

QUARTERLY STATEMENT

2023

1ST QUARTER

Rheinmetall Group in the first quarter of 2023: Consolidated sales up and annual forecast for 2023 confirmed

- Consolidated sales grow by 7.6% to €1.4 billion
- Consolidated operating profit of €73 million down €19 million
- Operating result margin of 5.4% below previous year's level of 7.3%
- Operating free cash flow improves by €357 million to €-105 million
- Annual forecast for 2023 confirmed

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Rheinmetall in figures

KEY FIGURES

		Q1 2023	Q1 2022
SALES/EARNINGS			
Sales	€ million	1,363	1,266
<i>Of which generated abroad</i>	%	77.7	70.3
Operating result	€ million	73	92
Operating result margin	%	5.4	7.3
EBIT	€ million	76	81
EBIT margin	%	5.5	6.4
EBT	€ million	68	74
Earnings from continuing operations	€ million	47	59
Earnings from discontinued operations	€ million	4	1
Earnings after taxes	€ million	51	61
ORDER INFORMATION			
<i>Booked Business</i>	€ million	1,230	1,232
<i>Frame Nomination</i>	€ million	370	371
<i>Order Intake</i>	€ million	1,504	1,782
Rheinmetall Nomination	€ million	3,104	3,385
<i>Nominated Backlog</i>	€ million	8,741	7,236
<i>Frame Backlog</i>	€ million	3,750	3,757
<i>Order Backlog</i>	€ million	15,703	15,103
Rheinmetall Backlog	€ million	28,194	26,097
CASH FLOW			
Cash flow from operating activities	€ million	(70)	(426)
Cash flow from investments	€ million	(56)	(45)
Operating free cash flow	€ million	(126)	(471)
<i>Of which continuing operations</i>	€ million	(105)	(462)
<i>Of which discontinued operations</i>	€ million	(21)	(9)
STATEMENT OF FINANCIAL POSITION (March 31)			
Equity	€ million	3,236	2,785
Total assets	€ million	9,318	7,811
Equity ratio	%	34.7	35.7
Cash and cash equivalents	€ million	1,579	387
Total assets less cash and cash equivalents	€ million	7,739	7,424
Net financial debt (-)/Net liquidity (+) ¹	€ million	(449)	(556)
HUMAN RESOURCES (capacity, March 31)			
Germany	FTE	12,820	12,355
Foreign	FTE	12,831	12,133
Rheinmetall Group	FTE	25,651	24,488
<i>Of which continuing operations</i>	FTE	22,227	20,700
<i>Of which discontinued operations</i>	FTE	3,424	3,788
SHARES			
Stock price (March 31)	€	275.00	192.10
Basic earnings per share from continuing operations	€	1.15	1.08
Basic earnings per share	€	1.24	1.11
Diluted earnings per share from continuing operations	€	1.15	1.08
Diluted earnings per share	€	1.24	1.11

¹ Financial liabilities less cash and cash equivalents



Significant events up to March 31, 2023

Further progress made regarding the disposal of the pistons business

The disposal of the pistons business, announced as part of the realignment of the Rheinmetall Group, since then reported as discontinued operations, led to the sale of the large-bore pistons business on October 24, 2022. The share purchase agreement covers Rheinmetall's large-bore pistons business with three production plants in Germany, the US and China as well as the steel pistons line from the small-bore pistons plant in Marinette, US. The transaction was closed on January 27, 2023, and is accompanied by the deconsolidation of the Group companies belonging to the large-bore pistons business. The deconsolidation result on the basis of the preliminary purchase price is around €15 million. The final purchase price adjustments are yet to be determined.

On March 22, 2023, Rheinmetall and the Japanese company Riken Corporation, based in Tokyo, concluded a purchase agreement for all shares previously held by Rheinmetall in the company Riken Automobile Parts (Wuhan) Co., Ltd. The sale of shares was completed on April 5, 2023. The transaction did not result in any significant deconsolidation result.

The small-bore pistons disposal group and the investments accounted for using the equity method defined as assets held for sale will continue to be accounted for as discontinued operations in the first quarter of 2023.

Convertible bond to finance the acquisition of Expal Systems

On January 31, 2023, Rheinmetall AG issued a convertible bond with a total nominal value of €1 billion in two tranches of €500 million. The first tranche, maturing February 7, 2028, has an annual coupon of 1.875%. The second tranche with an annual coupon of 2.250% matures on February 7, 2030. The net proceeds from the issuance of the convertible bond are to be used to finance the acquisition of munitions manufacturer Expal Systems S.A, which was agreed in November 2022 and is expected to be completed by the summer of 2023, to ensure strategic flexibility in connection with the financing of internal and external growth initiatives, and for general corporate purposes. As a result of the issuance of the convertible bond, the authorization of the Executive Board granted by resolution of the Annual General Meeting on May 21, 2021, to issue bonds with warrants and convertible bonds was partially utilized.

