



TKMS



QUARTERLY STATEMENT

First nine months of 2025/26

October 1, 2025 – June 30, 2026



Your Maritime Powerhouse

TKMS in figures

	9M 2024/25	9M 2025/26	Change
Order situation (million €)			
Order intake	8,598	3,617	(58) %
Profit and loss (million €)	9M 2024/25	9M 2025/26	Change
Sales	1,587	1,890	19 %
Gross profit	274	335	22 %
EBIT	92	101	10 %
EBITDA	149	167	13 %
Adjusted EBIT	98	110	13 %
Adjusted EBIT margin (%)	6.1	5.8	(0.33) pp
Net income	75	56	(25) %
Earnings per share (€) ¹	1.15	0.77	-
Cash flow (million €)	9M 2024/25	9M 2025/26	Change
Operating cash flow	719	(121)	(117) %
Investments	(88)	(83)	(5) %
Thereof: CAPEX	(88)	(83)	(5) %
Free cash flow	631	(204)	(132) %
Order situation (million €)	Q3 2024/25	Q3 2025/26	Change
Order intake	3,001	208	(93) %
Profit and loss (million €)	Q3 2024/25	Q3 2025/26	Change
Sales	528	722	37 %
Gross profit	110	127	15 %
EBIT	38	49	27 %
EBITDA	58	72	25 %
Adjusted EBIT	45	50	11 %
Adjusted EBIT margin (%)	8.5	6.9	(1.57) pp
Net income	29	29	(1) %
Earnings per share (€) ¹	0.45	0.39	-

¹ The company listed on the stock exchange for the first time on October 20, 2025. The share-based financial ratios for the prior-year period are presented as pro forma figures because the shares had not yet been admitted to trading on a regulated market as at the reporting date for the comparative period (September 30, 2025).

Order situation	Sept. 30, 2025	June 30, 2026	Change
Order backlog (million €)	18,232	20,114	10 %
Sales coverage	8.4	8.0	(5)%
Net assets and financial position (million €)	Sept. 30, 2025	June 30, 2026	Change
Total assets	5,396	5,184	(4) %
Equity ratio (%)	20.1	19.9	(0.22) pp
Net financial assets	1,313	834	(37) %
Net advance payments	1,515	1,125	(26) %
Net working capital	(1,330)	(1,070)	(20) %
Non-financial information	Sept. 30, 2025	June 30, 2026	Change
Employees (FTE)	8,407	9,115	8 %
Share price (€) ¹	-	74.60	-
Market capitalization (million €) ¹	-	4,739	-

¹ The company listed on the stock exchange for the first time on October 20, 2025. The share-based financial ratios for the prior-year period are presented as pro forma figures because the shares had not yet been admitted to trading on a regulated market as at the reporting date for the comparative period (September 30, 2025).

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Financial development

- ◆ In the first nine months of the 2025/26 fiscal year, TKMS made excellent progress on its projects and achieved a significantly improved operating performance. This enabled a further acceleration in sales growth to 19% and a solid 13% year-on-year increase in adjusted EBIT.
- ◆ In the first nine months of the 2025/26 fiscal year, TKMS again recorded an encouragingly high order intake of €3,617 million (9M 2024/25: €8,598 million). In the same period of the previous year, this figure was exceptionally high due to record orders in the Submarines and Surface Vessels segments.
- ◆ At €20.1 billion (September 30, 2025: €18.2 billion), the order backlog remains at a very high level. Sales coverage was thus 8.0 (September 30, 2025: 8.4).
- ◆ Sales increased in the first nine months significantly to €1,890 million (9M 2024/25: €1,587 million). This increase was largely due to the rigorous execution of the high order backlog as scheduled. In addition, three submarines from legacy projects¹ were delivered.
- ◆ Adjusted EBIT shows a solid improvement to €110 million (9M 2024/25: €98 million), driven in part by a fourfold increase in adjusted EBIT from the Submarines segment. This positive development particularly reflects the on-schedule ramp-up of new construction projects with higher margins, coupled with the simultaneous delivery of legacy projects.
- ◆ The adjusted EBIT margin was 5.8% (9M 2024/25: 6.1%). The slight decline compared to the previous year is due to higher administrative costs resulting from the spin-off and to temporary one-time effects.
- ◆ As expected, free cash flow in the first nine months of the 2025/26 fiscal year was below the previous year's figure at €-204 million (9M 2024/25: €631 million) due to lower advance payments from new orders and project-related outflows. The comparative period was characterized by very high advance payments.
- ◆ The sales forecast for the 2025/26 fiscal year, which was already raised in February 2026, is now being raised again. TKMS now expects sales growth of +10% to +12% compared to the previous year (previously: +2% to +5%). At the same time, the forecast regarding the improvement of the adjusted EBIT margin is being defined more precisely as "up to 6.5%" (previously: "more than 6%").

