

November 6, 2025

## Q3 financial report:

### Rheinmetall shows steady growth and expands defence business by almost a third

#### *Rheinmetall Backlog soars to €64 billion*

- Consolidated sales rise 20% in the first nine months to €7.5 billion, with 28% sales growth in defence business
- Group operating result climbs from €705 million to €835 million, an increase of 18% – operating result margin at 11.1% at Group level
- Defence business: Operating result rises by 14% to €825 million, operating result margin reaches 13.6%
- Rheinmetall Nomination below previous year's level at €18 billion – continued delay in order placement in Q3 2025 following new elections in Germany
- Rising order backlog: Rheinmetall Backlog reaches €64 billion
- Operating free cash flow at €-813 million – influenced by high investments, increase in inventories and delayed order placement by the German customer
- Forecast for 2025 confirmed

After the first nine months of 2025, Düsseldorf-based Rheinmetall AG has once again posted record figures for both sales and income. In view of the security policy situation and significantly increasing defence budgets in numerous countries, demand in the defence business remains unchanged high. Core markets are still Europe, Germany, and Ukraine.

The technology group's order books remain at record levels, although the political situation following the new elections in spring 2025 and the resulting delay in the adoption of the German federal budget mean that orders in Germany are only now, in the second half of the year, starting to come in, significantly delayed. In the civilian sector the market remains weak, meaning that the Group is once again lagging behind the previous year's performance in this area.

Due to the current market situation, the continuing very good order situation and the expected business development in the last quarter of 2025, the Group management confirms at least the current annual forecast for expected sales growth and operating result margin within the Group.

Armin Papperger, CEO of Rheinmetall AG, on the company's development: "We have developed strongly and, with solid growth, are well on track to achieve our ambitious annual targets. The foundations have now been laid for a strong fourth quarter, especially as the German Armed Forces' planned major programmes are now secured in the federal government's financial planning and will be commissioned in the coming months. We are very well prepared for the future thanks to the build-up of working capital, the securing of supply chains and huge increases in capacity."

## ► Key facts

- Group sales €7.5 billion – an increase of 20% compared to the previous year
- Rheinmetall Nomination at €18 billion
- Consolidated operating result rises by 18% to €835 million
- Operating result in military business reaches €825 million
- Operating result margin at 11.1%
- Forecast for 2025 confirmed

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Armin Papperger: "Expanding capacity through investments in many European countries, partnerships and new plants remains a high priority for us. We are currently either building 13 new plants in Europe or significantly expanding existing ones. Two days ago, we broke ground on a new plant in Lithuania, with Latvia to follow. At the beginning of last week, we agreed with the Bulgarian government to build two large plants for ammunition and powder. "

"Thanks to the projects we have in the pipeline, we will be a relevant player in all key fields in the future – on land, at sea, in the air and even in space. We are becoming a global defence champion, not least thanks to the planned acquisition of NVL, Lürssen's naval division. We will make significant contributions to the armed forces in all defence domains in order to advance the turning point in security policy. Nothing less than our democracy and the independence of Europe are at stake. It all comes down to our performance now; we are committed to delivering," said Armin Papperger.

### **Rheinmetall Group: Sales growth of 20% – Consolidated operating result rises by 18%**

Consolidated sales climbed by €1.246 billion or 20% year-on-year to €7.515 billion in the first three quarters of the 2025 fiscal year (previous year: €6.268 billion). Business with the German Armed Forces is becoming increasingly important: The share of sales generated in Germany rose by 3.5 percentage points to 34% after nine months in 2025 compared with the same period of the previous year, while the share of sales generated abroad amounted to 66%.

The operating result after the first nine months of the 2025 fiscal year was €835 million, up €130 million or 18% from the previous year's figure of €705 million. The lion's share of this was contributed by the defence-oriented business of the Group: The operating result from business with the armed forces amounted to €825 million after nine months, representing an increase of 14% over the previous year's figure (€723 million).

Mainly due to expenses for the start of production of the F-35 centre fuselage sections at the Weeze/Lower Rhine location, the operating result margin at Group level slowed slightly to 11.1% compared with the same period of the previous year (previous year: 11.3%).