Promissory note loans issued with a total volume of €145 million

In January 2023, Rheinmetall AG issued four promissory note loans with a total volume of €145 million. The promissory note loans with terms of three and five years bear a variable rate of interest and serve the Rheinmetall Group's general financing.

Admission to the DAX 40

Rheinmetall AG joined the DAX 40 with effect from March 20, 2023. The positive development of the free float market capitalization was decisive for this.

Significant major orders

New major order for medium-caliber ammunition

On behalf of Ukraine, the German Federal Ministry of Defence has awarded Rheinmetall a contract to supply 35mm ammunition for the Gepard anti-aircraft gun tank. A total of 300,000 cartridges are to be supplied. The ammunition is intended to support the Ukrainian armed forces, which use the Gepard. The order value is in the low three-digit million euro range. Rheinmetall will supply 150,000 cartridges each of sabot ammunition (armor-piercing discarding sabot-tracer, APDS-T) and high-explosive incendiary ammunition (HEI-T). The first APDS-T cartridges will be delivered in the summer of 2023.

Orders with a total value of over €100 million in the electric mobility sector

In the Materials and Trade division, there are three new major orders for structural components in the electric mobility sector. The orders, which fall under the Castings business unit, are each in the double-digit million euro range. Production of all components will start in 2024. From this date, sets for shock absorber mountings and other structural components will be produced for various automotive manufacturers.

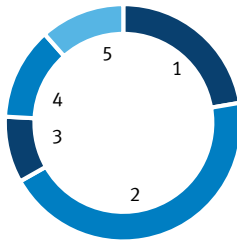
Business performance of the Rheinmetall Group

Key figures Rheinmetall Group (continuing operations)

€ million	Q1 2023	Q1 2022	Change
Sales	1,363	1,266	97
Operating result	73	92	-19
Operating result margin	5.4%	7.3%	-1.9%-P
Operating free cash flow	(105)	(462)	357

Consolidated sales up year-on-year

Consolidated sales in the first quarter of 2023 increased by €97 million or 7.6% to €1,363 million (previous year: €1,266 million). Adjusted for currency effects, sales were 7.7% higher than in the previous year. The share of sales generated abroad increased by 7.4% points year-on-year in the first quarter of 2023 to 77.7%.



Sales by region

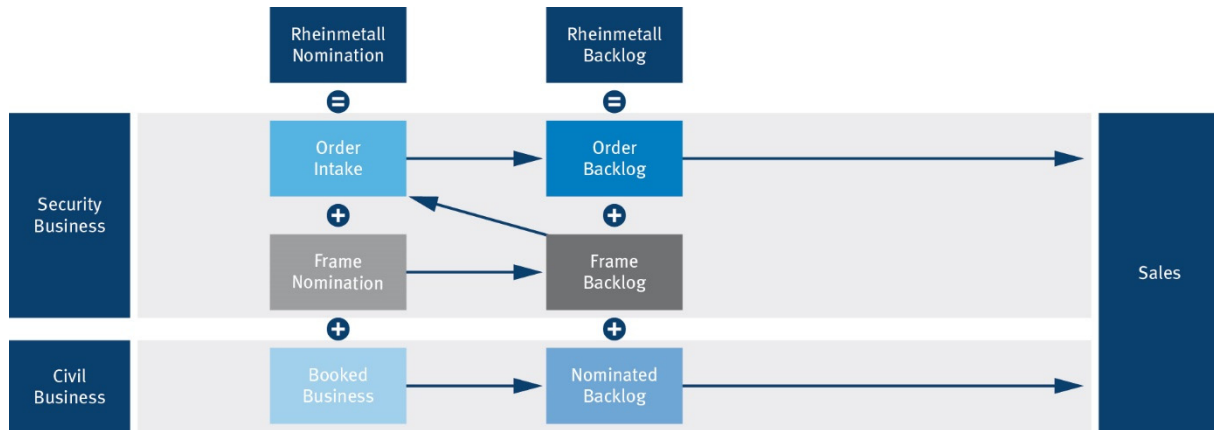
€ million	Q1 2023	Q1 2022
Rheinmetall Group	1,363	1,266
1 Germany	304	376
2 Other Europe	607	398
3 North, Middle and South America	123	138
4 Asia and the Near East	172	242
5 Other regions	158	113

Rheinmetall Nomination and Rheinmetall Backlog as new key order figures

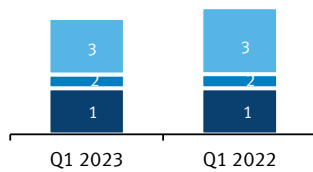
At the beginning of fiscal 2023, the existing key order figures were further developed with the aim of mapping a cross-segment indicator for Group-wide sales activity and the future sales potential of the Rheinmetall Group.

