
HENSOLDT achieves strong growth in 2023 financial year with high order intake and increased profitability

- Revenue grows to EUR 1,847 million, particularly due to significant increase in core business (previous year: EUR 1,707 million)
- Order intake remains at a very high level at EUR 2,087 million (previous year: EUR 1.993 million)
- Adjusted EBITDA increases to EUR 329 million (previous year: EUR 292 million)
- Adjusted EBITDA margin excluding pass-through business in line with expectations at 19.9% (guidance: >19%)
- Adjusted pre-tax unlevered free cash flow of EUR 259 million exceeds previous year's high level by EUR 40 million (previous year: EUR 219 million)
- Complementary expansion of integrated sensor solutions portfolio expected through the planned acquisition of ESG Elektronik- und Logistik-GmbH ("ESG GmbH")
- Management Board proposes dividend of EUR 0.40 per share (previous year: EUR 0.30)

Taufkirchen, 23 February 2024 – The HENSOLDT Group ("HENSOLDT") continued its profitable growth trajectory in the 2023 financial year and thus met its recently raised forecast. The company increased its revenues to EUR 1,847 million (previous year: EUR 1,707 million). A key driver here was a significant 16% increase in core business volume. The company is thus consolidating its position as one of the leading companies in the European defence electronics market. With order intake at EUR 2,087 million, the high order intake of the previous year was even exceeded (previous year: EUR 1,993 million). Driven by the positive business development, adjusted EBITDA increased by 12.8% to EUR 329 million (previous year: EUR 292 million). The adjusted EBITDA margin excluding pass-through business was in line with expectations at 19.9% (guidance for the 2023 financial year: >19%). At EUR 259 million, adjusted pre-tax unlevered free cash flow was again at a very high level and exceeded the successful previous year by EUR 40 million (previous year: EUR 219 million).

Investments in defence and security as a result of the ongoing geopolitical tensions worldwide were reflected in increased demand at HENSOLDT, particularly for situational awareness and self-protection systems. In addition to the major projects PEGASUS and the Eurofighter radars, the main revenue drivers in the 2023 financial year were the TRML-4D radars, the Praetorian self-protection system and the C3 service contract for the Eurofighter.

Thomas Müller, CEO of the HENSOLDT Group, says: "In times of geopolitical tensions and uncertainty, governments and international alliances like NATO need a reliable partner for innovative defence and security technologies. HENSOLDT has proven to be precisely that partner, as once again demonstrated in the 2023 financial year. Despite facing economic and political challenges, we managed to significantly increase core business revenues and to exceed the previous year's outstanding order intake. The demand for integrated defence and

security solutions from HENSOLDT remains high worldwide and is expected to increase further due to ongoing global conflicts and crises. In view of the global situation and the company's strong economic foundation, HENSOLDT is poised to continue expanding its position as a specialised provider of military and civilian sensor solutions under the new leadership of Oliver Dörre, who will assume the role of CEO in April."

Christian Ladurner, CFO of the HENSOLDT Group, says: "A strong order intake and increased profitability round off a successful 2023 financial year for HENSOLDT. Not only the high business volume, but also the consistent implementation of measures to increase efficiency were important drivers of this success and contributed to us achieving our ambitious targets. We made important progress in the reporting year by further revamping our operational project management and continuing our profitable growth. We have also taken an important step in the consolidation of the European defence industry with the acquisition of ESG. With this expansion of our integrated sensor solutions portfolio, we will be able to offer our customers even greater security in the future."

Significant increase in core revenue in a dynamic market environment

Despite the dynamic economic and political market environment in the 2023 financial year, the company's revenue climbed to EUR 1,847 million (previous year: EUR 1,707 million). Significant growth was recorded in the core business, while pass-through revenues were well below the previous year's figure. In addition to the two major projects PEGASUS and the Eurofighter radars, the main revenue drivers in the 2023 financial year were the TRML-4D radars, the Praetorian self-protection system and the C3 service contract for the Eurofighter. The significant increase in adjusted EBITDA to EUR 329 million) was mainly due to higher core revenues and efficient cost management (previous year: EUR 292 million).

