Improved profitability
- ➔ Upgraded payment terms
- ➔ Normalization of capex

Financials of the Supercycle 2.0

Rock-solid balance sheet with financial flexibility for growth

Equity

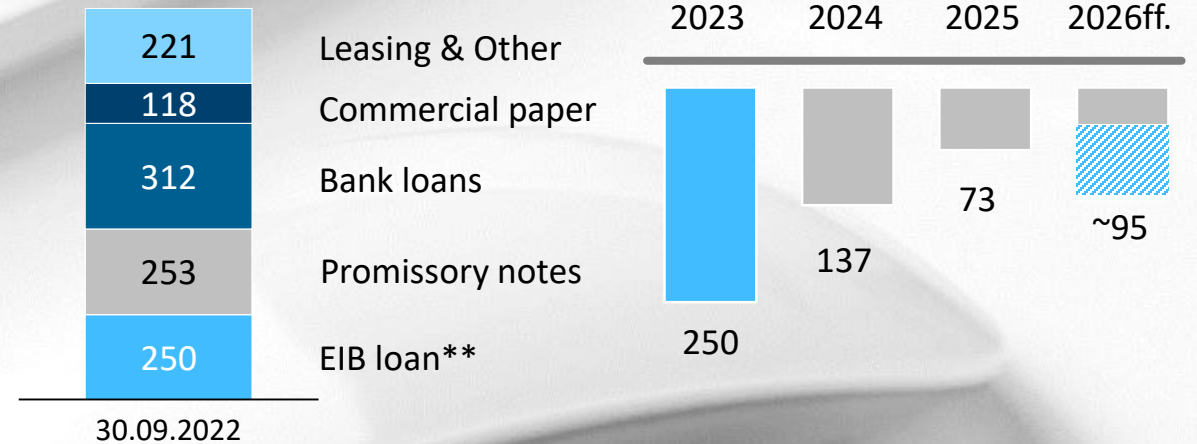
(in €m; in % of Total Assets)



Gross debt and maturity profile*

(in €m)

Σ 1,154



Proven financial strength

- ➔ Investment grade rating Baa2
- ➔ Long term debt profile
- ➔ Undrawn credit lines of €0.7bn
- ➔ Cash position of €196m and additional securities held for trade with a value of €132m per end of Q3

Acquisition Financials

High growth, accretive margin and ready capacities support premium valuation

Valuation

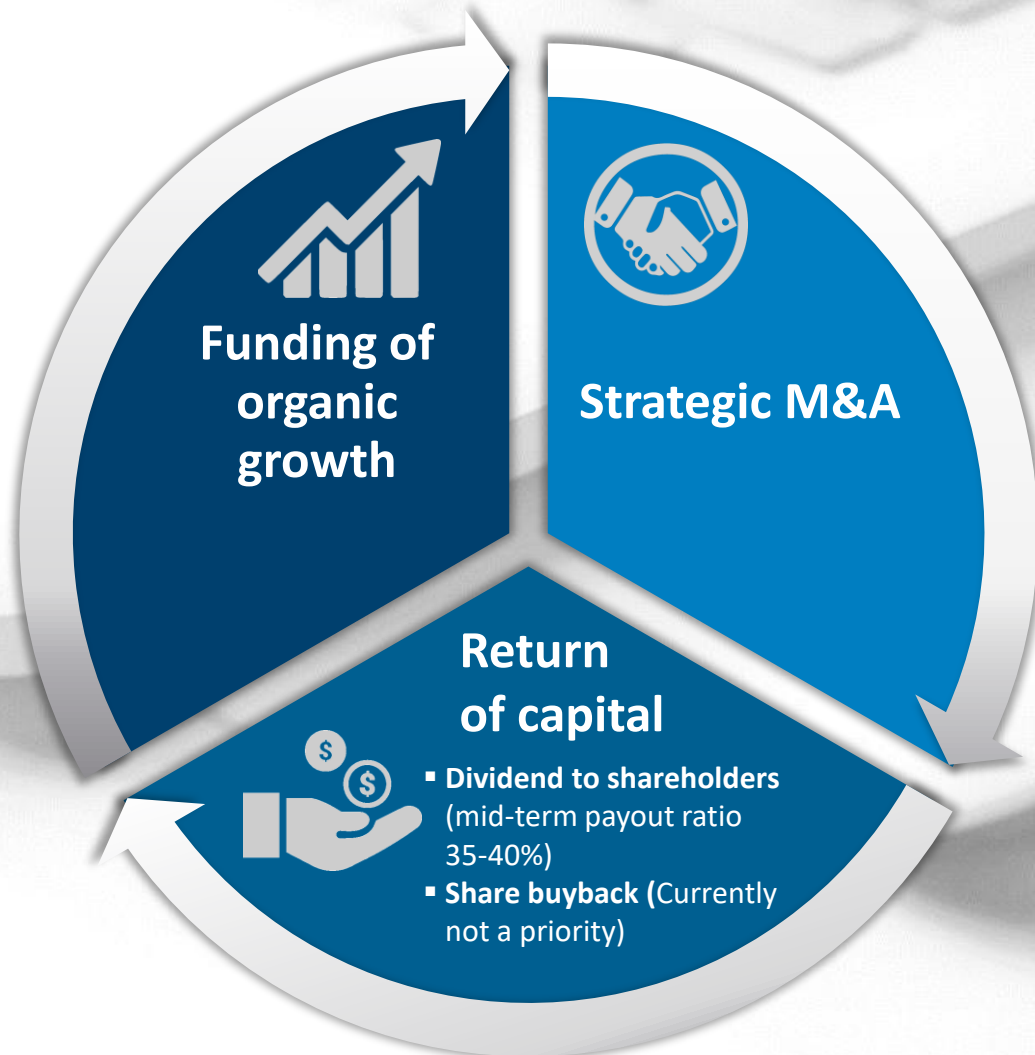
- Enterprise value of around €1.2bn
- Valuation of ~10x EV/EBITDA for FY 2023
- Company's total capacity offers scope for potential annual sales of €700 to €800 million with an EBITDA margin of ~30%

Financing

- Rheinmetall's has to prepare a financing concept for closing
- Financing structure to be finalized depending on the prevailing market conditions
- Financing concept is yet fully flexible

Financials of the Supercycle 2.0

Generating value for shareholders with clear capital allocation priorities



Strategic priorities

- ➔ Sustainable financing of growth
- ➔ Strong balance-sheet
- ➔ Maintain investment grade

Great opportunities ahead and challenges adressed

Opportunities



Worldwide political turning points



Modernizing Germany/NATO countries



Market recovery & transformation



Economies of scale will lead to operating leverage

Challenges



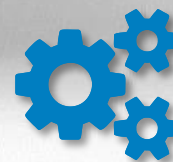
Supply chains under control



Raw material availability secured and prices hedged



Rheinmetall remains an attractive employer



Execution and delivery well managed

Our new Financial Targets 2025 are...

ATTRACTIVE GROWTH PROFILE
Sales target 2025

10-11 €bn

HIGHER PROFITABILITY
Operating margin target 2025

~13%

CASH GENERATION
Cashflow to sales target 2025

4-6%

**Finally, one little thing...
It's time to say
goodbye.....**

Rheinmetall: 1982-2022



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