



HENSOLDT

3M 2024 Results – Analyst & Investor Presentation

Taufkirchen, 7th of May 2024

Oliver Dörre, CEO
Christian Ladurner, CFO

Detect and Protect.

This document and its content is the property of HENSOLDT AG. It shall not be communicated to any third party without the owner's written consent. © Copyright HENSOLDT AG 2024. All rights reserved.

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 period ended March 31, 2024 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

Update on strategic topics



Oliver Dörre
took over as CEO
on April 1st 2024



Strong focus on
Operational Excellence
including new allocation of areas
of responsibility for Management Board



ESG acquisition
closed on April 2nd 2024
PMI fully on track

Market environment improves progressively



Close and constructive dialogue with German Government



**Structural reform of German Armed Forces
→ Strengthening of cyber and information security domain**



Increase of defence budgets in Germany, Europe and globally



Expected increase in armored vehicles by factor 6x – 10x

Key orders received in 2024



NNbS

Radars for short and very short range air defence system

€280m



TRML-4D radars

Further orders received for Ukraine

~ €160m



Self-protection

Airborne self-protection systems for Ukraine Mi-24 and German Light Combat Helicopter

~ €45m



Quadome

First order received from launch customer for British Fleet Solid Support Vessel

~ €20m
(booked in April)

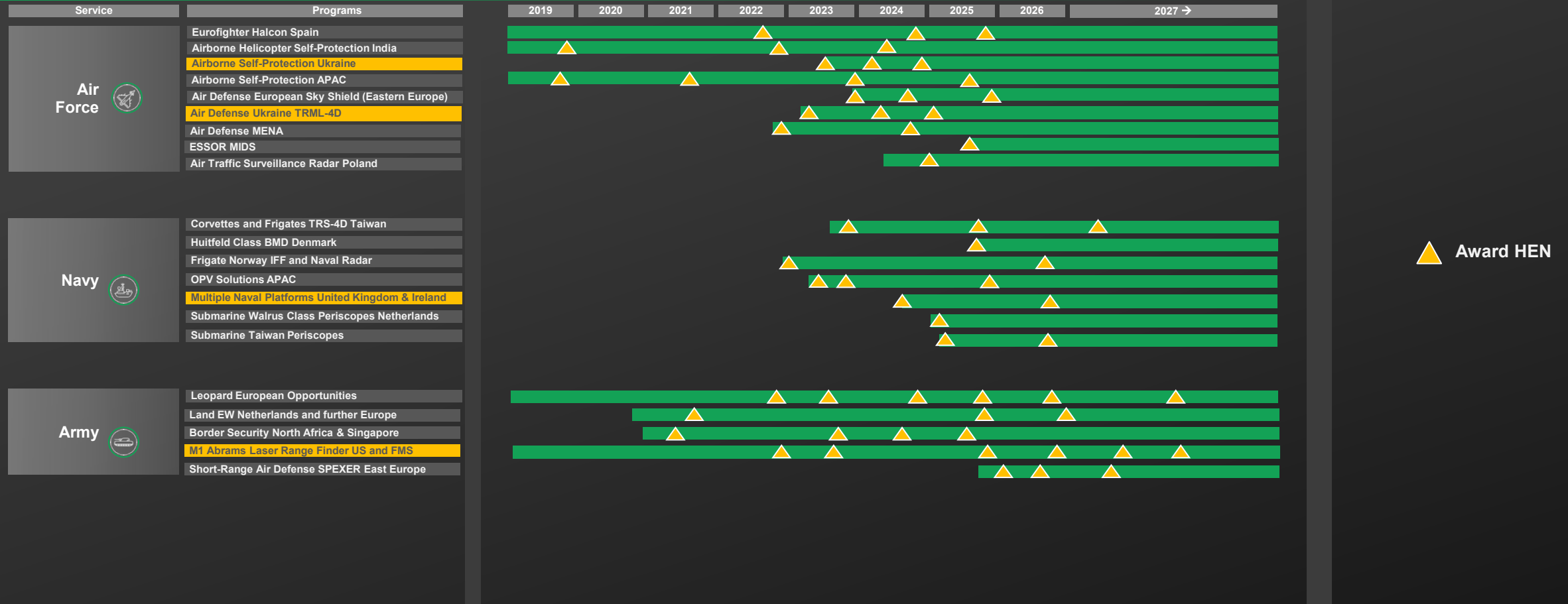
Domestic German position strong and broad



