
HENSOLDT AG exceeds expectations and reports order backlog at record level

- Order backlog at record level of EUR 3,424 million (+ 55%)
- Revenue increased by 8.3% to EUR 1,207 million
- Adjusted EBITDA margin at 18.2%.
- Net leverage reduced to 2.6x due to strong cash flow and successful IPO
- Investments in core business and key technologies expanded
- Management Board proposes dividend of EUR 0.13 per share

Taufkirchen, 24 February 2021 – HENSOLDT AG ("HENSOLDT") has reached and partially exceeded its 2020 financial guidance for all relevant figures. Its revenue increased by 8.3% to EUR 1,207 million (previous year: EUR 1,114 million) due to consistent revenue transformation from existing contracts. Adjusted EBITDA improved by 1.7% to EUR 219 million (previous year: EUR 215.6 million) despite ramp up effects of major projects. The order backlog is at a record level of EUR 3,424 million (previous year: EUR 2,202 million) driven by a number of new major projects. The strong business year underlines HENSOLDT's market-leading position as a strategic partner for defence and security solutions for customers worldwide.

Thomas Müller, CEO of HENSOLDT AG, says: "We are very proud of HENSOLDT's successful development in this extraordinary year 2020, which was marked by the Corona pandemic. We have shown a strong operational performance and reached and partially outperformed our expectations in all relevant figures. This provides us with the financial leeway to continue to invest in our core business as well as in important future and key technologies. In short: In 2020 we laid the foundation for future growth to expand our leading market position for defence and security solutions."

Axel Salzmann, CFO of HENSOLDT AG, says: "Due to our successful IPO and our strong business development in 2020, we were able to almost halve our net debt. We have thus exceeded the promise made to our shareholders and the capital market, also with regard to our leverage. This allows us not only to continue to invest in our profitable growth, but also to propose a dividend of EUR 0.13 per share."

Expansion of global footprint and investments in new technologies

In 2020, HENSOLDT successfully continued its growth trajectory. With the closing of the acquisition of the Air Traffic Management and Defence & Security business units of Tellumat (PTY) Ltd, HENSOLDT strengthens its presence in Africa. This step also broadens HENSOLDT's technology portfolio, particularly in the area of radar development.

With the acquisition of SAIL LABS, a leading provider of AI-based Open-Source-Intelligence (OSINT) solutions, HENSOLDT expands its portfolio to virtual sensors, taking an important step towards becoming one of the leading data analytics houses in the German security and defence sector.

To meet the growth of its business, HENSOLDT creates in total more than 500 new jobs in development and production worldwide and invests approximately EUR 30 million in the expansion of its German site in Ulm.

In addition, HENSOLDT has consistently improved its operational processes as part of the *HENSOLDT GO!* transformation programme. The programme particularly focuses on continuous improvement and supply chain management.

Successful IPO and Federal Republic of Germany as future anchor shareholder

Only few weeks after the successful IPO, HENSOLDT entered the German SDAX index in December 2020. This – together with the announcement by the German federal government to acquire a 25.1% stake in HENSOLDT from KKR – underlines the great confidence in HENSOLDT's competencies and its key role within the German security and defence sector.

Stable revenue and earnings growth

In 2020, HENSOLDT's revenue increased by 8.3% to EUR [1,207] million (previous year: EUR 1,114 million). Adjusted EBITDA improved by 1.7% to EUR [219] million (previous year: EUR 216 million). This development was mainly driven by new major contracts as well as an efficient project management. The acquisition of the French defence electronics company Nexeya, which took place in 2019, is now fully consolidated and also contributes to the result.

Order backlog at record level

HENSOLDT's order backlog increased by 55.5% to EUR [3,424] million in the reporting year 2020 (previous year: EUR 2,202 million). This corresponds to about twice HENSOLDT AG's annual revenue. The positive development was largely driven by a number of new major orders, including an order worth EUR 1.5 billion for the development and production of Europe's technologically leading new Active Electronically Scanned Array radar for the German and Spanish Eurofighter combat aircrafts.

The high order backlog is proof of HENSOLDT's strategy to market investments in key and future technologies quickly and successfully. Thanks to its technologically leading and platform-independent solutions, HENSOLDT is confident to win orders from a pipeline of

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potential national and international projects worth around EUR 10 billion between 2021 and 2023.

Cash flow significantly increased and net debt further reduced

Adjusted free cash flow before interest and taxes improved significantly to EUR 196 million (previous year EUR 75 million). This development was largely driven by an efficient working capital management. Due to the successful IPO and the positive cash flow development, HENSOLDT further reduced its net leverage ratio to 2.6x (previous year: 4.6x) and outperformed the initial guidance of approx. 3.0x.

Dividend proposal

Based on the strong business development in 2020, HENSOLDT's Management Board intends to propose the Supervisory Board and the Annual General Meeting a dividend payout of 20% of the adjusted net income for the year 2020. This corresponds to a dividend proposal of EUR 0.13 per share.

Key Financials

<i>EUR Million</i>	FY 2020	FY 2019	Δ Prior Year
Revenue	1,207	1,114	+ 8.3%
Adjusted EBITDA	219	216	+ 1.7%
Order Intake	2,541	1,040	+ 144%
Order Backlog	3,424	2,202	+ 55.5%
Adjusted Free-Cash-Flow (before Tax and Interest)	196	75	+ 162.6%
Net Leverage (excl. Pensions)	571	918	- 37.8%

Outlook for 2021

For the financial year 2021, HENSOLDT expects continued positive business momentum and expects a currency- and portfolio-adjusted consolidated revenue of between EUR 1,400 and 1,600 million and an adjusted EBITDA margin of 18% excluding pass-through revenues. In addition, the company plans to further reduce its debt level and to lower its net leverage to below 2.25x by the end of 2021.

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All figures are preliminary and unaudited. The audited and certified annual report for 2020 will be available on HENSOLDT's Investor Relations website on 22 March 2021. The results for the first quarter of 2021 will be published on 7 May 2021. The Annual General Meeting for the financial year will be held as a virtual annual general meeting on 18 May 2021. Explanations of the alternative performance indicators used can be found on our website.

About HENSOLDT

HENSOLDT is a German champion in the defence industry with a leading market position in Europe and global reach. The company, headquartered in Taufkirchen near Munich, develops sensor solutions for defence and security applications. As a technology leader, HENSOLDT is also continuously expanding its portfolio in cyber and developing new products to combat a wide range of threats based on innovative approaches to data management, robotics and cybersecurity. With more than 5,600 employees, HENSOLDT generated revenues of EUR 1.2 billion in 2020. HENSOLDT is listed on SDAX index of the Frankfurt Stock Exchange.

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