¹ Legacy projects are all orders received before July 2021 for which at least one delivery has been made since 2021, with more to follow.

Significant events

- ◆ In January 2026, Norway ordered two additional 212CD submarines.
- ◆ Three submarines from legacy projects were handed over to customers in the first nine months of 2025/26 fiscal year.
- ◆ TKMS signed a second memorandum of understanding with the Spanish company Navantia, S.A., based in Madrid. The two companies intend to establish a joint framework for collaboration on selected submarine projects by the end of the year.¹
- ◆ In April 2026, TKMS and Embraer signed a memorandum of understanding with the Brazilian Ministry of Defense for the construction of four additional frigates as part of the Tamandaré program.
- ◆ TKMS secured a contract to develop and test an AI-based sonar assistant.
- ◆ In July, TKMS and BAAINBw² signed a contract for four MEKO® A-200 frigates for the German Navy, with an option for four more. The contract, which will be recorded in the fourth quarter, is the largest surface vessels contract in TKMS history.
- ◆ After the end of the quarter, TKMS was selected by Canada as the preferred supplier for the Canadian submarine program, under which up to twelve 212CD submarines are to be delivered. The program represents the largest single order in the history of TKMS.

¹ Subject to the necessary regulatory approvals.

² Bundesamt für Ausrüstung, Informationstechnik und Nutzung der Bundeswehr (Federal Office of Bundeswehr Equipment, Information Technology and In-Service Support)

Business performance and results of operations in the Group

ORDER SITUATION

As of June 30, 2026, TKMS's order backlog remained at a very high level of €20.1 billion (September 30, 2025: €18.2 billion). The increase in the order backlog was driven by continued robust demand for defense technologies. This high demand resulted in a cumulative order intake in the first nine months of the 2025/26 fiscal year of €3.6 billion (9M 2024/25: €8.6 billion). The order intake in the same period of the previous year was exceptionally high due to the expansion of the order for the German–Norwegian 212CD submarine program in the Submarines segment and the order for the “new Polarstern” in the Surface Vessels segment.

The high order intake in the first nine months of the 2025/26 fiscal year was driven, in particular, by the order from the Norwegian government for the construction of two additional 212CD-class submarines, bringing the total number of boats ordered by the Royal Norwegian Navy from four to six. In addition, the framework agreement with the Federal Office of Bundeswehr (German Federal Armed Forces) Equipment, Information Technology and In-Service Support (BAAINBw) for the delivery of heavyweight torpedoes and associated equipment for the 212CD-class submarines was signed in the first nine months of the 2025/26 fiscal year in the area of naval electronics, which similarly flowed into the order intake.

After the end of the quarter, TKMS was also selected by Canada as the preferred supplier for the Canadian submarine program, under which up to twelve 212CD submarines are to be delivered.

Moreover, in July, a contract was signed with BAAINBw for the procurement of four MEKO® A-200 DEU-class frigates, with an option to build four additional frigates. As part of the largest surface vessels contract in TKMS history, the first frigate is scheduled to be delivered to the German Navy as early as 2029. This contract will not be reflected in order intake until the fourth quarter.

In addition, cooperation with the Indian shipyard Mazagon Dock Shipbuilders Ltd (hereinafter referred to as “MDL”) was intensified. With MDL, TKMS is currently in the final phase of the bidding process to secure an order for six modern AIP (air-independent propulsion) submarines for the Indian Navy, with an option to expand the order to a total of nine. In this context, TKMS was commissioned in the first nine months of the 2025/26 fiscal year as part of an “Early Work Agreement” for initial design services (basic design).

These steps reflect the company's consistent commitment to expanding its presence in the international market for maritime defense technologies in the long term and to further driving its profitable growth.

CONDENSED STATEMENT OF INCOME

million €	9M 2024/25	9M 2025/26	Change
Sales	1,587	1,890	19 %
Cost of sales	(1,313)	(1,556)	19 %
Gross profit	274	335	22 %
Research and development costs	(35)	(42)	20 %
Selling expenses	(55)	(62)	13 %
General and administrative expenses	(97)	(129)	33 %
Other income and expenses	(2)	(3)	46 %
Income from operations	85	98	15 %
Financial income	29	20	(31)%
Income taxes	(39)	(62)	59 %
Net income	75	56	(25)%

million €	Q3 2024/25	Q3 2025/26	Change
Sales	528	722	37 %
Cost of sales	(418)	(595)	42 %
Gross profit	110	127	15 %
Research and development costs	(13)	(15)	15 %
Selling expenses	(20)	(20)	4 %
General and administrative expenses	(35)	(48)	38 %
Other income and expenses	(5)	4	(173)%
Income from operations	37	47	26 %
Financial income	8	6	(27)%
Income taxes	(16)	(24)	48 %
Net income	29	29	(1)%

RESULTS OF OPERATIONS

In the first nine months of the 2025/26 fiscal year, sales amounted to €1,890 million and were thus significantly higher than in the same period of the previous year (9M 2024/25: €1,587 million; 19%). This development reflects the on-schedule progress of project activities in current orders.