- ▲ Award OEM
- ▲ Award HEN
- ▲ HEN OEM⁽²⁾
- Development
- Production

Source: Renaissance Strategic Advisors, Bundeswehr, HENSOLDT AG. Note: All based on current estimates and subject to change. (1) No Award/no order intake planned for HENSOLDT yet; (2) Original equipment manufacturer

... but also for international programs



Source: Renaissance Strategic Advisors, Bundeswehr, HENSOLDT AG. Note: All based on current estimates and subject to change.



HENSOLDT

Financials

Detect and Protect.

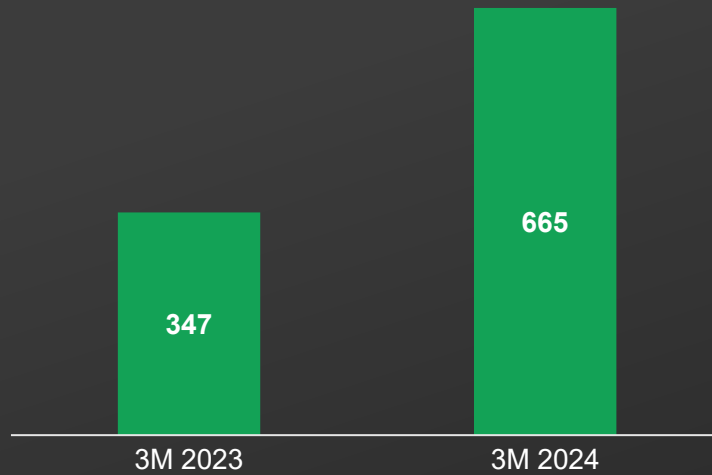
This document and its content is the property of HENSOLDT AG. It shall not be communicated to any third party without the owner's written consent. © Copyright HENSOLDT AG 2024. All rights reserved.