As new stock size, the Rheinmetall Backlog comprises the previously used order backlog key figure as well as the new frame backlog and nominated backlog key figures. The frame backlog reflects the expected future call-offs from existing framework agreements for the security business and is converted into order backlog when called off by the customer. Based on existing written agreements and framework contracts with customers, the nominated backlog figure shows the future call-offs expected for the civil business from these customer agreements. The sales resulting from the frame backlog and the nominated backlog may differ from the corresponding values depending on the final call-off quantities.

The new Rheinmetall Nomination indicator is composed of the previously used order intake and booked business indicators as well as the new flow indicator for the security business, the frame nomination. Similar to the booked business indicator used for the civil business, this represents the expected value of new framework agreements concluded with customers. Like booked business, frame nomination does not yet represent binding customer orders, so actual call-off volumes and the resulting sales may vary. The frame backlog is converted into order backlog by call-offs shown as order intake.

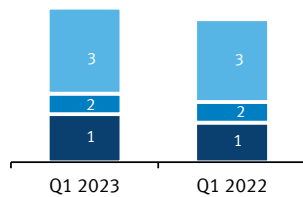


Rheinmetall Nomination decreased in the first quarter of 2023 compared with the same period of the previous year, by 8.3% to €3,104 million (previous year: €3,385 million). In the same period of the previous year, order intake was at an above-average level, particularly in the Weapon and Ammunition division, due to the historically largest single order from Hungary. In the first quarter of 2023, the two key figures of booked business and frame nomination were on par with the previous year.



Rheinmetall Nomination

€ million	Q1 2023	Q1 2022	Change
1 Booked Business	1,230	1,232	-2
2 Frame Nomination	370	371	-1
3 Order intake	1,504	1,782	-278
Rheinmetall Nomination	3,104	3,385	-281



Rheinmetall Backlog

€ million	Q1 2023	Q1 2022	Change
1 Nominated Backlog	8,741	7,236	1,505
2 Frame Backlog	3,750	3,757	-7
3 Order backlog	15,703	15,103	600
Rheinmetall Backlog	28,194	26,097	2,098

Operating result below previous year's level due to negative at-equity result

The operating result amounts to €73 million and is down €19 million or 20.9% on the previous year's figure of €92 million. The positive operating developments were unable to fully compensate for the negative at-equity result in the first quarter of 2023. In the first quarter of 2023 the at-equity result was €-12 million in contrast to €17 million in the same period of the previous year. The negative at-equity result 2023 is mainly due to the negative earnings contribution of 4iG. The Group's operating result margin fell to 5.4% in the first quarter of 2023 (previous year: 7.3%).

Earnings per share

As a result of the convertible bond issued in February 2023, diluted earnings per share are calculated in addition to basic earnings per share. The calculation of diluted earnings per share is based on the assumption that all potentially dilutive instruments are converted into ordinary shares at the time of issue, resulting in an increase in



the number of shares. At the same time, earnings after taxes are reduced by the effect on earnings of these instruments, such as interest costs. In contrast, indirect effects must be taken into account, which may result, for example, from a possible increase in variable compensation components due to the aforementioned relief in earnings.

Diluted earnings per share are calculated as follows:

Derivation of diluted earnings per share

	Continuing Operations	Discontinued Operations	Q1 2023	Continuing Operations	Discontinued Operations	Q1 2022
Earnings after taxes in € million - Rheinmetall AG shareholders	50	4	54	47	1	48
Adjustment for interest expense in respect of the convertible bond in € million	6	-	6	-	-	-
Effect of adjustment for interest expense in respect of the convertible bond on personnel expenses in € million	-	-	-	-	-	-
Tax effects on the adjustment for interest expense in respect of the convertible bond and on the effect on personnel expenses in € million	(2)	-	(2)	-	-	-
Diluted earnings after taxes in € million - Rheinmetall AG shareholders	54	4	58	47	1	48
Weighted number of shares in millions - basic	43.38			43.31		
Effect from the potential conversion of the convertible bond in millions	1.93			-		
Weighted number of shares in millions - diluted	45.32			43.31		
Basic earnings per share	€ 1.15	€ 0.09	€ 1.24	€ 1.08	€ 0.03	€ 1.11
Diluted earnings per share	€ 1.20	€ 0.08	€ 1.28	€ 1.08	€ 0.03	€ 1.11
Adjusted diluted earnings per share (due to antidilutive effect)	€ 1.15	€ 0.09	€ 1.24	-	-	-

As diluted earnings per share from continuing operations exceeds basic earnings per share from continuing operations, there is an antidilutive effect in accordance with IAS 33.43. As a result, diluted earnings per share are adjusted to basic earnings per share.