Gross profit increased by €61 million or 22% to €335 million in the first nine months of the 2025/26 fiscal year, exceeding the figure for the same period of the previous year (9M 2024/25: €274 million). The increase resulted from a higher proportion of higher-margin projects in the Submarines segment and further growth in the Atlas Electronics segment due to the improved order situation. The gross margin percentage improved accordingly to 18% in the first nine months of the 2025/26 fiscal year (9M 2024/25: 17%).

Research and development costs increased by €7 million or 20% to €-42 million in the first nine months of the 2025/26 fiscal year, exceeding the costs for the comparative period (9M 2024/25: €-35 million). Expenditure focused primarily on the development of technologies such as low-noise propulsion systems, digital sensor technology and the networking of maritime systems.

In relation to sales, the R&D ratio in the first nine months of the 2025/26 fiscal year remained stable at 2% compared to the same period of the previous year (9M 2024/25: 2%).

Selling expenses increased by €7 million or 13% to €-62 million in the first nine months of the 2025/26 fiscal year (9M 2024/25: €-55 million). The year-on-year increase is largely due to intensified sales activities in the Submarines segment, particularly in connection with the current sales campaigns.

General and administrative expenses increased by €32 million or 33% to €-129 million in the first nine months of the 2025/26 fiscal year (9M 2024/25: €-97 million). At €21 million or 66%, the increase in administrative expenses is attributable to the spin-off from tk AG and the associated expansion of governance, reporting and compliance structures. The increased administrative expenses also include one-off costs for consulting services related to the spin-off.

Income from operations increased by €13 million or 15% to €98 million in the first nine months of the 2025/26 fiscal year (9M 2024/25: €85 million). This positive development compared to the previous year was primarily driven by the on-schedule progress of projects in the new construction business with a corresponding increase in the proportion of higher-margin projects. Orders from the Atlas Electronics segment, in particular, were a key driver. In addition, three submarines from legacy projects were delivered to customers. As legacy projects are completed, higher-margin projects can follow and be undertaken, which has a positive impact on EBIT.

Adjusted EBIT increased by €12 million or 13% to €110 million in the first nine months of the 2025/26 fiscal year (9M 2024/25: €98 million). Adjustments in the first nine months of the 2025/26 fiscal year relate to special items amounting to €9 million (9M 2024/25: €6 million). These special items relate, in particular, to expenses from real estate transfer tax in the amount of €8 million, which were incurred in the course of the legal reorganization to implement the Group structure in preparation for the spin-off and the subsequent stock market listing of TKMS.

Net financial income fell by €9 million or -31% to €20 million in the first nine months of the 2025/26 fiscal year (9M 2024/25: €29 million). The reduction is largely due to lower interest income. The previous year was characterized by high interest income in connection with the advance payments from the order intake for the German–Norwegian submarine program 212CD.

Income taxes increased in the first nine months of the 2025/26 fiscal year by €23 million or 59% to €-62 million (9M 2024/25: €-39 million). The higher tax expense compared to the same period of the previous year is largely due to the payment of Brazilian withholding taxes, which are incurred as expected but irregularly in terms of the timing of payments.

The following table reconciles the Group's income from operations with adjusted EBIT:

million €	Q3 2024/25	Q3 2025/26	9M 2024/25	9M 2025/26
Income from operations	37	47	85	98
Brand license fee of the tk Group	0	0	4	0
Other financial income	1	2	2	3
Special items	7	1	6	9
Adjusted EBIT	45	50	98	110

Net assets and financial position

ASSET AND CAPITAL STRUCTURE

million €	Sept. 30, 2025	%	June 30, 2026	%
Non-current assets	2,010	37	2,107	41
Current assets	3,386	63	3,077	59
Total assets	5,396	100	5,184	100
Equity	1,086	20	1,031	20
Non-current liabilities	630	12	640	12
Current liabilities	3,681	68	3,513	68
Total equity and liabilities	5,396	100	5,184	100

The development of the balance sheet structure in the reporting period is significantly influenced by the effects of finalizing the legal reorganization to implement the Group structure in preparation for the spin-off and the subsequent stock market listing of TKMS, in addition to operational changes driven by business growth.

