

# 2025

## QUARTERLY STATEMENT 1ST QUARTER

### RHEINMETALL IN THE FIRST QUARTER OF 2025 SALES AND RHEINMETALL NOMINATION SIGNIFICANTLY INCREASED

Group sales grew by 45.8% to €2.3 billion

Operating result increased significantly by 49.0% to €199 million

Operating result margin increased from 8.5% to 8.7%

Rheinmetall Nomination increased significantly by €7.1 billion to €11.0 billion

Forecast for fiscal 2025 is confirmed

# CONTENTS

## 3 RHEINMETALL IN FIGURES

## 4 BUSINESS PERFORMANCE

- 4 Significant events up to March 31, 2025
- 6 Business performance of the Rheinmetall Group
- 10 Business performance of the segments
- 14 Update to the Opportunities and Risks
- 14 Supplementary Report
- 15 Outlook

## 16 FINANCIAL FIGURES

- 16 Consolidated income statement
- 16 Consolidated statement of comprehensive income
- 17 Consolidated statement of financial position
- 18 Consolidated statement of cash flows
- 19 Consolidated statement of changes in equity
- 21 Segment report

## 22 FURTHER INFORMATION

RHEINMETALL IN FIGURES

KEY FIGURES

		Q1 2025	Q1 2024
SALES / EARNINGS			
Sales	€ million	2,305	1,581
<i>Of which generated abroad</i>	%	70.1	76.7
Operating result	€ million	199	134
Operating result margin	%	8.7	8.5
EBIT pre PPA effects	€ million	215	138
EBIT	€ million	174	108
EBIT margin	%	7.6	6.8
EBT	€ million	147	86
Earnings from continuing operations	€ million	108	55
Earnings from discontinued operations	€ million	-	(1)
Earnings after taxes	€ million	108	54
ORDER INFORMATION			
<i>Booked Business</i>	€ million	325	620
<i>Frame Nomination</i>	€ million	9,348	-
<i>Frame Utilization</i>	€ million	(1,995)	(444)
<i>Order Intake</i>	€ million	3,361	3,757
Rheinmetall Nomination	€ million	11,038	3,933
<i>Nominated Backlog</i>	€ million	6,994	8,461
<i>Frame Backlog</i>	€ million	22,987	7,596
<i>Order Backlog</i>	€ million	32,579	24,140
Rheinmetall Backlog (March 31)	€ million	62,560	40,197
CASH FLOW			
Cash flow from operating activities	€ million	420	(106)
Investments in property, plant and equipment, intangible assets and investment property	€ million	(153)	(105)
Operating free cash flow	€ million	266	(211)
<i>Of which continuing operations</i>	€ million	266	(187)
<i>Of which discontinued operations</i>	€ million	-	(23)
Cash conversion rate from continuing operations <sup>1</sup>	%	133.5	(139.9)

KEY FIGURES

		Q1 2025	Q1 2024
STATEMENT OF FINANCIAL POSITION (March 31)			
Equity	€ million	4,932	3,681
Total assets	€ million	14,662	11,589
Equity ratio	%	33.6	31.8
Cash and cash equivalents	€ million	1,083	515
Total assets less cash and cash equivalents	€ million	13,579	11,074
Net financial debt (-) / Net liquidity (+) <sup>2</sup>	€ million	(621)	(1,273)
HUMAN RESOURCES (capacity, March 31)			
Germany	FTE	15,215	13,883
Foreign	FTE	14,300	14,715
Rheinmetall Group	FTE	29,515	28,599
<i>Of which continuing operations</i>	FTE	29,515	25,344
<i>Of which discontinued operations</i>	FTE	-	3,255
SHARES			
Stock price (March 31)	€	1,319.00	521.00
Basic earnings per share from continuing operations	€	1.92	1.13
Basic earnings per share	€	1.92	1.10
Diluted earnings per share from continuing operations	€	1.91	1.13
Diluted earnings per share	€	1.91	1.10
Basic earnings per share pre PPA effects from continuing operations	€	2.63	1.66

<sup>1</sup> Ratio of operating free cash flow to operating result.

<sup>2</sup> Financial liabilities less cash and cash equivalents.

## SIGNIFICANT EVENTS UP TO MARCH 31, 2025

### Change in the structure and composition of the Executive Board as of January 1, 2025

As decided by the Supervisory Board of Rheinmetall AG on November 6, 2024, the structure and composition of the Executive Board was adjusted with effect from January 1, 2025. This should take into account the enormous growth of the Rheinmetall Group as well as the rapidly progressing internationalization and expansion of business activities. Armin Papperger, who has been chairing Rheinmetall since January 1, 2013 as Chief Executive Officer (CEO), was appointed Chairman of the Executive Board for an additional five years from January 1, 2025. In addition, Dagmar Steinert had agreed with the Supervisory Board by mutual consent to resign from her position as Chief Financial Officer (CFO) on December 31, 2024. Her successor from January 1, 2025 is Klaus Neumann, previously Central Department Head of Accounting at Rheinmetall AG, who has been working for the Group for twelve years. Also, as of January 1, 2025, René Gansauge, previously Head of Weapons and Ammunition, has been appointed to the Executive Board, who has assumed the newly created position of Chief Operation Officer (COO).