Earnings per share from continuing operations improved in the first nine months of the 2025 fiscal year compared with the same period of the previous year, from €7.32 to €8.34.

Operating free cash flow declined significantly by €911 million to €-813 million compared with the same period last year, when it stood at €99 million. The development is mainly due to the increase in cash-relevant investments, particularly for the construction of new plants, inventory build-up and delayed order placements by the German customer.

The value of Rheinmetall Nomination scaled back by 18% compared to the same period last year to €18 billion (previous year: €21 billion). This decline is primarily attributable to postponed order placements from Germany as a result of the new elections and the delayed adoption of the federal budget following the change of government. Rheinmetall Nomination comprises classic incoming orders as well as the volume from future call-offs under new framework agreements entered into with military customers and new contracts with civilian clients (nominations).

Despite a slight decline in Rheinmetall Nomination, Rheinmetall Backlog rose to €64 billion as of September 30, 2025 (previous year: €52 billion) following several major orders especially in the Electronic Solutions and Weapon and Ammunition divisions. In addition to orders on hand, Backlog also includes the call-offs expected from framework agreements in place with defence customers and the potential from contracts with civilian clients.

### **Vehicle systems: Sales continues to grow**

Sales at Vehicle Systems, which is primarily active in the military wheeled and tracked vehicles division, amounted to €3.235 billion after nine months of the 2025 fiscal year, up €698 million or 28% on the previous year's figure. The positive development is mainly attributable to the delivery of logistics vehicles under the "Unprotected Transport Vehicle 2.0" (trucks) framework agreement, the parallel ramp-up of tactical vehicle programmes for Germany and other international customers, and increased service activities.

Rheinmetall Nomination for the segment – i.e. the sum of order intake and the volume of newly concluded framework agreements with defence customers – was €1.942 million after three quarters of the 2025 fiscal year, €4.831 million below the comparable figure for the previous year. This was largely influenced by the framework agreement for the delivery of unprotected transport vehicles to the German customer with a volume of €2.935 million, as well as by the order for the 'Heavy Weapons Carrier Infantry' (Boxer 6x6 vehicles) worth €1.643 million and the associated service agreement worth €628 million.

Rheinmetall Backlog for the segment – the sum of the order backlog and expected call-offs from existing framework agreements with defence customers – amounted to €19.713 million (September 30, 2025), down €930 million or 5% on the previous year's figure.

The operating result improved from €281 million to €346 million. The increase is mainly due to sales growth. At 10.7%, the operating result margin is slightly below the previous year's figure of 11.1%.

Investments after nine months of the 2025 fiscal year amounted to €136 million, €67 million above the previous year's figure of €68 million. The increase is due to location investments in the United States and the United Kingdom, as well as the capitalisation of development costs.

#### **Weapon and Ammunition: Continued record sales thanks to ammunition orders**

Weapon and Ammunition achieved record sales of €2.014 million in the first nine months of 2025 with its activities in weapon systems, ammunition and protection systems, exceeding the previous year's figure by €460 million or 30%. Increased sales of tank and several medium-calibre ammunition, including weapon systems, as well as several artillery and mortar orders for NATO member states and Ukraine were the main growth drivers.

At €4.811 million after the first nine months of the 2025 fiscal year, Rheinmetall Nomination is below the previous year's figure (previous year: €10.163 million), in which the increase in a framework agreement for 155mm artillery ammunition for the German customer was booked at €7,121 million. Significant orders of the first nine months of the 2025 fiscal year include commissions for 155mm artillery ammunition for European NATO countries and a new framework agreement for protected, highly mobile medical facilities.

Rheinmetall Backlog reached €23.231 million as of September 30, 2025. Compared to the previous year's figure (September 30, 2024: €19.512 million), this represents an increase of €3.719 million or 19%.

The operating result rose by €102 million or 30% to €440 million at the end of the first nine months of the 2025 fiscal year (previous year: €339 million). The main driver for this is the significant increase in sales volume. The operating result margin remained at the previous year's level of 22% despite higher personnel and material costs.