The increase in non-current assets is largely due to capitalized costs to fulfill a contract and costs to obtain a contract (already realized and highly probable incoming orders) as part of the growing project business. In addition, there were increased investments in assets under construction as part of the capacity expansion at the production sites.

The decrease in current assets is largely due to a change in cash and cash equivalents in conjunction with payments to the tk Group for the acquisition of company shares and to changes in trade accounts receivable arising from ordinary business operations. As expected, this was offset by advance payments to suppliers, inventories and contract assets as part of ongoing project business.

Equity decreased, due in particular to payments to the tk Group in conjunction with finalizing the legal reorganization, which reduced equity by €108 million. This was partially offset by the positive consolidated net income in the reporting period.

The increase in non-current liabilities is particularly attributable to other financial liabilities in connection with the acquisition of customer contracts and deferred tax liabilities.

The decrease in current liabilities is primarily attributable to the repayment of a purchase price liability of €276 million for the acquisition of company shares as part of the legal reorganization in preparation for the spin-off, as well as to the reduction in contract liabilities arising from long-term construction contracts. This was primarily offset by trade accounts payable and order-related provisions as part of the growing project business.

NET WORKING CAPITAL

million €	Sept. 30, 2025	June 30, 2026
Trade accounts receivable	285	178
Trade accounts payable	(423)	(519)
Inventories	323	396
Net advance payments	(1,515)	(1,125)
Contract assets	300	399
Contract liabilities	(2,349)	(2,286)
Advance payments to suppliers ¹	534	762
Net working capital	(1,330)	(1,070)

Net working capital is largely characterized by industry-standard customer prepayments as part of major new construction and service projects and remains negative in the first nine months of the 2025/26 fiscal year. It should be noted that the level of net working capital at the end of a reporting period is heavily influenced by the timing of advance payments made and received as part of conducting major projects and may also be subject to major fluctuations depending on the reporting date.

In structural terms, the development of net working capital primarily reflects the business performance in terms of payment status (customers and suppliers) and the percentage of completion of major projects, particularly in the Submarines and Surface Vessels segments.

¹ Part of the current other non-financial assets in the balance sheet

CASH FLOW STATEMENT

The following table shows the main components of TKMS's cash flow statement for the stated periods:

million €	9M 2024/25	9M 2025/26
Operating cash flow	719	(121)
Cash flow from investing activities (without tk Group cash pool)	(88)	(83)
Free cash flow	631	(204)
Deposits to/withdrawals from tk Group cash pool	71	0
Cash flow from financing activities	193	(305)
Net increase/(decrease) in cash and cash equivalents	894	(509)

Operating cash flow

As expected, the operating cash flow in the first nine months of the 2025/26 fiscal year was below the operating cash flow in the comparative period from October 1, 2024, to June 30, 2025, in which cash of over €1 billion was received in connection with the record order intake and further customer prepayments in the new construction business and Atlas Electronics.

Cash flow from investing activities

The previous year was marked by the acquisition of the Group brand license for the TKMS brand from tk AG. Consequently, despite ongoing investment projects aimed at expanding capacity, particularly the expansion of the Wismar site, the first nine months of the 2025/26 fiscal year fell short of the previous year's figure.

Free cash flow

The development of free cash flow is significantly influenced by the large-scale project business and the project-specific payment flows in the project life cycle, in which cash-in phases are typically followed by cash-out phases due to customer advance payments as projects are successively completed.

Deposits to/withdrawals from the cash pool

Until September 25, 2025, TKMS was included in the tk Group's cash pool and the related cash inflows and outflows were reported in the cash flow statement under cash flow from investing activities. With the replacement of the cash pool with the tk Group, there will be no corresponding disclosure from the current 2025/26 fiscal year.

Cash flow from financing activities

Cash flow from financing activities is negative in particular due to payments to the tk Group for the acquisition of company shares as part of finalizing the legal reorganization. In the same period of the previous year, cash flow from financing activities was primarily characterized by payments received to settle the tk Group's loss compensation obligations as part of the profit and loss transfer agreements in place with the tk Group until the end of the 2024/25 fiscal year.

Business performance and results of operations in the segments

Segment reporting follows the TKMS internal management system.

The management system was adjusted in the first quarter of 2025/26, resulting in changes in segment reporting compared to the previous year.

As previously explained in the 2025/26 Half-Year Report, these adjustments primarily relate to the management of the segments based on adjusted EBIT.