### Rheinmetall Electronics increases shares in blackned GmbH

Rheinmetall Electronics GmbH, with headquarters in Bremen, acquired a further 11% of the shares in the Bavarian software developer blackned GmbH at the beginning of January 2025 by means of a share purchase agreement. Rheinmetall Electronics GmbH had previously held 40% of the shares in blackned. After the fulfillment of conditions precedent and the approval by the Federal Cartel Office, blackned has been included in the Rheinmetall Group as a fully consolidated subsidiary of Electronic Solutions since the beginning of March 2025.

### Establishment of a joint venture between Rheinmetall and Leonardo

On January 20, 2025, the Federal Cartel Office approved the establishment of a 50:50 joint venture of Rheinmetall AG, Düsseldorf, and Leonardo S.p.A., Rome (Italy). The joint venture operates under the name Leonardo Rheinmetall Military Vehicles (LRMV) and has its headquarters in Rome and an operational headquarters in La Spezia. 60% of the joint venture's value generation is realized in Italy.

### Formation of the MGCS Project Company: Rheinmetall and partners launch new arms program

On January 23, 2025, Rheinmetall Landsysteme, KNDS Germany, KNDS France and Thales signed the Articles of Association for the founding of "MGCS Project Company GmbH", Cologne, which was founded on April 10, 2025 after receiving approval from the Federal Cartel Office. The MGCS (Main Ground Combat System) is a strategic German-French arms program that aims to replace the Leopard 2 and Leclerc battle tanks with a cross-platform ground combat system by 2040. The new project company will act as the prime contractor for the next phase of the MGCS program, with Rheinmetall Landsysteme holding 25% of the shares in the company.

### Convertible bonds with a volume of €367 million converted

In line with the positive development of the Rheinmetall share price, convertible bonds in the volume of €367 million (nominal amount) were converted up to March 31, 2025. As a result, the number of shares issued increased by 1,185,960 to 44,744,810. The conversion is accompanied by a reduction of the corresponding financial liability in the amount of €343 million and an increase in equity.

### European security policy in transition

The security policy landscape has changed fundamentally in the first few months of 2025. The changed perspective on security policy issues became particularly clear during the Munich Security Conference on February 14, 2025. Subsequently, on March 4, 2025, the EU presented a comprehensive plan to rearm Europe. The plan, known as "Readiness 2030" and previously referred to as "ReArm Europe", envisages an investment volume of up to €800 billion in European defence. Several European countries have already increased their defence budgets to meet the new challenges. On March 21, 2025, the German Federal Council also adopted amendments to the Basic Law, which enable Germany to take on new debts in the amount of several hundred billion euros. The suspension of the debt brake for defence and security expenditure exceeding 1% of gross domestic product agreed in this context serves to strengthen national security and makes it possible to achieve the NATO target of investing 2% of gross domestic product in defence on a permanent basis.



### Significant major orders

#### Rheinmetall wins largest framework agreement to date for the digitization of infantry forces of the German armed forces

On February 6, 2025, the BAAINBw (Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support) and Rheinmetall concluded a framework agreement for the procurement of soldier systems of the “Infantryman of the Future 3 Extended System” (IdZ-ES) type. The framework agreement includes a maximum volume of €1.7 billion and has a term until the end of 2030. In the first quarter of fiscal 2025, a first call-off of €331 million was booked in Electronic Solutions. This contract is the largest of its kind for Rheinmetall and the BAAINBw, underscoring the growing importance of digital soldier systems in the future battlefield.

#### Multi-billion contract: Rheinmetall successful with TaWAN for the German armed forces

Rheinmetall has been awarded the contract for a major German armed forces digitization project. As a general contractor, Rheinmetall will establish a communication system called Tactical Wide Area Network (TaWAN). The framework agreement to which Electronic Solutions is assigned has a volume of €7.5 billion and a term of ten years. An initial call-off of €1.6 billion was already booked in the first quarter of fiscal 2025. Delivery of the communication system is planned for the period from the end of 2026 to the end of 2029.

BUSINESS PERFORMANCE OF THE RHEINMETALL GROUP

Key figures Rheinmetall Group (continuing operations)

€ million	Q1 2025	Q1 2024	Change
Sales	2,305	1,581	724
Operating result	199	134	66
Operating result margin	8.7%	8.5%	0.2%-P
Operating free cash flow	266	(187)	454
Cash Conversion Rate	133.5%	-139.9%	273.5%-P

Sales exceed previous year’s level

Consolidated sales increased in the first quarter of the 2025 fiscal year by €724 million or 45.8% to €2,305 million compared to the same period of the previous year (previous year: €1,581 million). Adjusted for currency effects, sales were 45.5% higher than in the previous year. The share of sales in Germany rose by 6.6% points to 29.9% in the first quarter of fiscal 2025 compared to the same period of the previous year.

