HENSOLDT

ESG Closing – Analyst & Investor Presentation

Taufkirchen, 4th of April 2024

Christian Ladurner, CFO

Detect and Protect.

HENSOLDT

Disclaimer

This presentation and the information contained herein are for information purposes only and should not be treated as investment advice or recommendation. It is not, and nothing in it should be construed as an offer for sale, or as a solicitation of an offer to purchase or subscribe to, any securities in any jurisdiction. Neither this presentation nor anything contained therein shall form the basis of, or be relied upon in connection with, any commitment or contract whatsoever. This presentation does not constitute a prospectus in whole or in part. This presentation may not, at any time, be reproduced, distributed or published (in whole or in part) without prior written consent of HENSOLDT. Any securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “Securities Act”), or the laws of any state of the United States, and may not be offered, sold or otherwise transferred in the United States absent registration or pursuant to an available exemption from registration under the Securities Act.

Certain financial information including financial information as of and for the FY period ended December 31, 2023 is unaudited. The report is denominated in Euro (€). All amounts in this report are rounded to million or billion Euros. Due to rounding, numbers presented throughout this and other documents may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures. This presentation contains certain supplemental financial or operative measures that are not calculated in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”) or any other generally accepted accounting principles, and are therefore considered non-GAAP measures. We believe that such non-GAAP measures, when considered in conjunction with (but not in lieu of) other measures that are computed in accordance with IFRS, enhance the understanding of our business, results of operations, financial position or cash flows. There are, however, material limitations associated with the use of non-GAAP measures including (without limitation) the limitations inherent in the determination of relevant adjustments. The non-GAAP measures used by us may differ from, and may not be comparable to, similarly-titled measures used by other companies.

The information contained in this presentation has not been independently verified, and no representation or warranty, express or implied, is made as to the fairness, accuracy, completeness or correctness of the information contained herein and no reliance should be placed on it. HENSOLDT does not accept any liability for any loss howsoever arising (in negligence or otherwise), directly or indirectly, from this presentation or its contents or otherwise arising in connection with this presentation. This shall not, however, restrict or exclude or limit any duty or liability to a person under any applicable law or regulation of any jurisdiction which may not lawfully be disclaimed (including in relation to fraudulent misrepresentation).

The information contained in this presentation is provided as of the date of this presentation and is subject to change without notice.

Forward Looking Statement

This presentation may contain forward-looking statements about HENSOLDT and its businesses, including statements concerning its strategies, future growth potential of markets and products, profitability in specific areas, future product portfolio, and development of and competition in economics and markets. These statements are based on the current views, expectations, assumptions and information of management, and are based on information currently available to management. Forward-looking statements can be identified by words such as “anticipates,” “intends,” “plans,” “seeks,” “believes,” “estimates,” “expects” and similar references to future periods.

Any such forward-looking statements involve known and unknown risks which may cause actual results to differ significantly from any future results expressed or implied. While we believe that the assumptions made and the expectations reflected in today’s presentation are reasonable, no assurance can be given that such assumptions or expectations will prove to have been correct. The risks and uncertainties which these forward-looking statements may be subject to include (without limitation) future market developments and the impact of global and European social, political and economic events and developments, including the Russian war against the Ukraine as well as defence and security spending by governments, legal restrictions and controls applicable to sales of HENSOLDT’s products, including government approval requirements and moratoriums, international conflicts and political developments affecting HENSOLDT, including by way of new export restrictions, trade barriers, or political support for competitors, HENSOLDT’s inclusion and participation in major defence projects and platforms and HENSOLDT’s competitive situation.

The company assumes no liability whatsoever to update these forward-looking statements or to adjust them to future events or developments.