Outstanding order intake in core business

At EUR 2,087 million, incoming orders in the 2023 financial year were once again up on the previous year's strong figure (previous year: EUR 1,993 million). In the Sensors segment, order intake was characterised by orders for TRML-4D radars to support Ukraine as well as orders as part of the "European Sky Shield Initiative" for the Bundeswehr and the Estonian armed forces. Orders were also won as part of the contract extension for Eurofighter Mk1 radars. In addition, an order for the "Multifunction Self Protection System" (MUSS) for the Bundeswehr's PUMA infantry fighting vehicle and an order for the national research study as part of the "Future Combat Air System" (FCAS) programme were booked. In the Optronics segment, order intake increased significantly compared to the same period of the previous year. The 2023 financial year was here characterised by incoming orders for the PUMA and Leopard 2 platforms as well as an order for the Norwegian Ula-class submarines. Orders were also won in connection with "Final Focus Metrology" (FFM). The book-to-bill ratio was expectedly lower compared to the previous year's figure due to its excellent order intake but remained at a high level of 1.1x (previous year: 1,2x).

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Between October 2023 and January 2024 alone, HENSOLDT recorded an order intake of around EUR 1.1 billion, to which all business units contributed. Major orders such as the German air defence system for close- and short-range protection (LVS NNbS) booked in January 2024 with an order value of almost EUR 300 million played a major role here.

Strong profitability and free cash flow above expectations

The EBITDA margin excluding pass-through business at 19.9% was in line with expectations (guidance for the 2023 financial year: >19%). At EUR 259 million, adjusted pre-tax unlevered free cash flow was again at a very high level and exceeded the successful previous year by EUR 40 million (previous year: EUR 219 million). Special effects in 2023 were mainly due to OneSAPnow-related expenses associated with the business transformation for SAP S/4HANA and payments as part of the strategic transformation program HENSOLDT GO!

Complementary expansion of integrated sensor solutions portfolio through the acquisition of ESG GmbH

With the agreement to acquire the platform- and manufacturer-independent system integrator ESG GmbH, HENSOLDT strengthens its position as a provider of comprehensive solutions and at the same time takes an important step in the consolidation of the European defence industry. The integration of ESG GmbH's software development and system integration capabilities will enable HENSOLDT sensor systems to be even better integrated across different areas. The merger will also result in significant cost and revenue synergies as well as a much higher innovation capacity for battlefield digitalisation and multi-domain operations. HENSOLDT is thus optimally positioned to contribute to and be part of future defence programs. The transaction is still expected to close at the end of the first quarter 2024.

Dividend proposal and outlook for the 2024 financial year

In view of the successful business performance, the Management Board of HENSOLDT intends to propose a dividend distribution of EUR 0.40 per share to the Supervisory Board and the Annual General Meeting. This corresponds to an increase of EUR 0.10 compared to the previous year.

HENSOLDT expects business to continue to develop positively in the 2024 financial year. Specifically, the company expects revenues of ca. EUR 2 billion with a significantly faster growth in order intake. The adjusted EBITDA margin before pass-through revenue is expected around 19%-20%.

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Key financials

million EUR	FY 2023	FY 2022	Δ Previous Year
Revenue	1,847	1,707	+16% core revenue
Adj. EBITDA	329	292	
Adj. EBITDA Margin (before pass-through revenue)	19.9%	20.4%	
Order intake	2,087	1,993	
Order backlog	5,530	5,366	
Book-to-bill ratio	1,1x	1,2x	
Adj. Pre-tax unlevered free cash flow	259	219	
Net debt without capital increase (excluding pensions)	301	336	

The preliminary results for the 2023 financial year are available on the HENSOLDT AG Investor Relations website. The audited consolidated financial statements will be published on 22 March 2024. The results for the first quarter 2024 are expected to be published on 7 May 2024.

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 approximately 7,000 employees, HENSOLDT achieved a turnover of 1.85 billion euros in 2023. HENSOLDT is listed in the MDAX on the Frankfurt Stock Exchange.

www.hensoldt.net

Press contact HENSOLDT

Joachim Schranzhofer

T: +49 (0)89.51518.1823

M: joachim.schranzhofer@hensoldt.net

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