

# HALF-YEARLY FINANCIAL REPORT 1ST HALF 2024

## RHEINMETALL IN THE FIRST HALF OF 2024 SALES AND PROFITABILITY SIGNIFICANTLY INCREASED

Operating result of €404 million higher by €192 million or 90.5%

Operating margin of 10.6% significantly above the previous year's level of 7.4%

Consolidated sales increased by 33.4% to €3.8 billion

Rheinmetall Nomination more than doubled

Annual forecast for 2024 confirmed

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## RHEINMETALL IN FIGURES

## KEY FIGURES

		Q2 2024	Q2 2023	H1 2024	H1 2023
<b>SALES / EARNINGS</b>					
Sales	€ million	2,234	1,498	3,815	2,861
<i>Of which generated abroad</i>	%	75.8	73.7	76.2	75.7
Operating result <sup>1,3</sup>	€ million	270	128	404	212
Operating result margin <sup>1,3</sup>	%	12.1	8.6	10.6	7.4
EBIT before PPA	€ million	265	128	402	214
EBIT <sup>3</sup>	€ million	235	120	342	198
EBIT margin <sup>3</sup>	%	10.5	8.0	9.0	6.9
EBT <sup>3</sup>	€ million	207	106	293	176
Earnings from continuing operations <sup>3</sup>	€ million	151	75	206	125
Earnings from discontinued operations	€ million	(72)	1	(73)	5
Earnings after taxes <sup>3</sup>	€ million	79	76	133	129
<b>ORDER INFORMATION</b>					
<i>Booked Business</i>	€ million	737	545	1,357	1,775
<i>Frame Nomination</i>	€ million	7,478	793	7,478	1,163
<i>Frame Utilization</i>	€ million	(1,925)	(638)	(2,369)	(638)
<i>Order Intake</i>	€ million	5,154	3,392	8,910	4,892
Rheinmetall Nomination	€ million	11,443	4,092	15,376	7,192
<i>Nominated Backlog</i>	€ million	-	-	7,938	8,806
<i>Frame Backlog</i>	€ million	-	-	13,041	3,255
<i>Order Backlog</i>	€ million	-	-	27,661	17,989
Rheinmetall Backlog (June 30)	€ million	-	-	48,640	30,050
<b>CASH FLOW</b>					
Cash flow from operating activities	€ million	297	(153)	191	(223)
Cash flow from investments	€ million	(127)	(76)	(232)	(132)
Operating free cash flow	€ million	170	(229)	(41)	(355)
<i>Of which continuing operations</i>	€ million	169	(219)	(19)	(325)
<i>Of which discontinued operations</i>	€ million	1	(10)	(22)	(31)

## KEY FIGURES

		Q2 2024	Q2 2023	H1 2024	H1 2023
<b>STATEMENT OF FINANCIAL POSITION (June 30)</b>					
Equity <sup>3</sup>	€ million	-	-	3,608	3,091
Total assets <sup>3</sup>	€ million	-	-	12,366	9,753
Equity ratio <sup>3</sup>	%	-	-	29.2	31.7
Cash and cash equivalents	€ million	-	-	549	1,347
Total assets less cash and cash equivalents <sup>3</sup>	€ million	-	-	11,817	8,406
Net financial debt (-) / Net liquidity (+) <sup>2</sup>	€ million	-	-	(1,431)	(895)
<b>HUMAN RESOURCES (capacity, June 30)</b>					
Germany	FTE	-	-	13,885	13,032
Foreign	FTE	-	-	12,328	13,151
Rheinmetall Group	FTE	-	-	26,213	26,183
<i>Of which continuing operations</i>	FTE	-	-	26,213	22,640
<i>Of which discontinued operations</i>	FTE	-	-	-	3,543
<b>SHARES</b>					
Stock price (June 30)	€	-	-	475.70	250.80
Basic earnings per share from continuing operations <sup>3</sup>	€	3.08	1.32	4.21	2.53
Basic earnings per share <sup>3</sup>	€	1.43	1.34	2.53	2.64
Diluted earnings per share from continuing operations <sup>3</sup>	€	3.01	1.32	4.21	2.53
Diluted earnings per share <sup>3</sup>	€	1.48	1.34	2.53	2.64
Basic earnings per share pre PPA effects from continuing operations	€	3.61	1.49	5.27	2.86

<sup>1</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

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

<sup>3</sup> The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

## GENERAL ECONOMIC CONDITIONS

### Global economy shows moderate growth, dominated by geopolitical uncertainty and economic risks

The global economy has only grown at a moderate pace in the course of 2024. Overall, however, global economic momentum has increased compared to the end of last year. The previously significant differences in economic momentum narrowed, particularly in the advanced economies. The overall solid pace of growth in the US accelerated even more in the spring and the economic momentum of the European economies increased noticeably after a period of stagnation. In Germany, however, economic performance declined slightly in the second quarter. In China, economic performance initially increased noticeably. However, some early indicators had already indicated that there was still little momentum in domestic consumer spending, which was finally reflected in the GDP figures for the second quarter. Economic growth was strong in India, and production in South-East Asia also picked up noticeably in most cases. In some Latin American countries, such as Brazil, positive growth figures were also reported. Global trade also rose slightly again. Overall, the moderate global economic expansion is likely to continue this year. Global economic output – measured by purchasing power parities – is expected to grow by 3.2% this year. Risks for the global economy arise particularly due to the geopolitical areas of conflict, but also as a result of the challenges in the context of the US presidential election. Increasing trade conflicts could affect the global economic development.

### Increasing international defence spending in response to geopolitical hotspots

Many countries around the world reacted by increasing their defence spending in 2023 due to the hostilities, particularly in Ukraine, but now also due to numerous other geopolitical hotspots. In Europe, for example, France, the Netherlands, Poland, the Czech Republic, Austria, Greece, the Baltic states, and individual countries in Scandinavia have decided to increase their defence budgets and invest in military equipment. Defence spending has also increased in the US and in Asian countries like China, Japan and South Korea.

In 2022, against the backdrop of the war in Ukraine, Germany had already created a debt-financed special fund of €100 billion outside the regular defence budget in order to increase the equipment and ammunition stockpiles of the German armed forces on a lasting basis. The regular defence budget increased by €1.83 billion in 2024 compared to the previous year. With €51.95 billion from the defence budget and around €19.8 billion from the fund, further important investments in material and equipment of the German armed forces can be made this year. Together with the additional Ukraine aid and other expenditure, Germany has reported estimated defence spending of €90.6 billion to NATO for the current year, and would thus currently meet the Alliance's 2% target.

### International automotive markets continue to develop in different ways

The global automotive markets have shown a rather mixed picture so far this year. Both in Europe as well as in China, the still challenging economic situation is becoming increasingly noticeable and is having a corresponding impact on car sales figures. In the US, car sales have recently increased again slightly after previously declining figures. So far this year, the overall solid economic situation and a labor market situation that is still fairly robust have led to a positive trend. In China, sales volumes are relatively high despite a recent downward trend. The passenger car market in Japan has been declining since the beginning of the year. This was probably due in particular to irregularities in crash tests of domestic brand vehicles and the associated uncertainty of potential buyers. The downward trend, however, has already begun to soften.

The analysts at IHS Markit have reported a slight increase in the worldwide production of light vehicles (vehicles under 6 t) in the amount of 0.3% for the first half of 2024 compared to the corresponding period of the previous year. A total of 43.8 million vehicles were produced in the reporting period and therefore amounted to a good 120,000 units over the first six months of the previous year. Production dynamics on the international automotive markets developed differently in the first half of 2024. In Asia, Japanese light vehicle production fell sharply by 9.3% until June, while in China it saw a significant production increase of 6.9%. Production in the USMCA free trade area (formerly NAFTA) increased by 1.5%. In South America, production declined by 9.1% compared to the same period in the previous year. Western Europe (including Germany) recorded a significant manufacturing decline of 6.9% in the first six months of 2024. In Eastern Europe, production grew by 2.5%.

In Germany, around 2.1 million passenger cars were produced up to and including June 2024, 6% less than in the first six months of the previous year. Compared to the pre-crisis year of 2019, production after the first six months of the current year was 16% below its previous level. In terms of exports, 1.6 million vehicles were delivered to customers around the world in the first six months of this year, a decrease of 2% compared to the same period in the previous year. After the first six months of this year, exports are just under 13% below the pre-crisis level of 2019. In the first half of 2024, new registrations for passenger cars on the German car market increased – also due to a historically still-weak level of the previous year. In the first six months, a total of around 1.5 million new passenger cars were registered, 5% more than in the first six months of the previous year. Despite the recent increase in car registrations, the distance from the pre-crisis level remains high: The current volume is around 20% below the sales level from 2019.



## SIGNIFICANT EVENTS UP TO JUNE 30, 2024

### Change in Group structure as of January 1, 2024

Effective January 1, 2024, Rheinmetall's civil business has been restructured, combining the previous Sensors and Actuators and Materials and Trade divisions to form the new Power Systems division. Rheinmetall is taking this step in order to bundle its business models and innovation in the civil business more effectively. Power Systems forms the organizational umbrella at Rheinmetall for key technological competencies in civil markets. These range from the traditional combustion engine and commercial business to new technologies such as electromobility and hydrogen, charging infrastructure and lightweight construction through to warm home heating systems.

### Disposal of all shares held in Shriram Pistons & Rings Ltd.

All shares in Shriram Pistons & Rings Ltd., India, still held by the Rheinmetall Group were sold on the Indian stock exchange in the first two months of fiscal 2024. The measurement of the shares at fair value had an effect of €4 million recognized in other net financial income until they were sold.

### Acquisition of Dutch startup REEQ B.V.

On March 15, 2024, Rheinmetall Defence Nederland B.V. acquired 100% of the shares in the Dutch start-up REEQ B.V. With its vehicles, REEQ B.V. has developed a new generation of mobility that combines tactical transport with a mobile energy source and is fully prepared for autonomy. Rheinmetall is thus expanding its portfolio of lightweight tactical vehicles and also taking the step towards hybrid technology with a fully electric drivetrain in a military vehicle.

