



QUARTERLY STATEMENT
2021
3RD QUARTER

Rheinmetall after three quarters of 2021: Sales growth with significant increase in earnings and margin

- Consolidated sales grow by around 6% to over €3.8 billion
- Operating result improves by 45% to €297 million
- Operating margin of 7.7% significantly exceeds previous year's level of 5.7%
- Continued high growth in orders
- Annual forecast for 2021 adjusted: Operating margin of around 10% with sales growth of around 6%

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Rheinmetall in figures

The financial figures in the quarterly statement are based on the new Group structure in place since the first quarter of 2021. The figures for the comparative period of the previous year have been restated accordingly, applying IFRS 5.

Key figures

		Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Sales/Earnings					
Sales	€ million	1,258	1,261	3,841	3,633
<i>Of which generated abroad</i>	%	65.5	70.2	66.4	72.8
Operating result	€ million	106	109	297	205
Operating margin	%	8.4	8.7	7.7	5.7
EBIT	€ million	112	95	303	157
EBIT margin	%	8.9	7.6	7.9	4.3
EBT	€ million	106	90	282	133
Earnings from continuing operations	€ million	76	81	206	96
Earnings from discontinued operations	€ million	1	(32)	(98)	(281)
Earnings after taxes	€ million	77	49	108	(185)
Cash flow					
Cash flow from operating activities	€ million	1	91	24	(223)
Cash flow from investments	€ million	(57)	(50)	(144)	(146)
Operating free cash flow	€ million	(55)	41	(120)	(369)
<i>Of which continuing operations</i>	€ million	(34)	49	(79)	(338)
<i>Of which discontinued operations</i>	€ million	(22)	(9)	(41)	(30)
Balance sheet (September 30)¹⁾					
Equity	€ million	-	-	2,233	1,869
Total assets	€ million	-	-	7,238	7,162
Equity ratio	%	-	-	30.8	26.1
Cash and cash equivalents	€ million	-	-	641	690
Total assets less cash and cash equivalents	€ million	-	-	6,598	6,472
Net financial debt (-)/Net liquidity (+)	€ million	-	-	(312)	(571)
Leverage ratio ²⁾	%	-	-	4.7	8.8
Net gearing ³⁾	%	-	-	14.0	30.5
Human resources (September 30)					
Germany	FTE	-	-	11,802	11,539
Foreign	FTE	-	-	12,024	11,613
Rheinmetall Group	FTE	-	-	23,826	23,152
<i>Of which continuing operations</i>	FTE	-	-	19,998	19,415
<i>Of which discontinued operations</i>	FTE	-	-	3,828	3,737
Shares					
Stock price (September 30)	EUR	-	-	84.78	76.76
Earnings per share from continuing operations	EUR	1.66	1.76	4.16	2.08
Earnings per share from discontinued operations	EUR	0.03	(0.73)	(2.27)	(6.51)
Earnings per share	EUR	1.69	1.03	1.89	(4.43)

1) Previous year's figures include discontinued operations

2) Net financial liabilities (-) or net liquidity (+)/total assets adjusted for cash and cash equivalents

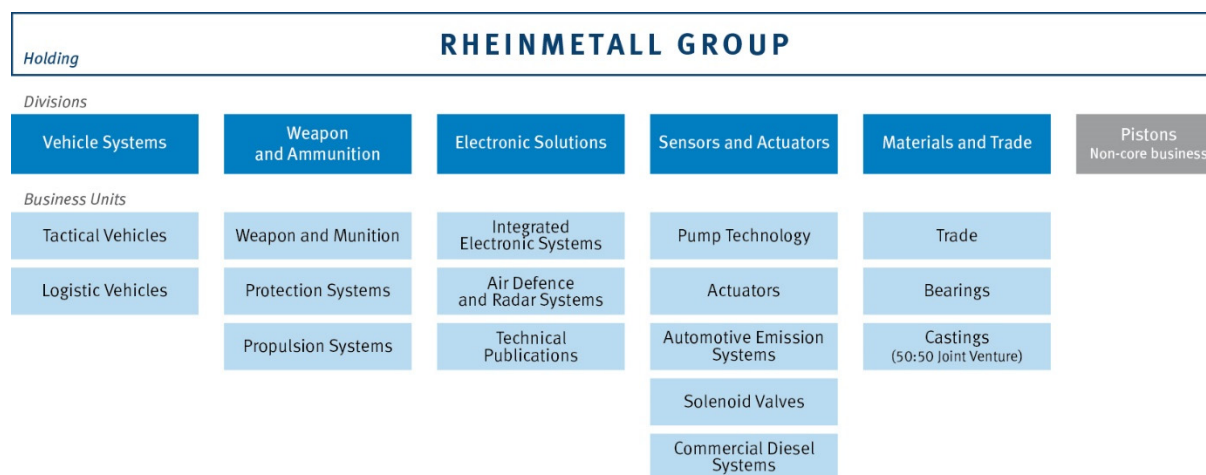
3) Net financial debt (-) or net liquidity (+)/equity