HENSOLDT

3M 2024 – solid performance in top line

in €m

Strong order intake

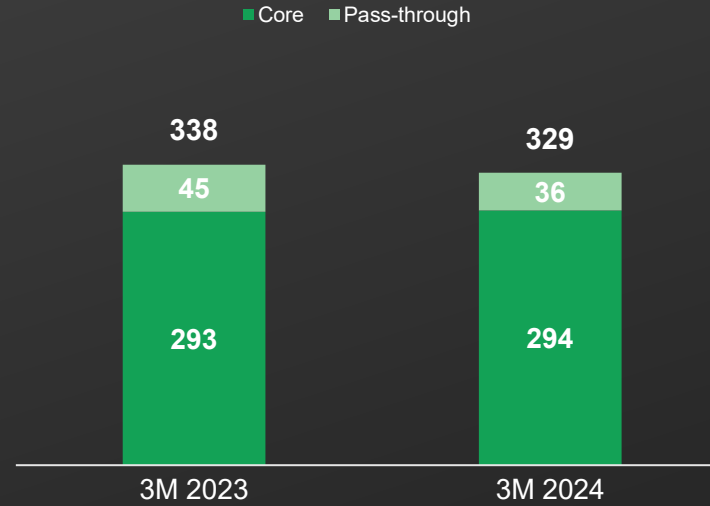


Order intake⁽¹⁾

Order intake driven by NNbS air defence system and TRML-4D radars

Well balanced between Germany and Europe

Execution on track



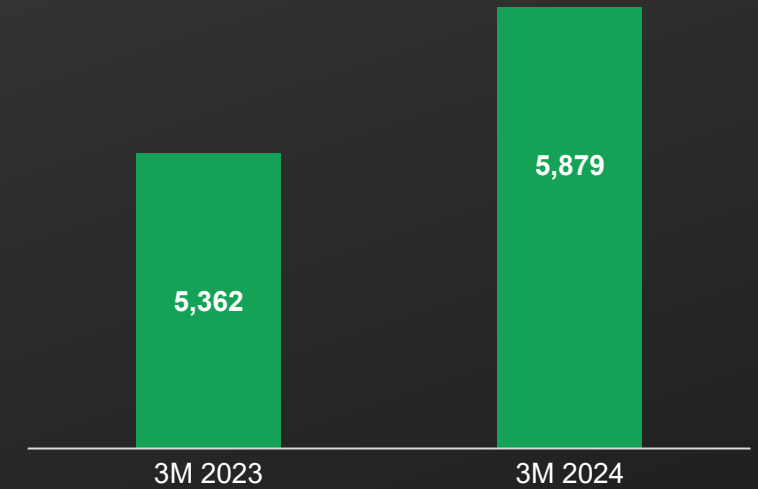
Revenue

Revenue development as planned with increasing dynamic from Q2 onwards

Key programs Eurofighter MK1 & PEGASUS on track

Further decrease of pass-through business

Order backlog at record level



Order backlog⁽²⁾

Book-to-bill ratio at 2.0x per 3M 2024

Strong order backlog provides excellent visibility

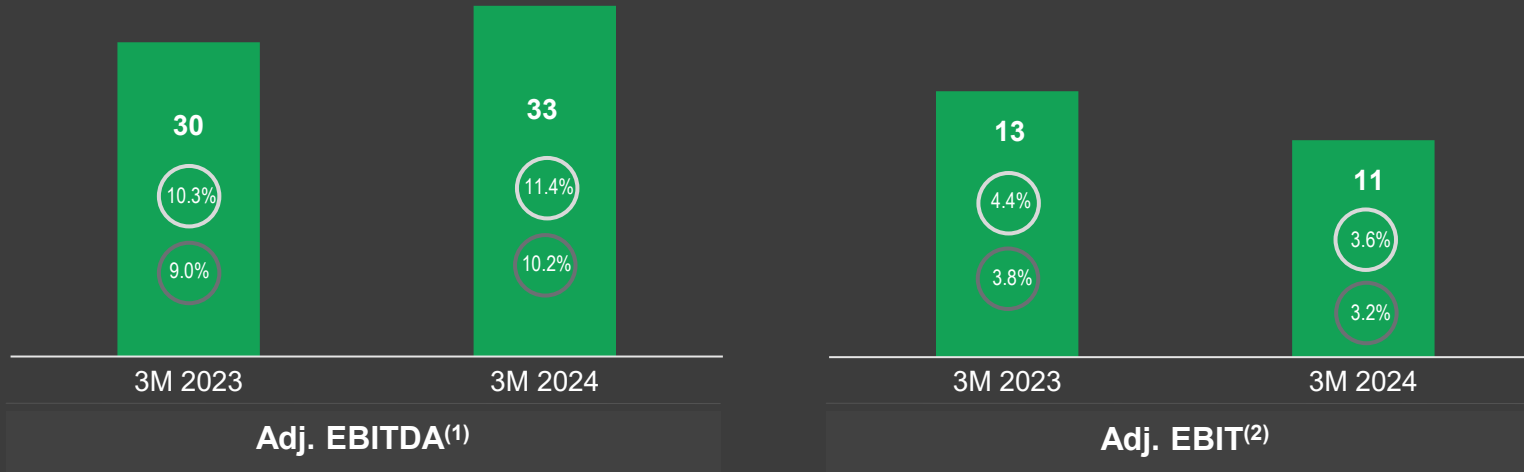
(1) Order intake shows the future revenue potential from orders where a contract becomes effective and enforceable. (2) Order backlog is defined as the value of the order book as of the respective reporting date by recording customer orders starting with the opening backlog, taking into account revenue and adjustments for the respective reporting period, and ending with the ending backlog.