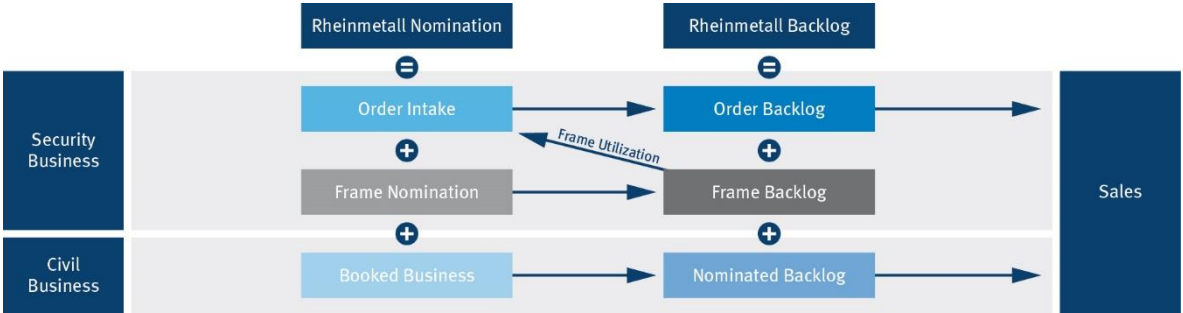
Sales by region

€ million	Q1 2025	Q1 2024
Germany	690	369
Other Europe	972	767
North, Middle and South America	321	165
Asia and the Near East	183	185
Other regions	139	96
Rheinmetall Group	2,305	1,581

Rheinmetall Nomination almost tripled compared to the same period last year

Rheinmetall’s backlog includes the key figures order backlog, frame backlog and nominated backlog. The frame backlog reflects the call-offs expected from existing framework agreements for the security business, which are converted into order backlog when called off by the customer. Based on existing written agreements and framework agreements with customers, the nominated backlog figure shows the future call-offs expected for the civilian business from these customer agreements. The sales resulting from the frame backlog and the nominated backlog may differ from the corresponding amounts depending on the final call-off quantities.

Rheinmetall Nomination consists of order intake, booked business and frame nomination, the flow indicator for security business. Similarly to the booked business indicator used for the civilian business, Frame Nomination represents the expected value of new framework agreements concluded with customers. Like booked business, Frame Nomination does not yet represent binding customer orders. Therefore, actual call-off volumes and the resulting sales may vary. The frame backlog is converted into order backlog by way of the call-offs reported as order intake. Within Rheinmetall Nomination, this change is presented as frame utilization.





Rheinmetall Nomination

€ million	Q1 2025	Q1 2024	Change
Booked Business	325	620	-295
Frame Nomination	9,348	-	9,348
Frame Utilization	(1,995)	(444)	-1,552
Order intake	3,361	3,757	-396
<b>Rheinmetall Nomination</b>	<b>11,038</b>	<b>3,933</b>	<b>7,106</b>

Rheinmetall Backlog

€ million	Q1 2025	Q1 2024	Change
Nominated Backlog	6,994	8,461	-1,467
Frame Backlog	22,987	7,596	15,391
Order Backlog	32,579	24,140	8,439
<b>Rheinmetall Backlog</b>	<b>62,560</b>	<b>40,197</b>	<b>22,363</b>

Special items and PPA effects

	Vehicle Systems		Weapon and Ammunition		Electronic Solutions		Power Systems		Others/ consolidation		Rheinmetall Group	
€ million	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
<b>EBIT</b>	<b>67</b>	<b>37</b>	<b>93</b>	<b>28</b>	<b>42</b>	<b>16</b>	<b>9</b>	<b>31</b>	<b>(36)</b>	<b>(5)</b>	<b>174</b>	<b>108</b>
<b>Special items</b>	-	-	-	-	(15)	-	-	-	(1)	(4)	(16)	(4)
<i>Of which corporate transactions</i>	-	-	-	-	(16)	-	-	-	-	(4)	(15)	(4)
<i>Of which restructuring</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Of which others</i>	-	-	-	-	-	-	-	-	(1)	-	-	-
<b>PPA effects</b>	<b>14</b>	<b>1</b>	<b>23</b>	<b>25</b>	-	1	-	-	3	3	41	30
<b>Operating result</b>	<b>81</b>	<b>38</b>	<b>116</b>	<b>53</b>	<b>27</b>	<b>17</b>	<b>9</b>	<b>31</b>	<b>(34)</b>	<b>(6)</b>	<b>199</b>	<b>134</b>

In the first quarter of fiscal 2025 Rheinmetall Nomination increased by 180.7% to €11,038 million (previous year: €3,933 million). The increase is due in particular to orders from Germany. In the same period, the Rheinmetall backlog reached a new all-time high of €62,560 million (previous year: €40,197 million) due to several major orders.

Operating result up significantly on the previous year's figure

The operating result in the first three months of fiscal 2025 amounted to €199 million, which was €66 million or 49.0% significantly above the previous year’s figure of €134 million. Essentially, the improvement in operating result is due to sales growth. The positive development is characterized to a considerable extent by anticipatory effects from the second quarter of 2025 to the first quarter of 2025. The Group’s operating margin increased slightly compared to the previous year’s figure to 8.7% (previous year: 8.5%).

The operating result was adjusted for special items for €-16 million and PPA effects of €41 million. The latter essentially relate to the acquisition of Expal Systems in the 2023 fiscal year and the acquisition of Loc Performance in the 2024 fiscal year.

### Earnings per Share

As a result of the convertible bond issued in February 2023, diluted earnings per share are calculated in addition to basic earnings per share. The calculation of diluted earnings per share is based on the assumption that all potentially dilutive instruments are converted into ordinary shares at the time of issue, resulting in an increase in the number of shares. At the same time, earnings after taxes are reduced by the effect on earnings of these instruments, such as interest costs.

