

HENSOLDT AG significantly increases revenue and earnings in the first half of 2022 and raises guidance for book-to-bill ratio

- Strong 40.3 percent **revenue** growth in first half of 2022 to EUR 682 million
- Adjusted **EBITDA** improved by 37.7 percent to EUR 61 million
- Adjusted **EBITDA margin** of 8.9 percent at similar level to prior-year period
- **Strong order intake** of EUR 948 million in the first half year
- **Book-to-bill ratio** revised upwards for 2022 financial year

Taufkirchen/Germany, 4 August 2022 – HENSOLDT AG (“HENSOLDT”) accelerated its growth trajectory in the first half of 2022 and took important steps to extend its strategic position in the European security and defence industry. The technology company secured further significant orders and delivered ongoing projects with strong profitability.

HENSOLDT’s revenue climbed by 40.3 percent year on year to EUR 682 million (H1 2021: EUR 486 million). Adjusted EBITDA reached EUR 61 million mid-year, an equally substantial increase of 37.7 percent (H1 2021: EUR 44 million). At 8.9 percent, the adjusted EBITDA margin was at previous year’s level (H1 2021: 9.1 percent), despite a larger share of pass-through revenues. The adjusted pre-tax unlevered free cash flow of EUR -157 million (H1 2021: EUR -57 million) reflects the KPI’s seasonality as well as specifically the systematic implementation of major projects and the associated increase in working capital.

Following the positive business performance in the first half year, HENSOLDT has confirmed its full-year guidance for revenue, adjusted EBITDA, net financial leverage and dividend. Due to enhanced sales pipeline visibility, the company has raised its guidance for the book-to-bill ratio (order intake to revenues) to between 1.1 and 1.2.

Thomas Müller, CEO of HENSOLDT AG, said: “The first half year underscores that HENSOLDT is approaching the massive effort faced by our industry from a position of strength. With parliamentary approval of special funding for the German Armed Forces and of the increased defence budget for 2023, the foundation has been laid to transform the Bundeswehr into a modern, future-proof army. Corresponding tenders are currently being initiated. As a high-tech provider of sensor solutions, we are able to contribute decisively across all segments as well as all security and defence applications. In light of this, we have revised our guidance for the book-to-bill ratio upwards already for the current financial year. I also believe that there can only be one answer to meeting the new challenges in terms of security policy, and that is an intensification of European cooperation. We cannot revert to individual countries going it alone. In this spirit, we are intensifying cooperation with Leonardo in the joint development and production of radars and self-protection systems for the Eurofighter, combat systems for next-generation frigates, networked sensor solutions for land systems and next-generation air defence systems, including for defence from

hypersonic missiles. We also see this alliance as the potential nucleus of a broader European collaboration.”

Christian Ladurner, CFO of HENSOLDT AG since 1 July 2022: “We have further stepped up our revenue and earnings growth momentum over the last few months, demonstrating how we consistently translate our record order backlog into earnings. HENSOLDT combines innovativeness with an attractive business model. This has always been one of our company’s major attributes and will remain our focus in the future. We will continue to be very disciplined on the cost side so that our strong profitability allows us to finance our innovation drive and to make targeted investments in further growth. Our business performance will enable us to extend HENSOLDT’s position as a leading solutions provider for optronics and sensors across the electromagnetic spectrum and to further strengthen complementary growth areas with data analytics, sensor fusion and artificial intelligence. Current global developments additionally highlight HENSOLDT’s societal benefit and relevance. This is also reflected in our free float, where the proportion of investors with a clear ESG focus has risen from around 6 percent at the end of 2021 to over 20 percent now.”

Christian Ladurner and Dr Lars Immisch appointed to the Management Board of HENSOLDT AG

Alongside Christian Ladurner, the Supervisory Board of HENSOLDT AG appointed Dr Lars Immisch as a new member of the Management Board on 16 March 2022. Dr Immisch will assume responsibility as CHRO as of 1 October. The new line-up of the HENSOLDT Management Board was announced in the course of long-term succession planning.

Continued positive order trend

With its high-performance solutions, HENSOLDT once again held its place as technology partner for major defence projects in the first half of 2022 and recorded significant incoming orders. For example, the German Navy’s F126 (formerly MKS180) multipurpose frigates are to be equipped with four HENSOLDT TRS-4D radars. The order is worth EUR 186 million, with the first F126 frigate expected to be delivered in 2028. A long-term service contract for the Eurofighter worth EUR 270 million was also secured in the reporting period. Total order intake in the first half year amounted to EUR 948 million, compared with EUR 2.112 billion in the prior-year period, which had been bolstered back then by the milestone order for delivery of the PEGASUS signal-capturing and airborne reconnaissance system worth around EUR 1.25 billion. The total order backlog increased to EUR 5.364 billion at the end of the first half of this year (H1 2021: EUR 5.024 billion).

Intensified cooperation

Against the backdrop of the new security situation in Germany, HENSOLDT and Diehl Defence agreed in April to intensify their existing cooperation in the field of ground-based air

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defence. Based on proven systems currently in production and available for short-term delivery, the two companies aim to provide leading-edge products to defend against new and emerging airborne and missile threats. The jointly developed systems guarantee unrestricted access to national key technologies and offer the highest degree of admissibility, certifiability and security of supply for operation in Germany.

Upward revision of guidance for 2022

Due to enhanced sales pipeline visibility, the company has raised its guidance for the book-to-bill ratio (order intake to revenues) to between 1.1 and 1.2. The guidance for the other key performance indicators remains unchanged: revenue is anticipated to grow by 15 percent to EUR 1.7 billion and adjusted EBITDA to be between EUR 285 million and EUR 300 million. Net financial leverage is to be decreased further as planned to 1.4x. HENSOLDT expects to pay a dividend of 20 percent of adjusted net income.

Key figures

EUR million	H1 2021	H1 2022
Revenue	486	682
Adjusted EBITDA	44	61
Adjusted EBITDA margin	9.1%	8.9%
Order intake	2,112	948
Order backlog	5,024	5,364
Adjusted pre-tax unlevered cash flow	-57	-157

The semi-annual financial report for the 2022 financial year is available on the HENSOLDT AG Investor Relations website. The results for the first nine months of 2022 are expected to be released on 10 November 2022.

About HENSOLDT

HENSOLDT is a leading company in the European defence industry with global reach. Based in Taufkirchen near Munich, the company develops complete sensor solutions for defence and security applications. As a technology leader, HENSOLDT drives the development of defence electronics and optronics and is continuously expanding its portfolio based on innovative approaches to data management, robotics and cyber security. With more than 6,400 employees, HENSOLDT achieved a turnover of 1.5 billion euros in 2021. HENSOLDT is listed on the Frankfurt Stock Exchange. <http://www.hensoldt.net>

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