Increase in operating free cash flow in first quarter of 2023

Operating free cash flow from continuing operations improved by €357 million to €-105 million in the first quarter of 2023 compared with the same period of the previous year (previous year: €-462 million). The positive development resulted primarily from high customer payments for projects.

Net assets and financial position

Compared to December 31, 2022, the Rheinmetall Group's total assets grew by €1,229 million to €9,318 million as of March 31, 2023. At 31.6%, the ratio of non-current assets to total assets decreased slightly as of March 31, 2023, compared with the end of fiscal 2022 (December 31, 2022: 35.6%). This is attributable mainly to an increase in cash and cash equivalents and inventories as current assets in the first quarter of 2023. The increase in cash and cash equivalents resulted from the issue of the convertible bond to finance the acquisition of Expal Systems, which simultaneously led to an increase in non-current liabilities.

The equity ratio decreased compared to the end of fiscal 2022 to 34.7% as of March 31, 2023 (December 31, 2022: 38.1%) due to the significant increase in total assets. At €-449 million as of the end of the first quarter of 2023, net financial debt from continuing operations remained at the level at the end of fiscal 2022 (December 31, 2022: €-426 million).

**Asset and capital structure**

€ million	3/31/2023	%	12/31/2022	%
Non-current assets	2,947	32	2,884	36
Current assets	6,371	68	5,206	64
Total assets	9,318	100	8,089	100
Equity	3,236	35	3,083	38
Non-current liabilities	2,398	26	1,341	17
Current liabilities	3,685	40	3,665	45
Total equity and liabilities	9,318	100	8,089	100

Business performance of the divisions

Vehicle Systems

Key figures Vehicle Systems

€ million	Q1 2023	Q1 2022	Change
Sales	462	400	62
Rheinmetall Nomination	1,229	398	831
<i>Frame Nomination</i>	370	-	370
<i>Order Intake</i>	859	398	461
Rheinmetall Backlog (March 31)	12,658	12,902	-244
<i>Frame Backlog</i>	2,633	2,386	247
<i>Order Backlog</i>	10,026	10,516	-490
Operating result	42	29	13
Operating result margin	9.1%	7.2%	1.9%-P
Capital expenditure	76	14	63
Operating free cash flow	(94)	(125)	31

At €462 million, sales in the Vehicle Systems division in the first quarter of 2023 were €62 million or 15.5% above the previous year's figure. The increase in sales is particularly attributable to projects for the delivery of tactical vehicles.

The Rheinmetall Nomination increased by €831 million year-on-year to €1,229 million. This was mainly due to a doubled order intake resulting from new major orders (in particular the Leopard 2 upgrade for Norway and the Puma infantry fighting vehicle upgrade for Germany) and a frame nomination for trucks in Austria. At around €12.7 billion, the Rheinmetall Backlog as of March 31, 2023 was down €244 million or 1.9% year-on-year.

The operating result improved from €29 million to €42 million in the first quarter of 2023. The positive development of the operating result is attributable to margin effects. The operating result margin of 9.1% exceeded the previous year's level of 7.2%.

In the first three months of 2023, investments amounted to €76 million, up €63 million on the previous year's figure of €14 million. The increase is primarily due to new leases for plant and equipment to expand capacity. Operating free cash flow increased by €31 million to €-94 million. This mainly resulted from incoming payments from customers.



Weapon and Ammunition

Key figures Weapon and Ammunition

€ million	Q1 2023	Q1 2022	Change
Sales	238	258	-19
Rheinmetall Nomination	603	1,516	-913
<i>Frame Nomination</i>	-	371	-371
<i>Order Intake</i>	603	1,145	-542
Rheinmetall Backlog (March 31)	5,555	4,984	571
<i>Frame Backlog</i>	943	1,196	-254
<i>Order Backlog</i>	4,612	3,788	824
Operating result	24	32	-8
Operating result margin	10.1%	12.3%	-2.2%-P
Capital expenditure	7	8	-1
Operating free cash flow	64	(225)	289

The Weapon and Ammunition division generated sales of €238 million in the first quarter of 2023, down €19 million or 7.5% on the figure for the previous year. The year-on-year decline is attributable in particular to export licenses that are currently still outstanding and were already available in the first quarter of the previous year.