Diluted earnings per share are calculated as follows:

#### Derivation of diluted earnings per share

	Continuing Operations	Discontinued Operations	Q1 2025	Continuing Operations	Discontinued Operations	Q1 2024
<b>Earnings after taxes in € million - Rheinmetall AG shareholders</b>	<b>84</b>	<b>-</b>	<b>84</b>	<b>49</b>	<b>(1)</b>	<b>48</b>
Adjustment for interest expense in respect of the convertible bond in € million	8	-	8	10	-	10
Tax effects on the adjustment for interest expense in respect of the convertible bond in € million	(2)	-	(2)	(3)	-	(3)
<b>Diluted earnings after taxes in € million - Rheinmetall AG shareholders</b>	<b>89</b>	<b>-</b>	<b>89</b>	<b>56</b>	<b>(1)</b>	<b>54</b>
<b>Weighted number of shares in millions - basic</b>		<b>43.84</b>			<b>43.42</b>	
Effect from the potential conversion of the convertible bond in millions		2.83			3.22	
<b>Weighted number of shares in millions - diluted</b>		<b>46.67</b>			<b>46.64</b>	
<b>Basic earnings per share</b>	<b>€ 1.92</b>	<b>-</b>	<b>€ 1.92</b>	<b>€ 1.13</b>	<b>€ (0.03)</b>	<b>€ 1.10</b>
<b>Diluted earnings per share</b>	<b>€ 1.91</b>	<b>-</b>	<b>€ 1.91</b>	<b>€ 1.20</b>	<b>€ (0.03)</b>	<b>€ 1.17</b>
<b>Adjusted diluted earnings per share (due to antidilutive effect)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>€ 1.13</b>	<b>€ (0.03)</b>	<b>€ 1.10</b>

Since the diluted earnings per share from continuing operations in the previous year exceeds basic earnings per share from continuing operations, there was an antidilutive effect in accordance with IAS 33.43. As a result, diluted earnings per share were adjusted to basic earnings per share.



Significantly improved operating free cash flow in the first quarter

Operating free cash flow from continuing operations increased significantly in the first quarter of fiscal 2025 compared to the previous year by €454 million to €266 million (previous year: €-187 million). The significant increase in operating free cash flow from continuing operations is essentially due to the improvement in working capital, which is attributable in particular to an increase in advance payments received. The customer pre-payment received in connection with the TaWAN framework agreement is worth mentioning here.

In the first quarter of fiscal 2025, the cash conversion rate, which represents the ratio between operating free cash flow and the operating result, increased significantly to 133.5% (previous year:-139.9%).

Derivation of operating free cash flow – continuing operations

€ million	Q1 2025	Q1 2024
Earnings from continuing operations (after taxes)	108	55
Amortization, depreciation and impairments	112	91
Allocation of CTA assets to secure pension and partial retirement obligations	(4)	(3)
Changes in working capital and others	204	(231)
Cash flows from operating activities	420	(88)
Investments in property, plant and equipment, intangible assets and investment property	(153)	(99)
Operating free cash flow (continuing operations)	266	(187)

Net Assets and Financial Position

Compared to December 31, 2024, the Rheinmetall Group’s total assets grew by €318 million to €14,662 million as of March 31, 2025. This is attributable to the increase in current assets by €392 million to €8,623 million, which is associated with the expansion of business volume (December 31, 2024: €8,231 million).

Equity increased as a result of the conversions of the convertible bonds issued by Rheinmetall in the first quarter of fiscal 2025. This is accompanied by an increase in the equity ratio to 33.6% (December 31, 2024: 31.1%). Net financial debt decreased to €-621 million at the end of the first quarter of fiscal 2025 (December 31, 2024: €-1,239 million). This improvement is essentially due to the decrease in short-term and long-term financial liabilities. The latter decreased by €343 million due to the conversion of the convertible bond.

Asset and capital structure

€ million	3/31/2025	%	12/31/2024	%
Non-current assets	6,039	41.2	6,112	42.6
Current assets	8,623	58.8	8,231	57.4
Total assets	14,662	100.0	14,344	100.0
Equity	4,932	33.6	4,465	31.1
Non-current liabilities	2,582	17.6	3,097	21.6
Current liabilities	7,148	48.8	6,782	47.3
Total equity and liabilities	14,662	100.0	14,344	100.0

BUSINESS PERFORMANCE OF THE SEGMENTS

Vehicle Systems

Key figures Vehicle Systems			
€ million	Q1 2025	Q1 2024	Change
Sales	952	493	459
Rheinmetall Nomination	465	929	-464
<i>Frame Nomination</i>	74	-	74
<i>Frame Utilization</i>	-	(138)	138
<i>Order Intake</i>	391	1,067	-676
Rheinmetall Backlog (March 31)	20,704	16,866	3,838
<i>Frame Backlog</i>	4,539	3,266	1,273
<i>Order Backlog</i>	16,165	13,600	2,565
Operating result	81	38	43
Operating result margin	8.5%	7.7%	0.8%-P
Capital expenditure <sup>1</sup>	30	21	9
Operating free cash flow	(344)	(310)	-33

<sup>1</sup> Net investments less additional payments received from customers.

At Vehicle Systems, sales in the first quarter of fiscal 2025 increased by €459 million or 93.2% compared to the same period of the previous year to €952 million. The positive development is essentially due to increased deliveries of logistics vehicles and the continued start-up of tactical vehicle programs in Hungary and England. Loc Performance, which was acquired on November 29, 2024, contributed €116 million to sales growth.

Rheinmetall Nomination was €464 million below the previous year’s quarter in the first three months of fiscal 2025, which was characterized by the service contract in the amount of €628 million associated with the commissioning of the Heavy Weapons Carrier.