Investments amounted to €284 million, significantly exceeding the previous year's level of €169 million due to transformation and capacity expansion projects in several companies. Particularly noteworthy is the investment in the new "Niedersachsen" plant, which will significantly increase Rheinmetall's production capacity in the field of artillery ammunition and commenced operations on a trial basis in the third quarter.

#### **Electronic Solutions: Rheinmetall Nomination and Backlog rise significantly**

Electronic Solutions, with products in the digitalisation of the armed forces, with infantry equipment, air defence and simulation systems, increased its sales by €421 million to €1.460 million after nine months of the 2025 fiscal year (previous year: €1.038 million); this corresponds to growth of 41%. The increase in sales is mainly due to the delivery of headsets with hearing protection and the TaWAN digitalisation project, both for the German customer, as well as the delivery of further air defence systems to European customers.

Rheinmetall Nomination increased significantly compared to the same period last year, rising by €6.777 million or 194% to €10.279 million. The largest individual orders in the 2025 fiscal year to date

related to the two framework contracts for a deployable, platform-based communications and radio management system (TaWAN LBO) and the replenishment of soldier systems 'Future Soldier – Extended System' (IdZ-ES), both for the German customer. Rheinmetall Backlog as of September 30, 2025 amounted to €16.659 million, up 148% on the previous year (previous year: €6.706 million).

Operating result improved significantly to €128 million by the end of the first nine months of 2025, compared with €96 million in the previous year. The main driver for this was the significant increase in sales volume. The operating result margin decreased to 8.8% (previous year: 9.2%) due to expenses for production preparation at the Weeze location for the start of production of the F-35 centre fuselage sections at the beginning of the third quarter of 2025.

Investments increased by €66 million to €113 million during the reporting period. The main focus was on setting up the necessary IT infrastructure and technical equipment for the plant at the Weeze/Lower Rhine location.

### **Power Systems: Still affected by persistent market weakness**

As part of the Rheinmetall Group's decision to focus on business with defence customers and security technology, activities in civilian divisions are no longer part of its core strategic business. Technological expertise for civilian markets is being pooled in the Power Systems division.

Sales at Power Systems remained below the previous year's figure (previous year: €1.543 million) in the reporting period, with a volume of €1.459 million. Booked business for the first nine months of the 2025 fiscal year was also below the previous year's figure (previous year: €2.119 million) at €1.544 million. The decisive factor is the economic downturn in the automotive industry, which has led to project delays and lower demand. The Nominated Backlog fell by 11% to €7.143 million as at September 30, 2025 (previous year: €8.060 million).

The operating result decreased by 43% compared to the same period last year to €42 million (previous year: €74 million). The decline is mainly attributable to falling sales and a change in the product mix. In addition, expenses related to the strategic transformation had a negative impact on the operating result. As a result, the operating result margin fell to 2.9% (previous year: 4.8%).

The conversion of two plants in the Power Systems division, which previously manufactured components for customers in the automotive industry, into defence plants is well underway. The reorganisation has already been completed at the Berlin location, and the conversion is in full swing. In Neuss, a considerable portion of the workforce has already been assigned to the defence business of the Group. The site is to be converted to various Group activities in the field of defence and security applications.

### **Outlook: Annual forecast remains unchanged**

Based on the expected business development until the end of the year, Rheinmetall confirms that, after the first nine months of the 2025 fiscal year, it will at least meet its sales and result forecast for the full year 2025, with growth in consolidated sales of 25% to 30% (previous year's sales: €9,751 million). Based on this sales forecast, Rheinmetall expects the Group, including acquisitions, to achieve an improvement in operating result and an operating result margin of around 15.5% in the current 2025 fiscal year, taking into account holding costs (margin in fiscal 2024: 15.2%).

### **Forward-Looking Statements and Forecasts**

*This press release contains forward-looking statements. These statements are based on Rheinmetall AG's current estimates and forecasts and the information available at this time. Forward-looking statements are not a guarantee of future performance and the results indicated. Rather, they are dependent on a number of factors; they entail various risks and uncertainties, and are based on assumptions that may prove to be incorrect. Rheinmetall is under no obligation to update the forward-looking statements in this press release.*