3M 2024 – strong bottom line sustained

in €m

Profitability on track

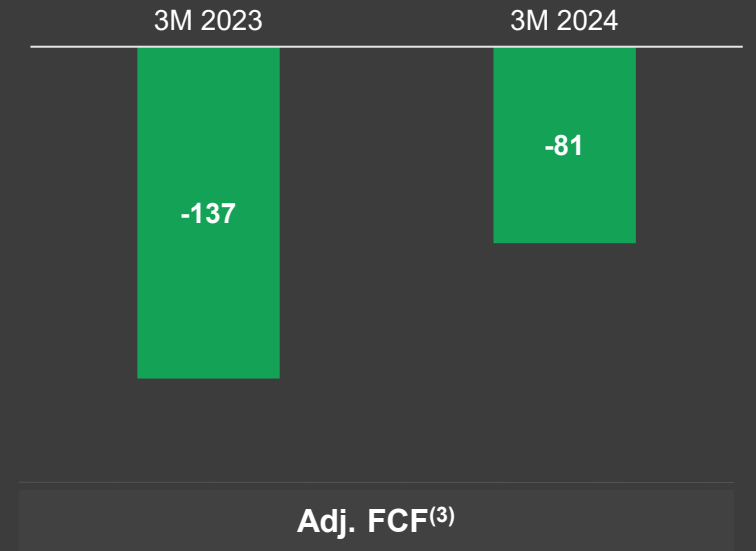
○ Core margin excluding pass-through revenue ○ Reported margin



Profitability driven by product mix and economies of scale partly offset by investment in growth and product portfolio