The segment information for the operating segments of TKMS is therefore as follows:

SUBMARINES SEGMENT

million €	Q3 2024/25	Q3 2025/26	9M 2024/25	9M 2025/26
Submarines segment				
Order intake	2,914	67	7,202	2,186
Sales	231	400	854	1,001
Gross profit	39	56	91	136
Adjusted EBIT	9	26	11	46
Adjusted EBIT margin (%)	3.8	6.4	1.3	4.6

Order intake

The order intake in the Submarines segment in the first nine months of the 2025/26 fiscal year was driven by the order for two 212CD-class option boats for Norway and amounted to €2,186 million. It was therefore €-5,016 million or -70% below the comparative period, in which an extraordinarily high order intake of €7,202 million was recorded for four 212CD-class option boats. In the 2024/25 fiscal year, there was also an order for two additional boats from a customer in Southeast Asia, as well as the largest service contract in TKMS history for modernization and support services for six submarines of the German Navy.

Sales

Sales in the Submarines segment increased in the first nine months of the 2025/26 fiscal year by €147 million or 17% from €854 million in the previous year to €1,001 million in the current fiscal year. The main drivers of this development were the completion of new construction projects and the recognition of sales from smaller service projects.

Adjusted EBIT

Adjusted EBIT in the Submarines segment increased by €35 million or > 300 % from €11 million as of June 30, 2025, to €46 million as of June 30, 2026. The main drivers of this development were the growing ramp-ups in new construction projects while legacy projects with lower margins decreased. This was offset by an increase in administrative expenses. The main reasons for this development are wage increases, staff recruitment in the course of order execution and capacity expansions, consulting services, and increased costs from service agreements between tk AG and TKMS resulting from the spin-off. In addition, investments in research and development were stepped up, as new research and development projects were added in the first nine months of the 2025/26 fiscal year and the ramp-up in costs proceeded more rapidly than in the previous year. Selling expenses also increased due to higher project costs, particularly for activities related to current campaigns.

SURFACE VESSELS SEGMENT

million €	Q3 2024/25	Q3 2025/26	9M 2024/25	9M 2025/26
Surface Vessels segment				
Order intake	9	3	1,183	36
Sales	158	131	368	408
Gross profit	21	21	59	60
Adjusted EBIT	7	12	30	30
Adjusted EBIT margin (%)	4.2	9.5	8.1	7.4

Order intake

With order intake of €36 million, there was a lack of major orders of note in the Surface Vessels segment in the first nine months of the 2025/26 fiscal year. The order intake was therefore €-1,147 million or -97% below the level of the comparative period (9M 2024/25: €1,183 million).

In the same period of the previous year, the order for the "new Polarstern" was the most significant new order received. The contract with BAAINBw for the procurement of four MEKO® A-200-class frigates, with an option for four more, was signed in July 2026. This contract will not be reflected in order intake until the fourth quarter.

Sales

The Surface Vessels segment increased its sales in the first nine months of the 2025/26 fiscal year to €408 million. Compared to the previous year's figure of €368 million, this represents sales growth of €40 million or 11%. Significant sales contributions resulted from the execution of existing contracts, in particular the Tamandaré order from the Brazilian customer and the "new Polarstern" from the Alfred Wegener Institute, Helmholtz Center for Polar and Marine Research.

Adjusted EBIT

Adjusted EBIT in the Surface Vessels segment remained stable overall at €30 million as of June 30, 2026 (June 30, 2025: €30 million). In the first nine months of the fiscal year, administrative expenses increased due to wage increases, staff recruitment in the course of order execution and capacity expansions, consulting services, and increased costs from service agreements between tk AG and TKMS resulting from the spin-off. However, these were offset by the positive sales development.

ATLAS ELECTRONICS SEGMENT

million €	Q3 2024/25	Q3 2025/26	9M 2024/25	9M 2025/26
Atlas Electronics segment				
Order intake	86	154	235	1,950
Sales	180	236	480	612
Gross profit	46	50	116	137
Adjusted EBIT	21	17	45	59
Adjusted EBIT margin (%)	11.9	7.4	9.4	9.6

Order intake

Atlas Electronics' order intake in the first nine months of the 2025/26 fiscal year was €1,950 million and was largely characterized by a framework agreement with BAAINBw for the delivery of heavyweight torpedoes and the associated equipment for the 212CD-class submarines. No comparable order intake was recorded in the same period of the previous year (order intake as of June 30, 2025: €235 million). By comparison, the order intake in the first nine months of the 2025/26 fiscal year was thus €1,715 million or > 300 % higher than in the same period of the previous year.

Sales

In the first nine months of the 2025/26 fiscal year, sales in the Atlas Electronics segment reached €612 million, which was €132 million or 28% higher than the sales generated in the same period of the previous year (sales as of June 30, 2025: €480 million). This increase is largely due to the improved order situation, which is reflected in sales much earlier than in the Submarines and Surface Vessels segments due to the shorter project duration.