### Small-bore disposal completed

The transaction agreed between Rheinmetall and Comitans Capital AG, Munich, on December 18, 2023 for the sale of the small-bore Pistons business with all production sites in Germany, Mexico, Brazil, the Czech Republic and Japan as well as the investment in the joint venture Kolbenschmidt Huayu Piston Co., Ltd., China, was closed on April 15, 2024. The transaction entails the deconsolidation of the Group companies belonging to small-bore pistons business. Based on the preliminary purchase price and the current estimate of variable purchase price components, the deconsolidation loss amounts to €67 million. This is mainly due to the reclassification of currency translation differences recognized in other comprehensive income to the income statement as part of the deconsolidation. The final purchase price adjustments are still to be determined.

By the way of this transaction, Rheinmetall - with the exception of potential effects that may arise from variable purchase price components agreed with the buyers - is completing the disposal of the Pistons division, which

is classified as non-core business, in conjunction with the Group's repositioning. It is thereby pursuing its strategy of focusing on new areas of technology and alternative drive systems in the future with regard to its civil activities.

### Acquisition of Automecanica Mediaş SRL completed

On April 30, 2024, Rheinmetall completed the acquisition of 72.5% of the shares in Automecanica Mediaş SRL, a Romanian manufacturer of military vehicles, agreed at the beginning of 2024. The other shares in the company will remain with private owners. The preliminary purchase price amounts to €5 million. From now on, the company will operate under the name Rheinmetall Automecanica SRL. With this acquisition, Rheinmetall is further expanding its position as a leading manufacturer of military vehicles and strengthening its activities in Central Europe in line with its strategy.

### Virtual Annual General Meeting and dividend distribution

On May 14, 2024, the Rheinmetall AG's Annual General Meeting was again held as a purely virtual event. 51.7% of the share capital was represented. All resolutions proposed by the Executive Board and Supervisory Board were approved, including the dividend proposal of €5.70 per share for fiscal 2023. Based on the closing price on the day of the Annual General Meeting, the dividend yield was 1.1%. The dividend of €248 million was distributed on May 17, 2024.

### Call-offs of swap-body systems by the German customer

Rheinmetall has been commissioned by the German armed forces with a further delivery of 1,515 logistics vehicles, 265 of which are protected swap body systems. This is another call-off from the framework agreement for swap body systems signed in June 2020. This large-scale call-off is largely financed by the German armed forces' special fund. The order value of the call-off is over €773 million. Based on the early notification of requirements by the German customer, a large proportion of the required vehicles had already been pre-produced by June 30, 2024. Following the successful conclusion of contract negotiations, delivery of the vehicles began in the second quarter of 2024. This will be fully completed by the end of 2024.



### Significant major orders

#### **Rheinmetall supplies Skyranger air defence systems to Austria**

Rheinmetall has been commissioned to deliver state-of-the-art Skyranger air defence systems in conjunction with the Austrian armed forces' expansion plan. The order has a volume in the mid-hundreds of million euro. Delivery will take place from 2026.

#### **Major order for mobile air defence**

The German armed forces have once again commissioned Rheinmetall for a major air defence project. Rheinmetall will supply the Skyranger 30 mobile air defence system to the German armed forces. The contract, which is worth €595 million gross, provides for the delivery of a prototype and a further 18 series vehicles. There is also the option for 30 further systems. The prototype is to be delivered before the end of 2024.

#### **Delivery of Skynex air defence systems to European customers**

Rheinmetall has been contracted to deliver Skynex air defence systems to a European customer. The systems enhance protection against threats from the air. The order has a value in the low hundreds of million euro. The deliveries will take place over the course of 2025.

#### **International automotive manufacturer places order for innovative cooling and lubrication system**

One of the world's largest automobile manufacturers has commissioned Rheinmetall to supply several million electric oil pumps. The order has a value in the low hundreds of million euro.

#### **Divert-air valves for leading Asian automobile manufacturers**

Rheinmetall's contract with an existing customer for the production of divert-air valves for various engine variants has been extended. The Group has been supplying the automotive manufacturer, which is one of the largest in Asia, with divert-air valves in series since 2019. Now the manufacturer has seamlessly extended this contract until 2032. This extension is valued at €100 million.

#### **Core components for howitzers**

Through Weapon and Ammunition and Vehicle Systems, Rheinmetall has been commissioned to deliver core components for 22 howitzers for the German armed forces. Among other things, the company will provide 22 155mm-caliber L52 weapons systems and the same number of chassis for the PzH 2000 howitzer. Following final system integration and commissioning at Rheinmetall in Unterlüß, the first of these artillery systems are due to be delivered to the German armed forces in the summer of 2025. This order has a total volume of €135 million for Rheinmetall.

#### **Production contract signed for 123 Boxer heavy weapon carrier vehicles**

The Commonwealth of Australia has placed an order with Rheinmetall for the production of 123 heavy infantry combat vehicles. The procurement of the heavy weapon carrier infantry is based on an intergovernmental agreement between Germany and Australia. The associated service contract worth over €620 million was already awarded in the first quarter of 2024. The orders have a total volume of €2.7 billion. Deliveries are scheduled to start in 2025.

#### **Rheinmetall wins framework contract with potential order value of €400 million**

Rheinmetall has been commissioned by the German armed forces in a key project for tactical communications and has been awarded a framework agreement to supply up to 191,000 sets of the "intercom with hearing protection function". The framework contract has a term of seven years and a potential order volume of up to €400 million.

#### **Rheinmetall wins contracts for exhaust gas recirculation and backpressure valves**

Rheinmetall has received a further order from an existing customer in the commercial vehicle sector to supply a six-figure number of high-pressure valves. The order has a value in the low hundreds of million euro. Production of this batch is scheduled to start in January 2027 and end in 2030.

#### **Major order for gun barrels in the low three-digit million euro range for European customer country**

Rheinmetall has been commissioned by a European customer country to supply a three-digit number of L52 gun barrel systems for the PzH 2000 self-propelled howitzer. The gun barrels will be delivered in the period 2024-2029.

#### **Major order for air defence munitions**

Rheinmetall has been commissioned by a European customer country to supply 35mm AHEAD ammunition for the Skynex air defence system. The order has a value in the low hundreds of million euro. A six-digit number of cartridges will be manufactured in total. The Skynex system strengthens the protection of the customer country's armed forces against threats from the air.



**Largest framework agreement for the supply of artillery ammunition**

Rheinmetall has been awarded a framework agreement by the German armed forces covering the supply of 155mm artillery ammunition worth up to €8.5 billion gross, which was signed on June, 20 2024. The main purpose of the framework agreement is to replenish the stocks of the German armed forces and its allies as well as to support Ukraine in its defences. The deliveries are scheduled to begin at the start of 2025.

**Major order for the supply of electric coolant pumps**

Rheinmetall has received a major order for several million electric coolant pumps from a well-known international automotive manufacturer. The order has a value in the low hundreds of million euro. The pumps will be used in the manufacturer's hybrid-powered vehicles. Production has already started and will continue until 2030, with the accompanying service contract running beyond production until 2045.

## BUSINESS PERFORMANCE OF THE RHEINMETALL GROUP

### Key figures Rheinmetall Group (continuing operations)

€ million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Sales	2,234	1,498	737	3,815	2,861	955
Operating result <sup>1,2</sup>	270	128	141	404	212	192
Operating result margin <sup>1,2</sup>	12.1%	8.6%	3.5%-P	10.6%	7.4%	3.2%-P
Operating free cash flow	169	(219)	388	(19)	(325)	306

<sup>1</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>2</sup> The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

### Sales exceed previous year's level

Consolidated sales increased by €955 million or 33.4% year-on-year to €3,815 million (previous year: €2,861 million). Adjusted for currency effects, sales were 34.2% higher than in the previous year. The share of sales generated abroad increased by 0.5% points year-on-year to 76.2% in the first half of 2024.

### Sales by region

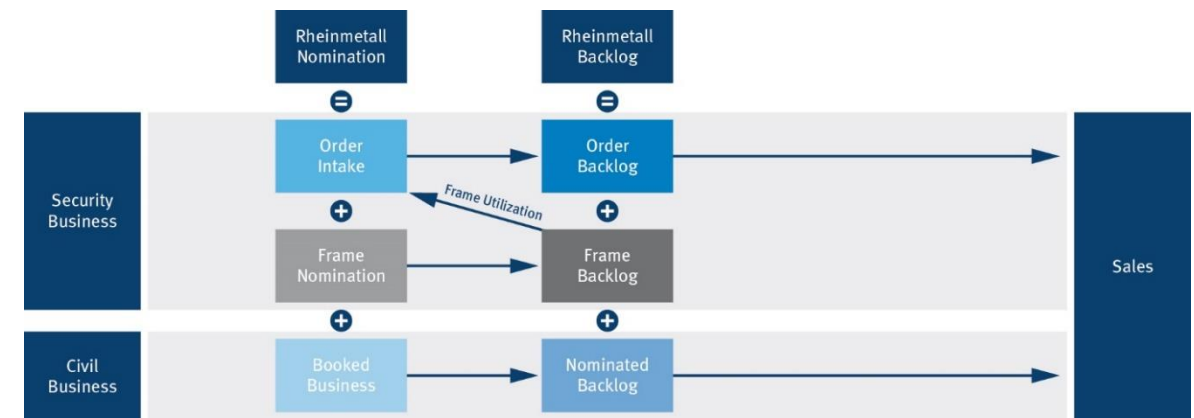
€ million	H1 2024	H1 2023
<b>Rheinmetall Group</b>	<b>3,815</b>	<b>2,861</b>
Germany	909	695
Other Europe	1,879	1,232
North, Middle and South America	360	257
Asia and the Near East	438	334
Other regions	228	343

### Rheinmetall Nomination more than doubled from previous year

Rheinmetall Backlog includes the figures order backlog, frame backlog and nominated backlog. The frame backlog reflects the expected future call-offs 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 contracts with customers, the nominated backlog figure shows the future call-offs expected for

the civil 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 civil 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, so 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 increased by 113.8% to €15,376 million in the first half of 2024 (previous year: €7,192 million). The increase is due to orders from Germany and the Near East. Rheinmetall Backlog reached its all-time high of €48,640 million (previous year: €30,050 million) in the first half of 2024 due to several major orders.



