
HENSOLDT AG exceeds expectations for the financial year 2021 and focuses on sustainability

- Order backlog rises to EUR 5,092 million (+ EUR 1,668 million compared to previous year)
- Revenue climbs by 22% to EUR 1,474 million
- Adjusted EBITDA margin before pass-through business improves to 19.4%
- Net leverage reduced to 1.6x (-1.0x year-over-year) due to strong cash flow
- Management Board proposes dividend of EUR 0.25 per share

Taufkirchen, 23 February 2022 – HENSOLDT AG met or exceeded its guidance for all relevant key figures in the financial year 2021 and further expanded its position as one of the leading companies in the European defence electronics market. Order intake increased by 25% year-over-year to EUR 3,171 million (previous year: EUR 2,541 million), resulting in an order backlog of EUR 5,092 million – an increase of 49% compared to the previous year's figure (EUR 3,424 million). Revenue climbed by 22% to EUR 1,474 million (previous year: EUR 1,207 million). Adjusted EBITDA improved by 19% to EUR 261 million (previous year: EUR 219 million).

Thomas Müller, CEO of HENSOLDT AG, says: "2021 was another very successful financial year for HENSOLDT. With an increase in order backlog of 49%, revenue growth of 22% and an adjusted EBITDA margin of 19.4% before pass-through business, we have expanded our growth momentum in all key KPIs. At the same time, we have strategically developed our company and are leading HENSOLDT into the future as a provider of integrated sensor solutions from a single source. In doing so, we are not only focusing on our core business in the field of defence electronics and sensor technology, but also on promising future fields such as data analytics, artificial intelligence, and cyber security. With this portfolio of innovative key technologies, we want to grow in the coming years in Germany and Europe, but also increasingly outside Europe. We have laid a very good foundation for this in recent years."

Axel Salzmann, CFO of HENSOLDT AG, says: "We have once again kept our promise to our shareholders and the capital market and met or exceeded all financial targets. We are particularly proud of the fact that we have been able to reduce our net leverage from 3.1x to 1.6x since the IPO, thus almost halving it. This is due in particular to our excellent operational development and our focus on continuously improving HENSOLDT's financial strength. Our profitable growth allows our shareholders to participate in the success of HENSOLDT AG once again. At EUR 0.25 per share, the proposed dividend is about twice as high as in the previous year. This is a clear sign of our successful business management."

Growth along four defined vectors

HENSOLDT will continue to expand its business along four strategic vectors: In response to the increasingly complex challenges of its customers, HENSOLDT is increasingly evolving

into a Sensor Solutions House, offering holistically integrated solutions, and driving tomorrow's digital technologies.

In addition, HENSOLDT wants to further expand its business globally in order to be able to serve customers worldwide even better. A clear focus is on Europe and the Asia-Pacific region. In addition, the company will continue to develop solutions for security areas that are technologically adjacent to the defence sector. The overriding goal remains to strengthen HENSOLDT's position as a technology leader and to lay the foundation for profitable growth by expanding its technological core competencies and making targeted investments in key and future technologies.

Sustainability in focus

As one of the leading companies in the security and defence industry, HENSOLDT aims to set industry-wide standards in sustainability and push efforts to improve CO2 emissions and develop sustainable energy concepts. According to an ESG rating by Sustainalytics, HENSOLDT is already a leader within the industry. In the future, the company will focus even more on sustainability and has rolled out a group wide ESG strategy for this purpose.

"Sustainability is a central element of our strategic focus, because without technologies that provide safety and security, a sustainable world cannot exist. We take our corporate responsibility very seriously and are determined to set standards for our industry – naturally also with a view to our own share of emissions and resource consumption. We are committed to this common mission and contribute a little bit every day to achieving the global sustainability targets," says Thomas Müller.