Significant events up to September 30, 2021

Strategic realignment of the Group

As a result of the strategic realignment of the Group, in February 2021 the Rheinmetall AG Executive Board introduced a new Group structure. In this context, the previous organizational separation into the Automotive and Defence sectors was discontinued. The new structure is made up of five divisions and aims in particular to promote the transfer of technology between the individual parts of the Group and encourage the focus on future-driven technologies and business areas with large potential for a sustained increase in value. The strategic realignment thus results in the following Group structure:



Reporting for the third quarter of 2021 is based on the new Group structure. The figures for the comparative period of the previous year have been restated accordingly. Further information on the new reportable segments was provided in detail in the “Notes on segment reporting” section of the 2021 half-yearly financial report. In the future, order intake and order backlog will still be reported for the Vehicle Systems, Weapon and Ammunition, and Electronic Solutions divisions. In the first quarter of 2021, the key figure of “booked business” was introduced for the Sensors and Actuators and Materials and Trade divisions. Booked business shows the future sales potential from customer projects based on written agreements and framework contracts with customers, although these do not yet represent binding customer orders.

Classification of the Pistons non-core business as a discontinued operation

As part of the realignment of the Rheinmetall Group, the Rheinmetall Executive Board decided to sell the Pistons business unit, classified as a non-core business. The Pistons business unit primarily comprises the small- and large-bore pistons business of the former Hardparts division. Rheinmetall mandated the investment bank Goldman Sachs Bank Europe SE to accompany this process.

As at May 1, 2021, the Pistons non-core business was classified as a discontinued operation for the first time, taking account of the provisions of IFRS 5 (Non-current Assets Held for Sale and Discontinued Operations). In accordance with IFRS 5, the key figures relevant to management for the Rheinmetall Group have been stated only for continuing operations from the second quarter of 2021 onward. The figures for the comparative period of the previous year have been restated according to the rules of IFRS 5.

The process of selling the small- and large-bore pistons business has not yet led to any result and is still continuing. Not least because the entire market has been impacted by supply bottlenecks, a financially sound buyer has not yet been found. However, Rheinmetall is still pursuing the goal of handing over the small- and large-bore pistons business and its employees to new owners that will be able to continue the business appropriately.



Syndicated loan of €500 million replaced

In the third quarter of 2021, Rheinmetall AG replaced the existing syndicated loan of €500 million with a new syndicated loan, thereby significantly extending the maturity profile of the Group's financing. The new syndicated loan of €500 million has a term of five years plus two extension options of one year each ("5+1+1"). The syndicated loan can be used for the Group's general corporate financing and also serves as a back-up facility for Rheinmetall AG's €500 million commercial paper program.

Establishment of a strategic liquidity reserve

As a result of the good current and anticipated future liquidity situation, Rheinmetall is increasingly facing the challenge of avoiding negative interest on its investments. For this reason, in the third quarter of 2021 the Executive Board of Rheinmetall AG decided to invest part of its cash and cash equivalents on the capital market as a strategic liquidity reserve. This money is invested in a special fund that was set up in 2016 and is already being used to finance obligations from the company pension plan and to map insolvency protection for partial retirement and working time models under a contractual trust arrangement (CTA). The invested funds are available for Rheinmetall to pay out at short notice at any time. As the fund assets are not included in the Group's cash and cash equivalents, these funds do not form part of net financial debt/net liquidity. As at September 30, 2021, the fund assets amounted to €77 million with a strategic asset allocation of 70% bonds and 30% shares.