**Rheinmetall Nomination**

€ million	H1 2024	H1 2023	Change
Booked Business	1,357	1,775	-418
Frame Nomination	7,478	1,163	6,315
Frame Utilization	(2,369)	(638)	-1,732
Order intake	8,910	4,892	4,019
<b>Rheinmetall Nomination</b>	<b>15,376</b>	<b>7,192</b>	<b>8,184</b>

**Rheinmetall Backlog**

€ million	H1 2024	H1 2023	Change
Nominated Backlog	7,938	8,806	-869
Frame Backlog	13,041	3,255	9,786
Order Backlog	27,661	17,989	9,673
<b>Rheinmetall Backlog</b>	<b>48,640</b>	<b>30,050</b>	<b>18,590</b>

**Operating result up on previous year**

In light of the acquisition of the munitions manufacturer Expal Systems S.A.U., which was completed on July 31, 2023, the definition of the operating result performance indicator was modified to take account of the effects of the purchase price allocation for this transaction. Starting from the third quarter of 2023, the operating result is therefore calculated as earnings before interest and taxes (EBIT) adjusted for remeasurement effects in connection with purchase price allocation (PPA effects) and special items resulting from corporate transactions, restructuring and other significant items unrelated to operations or the accounting period. The prior-period figures have been restated accordingly.

The operating result amounts to €404 million as of June 30, 2024 and was therefore up by €192 million or 90.5% on the previous year's figure of €212 million. In addition to sales growth, the improvement in the operating result relates in particular to the contribution by the Rheinmetall Expal Munitions companies acquired as of July 31, 2023. The Group's operating margin increased to 10.6% (previous year: 7.4%).

**Special items and PPA effects H1 2024**

€ million	Operating result	Corporate transactions	Restructuring	Others	Special items	PPA effects	EBIT
<b>Rheinmetall Group</b>	<b>404</b>	<b>3</b>	<b>(1)</b>	<b>(4)</b>	<b>(2)</b>	<b>(60)</b>	<b>343</b>
Vehicle Systems	119	-	-	-	-	(2)	118
Weapon and Ammunition	206	-	-	(2)	(2)	(50)	154
Electronic Solutions	53	-	(1)	(2)	(3)	(1)	50
Power Systems	57	-	(1)	-	(1)	-	56
Others/consolidation	(31)	3	-	-	4	(7)	(35)

**Special items and PPA effects H1 2023<sup>1</sup>**

€ million	Operating result <sup>2</sup>	Corporate transactions	Restructuring	Others	Special items	PPA effects	EBIT
<b>Rheinmetall Group</b>	<b>212</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>	<b>(16)</b>	<b>198</b>
Vehicle Systems	100	-	-	-	-	(2)	99
Weapon and Ammunition	89	-	-	-	-	(2)	87
Electronic Solutions	32	-	-	-	-	(1)	30
Power Systems <sup>4</sup>	37	-	-	-	-	-	36
Others/consolidation <sup>3</sup>	(46)	-	-	2	2	(11)	(55)

<sup>1</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

<sup>2</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>3</sup> Some figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

<sup>4</sup> Sensors and Actuators and Materials and Trade were combined to form Power Systems effective January 1, 2024.

### Operating free cash flow significantly improved in the first half of 2024

Operating free cash flow from continuing operations improved by €306 million year-on-year to €-19 million in the first half of 2024 (previous year: €-325 million). Despite the continued growth in inventories, the operating free cash flow improved significantly in the first half of 2024 due to higher customer payments, which are associated with sales growth and the increase in Rheinmetall Nomination.

#### Derivation of operating free cash flow – continuing operations<sup>1</sup>

€ million	H1 2024	H1 2023
Earnings from continuing operations (after taxes)	206	125
Amortization, depreciation and impairments	181	126
Allocation of CTA assets to secure pension and partial retirement obligations	(7)	(11)
Changes in working capital and others	(172)	(439)
<b>Cash flows from operating activities</b>	<b>208</b>	<b>(199)</b>
Investments in property, plant and equipment, intangible assets and investment property	(226)	(125)
<b>Operating free cash flow (continuing operations)</b>	<b>(19)</b>	<b>(325)</b>

<sup>1</sup> The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

### Net assets and financial position

Compared with December 31, 2023, the Rheinmetall Group's total assets increased by €659 million to €12,366 million as at June 30, 2024. The ratio of non-current assets to total assets is at a similar level to the end of fiscal 2023 at 38.9% as of June 30, 2024 (December 31, 2023: 39.4%).

The equity ratio declined slightly compared with the end of fiscal 2023 to 29.2% due to an increase in total assets (December 31, 2023: 31.1%). Net financial debt from continuing operations increased to €-1,431 million as at the end of the first half of 2024 (December 31, 2023: €-1,063 million). The change is essentially due to the dividend payment of €5.70 per share (€248 million), the negative operating free cash flow and purchase price payments for acquisitions made in first half of 2024.

#### Asset and capital structure

€ million	6/30/2024	%	12/31/2023	%
Non-current assets	4,809	39	4,615	39
Current assets	7,558	61	7,092	61
<b>Total assets</b>	<b>12,366</b>	<b>100</b>	<b>11,707</b>	<b>100</b>
Equity	3,608	29	3,643	31
Non-current liabilities	2,605	21	2,605	22
Current liabilities	6,153	50	5,459	47
<b>Total equity and liabilities</b>	<b>12,366</b>	<b>100</b>	<b>11,707</b>	<b>100</b>

## BUSINESS PERFORMANCE OF THE SEGMENTS

### Vehicle Systems

#### Key figures Vehicle Systems<sup>1</sup>

€ million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Sales	807	550	257	1,300	1,012	288
Rheinmetall Nomination	2,185	1,862	323	3,114	3,091	22
<i>Frame Nomination</i>	-	155	-155	-	525	-525
<i>Frame Utilization</i>	(794)	(634)	-160	(932)	(634)	-299
<i>Order Intake</i>	2,979	2,340	639	4,046	3,200	847
Rheinmetall Backlog (June 30)	-	-	-	18,148	13,895	4,252
<i>Frame Backlog</i>	-	-	-	2,365	2,152	212
<i>Order Backlog</i>	-	-	-	15,783	11,743	4,040
Operating result <sup>2</sup>	82	57	24	119	100	19
Operating result margin <sup>2</sup>	10.1%	10.4%	-0.3%-P	9.2%	9.9%	-0.7%-P
Capital expenditure <sup>3</sup>	23	19	3	43	95	-52
Operating free cash flow	185	(253)	438	(125)	(348)	223

<sup>1</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

<sup>2</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>3</sup> Net capital expenditure less payments received from customers.

Vehicle Systems sales in the first six months of 2024 were €1,300 million, an increase of €288 million or 28.4% over the prior-year figure. The increase in sales is particularly attributable to projects for the delivery of tactical vehicles as well as increased deliveries of logistical vehicles.

Rheinmetall Nomination increased by €22 million year-on-year to €3,114 million. The largest orders in 2024 are the order for the manufacture and supply of the Boxer heavy weapon carrier with a volume of more than €1,600 million as well as the associated service contract for the Boxer heavy weapon carrier with more than €620 million.

Operating result improved in the first half of 2024 from €100 million to €119 million compared to the same period in the previous year. At 9.2% the operating margin is below the previous year's figure of 9.9%.

In the first six months of 2024, investments were at €43 million, €52 million below the previous year's figure of €95 million. The decline is essentially due to leases agreed in the previous year for plant and equipment to expand capacity concluded in the previous year.

Operating free cash flow increased by €223 million to €-125 million. The improvement compared to the previous year is mainly due to milestone payments by international customers in the tactical area as well as payments for increased deliveries of logistics vehicles. Overall, the growth-related increase in inventories dominates the operating free cash flow.

## Weapon and Ammunition

### Key figures Weapon and Ammunition<sup>1</sup>

€ million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Sales	692	333	359	1,054	546	508
Rheinmetall Nomination	7,993	948	7,045	8,828	1,543	7,286
<i>Frame Nomination</i>	7,121	4	7,117	7,121	4	7,117
<i>Frame Utilization</i>	(1,008)	(4)	-1,004	(1,314)	(4)	-1,310
<i>Order Intake</i>	1,880	948	932	3,021	1,543	1,479
Rheinmetall Backlog (June 30)	-	-	-	18,965	5,767	13,197
<i>Frame Backlog</i>	-	-	-	10,268	928	9,340
<i>Order Backlog</i>	-	-	-	8,696	4,839	3,857
Operating result <sup>2</sup>	152	66	87	206	89	117
Operating result margin <sup>2</sup>	22.0%	19.8%	2.3%-P	19.5%	16.3%	3.2%-P
Capital expenditure <sup>3</sup>	45	12	33	79	17	61
Operating free cash flow	18	57	-39	57	127	-70

<sup>1</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

<sup>2</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>3</sup> Net capital expenditure less payments received from customers

Weapon and Ammunition generated 2024 sales of €1,054 million in the first half of 2024, an increase of €508 million or 93.1% from the previous year's figure. The increase compared to the same period in the previous year is mainly due to increased deliveries of artillery shells and medium caliber ammunition. The Rheinmetall Expal Munitions companies acquired on July 31, 2023 generated €230 million in sales, of which €106 million was attributable to intragroup sales, and made a significant contribution to sales growth.

Rheinmetall Nomination in the first half of 2024 was €8,828 million, significantly above the previous year's level (previous year: €1,543 million). The main driver is a frame nomination amounting to €7,121 million by the German customer for artillery shells. Further growth stems from countries in the Near East and Germany for indirect fire and medium caliber products. As a result of several major orders since the first half of 2023, Rheinmetall Backlog has more than tripled and grew by €13,197 million to €18,965 million (previous year: €5,767 million). The drivers here were the conclusion of two multi-year ammunition framework agreements in the second half of 2023 and the subsequent increase in the artillery framework agreement by the German customer in June 2024.

The operating result within the first half of 2024 increased by €117 million or 130.9% to €206 million (previous year: €89 million). Despite increased personnel and material costs within Weapon and Ammunition, supported by the Rheinmetall Expal Munitions companies contributing €73 million, the operating margin of 16.3% improved to 19.5%.