Adjusted EBIT

Adjusted EBIT increased significantly by €14 million and 31% to €59 million in the first nine months of the 2025/26 fiscal year. In the same period of the previous year, the adjusted EBIT of the Atlas Electronics segment was €45 million. This increase in adjusted EBIT is due to the improvement in gross profit and higher revenues from public funding of research and development costs. By contrast, higher administrative expenses were incurred due to wage increases, staff recruitment in the course of order execution and capacity expansions, consulting services, and increased costs from service agreements between tk AG and TKMS resulting from the spin-off.

Forecast report

FORECAST FOR THE 2025/26 FISCAL YEAR

Forecast of the most important performance indicators

The following outlook covers a forecast horizon for the 2025/26 fiscal year and is based on the corporate structure of TKMS in this period. All information known at the date of preparation that could influence the business performance of TKMS is included. The expectations presented in the forecast are based on the updated corporate plan for the 2025/26 fiscal year. TKMS's key performance indicators are sales, adjusted EBIT, adjusted EBIT margin and investments.

Based on the latest information, TKMS now expects adjusted EBIT to improve to a range of €130 million to €160 million in 2025/26 fiscal year (previously €100 million to €150 million). At the same time, the adjusted EBIT margin is expected to improve to up to 6.5% in 2025/26 fiscal year (previously: more than 6%). In addition, sales are now expected to increase by +10% to +12% compared to the 2024/25 fiscal year (previously: +2% to +5%; most recently revised upward in February 2026). TKMS expects a sharp increase in sales in the Atlas Electronics and Surface Vessels segments and a moderate increase in sales in the Submarines segment for the 2025/26 fiscal year. TKMS has scheduled strategic investments of some €200 million for the 2025/26 fiscal year, in particular for the expansion of the Wismar site.

	Actual values fiscal year 2024/25	Forecast for fiscal year 2025/26
Sales	€ 2,171 million	+10% to +12% compared to previous year
Adjusted EBIT	€ 131 million	€130 million to €160 million
Adjusted EBIT margin	6,0 %	Up to 6.5%
Investments	€ 164 million	~ €200 million

In the medium-term, TKMS continues to aim for consistent sales growth with an average annual growth rate of about 10%. At the same time, the adjusted EBIT margin is expected to exceed 7% in the medium-term. In addition, TKMS continues to target a cumulative free cash flow of more than €400 million over three financial years. This will be determined as from the 2025/26 fiscal year onwards and reported for the first relevant three-year period from the 2027/28 fiscal year onwards.

Overall statement on expected development

Overall, TKMS continues to expect a positive economic development for the 2025/26 fiscal year against the background of the current business development. At the same time, the company remains focused on profitable growth and believes it is well positioned to achieve its strategic goals in the medium-term.

Opportunity and risk report

OPPORTUNITIES

The tense global political situation continues to present opportunities for TKMS.

The Group's products and services are attracting strong interest, and the realization that qualified providers with available construction capacity and delivery capability are becoming scarcer is creating opportunities to enter new markets and, in some cases, to negotiate more favorable terms than in previous years.

Discussions with partner countries and their naval industries have opened up promising opportunities for TKMS in the execution of export projects. For example, partnerships are planned in Greece and Spain that could make a significant contribution to securing both medium-term repair and new-build projects.

The further development of the product range of autonomous underwater and surface vehicles and unmanned sensor carriers also offers TKMS additional order opportunities following increased demand for these products, which TKMS believes is linked to the observation of the successful deployment of drones by Ukraine.

The generally good order situation also offers a good opportunity to broaden the basis on the procurement side and thus reduce dependency on single source suppliers or overcome this completely for certain systems and components.

The expansion of shipbuilding capacity at the new Wismar site is proceeding; work on orders for various submarines and the polar research vessel "new Polarstern" is expected to start on schedule.

The availability of these expanded shipbuilding capacities opens up additional order opportunities for TKMS in the field of naval vessel construction.

In recruiting highly qualified employees, TKMS continues to see growing interest in the company as an attractive employer. This creates numerous opportunities to strategically strengthen teams as the workforce expands as needed.

RISKS

TKMS has still not identified any individual risks that threaten the company's ability to continue as a going concern. Nor does the cumulative analysis of the recorded risk portfolio indicate such a scenario.

The global political situation, which remains highly volatile, poses significant risks to the global economy. The following aspects are of particular importance to TKMS:

Availability risks arising from supply chains can disrupt the progress of long-term projects.

For the hardware and software required by TKMS, there is a noticeable market trend toward more expensive licensing models in the international industry, to which TKMS is responding with long-term agreements. Where risks relating to the availability of hardware or software components have a strategic dimension, TKMS is working closely with its customers to drive the medium-term development of alternative procurement sources in order to avoid one-sided dependencies. TKMS considers this issue to be of strategic importance and assesses the associated risks as material.