HENSOLDT’s public reports and presentations are available via www.HENSOLDT.net

Acquisition of ESG successfully closed
Economic terms unchanged

Transaction terms	– 100% of ESG for an enterprise value ("EV") of €675m[1] confirmed plus an earn-out of up to €55m[2] – Significant increase of defence multiples between signing and closing

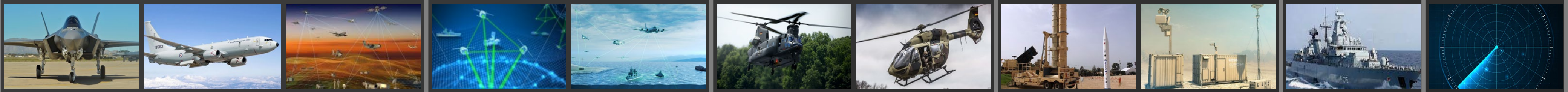
High growth company	– Full year 2023 targets achieved:
	    – Revenue of ~€330m[3]
	    – EBITDA margin of ~14%[3]
	– Low double-digit annual revenue growth for short and medium term

Attractive value creation[5]	– Accretive to revenue growth and FCF[4] generation with significant cost (~€19m run-rate EBITDA impact by 2028) and revenue synergies – EPS accretive by year 2 including cost synergies only and double-digit accretive by year 4 including cost and revenue synergies – ROIC[6] above WACC by year 4 including cost synergies only and by year 3 including cost and revenue synergies
Prudent financing	– Capital increase from authorized capital of 10% of the current share capital successfully executed in December 2023 – Remainder financed by new debt – The Federal Republic of Germany[7] participated in the capital increase[8] – 2024 pro forma net leverage expected to be ~2x[9]

(1) Including net cash of ~€85m, pensions of ~€80m and IFRS 16 leases of ~€85m
(2) Earn-out based on specific performance targets to 31 December 2024
(3) Pro-forma, Including IFRS adjustment on revenue recognition
(4) FCF excluding certain special items as well as M&A activities
(5) Financial impact based on EV including earn-out of €55m; Year 'n' means n^{th} full year after expected closing [ie Year 1 is 2025]
(6) ROIC = Taxed EBIT divided by EV
(7) Indirectly acting through Kreditanstalt für Wiederaufbau (KfW)
(8) Pro rata to their shareholding quota
(9) Net leverage including earn-out of €55m and lease liabilities. Excludes pensions

Compelling strategic rationale: ESG provides complete solutions and deepens our lifecycle services offering

Selected platforms



	Fixed Wing Aircraft			Aviation Systems		Helicopter		Land		Sea	Cyber
Main ESG offering	F-35 Lightning II	P-8 Poseidon	NEOS – Multi Domain	FCAS Sensor Pillar	MAWS	STH Chinook	SuZ Helicopters	IAD / Arrow 3	Counter-UAS	F123	CESMO
Concept development/ R&D											
Software engineering/ System integration											
Training/ Logistics/ Maintenance											

Note: Selected platforms: NEOS (Network Enabled Operations Support), FCAS (Future Combat Air System), MAWS (Maritime Airborne Warfare System), STH (Schwerer Transporthubschrauber), SuZ (Systemunterstützungszentrum), IAD (Integrated Air Defence), UAS (Unmanned Air Systems), CESMO (Cooperative Electronic Support Measure Operations)

Detect and Protect.

HENSOLDT

PMI timeline & key design choices

Pre-Closing

PMI program org onboarded across both companies

Masterplan for integration defined until Day 200

April 3rd – Day 1

Business continuity & legal requirements assured

ESG integrated as a HENSOLDT division

Key group policies rolled-out

Day 100

Target org structure & processes signed-off

Selected central function processes integrated

Joint synergy teams started work on key synergy areas

Day 200

Target org structure & processes implemented

Revenue & cost synergies support strong value creation

Cost synergies	Increased win-probability and order intake for HENSOLDT sales campaigns	Additional growth in services segment	White space / new joint portfolio
EBITDA impact €19m by 2028	Revenue synergies with similar EBITDA impact as cost synergies		

Updated guidance 2024

	Organic	ESG(5)	Combined
Book-to-bill ratio	**1.1 - 1.2x**	**Orders to grow faster than revenues**	**1.1 - 1.2x**
Revenue growth(1)	**~2 bn€** with stronger growth in core revenue excl. pass-through	**~300 m€**	**~2.3 bn€** with stronger growth in core revenue excl. pass-through
Adjusted EBITDA margin(2)	**19% - 20%** before pass-through revenue	**~14%**	**18% - 19%** before pass-through revenue
Adjusted FCF(3)	**~50%** conversion on adjusted EBITDA	**Minor contribution due to strong Q1**	**~50%** average conversion on adjusted EBITDA
Net leverage(4)			**~2.0x**
Dividend	**30% - 40%** of adjusted net income		**30% - 40%** of adjusted net income