At €79 million, investments were significantly above the previous year's level (previous year: €17 million), resulting from capacity expansion projects in several companies.

The operating free cash flow fell by €70 million year-on-year to €57 million (previous year: €127 million). At €60 million, operating free cash flow was influenced by higher cash-effective investments in necessary capacity expansions compared to the previous year. In line with the significant sales growth in the second quarter, working capital as at June 30, 2024 was negatively impacted by a stronger increase in receivables.

## Electronic Solutions

### Key figures Electronic Solutions<sup>1</sup>

€ million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Sales	360	277	83	647	504	143
Rheinmetall Nomination	1,208	332	876	3,020	671	2,348
<i>Frame Nomination</i>	357	-	357	357	-	357
Frame Utilization	(123)	-	-123	(123)	-	-123
<i>Order Intake</i>	974	332	642	2,786	671	2,115
Rheinmetall Backlog (June 30)	-	-	-	6,609	3,685	2,924
<i>Frame Backlog</i>	-	-	-	408	174	233
<i>Order Backlog</i>	-	-	-	6,201	3,511	2,691
Operating result <sup>2</sup>	36	19	17	53	32	22
Operating result margin <sup>2</sup>	10.0%	7.0%	3.0%-P	8.3%	6.3%	2.0%-P
Capital expenditure <sup>3</sup>	11	12	-1	19	19	-
Operating free cash flow	24	(25)	49	81	(102)	183

<sup>1</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

<sup>2</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>3</sup> Net capital expenditure less payments received from customers.

Electronic Solutions sales in the first half of 2024 were €647 million, up €143 million from the previous year's level (previous year: €504 million). The increase in sales of 28.3% is mainly due to the Skyraenger 30 mobile air defence system for the German customer, additional parts for the Puma infantry fighting vehicle and the updating of an existing air defence system for a European customer.

Rheinmetall Nomination increased by €2,348 million year-on-year to €3,020 million. This is due to a quadrupling of incoming orders. Key order intake in the first six months of 2024 related to the development contract for the short and very short range air defence protection system (LVS NNbS) as well as the delivery agreement for the Skyraenger 30 mobile air defence system, both for the German customer. A framework agreement for the delivery of "intercom with hearing protection function" sets for the German customer and a part of the order for the manufacture and delivery of the Boxer heavy weapon carrier should be mentioned. On June 30, 2024, Rheinmetall Backlog was €6,609 million and therefore €2,924 million higher than the prior-year figure (previous year: €3,685 million).

The operating result in the first six months of 2024 was €53 million, above the previous year's level (previous year: €32 million). The operating margin increased to 8.3% due to sales (previous year: 6.3%).

Electronic Solutions investments in the first half of 2024 were €19 million, on a par with the previous year's level (previous year: €19 million).

The operating free cash flow increased by €183 million to €81 million (previous year: €-102 million) due to advance payments received.

## Power Systems

### Key figures Power Systems<sup>1</sup>

€ million	Q2 2024	Q2 2023	Change	H1 2024	H1 2023	Change
Sales	514	485	29	1,056	1,026	29
Booked Business	737	545	191	1,357	1,775	-418
Nominated Backlog (June 30)	-	-	-	7,938	8,806	-869
Operating result <sup>2</sup>	25	13	13	57	37	20
Operating result margin <sup>2</sup>	4.9%	2.6%	2.3%-P	5.4%	3.6%	1.8%-P
Capital expenditure <sup>3</sup>	20	19	-	43	43	1
Operating free cash flow	(31)	(38)	7	(15)	(53)	39

<sup>1</sup> Sensors and Actuators and Materials and Trade were combined to form Power Systems effective January 1, 2024.

<sup>2</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>3</sup> Net capital expenditure less payments received from customers.

Power Systems sales were €1,056 million, slightly above the previous year's level (previous year: €1,026 million). The decline in sales in Europe was compensated by sales growth in the US region.

Booked business in the first half of fiscal 2024 was €1,357 million, significantly below the previous year (previous year: €1,775 million). The nominated backlog as of June 30, 2024 dropped by 9.9% to €7,938 million (previous year: €8,806 million).

The operating result rose in the first half of 2024 by 53.9% to €57 million (previous year: €37 million). In addition to the improved at-equity result of a Chinese joint venture, the elimination of additional costs for the IT incident in the previous year had a positive effect on the operating result for the current year. Operating margin was subsequently 5.4% (previous year: 3.6%).

At €43 million, investments were at the same level as the previous year (previous year: €43 million).

At €-15 million, the operating free cash flow was significantly higher than the previous year's figure of €-53 million. This was due to higher earnings after taxes and better working capital management.



## UPDATE TO THE RISKS AND OPPORTUNITIES

### 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.

### Opportunities and risks

The opportunities and risks relating to the expected development of the Rheinmetall Group are essentially unchanged and are described in detail in the 2023 Annual Report under the combined management report in the section *Risk and Opportunities Report*.

## SUPPLEMENTARY REPORT

### Leonardo and Rheinmetall agree to strategic partnership

On July 3, 2024, Leonardo and Rheinmetall signed a memorandum of understanding (MoU) on the founding of a new 50/50 joint venture intended to develop a European industrial and technological approach to land defence systems. The purpose of the agreement is the industrial development and subsequent marketing of a new main battle tank (MBT) as well as the new Lynx platform for the Armored Infantry Combat System (AICS) as part of the Italian Army's combat system programs.

The future joint venture, which will be headquartered in Italy, will act as the primary contractor and system integrator for the two major Italian programs (MBT and AICS) for MBTs and infantry fighting vehicles (IFVs) as well as establish the roadmap for Leonardo's potential involvement in the Europe's Main Ground Combat System (MGCS) later on. With the newly developed Panther MBT and the new Lynx IFV, Rheinmetall possesses the appropriate base technology on which both programs can be built.

Execution of the MoU is subject to prior approval by the proper regulatory authorities.

### Rheinmetall plans to acquire a majority stake in Resonant Holdings (Pty) Ltd

Rheinmetall plans to expand its plant engineering portfolio by acquiring a majority stake in Resonant Holdings (Pty) Ltd, a leading South African specialist for plant engineering in the chemical industry. An agreement on the acquisition of 51% of the shares in Resonant Holdings by Rheinmetall Waffe Munition GmbH has been signed. The remaining shares will continue to be held by the existing Resonant Holding shareholders.

The planned majority stake is Rheinmetall's response to rising global demand in the ammunition sector and the resulting customer requirements for the construction of corresponding production facilities. Resonant's leading expertise complements Rheinmetall's plant engineering capabilities, especially in the fields of chemical, energy and explosives technology, industrialisation and manufacturing. This positions Rheinmetall even more robustly for the independent planning, construction and operation of production plants for the manufacture of chemical precursors such as propellants and explosives.

## OUTLOOK

### Global economy expected to only expand at a moderate pace this year and next

Global economic growth will only be moderate this year and also in the next year. Economic conditions and structural imponderables will likely hinder stronger global economic momentum. The outlook for private consumption has improved, as real wages are no longer falling or are even rising significantly thanks to the trend towards lower inflation rates and higher remuneration. However, this is likely to lead in part to lower profit margins for companies and a downward trend in investments. Furthermore, monetary policy is likely to continue to have a dampening effect for the time being, with its restrictive course only being eased slowly. Fiscal policy will also tend to be restrictive. An additional factor to be taken into account is that the structural problems in China persist and a significant economic recovery there is not yet in sight. The European economy is recording comparatively low growth in productivity figures. Here too, structural brakes such as the shortage of skilled labour and the restructuring of the energy supply are likely to have an inhibiting effect on economic momentum. An increasingly interventionist industrial and trade policy could also lead to uncertainty and have a negative impact on the global economic climate.

The US economy is expected to expand by 2.4% in 2024. Growth in the eurozone is expected to be 1.0%. In China, a growth rate of 5.0% is to be expected for 2024. In Germany, GDP is likely to increase by only 0.3%.

After a growth in global production of 3.2% was achieved in 2023, it is also expected to increase by 3.2% this year. Growth of 1.5% is expected in the industrialised countries, while the emerging markets will expand much more dynamically by 4.4%. A slightly lower growth rate of 3.0% is expected at global level in 2025.

### Global defence spending up slightly again in 2024

In view of the significant rise in geopolitical risks, global defence spending is expected to be around \$2,458 billion this year, according to forecasts by IHS Jane's. Already at a high level, it thus exceeds the forecast issued before the war in Ukraine and is 0.4% above the previous year's figure (2023: \$2,448 billion). Specifically, the reaction to the war in Ukraine, which has led to increased defence budgets, especially in Europe, is responsible for the further increases in defence spending globally. For Europe (Western and Eastern Europe), IHS Jane's forecasts expenditures of \$458 billion in 2024. According to IHS Jane's, defence spending in Germany will rise to just over \$79 billion in 2024 (2023: \$66 billion). This represents an increase of 19.6% compared to the previous year.

Although the defence budgets of Latin America and Western Europe are the fastest growing in 2024 overall, North America and Asia-Pacific remain the regions with the highest defence spending this year at \$932 billion and \$605 billion, respectively. Experts expect the US defence spending to reach \$909 billion in 2024, up from

\$941 billion a year earlier. Spending in China is expected to rise to \$281 billion this year, up from \$267 billion last year.

The experts from IHS Jane's continue to see potential for global growth in the coming years. For 2025, they expect global expenditures to reach \$2,500 billion. By 2028, global defence spending is expected to grow to \$2,620 billion. IHS Jane's expects expenditures in the US of \$901 billion in 2025. Experts expect a spending of \$85 billion in Germany next year.

### Decrease in global vehicle production in 2024, growth in coming years

Following an increase of 9.9% in the previous year, IHS Markit currently forecasts a decline in global vehicle production (light vehicles) of 1.1% to 89.5 million units for the entire year of 2024. In the coming year, according to IHS Markit, global production is then expected to increase again by 2.7% to 92.0 million units. IHS Markit also expects an increase in the global production of light vehicles over the medium term. In 2026, production is expected to increase by 2.0% compared to the previous year, in 2027 growth is expected to slow down slightly to 1.3% according to IHS-Markit and to 1.1% in 2028.