Due the significant sales growth, operating result improved in the first three months of fiscal 2025 compared with the same period last year, from €38 million to €81 million. With 8.5%, operating result margin was above the previous year's figure of 7.7%.

Investments in the first quarter of fiscal 2025 amounted to €30 million, which were €9 million higher than the previous year period of €21 million. The increase is essentially due to investments in locations in the USA and new lease agreements concluded in fiscal 2025.

The operating free cash flow decreased by €33 million to €-344 million. The reduction compared to the previous year period essentially results from the order-related inventory build-up.



Weapon and Ammunition

Key figures Weapon and Ammunition			
€ million	Q1 2025	Q1 2024	Change
Sales	599	362	237
Rheinmetall Nomination	826	836	-10
Frame Nomination	-	-	-
Frame Utilization	(55)	(306)	251
Order Intake	881	1,141	-260
Rheinmetall Backlog (March 31)	20,882	11,607	9,274
Frame Backlog	10,472	4,155	6,317
Order Backlog	10,410	7,452	2,958
Operating result	116	53	63
Operating result margin	19.3%	14.7%	4.6%-P
Capital expenditure <sup>1</sup>	70	34	36
Operating free cash flow	94	39	55

<sup>1</sup> Net investments, less additional payments received from customers.

Weapons and Ammunition achieved record sales of €599 million in the first three months of fiscal 2025, which was €237 million or 65.5% above the previous year’s figure (previous year: €362 million). In addition to increased tank ammunition sales, several medium-caliber ammunition and artillery orders were key drivers of growth for NATO member states and Ukraine.

Rheinmetall Nomination reached a value of €826 million in the first three months of fiscal 2025 and thus remained at the previous year’s level (previous year: €836 million). Significant orders include an order for M107 artillery ammunition from Turkey and an order for Paveway IV airbombs and 35 mm medium-caliber ammunition from a customer in the MENA region.

The operating result increased by €63 million or 117.4% to €116 million in the first quarter of fiscal 2025 (previous year: €53 million). The main driver for this was the significant increase in sales volume. As a result, the operating result margin could be improved from 14.7% to 19.3% despite increased personnel and material costs.

Investments amounted to €70 million, well above the previous year’s level of €34 million, due to capacity expansion projects in several companies. Particularly noteworthy is the investment in the new 'Niedersachsen' plant, which will significantly increase production capacity for artillery ammunition and already received important official approvals in April 2025.

Operating free cash flow increased by €55 million year-on-year to €94 million (previous year: €39 million). The higher earnings after taxes and the development of working capital more than compensated for the increase in cash investments.

Electronic Solutions

Key figures Electronic Solutions

€ million	Q1 2025	Q1 2024	Change
Sales	427	287	141
Rheinmetall Nomination	9,690	1,812	7,878
Frame Nomination	9,274	-	9,274
Frame Utilization	(1,940)	-	-1,940
Order Intake	2,357	1,812	545
Rheinmetall Backlog (March 31)	17,013	5,751	11,262
Frame Backlog	7,976	174	7,802
Order Backlog	9,037	5,576	3,460
Operating result	27	17	10
Operating result margin	6.3%	6.0%	0.3%-P
Capital expenditure <sup>1</sup>	29	8	21
Operating free cash flow	499	57	441

<sup>1</sup> Net investments less additional payments received from customers.

In the first three months of fiscal 2025, sales at Electronic Solutions amounted to €427 million, up €141 million on the previous year’s level (previous year: €287 million). The 49.1% increase in sales is essentially attributable to the delivery of headsets with hearing protection and the close-range air defence system (LVS NNbS), both for the German customer, as well as the delivery of further Skyranger and Skynex air defence systems, both to European customers.

The Rheinmetall Nomination increased significantly by €7,878 million or 435% to €9,690 million compared to the same period of the previous year. This positive development was essentially based on two framework agreements with the German customer. Specifically, this relates to the TaWAN digitalization project and the replacement of the IdZ-ES soldier systems.

At €27 million, the operating result in the first quarter of fiscal 2025 was significantly higher than the previous year’s figure (previous year: €17 million). The operating result margin rose to 6.3% (previous year: 6.0%) due to sales.

In the first three months of fiscal 2025, investments increased by €21 million to €29 million. This development is due to the IT infrastructure and equipment required for the production of center fuselages for the F-35 combat aircraft at the Weeze site.

The operating free cash flow increased by €441 million in the first quarter of fiscal 2025 to €499 million (previous year: €57 million). This significant increase is in particular due to advance payments received, which essentially result from the TaWAN framework agreement.

Power Systems

Key figures Power Systems

€ million	Q1 2025	Q1 2024	Change
Sales	505	541	-36
Booked Business	325	620	-295
Nominated Backlog (March 31)	6,994	8,461	-1,467
Operating result	9	31	-22
Operating result margin	1.8%	5.8%	-4.0%-P
Capital expenditure <sup>1</sup>	18	24	-6
Operating free cash flow	17	17	-

<sup>1</sup> Net investments less additional payments received from customers.

Sales at Power Systems were slightly below the previous year's level at €505 million (previous year: €541 million).

Booked business in the first three months of fiscal 2025 was significantly below the previous year's figure at €325 million (previous year: €620 million). Decisive factor is the economic weakness phase of the automotive industry and the associated time delay of the projects. The nominated backlog as of March 31, 2025 fell by 17.3% to €6,994 million (previous year: €8,461 million).