(1) Average share of pass-through revenue of total revenue was ~9% between 2020A and 2023A; pass-through share of total revenue is expected to be in the mid single-digit percentage range between 2024E and 2026E. (2) Adjusted EBITDA margin excluding certain special items relating to transaction costs, OneSAPnow-related special items and other special items. (3) Adjusted Free Cash Flow is defined as free cash flow excluding certain special items as well as M&A activities. (4) Net leverage includes lease liabilities, but excludes pensions. (5) Consolidated as of April 2nd 2024 (9 months contribution).

Updated guidance 2025

	Organic	ESG	Combined
Book-to-bill ratio	**Orders to grow significantly faster than revenues**	**Orders to grow faster than revenues**	**Orders to grow significantly faster than revenues**
Revenue growth(1)	**10%** average annual growth	**~400 m€**	**low double-digit growth** average annual growth
Adjusted EBITDA margin(2)	**19% - 20%** before pass-through revenue	**~14%**	**18% - 19%** before pass-through revenue
Adjusted FCF(3)	**50% - 60%** average conversion on adjusted EBITDA	**~50%** average conversion on adjusted EBITDA	**50% - 60%** average conversion on adjusted EBITDA
Net leverage(4)			**~ 1.6x**
Dividend	**30% - 40%** of adjusted net income		**30% - 40%** of adjusted net income

(1) Average share of pass-through revenue of total revenue was ~9% between 2020A and 2023E; pass-through share of total revenue is expected to be in the mid single-digit percentage range between 2024E and 2026E. (2) Adjusted EBITDA margin excluding certain special items relating to transaction costs, OneSAPnow-related special items and other special items. (3) Adjusted Free Cash Flow is defined as free cash flow excluding certain special items as well as M&A activities. (4) Net leverage includes lease liabilities, but excludes pensions.

Updated medium term guidance

	Organic medium term target	Combined medium term target
Order intake	**Orders to grow significantly faster than revenue**	**Orders to grow significantly faster than revenue**
Revenue growth(1)	**10%** average annual growth	**10%** average annual growth
Adjusted EBITDA margin(2)	**19% - 20%** before pass-through revenue	**>19%** before pass-through revenue
Adjusted FCF(3)	**50% - 60%** average conversion on adjusted EBITDA	**50% - 60%** average conversion on adjusted EBITDA
Net leverage(4)	**Net leverage to further decline**	**Further declining**
Dividend	**30 - 40%** of adjusted net income	**30 - 40%** of adjusted net income

(1) Average share of pass-through revenue of total revenue was ~9% between 2020A and 2023E; pass-through share of total revenue is expected to be in the mid single-digit percentage range between 2024E and 2026E. (2) Adjusted EBITDA margin excluding certain special items relating to transaction costs, OneSAPnow-related special items and other special items. (3) Adjusted Free Cash Flow is defined as free cash flow excluding certain special items as well as M&A activities. (4) Net leverage includes lease liabilities, but excludes pensions.

HENSOLDT

Q&A session

Detect and Protect.

HENSOLDT

IR Contacts

Contact

- **Contact:**
  Veronika Endres
  Tim Schmid
- **Phone:**
  +49 89 51518 2057
  +49 89 51518 2625
- **Email:**
  investorrelations@hensoldt.net
- **Internet:**
  www.hensoldt.net

HENSOLDT share

- **Type of share:**
  Bearer shares
- **Stock Exchange:**
  Frankfurt Stock Exchange
- **Security reference number:**
  ISIN DE000HAG0005

Reports

- **Financial Reports:**
  https://investors.hensoldt.net
- **Annual Report:**
  https://annualreport.hensoldt.net
- **Sustainability Report:**
  www.hensoldt.net

Detect and Protect.