**Current annual forecast confirmed**

After six months of the 2024 fiscal year, Rheinmetall is confirming at least the sales and earnings forecast for 2024 with consolidated sales of around €10 billion and an operating result margin of between 14-15% (including acquisitions in each case) based on the expected business development in the second half of the year. The assumptions on which this estimate is based and further details can be found in the combined management report in the *Outlook* section of the 2023 Annual Report.

The forecasts are presented in accordance with the new Group structure that has been in place since January 1, 2024.

**Rheinmetall Group – forecast business performance in 2024**

		2023	Forecast for fiscal 2024 (Annual Report 2023)
<b>Sales</b>			
Group	€ million	7,176	sales growth to around €10 bn
Vehicle Systems	€ million	2,609	sales growth 45% to 50%
Weapon and Ammunition	€ million	1,756	sales growth 55% to 65%
Electronic Solutions	€ million	1,318	sales growth 30% to 35%
Power Systems <sup>1</sup>	€ million	2,084	sales growth to around 5%
<b>Operating result margin</b>			
Group	%	12.8	operating result margin 14% to 15%
Vehicle Systems	%	12.4	operating result margin 12% to 13%
Weapon and Ammunition	%	23.0	operating result margin 25% to 26%
Electronic Solutions	%	11.4	operating result margin 12% to 13%
Power Systems <sup>1</sup>	%	6.4	operating result margin around 7%
<b>Cash Conversion Rate</b>			
(in % of operating result = "cash conversion rate")			
Group	%	38.8	cash conversion rate around 40%

<sup>1</sup>New Power Systems segment from January 1, 2024, comprising the previous Sensors and Actuators (S+A) and Materials and Trade (M+T) divisions; figures for 2023 restated

## CONSOLIDATED INCOME STATEMENT

### Income Statement of the Rheinmetall Group

€ million	Q2 2024	Q2 2023	H1 2024	H1 2023
<b>Sales</b>	<b>2,234</b>	<b>1,498</b>	<b>3,815</b>	<b>2,861</b>
Changes in inventories and work performed by the enterprise and capitalized	(1)	213	431	545
<b>Total operating performance</b>	<b>2,233</b>	<b>1,711</b>	<b>4,246</b>	<b>3,405</b>
Other operating income	39	22	81	55
Cost of materials	1,087	861	2,126	1,754
Personnel costs	578	507	1,159	1,007
Amortization, depreciation and impairment	91	63	181	126
Other operating expenses	277	183	504	365
Result from investments accounted for using the equity method <sup>1</sup>	(4)	(2)	(4)	(12)
Other financial result	(2)	3	(10)	2
<b>Earnings before interest and taxes (EBIT)<sup>1</sup></b>	<b>235</b>	<b>120</b>	<b>342</b>	<b>198</b>
Interest income	4	3	9	19
Interest expenses	32	18	58	41
<b>Earnings before taxes (EBT)<sup>1</sup></b>	<b>207</b>	<b>106</b>	<b>293</b>	<b>176</b>
Income taxes	(56)	(31)	(87)	(51)
<b>Earnings from continuing operations<sup>1</sup></b>	<b>151</b>	<b>75</b>	<b>206</b>	<b>125</b>
Earnings from discontinued operations <sup>1</sup>	(72)	1	(73)	5
<b>Earnings after taxes<sup>1</sup></b>	<b>79</b>	<b>76</b>	<b>133</b>	<b>129</b>
Of which:				
<i>Non-controlling interests</i>	17	17	23	15
<i>Rheinmetall AG shareholders<sup>1</sup></i>	62	58	110	115
<b>Basic earnings per share<sup>1</sup></b>	<b>€ 1.43</b>	<b>€ 1.34</b>	<b>€ 2.53</b>	<b>€ 2.64</b>
Basic earnings per share from continuing operations <sup>1</sup>	€ 3.08	€ 1.32	€ 4.21	€ 2.53
Basic earnings per share from discontinued operations <sup>1</sup>	€ (1.65)	€ 0.02	€ (1.68)	€ 0.11
<b>Diluted earnings per share<sup>1</sup></b>	<b>€ 1.48</b>	<b>€ 1.34</b>	<b>€ 2.53</b>	<b>€ 2.64</b>
Diluted earnings per share from continuing operations <sup>1</sup>	€ 3.01	€ 1.32	€ 4.21	€ 2.53
Diluted earnings per share from discontinued operations <sup>1</sup>	€ (1.53)	€ 0.02	€ (1.68)	€ 0.11

<sup>1</sup> The information for the previous year was adjusted as a result of the amended divestiture plan and the resulting at-equity valuation to be applied retroactively for the investment in Shriram Pistons & Rings Ltd.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

### Statement of comprehensive income of the Rheinmetall Group

€ million	Q2 2024	Q2 2023	H1 2024	H1 2023
<b>Earnings after taxes<sup>1</sup></b>	<b>79</b>	<b>76</b>	<b>133</b>	<b>129</b>
Remeasurement of net defined benefit liability from pensions	17	(9)	34	(13)
Other comprehensive income / expenses from investments accounted for using the equity method	-	-	-	-
<b>Amounts not reclassified to the income statement</b>	<b>17</b>	<b>(10)</b>	<b>34</b>	<b>(13)</b>
Change in value of derivative financial instruments (cash flow hedge)	23	(8)	19	(22)
Currency translation difference	17	(6)	(18)	(22)
Other comprehensive income / expenses from investments accounted for using the equity method <sup>1</sup>	1	(12)	(5)	(2)
<b>Amounts reclassified to the income statement<sup>1</sup></b>	<b>40</b>	<b>(26)</b>	<b>(4)</b>	<b>(46)</b>
<b>Other comprehensive income after taxes<sup>1</sup></b>	<b>57</b>	<b>(36)</b>	<b>30</b>	<b>(59)</b>
<b>Total comprehensive income<sup>1</sup></b>	<b>136</b>	<b>40</b>	<b>163</b>	<b>71</b>
Of which:				
<i>Non-controlling interests</i>	29	5	32	1
<i>Rheinmetall AG shareholders<sup>1</sup></i>	108	35	131	70

<sup>1</sup> The previous year's figures were adjusted as a result of the amended divestiture plan and the resulting at-equity valuation to be applied retroactively for the investment in Shriram Pistons & Rings Ltd.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### Statement of financial position of Rheinmetall Group as of June 30, 2024

€ million	6/30/2024	12/31/2023
<b>Assets</b>		
Goodwill	1,132	1,125
Other intangible assets	922	952
Right-of-use assets	263	271
Property, plant and equipment	1,469	1,370
Investment property	21	22
Investments accounted for using the equity method	372	373
Other non-current assets	432	339
Deferred taxes	197	164
<b>Non-current assets</b>	<b>4,809</b>	<b>4,615</b>
Inventories	4,082	3,244
Contract assets	561	516
Trade receivables	1,905	2,021
Other current assets	388	251
Income tax receivables	72	13
Cash and cash equivalents	549	850
Assets held for sale	1	196
<b>Current assets</b>	<b>7,558</b>	<b>7,092</b>
<b>Total assets</b>	<b>12,366</b>	<b>11,707</b>

### Statement of financial position of Rheinmetall Group as of June 30, 2024

€ million	6/30/2024	12/31/2023
<b>Equity and liabilities</b>		
Share capital	112	112
Capital reserves	686	676
Retained earnings	2,465	2,533
Treasury shares	(4)	(5)
<b>Rheinmetall AG shareholders' equity</b>	<b>3,258</b>	<b>3,316</b>
Non-controlling interests	350	327
<b>Equity</b>	<b>3,608</b>	<b>3,643</b>
Provisions for pensions and similar obligations	520	562
Other non-current provisions	280	230
Non-current financial debts	1,458	1,503
Other non-current liabilities	51	51
Deferred taxes	295	260
<b>Non-current liabilities</b>	<b>2,605</b>	<b>2,605</b>
Other current provisions	614	690
Current financial debts	522	410
Contract liabilities	3,409	2,594
Trade liabilities	1,171	1,222
Other current liabilities	296	274
Income tax liabilities	141	108
Liabilities directly related to assets held for sale	-	161
<b>Current liabilities</b>	<b>6,153</b>	<b>5,459</b>
<b>Total equity and liabilities</b>	<b>12,366</b>	<b>11,707</b>

## CONSOLIDATED STATEMENT OF CASH FLOWS

### Statement of cash flows of the Rheinmetall Group

€ million	H1 2024	H1 2023
Earnings after taxes <sup>1</sup>	133	129
Amortization / depreciation / impairment of property, plant and equipment, intangible assets and investment property	181	126
Allocation of CTA assets to secure pension and partial retirement obligations	(7)	(12)
Other changes in pension provisions	-	4
Income / expenses from disposals of non-current assets	69	(10)
Changes in other provisions	16	(22)
Changes in working capital	(74)	(350)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(159)	(120)
Pro rata income / loss from investments accounted for using the equity method <sup>1</sup>	4	12
Dividends received from investments accounted for using the equity method	-	4
Other non-cash expenses and income	29	16
<b>Cash flow from operating activities<sup>2</sup></b>	<b>191</b>	<b>(223)</b>
<i>Of which continuing operations</i>	208	(199)
<i>Of which discontinued operations</i>	(17)	(24)
Cash outflows in property, plant and equipment, intangible assets and investment property	(232)	(132)
Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property	2	(2)
Cash outflows/inflows from disinvestments in consolidated companies and financial assets	(1)	48
Cash outflows for investments in consolidated companies and financial assets	(41)	(8)
<b>Cash flow from investing activities</b>	<b>(272)</b>	<b>(94)</b>
<i>Of which continuing operations</i>	(264)	(72)
<i>Of which discontinued operations</i>	(8)	(22)

### Statement of cash flows of the Rheinmetall Group

€ million	H1 2024	H1 2023
Dividends paid out by Rheinmetall AG	(248)	(187)
Other profit distributions	(10)	(4)
Borrowing of financial debts	363	394
Repayment of financial debts	(347)	(76)
Cash inflows from the issuance of convertible bond - Addition to equity	-	113
Cash inflows from the issuance of convertible bond - Fair value financial liability	-	887
Transaction costs for the issuance of convertible bond	-	(7)
<b>Cash flow from financing activities</b>	<b>(241)</b>	<b>1,121</b>
<i>Of which continuing operations</i>	(119)	1,094
<i>Of which discontinued operations</i>	(122)	27
<b>Changes in cash and cash equivalents</b>	<b>(322)</b>	<b>804</b>
Changes in cash and cash equivalents due to exchange rates	(1)	(9)
<b>Total change in cash and cash equivalents</b>	<b>(324)</b>	<b>795</b>
<b>Opening cash and cash equivalents January 1</b>	<b>873</b>	<b>568</b>
<b>Closing cash and cash equivalents June 30</b>	<b>549</b>	<b>1,363</b>
Closing cash and cash equivalents June 30 from discontinued operations	-	16
<b>Closing cash and cash equivalents as per consolidated statement of financial position June 30</b>	<b>549</b>	<b>1,347</b>

<sup>1</sup> The previous year's figures were adjusted as a result of the amended divestiture plan and the resulting at-equity valuation to be applied retroactively for the investment in Shriram Pistons & Rings Ltd.