In light of the classification of naval shipbuilding as a security-sensitive industry, TKMS has observed an increase in attacks on its IT infrastructure and trade secrets. Cyber activities, drone flyovers, and other attempts to gather intelligence, for example through targeted approaches to employees, create a rapidly evolving threat scenario. TKMS addresses this through continuously updated employee training and by investing in technical safeguards to protect the company against such threats.

The detailed discussion in the opportunities and risks section of the 2025/26 Half-Year Report remains valid; among the "risks resulting from the supply chain," the new focus areas of "software licensing costs" and "software licensing models" are becoming increasingly important.

Events after the reporting date

Between June 30, 2026, and the release of the report for publication, the aforementioned contract for the delivery of MEKO® A-200 frigates to the German Navy was signed, and TKMS was selected by Canada as the preferred supplier for the Canadian submarine program. Neither event impacts the Group's net assets, financial position and results of operations as of June 30, 2026.

Consolidated statement of income

million €	Q3 2024/25	Q3 2025/26	9M 2024/25	9M 2025/26
Sales	528	722	1,587	1,890
Cost of sales	(418)	(595)	(1,313)	(1,556)
Gross profit	110	127	274	335
Research and development costs	(13)	(15)	(35)	(42)
Selling expenses	(20)	(20)	(55)	(62)
General and administrative expenses	(35)	(48)	(97)	(129)
Other income	6	7	29	32
Other expenses	(11)	(4)	(31)	(39)
Other gains/(losses), net	0	1	0	4
Income from operations	37	47	85	98
Income/(loss) from companies accounted for using the equity method	0	1	2	2
Finance income	16	11	53	36
Finance expenses	(8)	(6)	(26)	(18)
Financial income	8	6	29	20
Income before tax	45	52	114	118
Income taxes	(16)	(24)	(39)	(62)
Net income	29	29	75	56
Thereof:				
Share of the shareholders of TKMS AG & Co. KGaA ¹	28	25	73	49
Non-controlling interests	1	4	2	7
Earnings per share (€)				
Basic	0.45	0.39	1.15	0.77
Diluted	0.45	0.39	1.15	0.77

¹ Name of the line item in the previous year: "Attributable to the tk Group"

Consolidated statement of financial position

million €	Sept. 30, 2025	June 30, 2026
Goodwill	1,044	1,047
Intangible assets other than goodwill	284	271
Property, plant and equipment	532	544
Investments accounted for using the equity method	8	9
Other financial assets	10	10
Other non-financial assets	119	213
Deferred tax assets	13	13
Total non-current assets	2,010	2,107
Inventories	323	396
Trade accounts receivable	285	178
Contract assets	300	399
Other financial assets	151	14
Other non-financial assets	601	864
Current income tax assets	5	9
Cash and cash equivalents	1,722	1,218
Total current assets	3,386	3,077
Total assets	5,396	5,184
Equity and liabilities		
Capital stock	—	64
Capital reserve	—	1,246
Retained earnings	—	(202)
Invested equity attributable to tk Group	1,166	—
Cumulative other comprehensive income	(95)	(78)
Equity attributable to shareholders	1,072	1,029
Equity attributable to non-controlling interests	14	2
Total equity	1,086	1,031
Provisions for pensions and similar obligations	344	335
Provisions for other non-current employee benefits	15	13
Other provisions	0	0
Deferred tax liabilities	237	239
Lease liabilities	26	29
Other financial liabilities	7	24
Total non-current liabilities	630	640
Provisions for current employee benefits	40	48
Other provisions	333	344
Current income tax liabilities	14	44
Lease liabilities	6	8
Trade accounts payable	423	519
Other financial liabilities	349	58
Contract liabilities	2,349	2,286
Other non-financial liabilities	168	206
Total current liabilities	3,681	3,513
Total liabilities	4,311	4,153
Total equity and liabilities	5,396	5,184