Rheinmetall Nomination decreased by €913 million to €603 million in the first quarter of 2023. The previous year's figure was above average, primarily due to the division's largest single order to date from Hungary. Major new orders received in the first quarter of 2023 related in particular to an ammunition order for the Gepard anti-aircraft gun tank and weapon systems for Norwegian Leopard 2. Rheinmetall Backlog increased by €571 million or 11.5% to around €5.6 billion as of March 31, 2023 (previous year: €5.0 billion).

The operating result declined by €8 million to €24 million in the first quarter of 2023 (previous year: €32 million). This development is basically attributable to lower income from investments accounted for using the equity method compared with the previous year. As a result, the operating result margin fell from 12.3% to 10.1%.

At €7 million, investments were at the previous year's level (previous year: €8 million).

Operating free cash flow increased by €289 million to €64 million in the first quarter of 2023 (previous year: €-225 million). This change was primarily due to high incoming payments from customers.

Electronic Solutions

Key figures Electronic Solutions

€ million	Q1 2023	Q1 2022	Change
Sales	201	168	33
Rheinmetall Nomination	330	323	7
<i>Frame Nomination</i>	-	-	-
<i>Order Intake</i>	330	323	7
Rheinmetall Backlog (March 31)	3,275	2,750	524
<i>Frame Backlog</i>	174	175	-
<i>Order Backlog</i>	3,100	2,576	524
Operating result	10	4	6
Operating result margin	5.0%	2.2%	2.8%-P
Capital expenditure	6	5	2
Operating free cash flow	(71)	(107)	36

The Electronic Solutions division increased sales in the first quarter of 2023 by €33 million to €201 million (previous year: €168 million). This represents growth of 19.8%. The positive development is attributable to the projects for Lynx Hungary and combat helmets.



Rheinmetall Nomination increased by €7 million or 2.0% year-on-year to €330 million. Major new orders in the first three months of 2023 related to an order for Puma and Leopard 2 for Norway. As of March 31, 2023, Rheinmetall Backlog stood at around €3.3 billion, up 19.1% year-on-year (previous year: €2.8 billion).

The operating result increased by €6 million to €10 million in the first quarter of 2023 (previous year: €4 million). The operating result margin rose to 5.0% (previous year: 2.2%). The increase resulted from sales growth and an improved product mix.

In the first three months of fiscal 2023, the investments of the Electronic Solutions division increased by €2 million year-on-year to €6 million due to tools for production. Operating free cash flow improved by €36 million to €-71 million (previous year: €-107 million) due to incoming payments from customers.

Sensors and Actuators

Key figures Sensors and Actuators

€ million	Q1 2023	Q1 2022	Change
Sales	363	347	16
Booked business	1,039	1,022	17
Nominated Backlog	8,152	6,636	1,516
Operating result	13	26	-13
Operating result margin	3.5%	7.5%	-4.0%-P
Capital expenditure	19	13	7
Operating free cash flow	(1)	1	-1

Sales in the Sensors and Actuators division in the first quarter of 2023 climbed by €16 million or 4.5% year-on-year to €363 million. The sales growth resulted primarily from price and volume increases in the Europe region.

Booked business in the first three months of fiscal 2023 was on par with the previous year's level at €1,039 million (previous year: €1,022 million). As of March 31, 2023, nominated backlog increased by 22.8% to €8.2 billion (previous year: €6.6 billion).

The operating result in the first quarter of 2023 fell by 50.8% to €13 million (previous year: €26 million). The decline is particularly attributable to increased raw material prices, which can only be passed on to customers after a delay. The operating result margin dropped to 3.5% (previous year: 7.5%).

In the first three months of 2023, investments were up €7 million year-on-year at €19 million (previous year: €13 million). The increase was attributable to higher capitalizations for development projects and tools as part of new projects. Operating free cash flow was with €-1 million at the previous year's level (previous year: €1 million).



Materials and Trade

Key figures Materials and Trade

€ million	Q1 2023	Q1 2022	Change
Sales	198	190	8
Booked business	191	210	-19
Nominated Backlog	589	600	-11
Operating result	12	16	-5
Operating result margin	5.8%	8.4%	-2.6%-P
Capital expenditure	3	5	-2
Operating free cash flow	(14)	(20)	6

The Materials and Trade division increased sales by €8 million or 4.0% to €198 million in the first quarter of 2023. The slight increase in sales was particularly attributable to volume growth in the Trade business unit.

Booked business of €191 million was generated in the first three months of fiscal 2023. This represents a decrease of €19 million compared to the same period of the previous year (previous year: €210 million). Nominated backlog as of March 31, 2023 remained at the level of the previous year at around €0.6 billion (previous year: €0.6 billion).

The operating result of the Materials and Trade division decreased by €5 million or 28.2% to €12 million in the first quarter of 2023. The operating result margin dropped to 5.8% (previous year: 8.4%). This was particularly negatively impacted by a decline in the at-equity result of a Chinese joint venture.