<sup>2</sup> Of which Net income taxes: €-113 million (previous year: €-73 million); Net interest: €-32 million (previous year: €-1 million).

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### Development of equity

€ million	Share capital	Capital reserve	Total retained earnings <sup>1</sup>	Treasury shares	Rheinmetall AG shareholders' equity <sup>1</sup>	Non-controlling interests	Equity <sup>1</sup>
<b>As of 1/1/2023</b>	<b>112</b>	<b>566</b>	<b>2,147</b>	<b>(6)</b>	<b>2,819</b>	<b>271</b>	<b>3,090</b>
Earnings after taxes	-	-	115	-	115	15	129
Other comprehensive income after taxes	-	-	(45)	-	(45)	(14)	(59)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>70</b>	<b>-</b>	<b>70</b>	<b>1</b>	<b>71</b>
Dividend payout	-	-	(187)	-	(187)	(4)	(191)
Disposal of treasury shares	-	-	-	1	1	-	1
Change in scope of consolidation	-	-	1	-	1	-	1
Changes in respect of the convertible bond	-	113	-	-	113	-	113
Other changes	-	6	-	-	6	-	6
<b>As of 6/30/2023</b>	<b>112</b>	<b>685</b>	<b>2,032</b>	<b>(5)</b>	<b>2,823</b>	<b>269</b>	<b>3,091</b>
<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	-	-	110	-	110	23	133
Other comprehensive income after taxes	-	-	21	-	21	9	30
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>131</b>	<b>-</b>	<b>131</b>	<b>32</b>	<b>163</b>
Dividend payout	-	-	(248)	-	(248)	(10)	(257)
Disposal of treasury shares	-	-	-	1	1	-	1
Changes in shares in subsidiaries	-	-	1	-	1	-	1
Change in in scope of consolidation	-	-	47	-	47	-	47
Other changes	-	10	-	-	10	-	10
<b>As of 6/30/2024</b>	<b>112</b>	<b>686</b>	<b>2,465</b>	<b>(4)</b>	<b>3,258</b>	<b>350</b>	<b>3,608</b>

<sup>1</sup> The previous year's figures were adjusted as a result of the amended divestiture plan and the resulting at-equity valuation to be applied retroactively for the investment in Shriram Pistons & Rings Ltd.

### 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 <sup>1</sup>	Other reserves <sup>1</sup>	Total retained earnings <sup>1</sup>
<b>As of 1/1/2023</b>	<b>33</b>	<b>(276)</b>	<b>11</b>	<b>15</b>	<b>2,364</b>	<b>2,147</b>
Earnings after taxes	-	-	-	-	115	115
Other comprehensive income after taxes	(16)	(13)	(14)	(2)	-	(45)
<b>Total comprehensive income</b>	<b>(16)</b>	<b>(13)</b>	<b>(14)</b>	<b>(2)</b>	<b>115</b>	<b>70</b>
Dividend payout	-	-	-	-	(187)	(187)
Book transfers	-	-	-	3	(3)	-
Change in scope of consolidation	1	(6)	-	1	6	1
<b>As of 6/30/2023</b>	<b>18</b>	<b>(294)</b>	<b>(3)</b>	<b>17</b>	<b>2,294</b>	<b>2,032</b>
<b>As of 1/1/2024</b>	<b>46</b>	<b>(248)</b>	<b>(3)</b>	<b>20</b>	<b>2,718</b>	<b>2,533</b>
Earnings after taxes	-	-	-	-	110	110
Other comprehensive income after taxes	(20)	34	12	(5)	-	21
<b>Total comprehensive income</b>	<b>(20)</b>	<b>34</b>	<b>12</b>	<b>(5)</b>	<b>110</b>	<b>131</b>
Dividend payout	-	-	-	-	(248)	(248)
Book transfers	1	1	-	-	(1)	1
Change in scope of consolidation	47	-	-	(1)	1	47
<b>As of 6/30/2024</b>	<b>74</b>	<b>(212)</b>	<b>9</b>	<b>14</b>	<b>2,580</b>	<b>2,465</b>

<sup>1</sup> The previous year's figures were adjusted as a result of the amended divestiture plan and the resulting at-equity valuation to be applied retroactively for the investment in Shriram Pistons & Rings Ltd.

**NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENT**
**Segment report Q2 2024**

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Power Systems	Others/Consolidation	Group (continuing operations)
<b>Income statement</b>						
External sales	805	635	272	513	10	2,234
Internal sales	2	57	88	1	(148)	-
Segment sales	807	692	360	514	(139)	2,234
Operating result	82	152	36	25	(25)	270
Special items	-	(2)	(2)	(1)	-	(5)
PPA effects	(1)	(25)	(1)	-	(3)	(30)
EBIT	81	125	33	25	(29)	235
<i>Of which:</i>						
At-equity result	(1)	(2)	1	1	(3)	(4)
Amortization and depreciation	18	36	8	24	4	91
Impairment	-	-	-	-	-	-
Interest income	3	4	3	5	(10)	4
Interest expenses	11	10	3	6	3	32
EBT	72	120	34	23	(42)	207
<b>Other data</b>						
Operating free cash flow	185	18	24	(31)	(27)	169

**Segment report Q2 2023<sup>2</sup>**

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Power Systems <sup>4</sup>	Others/Consolidation <sup>3</sup>	Group (continuing operations)
<b>Income statement</b>						
External sales	545	248	211	484	9	1,498
Internal sales	5	85	66	1	(156)	-
Segment sales	550	333	277	485	(147)	1,498
Operating result <sup>1</sup>	57	66	19	13	(27)	128
Special items	-	-	-	-	(1)	(1)
PPA effects	(1)	(1)	(1)	-	(6)	(8)
EBIT	57	65	19	13	(33)	120
<i>Of which:</i>						
At-equity result	1	(1)	1	-	(2)	(2)
Amortization and depreciation	15	10	8	26	4	63
Impairment	-	-	-	-	-	-
Interest income	4	1	2	4	(6)	3
Interest expenses	6	7	2	2	-	18
EBT	54	59	18	14	(39)	106
<b>Other data</b>						
Operating free cash flow	(253)	57	(25)	(38)	40	(219)

<sup>1</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>2</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

<sup>3</sup> Some figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

<sup>4</sup> Sensors and Actuators as well as Materials and Trade were combined into Power Systems effective January 1, 2024.



**Segment report H1 2024**

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Power Systems	Others/ Consolidation	Group (continuing operations)
<b>Income statement</b>						
External sales	1,293	956	498	1,053	15	3,815
Internal sales	6	98	148	2	(255)	-
Segment sales	1,300	1,054	647	1,056	(240)	3,815
Operating result	119	206	53	57	(31)	404
Special items	-	(2)	(3)	(1)	4	(2)
PPA effects	(2)	(50)	(1)	-	(7)	(60)
EBIT	118	154	50	56	(35)	342
<i>Of which:</i>						
At-equity income	(1)	(2)	1	1	(4)	(4)
Amortization and depreciation	35	73	16	48	9	181
Impairment	-	-	-	-	-	-
Interest income	6	7	6	9	(19)	9
Interest expenses	17	16	5	8	11	58
EBT	106	144	51	57	(65)	293
<b>Other data</b>						
Operating free cash flow	(125)	57	81	(15)	(17)	(19)
Employees June 30 (FTE)	6,850	7,097	4,378	6,830	1,059	26,213

**Segment report H1 2023<sup>2</sup>**

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Power Systems <sup>4</sup>	Others/ Consolidation <sup>3</sup>	Group (continuing operations)
<b>Income statement</b>						
External sales	1,002	424	396	1,025	14	2,861
Internal sales	10	122	108	1	(241)	-
Segment sales	1,012	546	504	1,026	(227)	2,861
Operating result <sup>1</sup>	100	89	32	37	(46)	212
Special items	-	-	-	-	2	2
PPA effects	(2)	(2)	(1)	-	(11)	(16)
EBIT	99	87	30	36	(55)	198
<i>Of which:</i>						
At-equity income	2	2	1	(5)	(12)	(12)
Amortization and depreciation	31	20	15	52	7	126
Impairment	-	-	-	-	-	-
Interest income	6	3	3	6	-	19
Interest expenses	10	13	5	5	8	41
EBT	95	77	29	38	(63)	176
<b>Other data</b>						
Operating free cash flow	(348)	127	(102)	(53)	52	(325)
Employees June 30 (FTE)	6,153	4,951	4,008	6,816	712	22,640

<sup>1</sup> The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

<sup>2</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

<sup>3</sup> Some figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

<sup>4</sup> Sensors and Actuators as well as Materials and Trade were combined into Power Systems effective January 1, 2024.

## 1. General principles

The condensed consolidated interim financial statements of Rheinmetall AG as of June 30, 2024 were prepared in accordance with the IFRSs applicable to interim reporting as published by the IASB and as adopted in the EU. The accounting policies applied to the assets and liabilities in the interim financial statements are the same as those applied in the consolidated financial statements for fiscal 2023, with the exception of interpretations and standards to be applied for the first time from January 1, 2024. An overview of these changes can be found under Paragraph (2) *New and amended accounting pronouncements* in the notes to the 2023 Annual Report. The first-time application of new and amended accounting standards did not have any material effect on the consolidated interim financial statements. The results achieved in the first six months of fiscal 2024 do not necessarily allow conclusions to be drawn as to future development.