Consolidated statement of cash flows

million €	9M 2024/25	9M 2025/26
Net income	75	56
Adjustments to reconcile net income to operating cash flow:		
Deferred income taxes, net	41	(4)
Depreciation, amortization and impairment of non-current assets	54	67
Reversals of impairment losses of non-current assets	0	0
Income/(loss) from companies accounted for using the equity method	(2)	(2)
(Gain)/loss on disposal of non-current assets	0	1
Changes in assets and liabilities, net of effects of acquisitions and divestitures and other non-cash changes:		
– Inventories	(83)	(73)
– Trade accounts receivable	47	107
– Contract assets	(60)	(93)
– Provisions for pensions and similar obligations	(3)	0
– Other provisions	11	17
– Trade accounts payable	177	86
– Contract liabilities	613	(69)
– Other assets/liabilities not related to investing or financing activities	(151)	(213)
Operating cash flow	719	(121)
Capital expenditures for property, plant and equipment (inclusive of advance payments) and investment property	(46)	(76)
Capital expenditures for intangible assets (inclusive of advance payments)	(42)	(7)
Proceeds from disposals of property, plant and equipment, intangible assets, investments accounted for using the equity method and other non-current assets	0	0
Deposits to/withdrawals from tk Group cash pool	71	0
Cash flow from investing activities	(17)	(83)
Proceeds from the assumption of liabilities to financial institutions	0	2
Repayment of liabilities to financial institutions	0	(14)
Cash flows from redemption of lease liabilities	(5)	(6)
Profit and loss transfers received	147	99
Transactions with tk Group	50	(385)
Cash flow from financing activities	193	(305)

Consolidated statement of cash flows

million €	9M 2024/25	9M 2025/26
Net increase/(decrease) in cash and cash equivalents	894	(509)
Effect of exchange rate changes on cash and cash equivalents	(7)	5
Cash and cash equivalents at beginning of reporting period	122	1,722
Cash and cash equivalents at end of reporting period	1,010	1,218
Additional information regarding interest and income tax amounts included in operating cash flow		
Income tax paid	(9)	(40)
Interest received	49	26
Interest paid	(4)	(4)

Financial calendar, imprint and disclaimer

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December 07, 2026

Annual Report 2025/26

(Reporting date September 30, 2026)

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ROUNDING AND PERCENTAGE VARIATIONS

The key figures recorded in this report have been rounded for commercial purposes. Rounding differences may occur in percentages and figures.

DISCLAIMER

This report contains forward-looking statements that are based on the current expectations, assumptions and forecasts of the management of the personally liable shareholder and the information currently available to it. The forward-looking statements should not be construed as guarantees of the future developments and results stated therein. Future developments and results are dependent on a variety of factors. They involve various risks and uncertainties and are based on assumptions that may prove to be inaccurate. Therefore, actual results may differ materially from those explicitly stated or implicitly contained in this financial report. The forward-looking statements contained in this financial report will not be adjusted to reflect events or developments occurring after the date of this report.

This document is an English translation from German. In the event of discrepancies, the German version of the document shall prevail over the English translation.

Glossary

Term	Definition/explanation
Order backlog	We define the order backlog as the portion of the related contract price that is reflected in the order intake and for which revenue has not yet been recognized over time in accordance with International Financial Reporting Standards (IFRS) 15 as adopted by the EU.
Order intake	We define order intake as binding customer contracts and binding orders concluded in the respective reporting period at the respective contract price, including expected agreed fixed price increases during the respective contract term, but excluding variable price increases, which are only taken into account in the reporting period in which variable price increase amounts are invoiced to our customers.
Adjusted EBIT margin	We define the adjusted EBIT margin as adjusted EBIT divided by sales.
Adjusted EBIT	Adjusted EBIT, as a profit-related key figure, is adjusted for expenses in connection with the thyssenkrupp and TKMS brand license fees, expenses and income from at-equity valuations and special items. These include restructuring expenses, impairments or write-ups, disposal gains/losses, income and expenses from acquisitions, and certain M&A-related advisory and transaction costs. These key indicators are suitable for assessing operational performance over several periods because they exclude non-recurring effects and thus facilitate a clearer comparison across the years.
Free cash flow	We define free cash flow as cash flow from operating activities less cash flow from investing activities, but plus cash flow from cash pool withdrawals (deposits), which are included in cash flow from investing activities.
Investments	We define investments as expenditure on property, plant and equipment and intangible assets, including advance payments, which serve both expansion and modernization. The calculation is made by adding the acquisitions of investments accounted for using the equity method using the equity method; non-current financial assets; property, plant and equipment; and intangible assets, less the proceeds from their disposal.
Net advance payments	We define net advance payments as the sum of contract assets and advance payments to suppliers (which are part of current other non-financial assets in the statement of financial position) less contract liabilities.
Net financial assets	We define net financial assets as cash, cash equivalents and time deposits less gross financial liabilities with a remaining term of more than one year, lease liabilities with a remaining term of less than one year, provisions for pensions and similar obligations, provisions for other non-current employee benefits and liabilities to financial institutions (bank loans) with a remaining term of less than one year.
Net working capital	We define net working capital as the sum of inventories and trade accounts receivable less trade accounts payable and net advance payments (consisting of the sum of contract assets and advance payments to suppliers (which are part of current other non-financial assets in the statement of financial position) less contract liabilities).
Sales coverage	We define sales coverage as the ratio of order backlog to sales projected on a straight-line basis over 12 months.



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