HENSOLDT is currently developing dedicated targets based on the 1.5-degree approach of the Science Based Target Initiative in order to measure scope 1, 2 and 3 emissions in a more targeted way in the future and to be carbon neutral by 2035. In this context, HENSOLDT has also expanded the development of hydrogen technologies.

In addition, the ESG strategy also focuses on promoting diversity within the company. An important step in this context was the introduction of a group-wide Diversity & Inclusion programme. Specifically, the aim is to increase the proportion of women in global management positions to 25% and in the Executive Committee to 35% by 2024.

Strong order intake thanks to leading technologies in the field of interconnected and future-proof platforms

In a highly competitive market environment, HENSOLDT consistently pursued its path to becoming a solution and system provider in 2021. With the development of new technologies, especially in the area of future-proof platforms and data analysis, HENSOLDT was able to win important national and international contracts. These included the development and production of reconnaissance technology for the PEGASUS programme,

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radar, and self-protection systems for the Quadriga programme, the delivery of long-range radars for the F-124 frigates and optronic mast systems for U212 submarines.

Order intake increased by 25% year-over-year to EUR 3,171 million (previous year: EUR 2,541 million) and, with growth of 49% compared to the previous year's figure, leads to an order backlog of EUR 5,092 million (previous year: EUR 3,424 million). This corresponds to around three times the guided revenue for 2022.

Revenue and earnings growth in the double-digit range

The strong order intake is also visible in the development of revenue and operating result. In the financial year 2021, revenue increased by 22% to EUR 1,474 million (previous year: EUR 1,207 million). Consistently with the revenue growth, an increase in adjusted EBITDA was also achieved the costs incurred for the ramp-up of major projects. With a plus of 19%, adjusted EBITDA improved to EUR 261 million (previous year: EUR 219 million). The adjusted EBITDA margin before pass-through business volume thereby amounted to 19.4% and improved by almost one percentage point compared to the previous year's value of 18.6%. This effect was driven, among other things, by a favourable product mix.

Strong cash flow development drives further deleveraging

HENSOLDT can look back on a continued strong operational development. The adjusted free cash flow before interest and taxes of EUR 252 million in 2021 was significantly above the previous year's figure (EUR 196 million) and thus well above expectations – despite investments in working capital. The positive development enabled a further deleveraging, with a net leverage ratio at around 1.6x at the end of the financial year 2021. Net debt was reduced by around EUR 146 million in the course of the year.

Proposed dividend doubled

Due to the strong operational business development in the financial year 2021, the HENSOLDT Management Board intends to propose a dividend distribution of EUR 0.25 per share to the Supervisory Board and the Annual General Meeting.

Outlook 2022

For the financial year 2022, HENSOLDT expects continued positive business momentum with consolidated revenues of around EUR 1.7 billion and adjusted EBITDA of EUR 285 million to EUR 300 million. In addition, HENSOLDT plans to reduce the net leverage ratio to below 1.4x. In the medium term, the company targets an adjusted EBITDA margin of around 19% before pass-through business volume.

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Key Financials

EUR Million	FY 2021	FY 2020	Δ Prior Year
Revenue	1,474	1,207	+ 22%
Adjusted EBITDA	261	219	+ 19%
Adjusted EBITDA Margin (before pass-through business volume)	19.4%	18.6%	+0.8 %-Points
Order Intake	3,171	2,541	+ 25%
Order Backlog	5,092	3,424	+ 49%
Adjusted Free Cash Flow (before Tax and Interest)	252	196	+ 28%
Net Debt (excl. Pensions)	425	571	- 26%

The preliminary results for the financial year 2021 are available on the Investor Relations website of HENSOLDT AG. The audited annual financial statements and annual report will be published on 17 March 2022. The results for the first quarter of 2022 are expected to be published on 5 May 2022.

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 6,300 employees, HENSOLDT generated revenues of EUR 1.5 billion in 2021. HENSOLDT is listed on the Frankfurt Stock Exchange under WKN HAG000 / ISIN DE000HAG0005.

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