## 2. Estimates

The preparation of the interim financial statements requires assumptions and estimates affecting the application of accounting principles within the Group and the disclosure of assets and liabilities, income and expenses. The actual amounts may differ from these estimates.

A qualified estimate of pension obligations is given in this half-yearly financial report based on the development of actuarial parameters in the first half of 2024. In the first half of 2024, a discount rate of 3.60% (3.17% as of December 31, 2023) was used to measure pension provisions in Germany, a discount rate of 1.41% (1.50% as of December 31, 2023) in Switzerland and a discount rate of 5.30% (4.50% as of December 31, 2023) in the United Kingdom. This led to a reduction in German pension provisions of €39 million (of which discontinued operations: €0 million). The defined benefit obligation (DBO) in Switzerland increased by €11 million due to the lower discount rate. The income from plan assets in excess of interest income, which is recognised in other comprehensive income, amounted to €17 million for Switzerland. In total, the pension provisions in Switzerland were reduced by actuarial gains of €6 million. In the United Kingdom, the increased discount rate, the consideration of empirical adjustments and the recognition of income from plan assets led to a reduction in pension provisions of €4 million. All other parameters that are relevant for the measurement of pension provisions were unchanged compared to December 31, 2023.

At the Swiss companies, the fair value of the plan assets exceeded the present value of the DBO. As at June 30, 2024, the overfunding of the present value of the DBO resulted in a partial limitation of the asset value due to an asset ceiling. As a result, a net asset from plan assets of €95 million (December 31, 2023: €99 million) was recognised as at June 30, 2024. In the United Kingdom, the asset ceiling resulted in a total asset value limitation. The overfunding of €34 million was recognised in other comprehensive income (December 31, 2023: €29 million). As Rheinmetall is not entitled to reimbursements from the excess cover of the pension plans in

the United Kingdom and the future contributions to the plans may not be reduced as a result of the overfunding, the asset value must be limited.

## 3. Scope of consolidation

Besides Rheinmetall AG, the consolidated interim financial statements include all German and foreign subsidiaries in which Rheinmetall AG holds the majority of voting rights (whether directly or indirectly) or other rights that enable it to control significant activities of the investee.

In the first six months of 2024, three new companies were added to the group of consolidated subsidiaries through being founded, and six companies were disposed of by way of the sale of the small-bore Pistons business. The investment in LFT Holding GmbH was included for the first time as an associated company in the consolidated financial statements of Rheinmetall AG. There is also an addition to the joint operations due to a newly established company (ARGE TaWAN LBO RifuMgmt and GBF). In addition, the shares in the joint venture Kolbenschmidt Huayu Piston Co., Ltd. were sold as part of the disposal of the small-bore Piston business.

## 4. Discontinued operations

The earnings after taxes of the Pistons business unit, which has been classified as held for sale and recognized in the consolidated financial statements as a discontinued operation since May 2021, are still recognized in a separate item of the income statement for the first half of 2024 as “Earnings from discontinued operations.” This breaks down as follows:

### Key information on discontinued operations (income statement)

€ million	H1 2024	H1 2023
Revenues <sup>1</sup>	174	305
Expenses <sup>1</sup>	(242)	(303)
<b>Earnings from discontinued operations before taxes</b>	<b>(68)</b>	<b>3</b>
Income taxes	(5)	2
<b>Earnings from discontinued operations after taxes</b>	<b>(73)</b>	<b>5</b>
Of which:		
<i>Non-controlling interests</i>	-	-
<i>Rheinmetall AG shareholders</i>	(73)	5

<sup>1</sup> The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

The disposal of the Pistons division, which is classified as non-core business, in conjunction with the Group's repositioning, was - with the exception of potential effects that may arise from variable purchase price components agreed with the buyers - completed with the sale of the small pistons business in the first half of 2024. The disposal of the large and small-bore Pistons business and the shares in Riken Automobile Parts (Wuhan) Co., Ltd. resulted in a total deconsolidation loss of € 54 million as at June 30, 2024.

**Disposal of the small-bore pistons business** – On April 15, 2024, Rheinmetall completed the sale of the small-bore pistons business that was contractually agreed on December 18, 2023 with all production sites in Germany, Mexico, Brazil, the Czech Republic and Japan, as well as the investment in the joint venture Kolbenschmidt Huayu Piston Co., Ltd., China.

The sale resulted in a deconsolidation loss of €67 million in the reporting year, which was recognized in full under earnings from discontinued operations.

The sale involved the disposal of the following assets and liabilities:

**Assets and liabilities disposed (4/15/2024) / held for sale (12/31/2023) of small-bore pistons disposal group**

€ million	4/15/2024	12/31/2023
Property, plant and equipment and right-of-use assets	2	-
Investments accounted for using the equity method	-	-
Other non-current assets	4	-
<b>Non-current assets</b>	<b>6</b>	<b>-</b>
Inventories	73	-
Trade receivables	94	-
Other current assets	45	-
<b>Current assets</b>	<b>212</b>	<b>-</b>
Provisions	22	-
Other non-current liabilities	3	-
<b>Non-current liabilities</b>	<b>26</b>	<b>-</b>
Provisions	17	-
Trade liabilities	56	-
Other current liabilities	15	-
<b>Current liabilities</b>	<b>88</b>	<b>-</b>
Net assets and liabilities	104	-
Consideration received / to be received, satisfied in cash <sup>1</sup>	79	-
Cash and cash equivalents disposed of	29	-
<b>Net cash inflows</b>	<b>50</b>	<b>-</b>

<sup>1</sup> Rheinmetall will receive part of the consideration at a later date. In this context, as of June 30, 2024, receivables amounting to €79 million have been recorded.

## 5. Sales

The Group generates sales from the transfer of goods and services in the areas of security technology and mobility. In addition, sales in the real estate development sector are recognized in the other companies. The following table shows the timing of sales recognition broken down by segment.

### Disaggregation of sales by point in time and over time<sup>1</sup>

€ million	H1 2024			H1 2023		
	At a point in time	Over time	Total	At a point in time	Over time	Total
Vehicle Systems	738	561	1,300	470	542	1,012
Weapon and Ammunition	1,022	31	1,054	507	38	546
Electronic Solutions	279	368	647	245	259	504
Power Systems	1,056	-	1,056	1,026	-	1,026
Others / Consolidation	(179)	(61)	(240)	(175)	(53)	(227)
<b>Group (continuing operations)</b>	<b>2,916</b>	<b>899</b>	<b>3,815</b>	<b>2,074</b>	<b>787</b>	<b>2,861</b>

<sup>1</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023 / January 1, 2024.

## 6. 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 corrected for the impact on earnings resulting from these instruments, such as interest expense.

Diluted earnings per share are calculated as follows:

### Derivation of diluted earnings per share

	Continuing Operations	Discontinued Operations	H1 2024	Continuing Operations	Discontinued Operations	H1 2023
<b>Earnings after taxes in € million - Rheinmetall AG shareholders<sup>1</sup></b>	<b>183</b>	<b>(73)</b>	<b>110</b>	<b>110</b>	<b>5</b>	<b>115</b>
Adjustment for interest expense in respect of the convertible bond in € million	20	-	20	15	-	15
Effect of adjustment for interest expense in respect of the convertible bond on personnel expenses in € million	(1)	-	(1)	-	-	-
Tax effects on the adjustment for interest expense in respect of the convertible bond and on the effect on personnel expenses in €million	(6)	-	(6)	(4)	-	(4)
<b>Diluted earnings after taxes in € million - Rheinmetall AG shareholders<sup>1</sup></b>	<b>197</b>	<b>(73)</b>	<b>124</b>	<b>120</b>	<b>5</b>	<b>125</b>
<b>Weighted number of shares in millions - basic</b>		<b>43.43</b>			<b>43.40</b>	
Effect from the potential conversion of the convertible bond in millions <sup>2</sup>		3.22			2.56	
<b>Weighted number of shares in millions - diluted<sup>2</sup></b>		<b>46.65</b>			<b>45.96</b>	
<b>Basic earnings per share<sup>2</sup></b>	<b>€ 4.21</b>	<b>€ (1.68)</b>	<b>€ 2.53</b>	<b>€ 2.53</b>	<b>€ 0.11</b>	<b>€ 2.64</b>
<b>Diluted earnings per share<sup>2</sup></b>	<b>€ 4.21</b>	<b>€ (1.56)</b>	<b>€ 2.65</b>	<b>€ 2.62</b>	<b>€ 0.10</b>	<b>€ 2.72</b>
<b>Adjusted diluted earnings per share (due to antidilutive effect)<sup>2</sup></b>	<b>€ 4.21</b>	<b>€ (1.68)</b>	<b>€ 2.53</b>	<b>€ 2.53</b>	<b>€ 0.11</b>	<b>€ 2.64</b>

<sup>1</sup> The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

<sup>2</sup> Previous year's figures adjusted.

As diluted earnings per share from continuing operations exceeds basic earnings per share from continuing operations, there is an antidilutive effect in accordance with IAS 33.43. As a result, diluted earnings per share are adjusted to basic earnings per share.

## 7. Notes to the segment report

Effective October 1, 2023, the Vehicle Systems division was split into the Vehicle Systems Europe and Vehicle Systems International divisions. While the Vehicle Systems Europe division primarily focuses on the European market excluding the United Kingdom, the Vehicle Systems International division concentrates on the markets of Australia, the US, and the United Kingdom.

In addition, Sensors and Actuators as well as Materials and Trade were combined to form Power Systems effective January 1, 2024. Internal management has also been adjusted accordingly.

As a result of these changes made to the Group structure, Rheinmetall's organisational structure will comprise five divisions from January 1, 2024, which are managed directly by the Executive Board of Rheinmetall AG. For the purpose of presenting the consolidated financial statements, the two divisions Vehicle Systems Europe and Vehicle Systems International are combined in one segment. This combination is based on the expectation that the two divisions will achieve similar gross margins and show similar sales trends in the long term. In addition, the divisions are very similar in terms of other factors, such as their market position, the type of their products and production processes, production conditions, their customers, the sales methods used and their regulatory environment.