The operating result fell by 70.4% to €9 million in the first quarter of fiscal 2025 (previous year: €31 million). The main impact drivers were declining sales due to the weak market environment and a changed product mix. As a result, the operating margin was 1.8% (previous year: 5.8%).

The investments were €18 million below the previous year's level (previous year: €24 million) due to lower investments in Sensors and Actuators.

At €17 million, the operating free cash flow in the first three months of fiscal 2025 was at the previous year's level.

## UPDATE TO THE OPPORTUNITIES AND RISKS

### Effective Risk Management

In the context of a systematic and effective risk management system, the risks in the Rheinmetall Group are limited and manageable. There are no existential risks.

### Opportunity and Risk Situation

The opportunities and risks relating to the expected development of the Rheinmetall Group are essentially unchanged and are described in detail in the 2024 Annual Report under the combined management report in the Chapter *Risk and Opportunity Report*.

## SUPPLEMENTARY REPORT

### Rheinmetall signs purchase agreement with Hagedorn-NC GmbH

Rheinmetall signed in April 2025 a purchase agreement with Hagedorn-NC GmbH, headquartered in Osnabrück. The proposed acquisition is still subject to antitrust approval. Hagedorn-NC has been producing industrial nitrocellulose for civilian applications for over 100 years. As part of the acquisition, a portion of the production will be converted to military applications in order to strengthen the capacity for the production of propellants, in particular for 155mm artillery ammunition. The acquisition is designed to help eliminate a significant bottleneck in propellant production and ensure access to critical raw materials.

### Strategic cooperation with Lockheed Martin

Lockheed Martin and Rheinmetall have agreed to expand their existing cooperation. A corresponding Memorandum of Understanding (MoU) was signed in April 2025. Building on the partnership already in place between Lockheed Martin and Rheinmetall since 2023, the intention is to expand the scope of collaboration to serve as a European center of excellence for the manufacturing and distribution of missiles and rockets to enhance the security and self-reliance of Europe. Led by Rheinmetall and based in Germany, the center of excellence will operate primarily in Germany and other European countries. The implementation is subject to the approval of the US and German governments.

### Further convertible bonds converted

In the first weeks of the second quarter of fiscal 2025, convertible bonds with a volume of €276 million (nominal amount) were converted. As a result, the number of shares issued increased by 890,842 to 45,635,652. The conversion is accompanied by a reduction of the corresponding financial liability in the amount of €251 million and an increase in equity.

OUTLOOK

Current forecast for year is confirmed

After the first three months of fiscal 2025, Rheinmetall confirms at least the current annual forecast for fiscal 2025. The assumptions on which this assessment is based and further details can be found in the 2024 Annual Report under the combined management report in the Chapter *Report on expected developments*.

Rheinmetall Group – forecast business performance in 2025

		2024	Forecast for fiscal 2025 (Annual Report 2024)
Sales			
Group	€ million	9,751	sales growth 25% - 30%
Vehicle Systems	€ million	3,790	sales growth 30% - 35%
Weapon and Ammunition	€ million	2,783	sales growth 30% - 35%
Electronic Solutions	€ million	1,726	sales growth 35% - 40%
Power Systems	€ million	2,038	on previous year level
Operating result margin			
Group	%	15.2	operating result margin around 15.5%
Vehicle Systems	%	11.2	operating result margin 12% - 13%
Weapon and Ammunition	%	28.4	operating result margin 27% - 29%
Electronic Solutions	%	12.6	operating result margin 13% - 14%
Power Systems	%	4.2	operating result margin 4% - 5%
Cash Conversion Rate			
Group	%	70.7	Cash conversion rate >40%



CONSOLIDATED INCOME STATEMENT

Income Statement of the Rheinmetall Group		
€ million	Q1 2025	Q1 2024
<b>Sales</b>	<b>2,305</b>	<b>1,581</b>
Changes in inventories and work performed by the enterprise and capitalized	247	432
<b>Total operating performance</b>	<b>2,552</b>	<b>2,013</b>
Other operating income	36	42
Cost of materials	1,314	1,039
Personnel costs	696	581
Amortization, depreciation and impairment	112	91
Other operating expenses	287	228
Result from investments accounted for using the equity method	(3)	(1)
Other financial result	(3)	(9)
<b>Earnings before interest and taxes (EBIT)</b>	<b>174</b>	<b>108</b>
Interest income	6	5
Interest expenses	33	26
<b>Earnings before taxes (EBT)</b>	<b>147</b>	<b>86</b>
Income taxes	(39)	(31)
<b>Earnings from continuing operations</b>	<b>108</b>	<b>55</b>
Earnings from discontinued operations	-	(1)
<b>Earnings after taxes</b>	<b>108</b>	<b>54</b>
Of which:		
Non-controlling interests	24	6
Rheinmetall AG shareholders	84	48
<b>Basic earnings per share</b>	<b>€ 1.92</b>	<b>€ 1.10</b>
Basic earnings per share from continuing operations	€ 1.92	€ 1.13
Basic earnings per share from discontinued operations	-	€ (0.03)
<b>Diluted earnings per share</b>	<b>€ 1.91</b>	<b>€ 1.10</b>
Diluted earnings per share from continuing operations	€ 1.91	€ 1.13
Diluted earnings per share from discontinued operations	-	€ (0.03)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Statement of comprehensive income of the Rheinmetall Group		
€ million	Q1 2025	Q1 2024
<b>Earnings after taxes</b>	<b>108</b>	<b>54</b>
Remeasurement of net defined benefit liability from pensions	47	18
<b>Amounts not reclassified to the income statement</b>	<b>47</b>	<b>18</b>
Change in value of derivative financial instruments (cash flow hedge)	(1)	(4)
Currency translation difference	(65)	(35)
Other comprehensive income / expenses from investments accounted for using the equity method	1	(6)
<b>Amounts reclassified to the income statement</b>	<b>(64)</b>	<b>(44)</b>
<b>Other comprehensive income after taxes</b>	<b>(17)</b>	<b>(27)</b>
<b>Total comprehensive income</b>	<b>91</b>	<b>27</b>
Of which:		
Non-controlling interests	17	3
Rheinmetall AG shareholders	74	24