Adj. EBIT driven by higher amortisation of capitalized R&D

Investment in Working Capital as planned

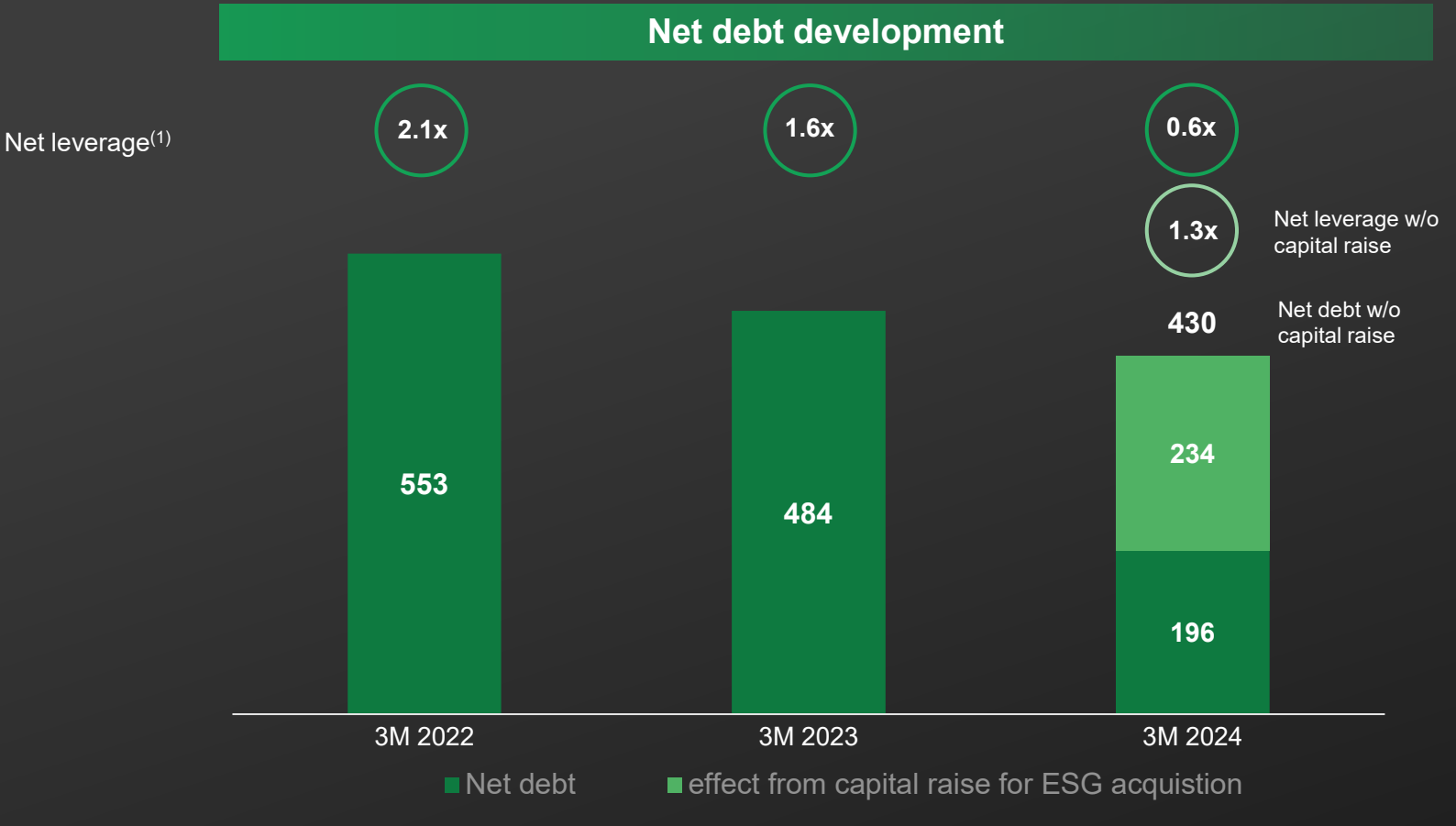


Positive development driven by reduction of receivables whilst constantly investing in planned growth

(1) Adjusted EBITDA is defined as EBIT adjusted for depreciation and amortization (including effects on earnings from purchase price allocations), as well as certain special items relating to transaction costs, OneSAPnow-related special items as well as other special items. (2) Adjusted EBIT is defined as EBIT adjusted for certain special items relating to effects on earnings from purchase price allocations, transaction costs, OneSAPnow-related special items as well as other special items. (3) Adjusted Free Cash Flow is defined as free cash flow excluding certain special items as well as M&A activities. The free cash flow is defined as sum of the cash flows from operating and investing activities as reported in the Consolidated Statement of Cash Flow.

Deleveraging on track

in €m



- Continuous improvement of net leverage
- Acquisition of ESG financed prudently
- Financing of ESG acquisition reflected in net leverage per H1, expected at ~3.0x with further deleveraging to ~2.0x by FY24

(1) Net leverage including lease liabilities, excluding pensions.

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 on track

Achievements

- Record order backlog of €5.9bn
- Efficient project execution
- Strong profitability
- Improved receivables management

➔ **FY 2024 guidance confirmed for all KPIs**

Outlook

- Increased dynamics in revenue visible
- Production of TRML-4D radars accelerates
- First pre-payments of our German customer materialize
- Close and constructive dialogue with German Government

➔ **Large-scale increase of defence budgets provides visibility and long-term sustainable growth for HENSOLDT**



HENSOLDT

Q&A session

Detect and Protect.

This document and its content is the property of HENSOLDT AG. It shall not be communicated to any third party without the owner's written consent. © Copyright HENSOLDT AG 2024. All rights reserved.

HENSOLDT



HENSOLDT

Financial Section

Detect and Protect.

This document and its content is the property of HENSOLDT AG. It shall not be communicated to any third party without the owner's written consent. © Copyright HENSOLDT AG 2024. All rights reserved.