The investments of the Materials and Trade division decreased year-on-year by €2 million to €3 million (previous year: €5 million). Operating free cash flow rose due to a better working capital management by €6 million to €-14 million (previous year: €-20 million).



Opportunities and risks of the Rheinmetall Group

Effective risk management

In the context of a systematic and effective risk management system, the risks in the Rheinmetall Group are limited and manageable. There are no existential risks in relation to the net assets, financial position, and results of operations.

Key statements on the opportunity and risk situation

Negative effects can still arise from the general availability of primary products or as a result of disrupted supply chains. Through ongoing monitoring and crisis management between the Executive Board, the division management, Procurement, Production, and Sales, Rheinmetall eliminates potential negative effects on production almost completely. In addition, supply chains are secured by way of active working capital management for a foresighted build-up of inventories of critical components. Strained supply chains and the looming recession in Europe are in some cases resulting in production cuts on the part of our civilian customers, which could lead to lower call-off volumes and thus temporary declines in sales at Rheinmetall.

Rheinmetall is countering cost increases resulting from high inflation rates with a package of various measures. A large portion of these cost increases are firstly hedged by Rheinmetall and secondly passed on to the customers by way of price adjustment clauses, material surcharges and renegotiations.

Update to the risk and opportunity situation

On April 14, 2023, there was a cyber attack on IT systems at domestic and foreign locations of the civil business. Following the immediate implementation of countermeasures, Rheinmetall currently assumes that no substantial risks will arise for the Rheinmetall Group.

Overall, Rheinmetall expects the opportunities arising from significantly increased demand for military equipment in the coming years to at least compensate for the above risks for the Rheinmetall Group.

The other opportunities and risks for the expected development of the Rheinmetall Group are essentially unchanged and are described in detail in the Group Management Report 2022.



Outlook

Group and segment forecast for fiscal 2023 confirmed

The forecast made in the 2022 Annual Report remains unchanged at Group and segment level. The assumptions underlying this assessment and further explanations can be found in the *Report on expected developments* section in the *Combined Management Report* chapter of the 2022 Annual Report.

Rheinmetall Group – forecast business performance in 2023

		2022	Current forecast of fiscal 2023 (Annual Report 2022)
Sales			
Group	€ million	6,410	Sales growth to €7.4 bn to €7.6 bn
Division Vehicle Systems	€ million	2,270	Sales growth 25% to 30%
Division Weapon and Amunition	€ million	1,470	Sales growth 25% to 30%
Division Electronic Solutions	€ million	1,063	Sales growth 15% to 20%
Division Sensors and Actuators	€ million	1,382	Sales growth 5% to 8%
Division Materials and Trade	€ million	743	Sales growth 4% to 7%
Operating result margin			
Group	%	11.8	Operating result margin around 12%
Division Vehicle Systems	%	11.4	Operating result margin 11% to 13%
Division Weapon and Amunition	%	20.8	Operating result margin 20% to 22%
Division Electronic Solutions	%	11.1	Operating result margin 11% to 13%
Division Sensors and Actuators	%	6.9	Operating result margin 7% to 9%
Division Materials and Trade	%	9.1	Operating result margin 9% to 11%
OFCF (in relation to sales)			
Group	%	(2.4)	4% to 6%



Consolidated statement of financial position

Statement of financial position of Rheinmetall Group as of March 31, 2023

€ million	3/31/2023	12/31/2022
Assets		
Goodwill	481	483
Other intangible assets	342	338
Right-of-use assets	250	209
Property, plant and equipment	1,136	1,137
Investment property	24	24
Investments accounted for using the equity method	419	408
Other non-current assets	187	187
Deferred taxes	108	98
Non-current assets	2,947	2,884
Inventories	2,374	1,976
Contract assets	408	362
Trade receivables	1,246	1,548
Other current assets	277	242
Income tax receivables	34	23
Securities held for trade	133	132
Cash and cash equivalents	1,579	545
Assets held for sale	319	377
Current assets	6,371	5,206
Total assets	9,318	8,089
Equity and liabilities		
Share capital	112	112
Capital reserves	687	566
Retained earnings	2,175	2,140
Treasury shares	(5)	(6)
Rheinmetall AG shareholders' equity	2,968	2,812
Non-controlling interests	267	271
Equity	3,236	3,083
Provisions for pensions and similar obligations	480	484
Other non-current provisions	197	205
Non-current financial debts	1,578	517
Other non-current liabilities	57	56
Deferred taxes	87	78
Non-current liabilities	2,398	1,341
Other current provisions	673	674
Current financial debts	450	454
Contract liabilities	1,268	1,120
Trade liabilities	837	931
Other current liabilities	184	200
Income tax liabilities	76	67
Liabilities directly related to assets held for sale	198	220
Current liabilities	3,685	3,665
Total equity and liabilities	9,318	8,089