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Statement of financial position of Rheinmetall Group as of March 31, 2025

€ million	3/31/2025	12/31/2024
<b>Assets</b>		
Goodwill	1,444	1,426
Other intangible assets	1,337	1,376
Right-of-use assets	338	334
Property, plant and equipment	1,918	1,853
Investment property	20	20
Investments accounted for using the equity method	328	346
Other non-current assets	623	585
Deferred taxes	32	172
<b>Non-current assets</b>	<b>6,039</b>	<b>6,112</b>
Inventories	4,544	3,989
Contract assets	726	692
Trade receivables	1,791	1,959
Other current assets	438	350
Income tax receivables	40	57
Cash and cash equivalents	1,083	1,184
Assets held for sale	-	-
<b>Current assets</b>	<b>8,623</b>	<b>8,231</b>
<b>Total assets</b>	<b>14,662</b>	<b>14,344</b>

Statement of financial position of Rheinmetall Group as of March 31, 2025

€ million	3/31/2025	12/31/2024
<b>Equity and liabilities</b>		
Share capital	115	112
Capital reserves	1,038	696
Retained earnings	3,322	3,247
Treasury shares	(4)	(4)
<b>Rheinmetall AG shareholders' equity</b>	<b>4,470</b>	<b>4,050</b>
Non-controlling interests	462	414
<b>Equity</b>	<b>4,932</b>	<b>4,465</b>
Provisions for pensions and similar obligations	490	527
Other non-current provisions	307	285
Non-current financial debts	1,511	1,871
Other non-current liabilities	51	58
Deferred taxes	222	356
<b>Non-current liabilities</b>	<b>2,582</b>	<b>3,097</b>
Other current provisions	896	807
Current financial debts	193	552
Contract liabilities	4,233	3,866
Trade liabilities	1,297	1,151
Other current liabilities	443	288
Income tax liabilities	87	118
Liabilities directly related to assets held for sale	-	-
<b>Current liabilities</b>	<b>7,148</b>	<b>6,782</b>
<b>Total equity and liabilities</b>	<b>14,662</b>	<b>14,344</b>

CONSOLIDATED STATEMENT OF CASH FLOWS

Statement of cash flows of the Rheinmetall Group

€ million	Q1 2025	Q1 2024
Earnings after taxes	108	54
Amortization / depreciation / impairment of property, plant and equipment, intangible assets and investment property	112	91
Allocation of CTA assets to secure pension and partial retirement obligations	(4)	(3)
Other changes in pension provisions	(3)	(6)
Income / expenses from disposals of non-current assets and divestments in consolidated companies	-	1
Changes in other provisions	90	93
Changes in working capital	122	(202)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(5)	(145)
Pro rata income / loss from investments accounted for using the equity method	4	1
Dividends received from investments accounted for using the equity method	6	-
Other non-cash expenses and income	(10)	11
<b>Cash flow from operating activities<sup>1</sup></b>	<b>420</b>	<b>(106)</b>
<i>Of which continuing operations</i>	420	(88)
<i>Of which discontinued operations</i>	-	(18)
Cash outflows in property, plant and equipment, intangible assets and investment property	(153)	(105)
Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property	8	2
Cash outflows/inflows from divestments in consolidated companies and financial assets	-	27
Cash outflows for investments in consolidated companies and financial assets	-	(22)
<b>Cash flow from investing activities</b>	<b>(145)</b>	<b>(98)</b>
<i>Of which continuing operations</i>	(145)	(119)
<i>Of which discontinued operations</i>	-	21

Statement of cash flows of the Rheinmetall Group

€ million	Q1 2025	Q1 2024
Other profit distributions	(5)	-
Increase in shares in consolidated subsidiaries	37	-
Borrowing of other financial debts	90	94
Repayment of other financial debts	(494)	(227)
<b>Cash flow from financing activities</b>	<b>(371)</b>	<b>(133)</b>
<i>Of which continuing operations</i>	(371)	(64)
<i>Of which discontinued operations</i>	-	(69)
<b>Changes in cash and cash equivalents</b>	<b>(96)</b>	<b>(337)</b>
Changes in cash and cash equivalents due to exchange rates	(6)	(2)
<b>Total change in cash and cash equivalents</b>	<b>(102)</b>	<b>(340)</b>
<b>Opening cash and cash equivalents January 1</b>	<b>1,184</b>	<b>873</b>
<b>Closing cash and cash equivalents March 31</b>	<b>1,083</b>	<b>533</b>
Closing cash and cash equivalents March 31 from discontinued operations	-	18
<b>Closing cash and cash equivalents as per consolidated statement of financial position March 31</b>	<b>1,083</b>	<b>515</b>