HENSOLDT

Consolidated Income Statement

in € million	First three months	
	2024	2023
Revenue	329	338
Cost of sales	-270	-278
Gross profit	60	60
Selling and distribution expenses	-27	-27
General administrative expenses	-31	-23
Research and development costs	-8	-8
Other operating income	4	3
Other operating expenses	-6	-4
Earnings before finance result and income taxes (EBIT)	-8	2
Interest income	17	4
Interest expense	-19	-19
Other finance income / costs	1	-5
Finance result	-2	-20
Earnings before income taxes (EBT)	-10	-17
Income taxes	-6	-3
Group result	-15	-20
<i>thereof attributable to the owners of HENSOLDT AG</i>	<i>-15</i>	<i>-20</i>
<i>thereof attributable to non-controlling interests</i>	<i>-1</i>	<i>-0</i>

Consolidated Statement of Financial Position – Assets

in € million	As at	
	3M 2024	YE 2023
Non-current assets	1,411	1,405
Goodwill	658	658
Intangible assets	382	380
Property, plant and equipment	144	140
Right-of-use assets	187	189
Investments and other financial assets ⁽¹⁾	26	26
Other non-current assets	3	3
Deferred tax assets	11	9
Current assets	2,444	2,155
Other ⁽²⁾	51	34
Inventories	705	625
Contract assets	204	196
Trade receivables	257	382
Other current assets	124	116
Cash and cash equivalents	1,103	802
Total assets	3,855	3,560

(1) Includes Other investments and other non-current financial assets, Non-current other financial assets.

(2) Includes Other non-current financial assets, due on short-notice, Other current financial assets and Income tax receivables.

Consolidated Statement of Financial Position – Equity & Liabilities

in € million	As at	
	3M 2024	YE 2023
Share capital	116	116
Capital reserve and other reserves	511	645
Retained earnings	171	48
Equity held by shareholders of HENSOLDT AG	798	808
Non-controlling interests	15	16
Equity, total	813	824
Non-current liabilities	1,688	1,266
Non-current provisions	335	357
Non-current financing liabilities ⁽¹⁾	1,070	631
Non-current lease liabilities	191	191
Other non-current liabilities	11	14
Deferred tax liabilities	81	74
Current liabilities	1,354	1,470
Current provisions	197	211
Current financing liabilities ⁽²⁾	18	30
Current contract liabilities	555	578
Current lease liabilities	20	20
Trade payables	430	457
Other current liabilities	101	136
Tax liabilities	33	39
Total equity and liabilities	3,855	3,560

(1) Includes Non-current financing liabilities and Other non-current financial liabilities.

(2) Includes Current financing liabilities and Other current financial liabilities.

Consolidated Statement of Cash Flow (1/2)

in € million	First three months	
	2024	2023
Group result	-15	-20
Depreciation, amortisation and impairments of non-current assets	29	25
Financial expenses (net)	-1	13
Change in		
Provisions	-25	26
Inventories	-80	-60
Contract balances	-31	-94
Trade receivables	124	39
Trade payables	-26	-18
Other assets and liabilities	-50	-17
Interest paid	-13	-8
Interest received	7	1
Income tax payments (-) / refunds (+)	1	-4
Other ⁽¹⁾	2	-2
Cash flows from operating activities	-79	-118
Acquisition / addition of intangible assets and property, plant and equipment	-29	-25
Acquisition of associates, other investments and other non-current financial assets	-1	-3
Acquisition of subsidiaries net of cash acquired	–	0
Other ⁽²⁾	0	0
Cash flows from investing activities	-29	-27

(1) Includes Impairments/reversals of impairments of inventories, trade receivables and contract assets, Other non-cash expense/income and Income tax expense/income.

(2) Includes Proceeds from sale of intangible assets and property, plant and equipment, proceeds from disposals of associates, other investments and non-current financial assets and Other cash flows from investing activities.