The four reportable segments of Vehicle Systems, Weapon and Ammunition, Electronic Solutions, and Power Systems differ in terms of their technologies, products and services.

Vehicle Systems offers a diverse portfolio of vehicles that includes combat, support, logistics and special vehicles. The Weapon and Ammunition portfolio comprises products and solutions for threat-appropriate, effective and accurate firepower as well as for comprehensive protection. The entire chain of effects in the system network, from sensors and the networking of platforms and soldiers, to the (partially) automated connection of effectors, is offered by Electronic Solutions. This is supplemented by solutions for protection in cyberspace. Electronic Solutions also offers extensive training and simulation solutions.

Power Systems is a system provider for high-quality and innovative (mobility) solutions, control technologies and digital applications for the automotive and energy industries, among others. In addition, the segment includes Rheinmetall's global aftermarket activities.

In addition to the Group holding company (Rheinmetall AG), "Other/consolidation" includes Group service companies and other non-operating companies, companies operating in the area of real estate development and consolidation measures. In addition, the Pistons business unit (non-core business) has been classified as a

discontinued operation since May 1, 2021 and is not part of a segment or segment reporting. The Pistons business unit combined the small- and large-bore pistons business.

In the Rheinmetall Group, the segments are managed on the basis of sales, operating result (EBIT before PPA effects as well as special items) and operating free cash flow (OFCF) of continuing operations. Operating free cash flow comprises the cash flow from operating activities and investments in property, plant and equipment, intangible assets and investment property.

The performance indicators for internal management and reporting are based on the accounting policies presented in the 2023 Annual Report in the notes to the consolidated financial statements under note (3) *Accounting policies*.

The reconciliation of segment EBIT to the Group's EBT is shown below:

### Reconciliations of segment results to group earnings before taxes (EBT)

€ million	H1 2024	H1 2023
EBIT of segments	377	253
Others <sup>1,2</sup>	(45)	(49)
Consolidation <sup>1</sup>	11	(5)
<b>Group EBIT (continuing operations)<sup>2</sup></b>	<b>342</b>	<b>198</b>
Group net interest (continuing operations)	(49)	(22)
<b>Group Earnings before taxes (EBT) (continuing operations)<sup>2</sup></b>	<b>293</b>	<b>176</b>

<sup>1</sup> The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

<sup>2</sup> The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

## 8. Disclosures on financial instruments

Financial assets and liabilities measured at fair value include derivatives held to hedge risks from changes in currency and commodity prices. The shares still held by the Rheinmetall Group in Shriram Pistons & Rings Ltd., India, as of December 31, 2023, totaling €28 million were sold on the Indian stock exchange in the first two months of fiscal 2024. The measurement of the shares at fair value led to an effect of €4 million recognized in other financial result until the sale.

The fair values are determined on the basis of input factors that can be observed directly or indirectly in the market and therefore correspond to level 2 of the fair value hierarchy in accordance with IFRS 13. The input factors used and measurement methods applied are described in the notes to the consolidated financial statements in the 2023 Annual Report under note (3) *Accounting policies*. The fair values from financial instruments included in the balance sheet consist of the following:

### Fair values

€ million	6/30/2024	12/31/2023
Derivatives without hedge accounting	9	12
Derivatives with hedge accounting	35	13
<b>Financial assets</b>	<b>43</b>	<b>25</b>
Derivatives without hedge accounting	(13)	(7)
Derivatives with hedge accounting	(12)	(18)
<b>Financial liabilities</b>	<b>(24)</b>	<b>(24)</b>

**Convertible bond** – On January 31, 2023, Rheinmetall AG issued a convertible bond with a total nominal amount of €1 billion in two tranches of €500 million each. The first tranche, due on February 7, 2028, has an annual coupon of 1.875%. The second tranche with an annual coupon of 2.250% will mature on February 7, 2030. The convertible bond can be converted into a maximum of 3.2 million no-par value shares of Rheinmetall AG during an extraordinary conversion period (March 20, 2023 through February 6, 2027 for Tranche A and March 20, 2023 through February 6, 2028 for Tranche B, respectively) subject to certain conditions and during an ordinary conversion period (beginning February 7, 2027 for Tranche A and February 7, 2028 for Tranche B) on the basis of the conversion price of €309.36, which has been in effect since May 2024. From the end of February 2026 (Tranche A) and the end of February 2028 (Tranche B), Rheinmetall may redeem the outstanding convertible bond in advance at the nominal amount plus interest accrued up to the redemption date if the price of

Rheinmetall AG's share amounts to 130% of the applicable conversion price on at least 20 trading days within a period of 30 consecutive trading days. With the exception of liabilities that have priority by law, the convertible bond is unsecured and is ranked equally with all other current and future unsecured and non-subordinated liabilities of Rheinmetall AG.

When the convertible bond was issued in February 2023, €113 million (before deferred taxes) was recognized in capital reserve. The liability component of the convertible bond is recognized at amortized cost using the effective interest method. As of June 30, 2024, the carrying amount of this liability was €906 million (December 31, 2023: €897 million). In the first half of 2024, interest expenses of €20 million (previous year: €15 million) were recognized in connection with the convertible bond.

## 9. Share-based remuneration

Since the 2022 fiscal year, the members of the Executive Board receive a special payment dependent on the share price performance of Rheinmetall AG as part of the Long-Term Incentive Program (LTI 2.0). To strengthen the share culture and align the interests of shareholders and Executive Board members, the LTI 2.0 was adjusted as part of the overhaul of the remuneration system. Starting with the 2024 tranche, half of the LTI payout amount will be settled in shares of Rheinmetall AG. The other half of the payout amount will continue to be paid in cash. Payment will continue to be made after the end of a four-year performance period, taking into account the defined performance targets. The members of the Executive Board were granted 10,785 performance share units (2023 tranche: 15,839 performance share units) for the 2024 tranche.

In addition, the Rheinmetall Group has a long-term incentive program for the managers of the Rheinmetall Group, under which the beneficiaries receive Rheinmetall shares with a four-year lock-up period in addition to a cash payment. On March 22, 2024, the beneficiaries of the incentive program received a total of 19,852 shares for fiscal 2023 at a reference price of €476.60 (previous year: transfer on March 23, 2023 of a total of 35,828 shares at a reference price of €254.80). At the beginning of fiscal 2024, the long-term incentive program applicable to the managers was aligned with the LTI 2.0 established for the Executive Board. For the 2024 tranche, 41,931 performance share units were granted to managers in the first half of 2024. In some cases, a proportionately reduced payment will be made for the performance share units granted.

Expenses totaling €13 million (previous year: €3 million) were recognized for the LTI 2.0 in the first half of 2024. As of June 30, 2024, a total liability of €20 million (December 31, 2023: €12 million) was recognized.



## 10. Related parties

For the Rheinmetall Group, related parties are the joint ventures and associated companies accounted for using the equity method. The volume of outstanding items primarily includes trade receivables, contract assets, trade payables and contract liabilities. The tables below show the scope of the related-party transactions.

### Products and services with related parties

€ million	Joint Ventures		Associated companies	
	H1 2024	H1 2023	H1 2024	H1 2023
Products / services provided <sup>1</sup>	188	131	3	4
Products / services received <sup>1</sup>	12	1	5	11

<sup>1</sup> The disclosures on associated companies include the delivery and service relationships with Shriram Pistons & Rings Ltd. for the first half of 2023.

### Receivables and liabilities against related parties

€ million	Joint Ventures		Associated companies	
	6/30/2024	12/31/2023	6/30/2024	12/31/2023
Receivables incl. contract assets <sup>1</sup>	303	255	69	67
Liabilities incl. contract liabilities <sup>1</sup>	57	64	4	5
Receivables from finance leases	12	12	-	-

<sup>1</sup> The disclosures on associated companies as of December 31, 2023 do not include the receivables, contract assets, liabilities and contract liabilities between Rheinmetall and Shriram Pistons & Rings Ltd. due to the change in status as of the end of fiscal 2023.



## Further information

Disclosure in accordance with Section 115 (5) sentence 6 of the German Securities Trading Act (WpHG)

Responsibility statement

### DISCLOSURE IN ACCORDANCE WITH SECTION 115 (5) SENTENCE 6 OF THE GERMAN SECURITIES TRADING ACT (WPHG)

The condensed consolidated interim financial statements as at June 30, 2023 – consisting of the consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of cash flows, consolidated statement of changes in equity and selected notes – and the Group interim management report for the period from January 1 to June 30, 2023, were not audited in accordance with Section 317 of the German Commercial Code (HGB) or subjected to a review by a person qualified to audit financial statements.

### RESPONSIBILITY STATEMENT

We confirm that, to the best of our knowledge and in accordance with applicable accounting principles for half-yearly financial reporting, the consolidated interim financial statements of Rheinmetall AG present a true and fair view of the Rheinmetall Group's assets, financial situation and earnings, and that the Group interim management report describes fairly, in all material respects, the Group's business trends and performance, the Group's position, and the significant risks and opportunities of the Group's expected future development in the remaining months of the fiscal year.

Düsseldorf, August 8, 2024

Armin Papperger

Dagmar Steinert

Peter Sebastian Krause



## Further information

Financial calendar and legal information

## FINANCIAL CALENDAR AND LEGAL INFORMATION

This half-yearly financial report was published on August 8, 2024.

### Dates

#### November 7, 2024

Statement on the 3rd quarter 2024

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This financial report contains statements and forecasts referring to the future business performance of the Rheinmetall Group, which are based on assumptions and estimates made by the management. If the underlying assumptions do not materialize, the actual figures may differ from such estimates. Uncertain factors include changes in the political, economic and business environment, exchange and interest rate fluctuations, the introduction of rival products, poor acceptance of new products and changes in business strategy. All figures in this financial report have been rounded on a standalone basis. This can result in minor differences when adding figures together.

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

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You can request the half-yearly report from the company or download it at [www.rheinmetall.com](http://www.rheinmetall.com). In case of doubt, the German version takes precedence.

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