<sup>1</sup> Of which: Income tax payment balance: €-59 million (previous year: €-61 million); interest payment balance: €-22 million (previous year: €-20 million)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Development of equity

€ million	Share capital	Capital reserve	Total retained earnings	Treasury shares	Rheinmetall AG shareholders' equity	Non-controlling interests	Equity
<b>As of 1/1/2024</b>	<b>112</b>	<b>676</b>	<b>2,533</b>	<b>(5)</b>	<b>3,316</b>	<b>327</b>	<b>3,643</b>
Earnings after taxes	-	-	48	-	48	6	54
Other comprehensive income after taxes	-	-	(24)	-	(24)	(3)	(27)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>24</b>	<b>-</b>	<b>24</b>	<b>3</b>	<b>27</b>
Disposal of treasury shares	-	-	-	1	1	-	1
Other changes	-	10	-	-	10	-	10
<b>As of 3/31/2024</b>	<b>112</b>	<b>687</b>	<b>2,556</b>	<b>(4)</b>	<b>3,350</b>	<b>331</b>	<b>3,681</b>
<b>As of 1/1/2025</b>	<b>112</b>	<b>696</b>	<b>3,247</b>	<b>(4)</b>	<b>4,050</b>	<b>414</b>	<b>4,465</b>
Earnings after taxes	-	-	84	-	84	24	108
Other comprehensive income after taxes	-	-	(10)	-	(10)	(7)	(17)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>74</b>	<b>-</b>	<b>74</b>	<b>17</b>	<b>91</b>
Dividend payout	-	-	-	-	-	(5)	(5)
Change in in scope of consolidation	-	-	1	-	1	(1)	-
Changes in respect of the convertible bond	3	340	-	-	343	-	343
Other changes	-	2	-	-	2	37	39
<b>As of 3/31/2025</b>	<b>115</b>	<b>1,038</b>	<b>3,322</b>	<b>(4)</b>	<b>4,470</b>	<b>462</b>	<b>4,932</b>

Composition of retained earnings

€ million	Currency translation difference	Remeasurement of net defined benefit liability from pensions	Hedges	Comprehensive income / loss from investments accounted for using the equity method	Other reserves	Total retained earnings
As of 1/1/2024	46	(248)	(3)	20	2,718	2,533
Earnings after taxes	-	-	-	-	48	48
Other comprehensive income after taxes	(32)	18	(4)	(6)	-	(24)
Total comprehensive income	(32)	18	(4)	(6)	48	24
Book transfers	1	-	-	-	(1)	-
As of 3/31/2024	14	(230)	(7)	14	2,765	2,556
As of 1/1/2025	102	(80)	1	21	3,203	3,247
Earnings after taxes	-	-	-	-	84	84
Other comprehensive income after taxes	(60)	47	2	1	-	(10)
Total comprehensive income	(60)	47	2	1	84	74
Change in scope of consolidation	-	-	-	-	1	1
As of 3/31/2025	42	(33)	3	22	3,287	3,322

## SEGMENT REPORT

### Segment report Q1

	Vehicle Systems		Weapon and Ammunition		Electronic Solutions		Power Systems		Others/ Consolidation		Group (continuing operations)	
€ million	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024	Q1 2025	Q1 2024
<b>Income statement</b>												
External sales	945	489	530	321	335	227	504	540	(9)	5	2,305	1,581
Internal sales	7	4	70	41	92	60	1	1	(170)	(106)	-	-
Segment sales	952	493	599	362	427	287	505	541	(179)	(101)	2,305	1,581
Operating result	81	38	116	53	27	17	9	31	(34)	(6)	199	134
Special items	-	-	-	-	15	-	-	-	1	4	16	4
PPA effects	(14)	(1)	(23)	(25)	-	(1)	-	-	(3)	(3)	(41)	(30)
EBIT	67	37	93	28	42	16	9	31	(36)	(5)	174	108
Of which:												
At-equity result	-	-	1	-	-	-	2	-	(5)	(1)	(3)	(1)
Amortization and depreciation	35	17	38	37	9	8	24	24	5	4	112	91
Impairment	-	-	-	-	-	-	-	-	-	-	-	-
Cost of materials	662	463	312	230	209	132	295	318	(164)	(105)	1,314	1,039
Personnel costs	220	161	144	121	150	129	135	133	46	37	696	581
Interest income	3	3	5	3	3	4	3	5	(9)	(9)	6	5
Interest expenses	8	7	8	7	3	3	3	2	12	9	33	26
EBT	62	34	90	24	42	17	10	34	(57)	(23)	147	86
<b>Other data</b>												
Operating free cash flow	(344)	(310)	94	39	499	57	17	17	1	10	266	(187)
Employees March 31 (FTE)	8,671	6,601	7,831	6,833	5,071	4,260	6,697	6,725	1,245	925	29,515	25,344



## FINANCIAL CALENDAR AND LEGAL INFORMATION

This quarterly statement was published on May 8, 2025.

### Dates

#### **May 13, 2025**

Rheinmetall AG Annual General Meeting

#### **August 7, 2025**

Report on H1 / 2025

#### **November 6, 2025**

Report on Q3 / 2025

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Rheinmetall's website at [www.rheinmetall.com](http://www.rheinmetall.com) contains detailed business information on the Rheinmetall Group and its subsidiaries, current trends, current stock prices with a 15-minute time delay, press releases and ad hoc announcements. Investor Relations information forms an integral part of this website and provides all the relevant details for download.

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