Consolidated Statement of Cash Flow (2/2)

in € million	First three months	
	2024	2023
Cash flows from operating activities	-79	-118
Cash flows from investing activities	-29	-27
Proceeds from financing liabilities ⁽¹⁾	415	-0
Payment of lease liabilities	-5	-5
Other	-1	-
Cash flows from financing activities	409	-5
Effects of changes in exchange rates on cash and cash equivalents	-0	0
Net changes in cash and cash equivalents	300	-150
Cash and cash equivalents		
Cash and cash equivalents on 1 January	802	460
Cash and cash equivalents on 31 March	1,103	310

(1) Includes Proceeds from of financing liabilities to banks, Transaction cost paid from refinancing, Change in other financing liabilities

Reconciliation of order intake, segment revenue and adjusted EBITDA to group figures

in € million	First three months	
	2024	2023
Order intake	665	347
Sensors	622	214
Optronics	72	133
Elimination/Transversal/Others	-29	-1
Revenue	329	338
Sensors	286	288
Optronics	44	51
Elimination/Transversal/Others	-1	-1
Adjusted EBITDA⁽¹⁾	33	30
Sensors	40	35
Optronics	-6	-5
Elimination/Transversal/Others	-	-

(1) Adjusted EBITDA is defined as EBIT adjusted for depreciation and amortisation (including effects on earnings from purchase price allocations), as well as certain special items relating to transaction costs, OneSAPnow-related special items as well as other special items.

Overview of EBITDA and EBIT adjustments

EBITDA adjustments in € million	First three months	
	2024	2023
EBIT	-8	2
(+) Depreciation	12	11
(+) Amortization	16	14
EBITDA	21	27
(+) Transaction costs	0	–
(+) OneSAPnow-related special items	5	1
(+) Other special items	8	2
Adjusted EBITDA	33	30

EBIT adjustments in € million	First three months	
	2024	2023
EBIT	-8	2
(+) Effect on earnings from purchase price allocations	6	8
<i>thereof intangible assets</i>	6	8
<i>thereof property, plant and equipment</i>	0	0
(+) Transaction costs	0	–
(+) OneSAPnow-related special items	5	1
(+) Other special items	8	2
Adjusted EBIT	11	13

Reconciliation of reported to adjusted FCF

in € million	First three months	
	2024	2023
Cash flows from operating activities	-79	-118
Cash flows from investing activities	-29	-27
Free cash flow	-108	-145
(+) Transaction costs	2	–
(+) OneSAPnow-related special items	9	1
(+) Other special items	16	4
(+) M&A-activities ⁽¹⁾	0	2
Adjusted free cash flow	-81	-137
Cash flows from financing activities	409	-5

(1) Defined as sum of "Proceeds from sale of intangible assets and property, plant and equipment", "Proceeds from disposal of associates, other investments and non-current financial assets", "Acquisition of associates, other investments and other non-current financial assets", "Acquisition of subsidiaries net of cash acquired" as well as "Other cash flows from investing activities" as reported in the Consolidated Statement of Cash Flows.

Reconciliation of reported to adjusted net income

in € million	First three months	
	2024	2023
Group result	-15	-20
(+) Effect on earnings from purchase price allocations	6	8
(+) Transaction costs	0	–
(+) OneSAPnow-related special items	5	1
(+) Other special items	8	2
Adjusted net income pre-tax adjustment	3	-9
(+) Tax adjustments ⁽¹⁾	-5	-3
Adjusted net income	-2	-12

(1) Includes tax adjustments for effects on earnings from PPA, OneSAPnow-related special items as well as other special items



HENSOLDT

Back-up

Detect and Protect.

This document and its content is the property of HENSOLDT AG. It shall not be communicated to any third party without the owner's written consent. © Copyright HENSOLDT AG 2024. All rights reserved.

HENSOLDT

EBIT to net income bridge

in €m



- Solely valuation effect
- Hedging has saved over 3 million Euro in cash interest up to now

Upcoming IR events*



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.

This document and its content is the property of HENSOLDT AG. It shall not be communicated to any third party without the owner's written consent. © Copyright HENSOLDT AG 2024. All rights reserved.

HENSOLDT