Consolidated income statement

Income Statement of the Rheinmetall Group

€ million	Q1 2023	Q1 2022
Sales	1,363	1,266
Changes in inventories and work performed by the enterprise and capitalized	332	142
Total operating performance	1,695	1,409
Other operating income	32	29
Cost of materials	893	684
Personnel costs	500	457
Amortization, depreciation and impairment	63	60
Other operating expenses	182	153
Result from investments accounted for using the equity method	(12)	17
Other financial result	(2)	(20)
Earnings before interest and taxes (EBIT)	76	81
Interest income	16	1
Interest expenses	24	8
Earnings before taxes (EBT)	68	74
Income taxes	20	(15)
Earnings from continuing operations	47	59
Earnings from discontinued operations	4	1
Earnings after taxes	51	61
Of which:		
<i>Non-controlling interests</i>	(3)	13
<i>Rheinmetall AG shareholders</i>	54	48
Basic earnings per share	€ 1.24	€ 1.11
Basic earnings per share from continuing operations	€ 1.15	€ 1.08
Basic earnings per share from discontinued operations	€ 0.09	€ 0.03
Diluted earnings per share	€ 1.24	€ 1.11
Diluted earnings per share from continuing operations	€ 1.15	€ 1.08
Diluted earnings per share from discontinued operations	€ 0.09	€ 0.03

Consolidated statement of comprehensive income

Statement of comprehensive income of the Rheinmetall Group

€ million	Q1 2023	Q1 2022
Earnings after taxes	51	61
Remeasurement of net defined benefit liability from pensions	(4)	47
Amounts not reclassified to the income statement	(4)	47
Change in value of derivative financial instruments (cash flow hedge)	(13)	24
Currency translation difference	(16)	27
Other comprehensive income/expenses from investments accounted for using the equity method	11	3
Amounts reclassified to the income statement	(19)	55
Other comprehensive income after taxes	(23)	102
Total comprehensive income	29	162
Of which:		
<i>Non-controlling interests</i>	(4)	21
<i>Rheinmetall AG shareholders</i>	33	141



Consolidated statement of cash flows

Statement of cash flows		
€ million	Q1 2023	Q1 2022
Earnings after taxes	51	61
Amortization/depreciation/impairment of property, plant and equipment, intangible assets and investment property	63	60
Allocation of CTA assets to secure pension and partial retirement obligations	(3)	(50)
Other changes in pension provisions	9	125
Income/expenses from disposals of non-current assets	(10)	(1)
Changes in other provisions	(6)	76
Changes in working capital	(101)	(429)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(85)	(134)
Pro rata income/loss from investments accounted for using the equity method	12	(17)
Other non-cash expenses and income	(1)	(118)
Cash flow from operating activities¹	(70)	(426)
<i>Of which continuing operations</i>	(53)	(420)
<i>Of which discontinued operations</i>	(18)	(6)
Investments in property, plant and equipment, intangible assets and investment property	(56)	(45)
Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property	-	2
Cash inflows from disinvestments in consolidated companies and financial assets	56	-
Cash outflows for investments in consolidated companies and financial assets	(10)	(198)
Cash flow from investing activities	(11)	(241)
<i>Of which continuing operations</i>	8	(239)
<i>Of which discontinued operations</i>	(19)	(3)
Borrowing of financial debts	165	61
Repayment of financial debts	(49)	(50)
Cash inflows from the issuance of convertible bonds - Addition to equity	113	-
Cash inflows from the issuance of convertible bonds - Fair value financial liability	887	-
Transaction costs for the issuance of convertible bonds	(7)	-
Cash flow from financing activities	1,109	10
<i>Of which continuing operations</i>	1,131	54
<i>Of which discontinued operations</i>	(22)	(43)
Changes in cash and cash equivalents	1,028	(657)
Changes in cash and cash equivalents due to exchange rates	(3)	2
Total change in cash and cash equivalents	1,025	(655)
Opening cash and cash equivalents January 1	568	1,058
Closing cash and cash equivalents March 31	1,593	402
Closing cash and cash equivalents March 31 from discontinued operations	14	15
Closing cash and cash equivalents as per consolidated statement of financial position March 31	1,579	387

¹ Of which: Net income taxes: €-14 million (previous year: €-34 million); net interest: €0 million (previous year: €-4 million)



Consolidated statement of changes in equity

Development of equity

€ million	Share capital	Capital reserve	Total retained earnings	Treasury shares	Rheinmetall AG shareholders' equity	Non-controlling interests	Equity
As of 1/1/2022	112	561	1,755	(9)	2,418	203	2,620
Earnings after taxes	-	-	48	-	48	13	61
Other comprehensive income after taxes	-	11	81	3	95	7	102
Total comprehensive income	-	11	128	3	142	20	162
Other changes	-	-	2	-	2	-	2
As of 3/31/2022	112	572	1,885	(6)	2,562	223	2,785
As of 1/1/2023	112	566	2,140	(6)	2,812	271	3,083
Earnings after taxes	-	-	54	-	54	(3)	51
Other comprehensive income after taxes	-	-	(21)	-	(21)	(1)	(23)
Total comprehensive income	-	-	33	-	33	(4)	29
Disposal of treasury shares	-	-	-	1	1	-	1
Change in in scope of consolidation	-	-	1	-	1	-	1
Changes in respect of the convertible bond	-	113	-	-	113	-	113
Other changes	-	8	2	-	10	-	10
As of 3/31/2023	112	687	2,175	(5)	2,968	267	3,236

Composition of retained earnings

€ million	Currency translation difference	Remeasurement of net defined benefit liability from pensions	Hedges	Comprehensive income/loss from investments accounted for using the equity method	Other reserves	Total retained earnings
As of 1/1/2022	8	(330)	25	3	2,047	1,755
Earnings after taxes	-	-	-	-	48	48
Other comprehensive income after taxes	21	47	23	3	(13)	81
Total comprehensive income	21	47	23	3	35	128
Other changes	-	-	-	-	2	2
As of 3/31/2022	29	(283)	48	7	2,084	1,885
As of 1/1/2023	33	(276)	11	16	2,355	2,140
Earnings after taxes	-	-	-	-	54	54
Other comprehensive income after taxes	(13)	(4)	(10)	5	-	(21)
Total comprehensive income	(13)	(4)	(10)	5	54	33
Change in scope of consolidation	-	(6)	-	-	7	1
Other changes	-	-	-	-	2	2
As of 3/31/2023	20	(285)	2	21	2,417	2,175



Segment report

Segment report Q1 2023

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Sensors and Actuators	Materials and Trade	Others/ Consolidation	Group (continuing operations)
Income statement							
<i>External sales</i>	457	202	159	345	198	2	1,363
<i>Internal sales</i>	5	37	42	18	-	(102)	-
Segment sales	462	238	201	363	198	(99)	1,363
Operating result	42	24	10	13	12	(27)	73
Special items	-	-	-	-	-	2	2
EBIT	42	24	10	13	12	(25)	76
Of which:							
<i>At-equity-result</i>	2	2	-	1	(5)	(12)	(12)
<i>Amortization and depreciation</i>	16	11	7	22	4	3	63
<i>Impairment</i>	-	-	-	-	-	-	-
Interest income	3	2	2	2	1	7	16
Interest expenses	4	6	3	1	1	9	24
EBT	41	20	9	14	11	(27)	68
Other data							
Operating free cash flow	(94)	64	(71)	(1)	(14)	10	(105)
Employees March 31 (FTE)	5,966	5,208	3,556	4,487	2,275	735	22,227

Segment report Q1 2022

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Sensors and Actuators	Materials and Trade	Others/ Consolidation	Group (continuing operations)
Income statement							
<i>External sales</i>	395	216	132	326	190	7	1,266
<i>Internal sales</i>	5	42	35	21	1	(104)	-
Segment sales	400	258	168	347	190	(97)	1,266
Operating result	29	32	4	26	16	(14)	92
Special items	-	-	-	-	-	(12)	(12)
EBIT	29	32	4	26	16	(25)	81
Of which:							
<i>At-equity-result</i>	4	9	-	1	1	1	17
<i>Amortization and depreciation</i>	12	11	7	23	5	2	60
<i>Impairment</i>	-	-	-	-	-	-	-
Interest income	-	-	-	-	-	-	1
Interest expenses	2	4	1	1	1	(2)	8
EBT	27	27	2	26	15	(24)	74
Other data							
Operating free cash flow	(125)	(225)	(107)	1	(20)	15	(462)
Employees March 31 (FTE)	5,117	4,888	3,393	4,424	2,269	609	20,700

Financial calendar and legal information

This quarterly statement was published on May 4, 2023.

Dates

May 9, 2023

Annual General Meeting Rheinmetall AG

August 10, 2023

Report on the 1st half-year 2023

November 09, 2023

Statement on the 3rd quarter 2023

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Rheinmetall's website at www.rheinmetall.com contains detailed business information on the Rheinmetall Group and its subsidiaries, current trends, 15-minute stock price updates, press releases and ad hoc notifications. Investor Relations information forms an integral part of this website and provides all the relevant details for download.

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