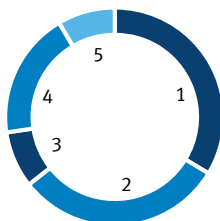
Business performance of the Rheinmetall Group

Key figures Rheinmetall Group

€ million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Sales	1,258	1,261	-3	3,841	3,633	208
Operating result	106	109	-3	297	205	91
Operating margin	8.4%	8.7%	-0.2%-P	7.7%	5.7%	2.1%-P
Operating free cash flow	(34)	49	-83	(79)	(338)	259

Sales and operating result up year-on-year

Consolidated sales were increased by 5.7% year-on-year to €3,841 million in the first three quarters of 2021 (previous year: €3,633 million). Adjusted for currency effects, sales growth also came to 5.7%. Whereas sales in the first three quarters of the previous year had been impacted by the cyclical weaker development of the automotive markets and declining production in automotive manufacturing as a result of the coronavirus pandemic, the economic recovery of the automotive industry contributed substantially to the rise in sales in the current year. The share of sales generated abroad fell by 6.5 percentage points year-on-year to 66.4% in the first three quarters of 2021.



Sales by region

€ million	Q1-Q3 2021	Q1-Q3 2020
Rheinmetall Group	3,841	3,633
1 Germany	1,292	987
2 Other Europe	1,180	1,116
3 North- and South America	321	430
4 Asia	721	635
5 Other regions	327	466



A significant improvement in the operating result was achieved in the first three quarters of 2021 as compared to the same period of the previous year. At €297 million, the result was up by €91 million compared to the previous year's figure of €205 million. In addition to the positive sales performance, this improvement was particularly due to cost reduction measures that were initiated by the management back in 2020 to counter the negative effects of the coronavirus pandemic. The operating margin of 7.7% exceeded the previous year's level of 5.7%.

Earnings per share from continuing operations doubled year-on-year from €2.08 to €4.16 in the first nine months of fiscal 2021.

Stable net assets and financial position

Compared to December 31, 2020, the Rheinmetall Group's total assets decreased by €29 million to €7,238 million as at September 30, 2021. The ratio of non-current assets to total assets fell to 35.7% as at September 30, 2021 (December 31, 2020: 40.3%). This change was primarily due to the classification of the Pistons non-core business as a discontinued operation in the first half of 2021 and the associated reclassification of assets held for sale as current assets.

The equity ratio increased compared to the end of fiscal 2020 to 30.8% as at September 30, 2021 (December 31, 2020: 28.2%). Net financial liabilities from continuing operations amounted to €312 million as at the end of the first three quarters of 2021, whereas positive net liquidity of €4 million had been reported as at December 31, 2020. This change was primarily due to the development of operating free cash flow and other investment cash flow, as well as the dividend paid.

Positive development of operating free cash flow in first three quarters of 2021

Operating free cash flow from continuing operations improved by €259 million year-on-year to €-79 million in the first three quarters of 2021 (previous year: €-338 million). This positive development mainly resulted from the improved earnings situation and a comparatively low increase in working capital.

Business performance of the divisions

Vehicle Systems

Key figures Vehicle Systems

€ million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Sales	434	436	-2	1,304	1,339	-35
Order intake	483	180	303	2,456	728	1,728
<i>Of which with external third parties</i>	475	172	304	2,446	719	1,727
<i>Of which within Group</i>	8	9	-1	10	9	1
Order backlog (September 30)	-	-	-	10,481	6,155	4,327
<i>Of which with external third parties</i>	-	-	-	10,474	6,154	4,320
<i>Of which within Group</i>	-	-	-	8	0	7
Operating result	39	38	1	104	122	-18
Operating result margin	8.9%	8.7%	0.2%-P	8.0%	9.1%	-1.2%-P
Capital expenditure	14	69	-55	45	110	-65
Operating free cash flow	60	(69)	129	244	(163)	407

At €1,304 million, sales in the Vehicle Systems division were down 2.6% in the first three quarters of 2021 compared to the previous year's figure. This was particularly due to the expiration of two major projects. By contrast, the order intake increased by €1,728 million from €728 million in the same period of the previous year to €2,456 million. Major incoming orders included the commission to modernize Challenger 2 tanks in the UK and orders for the delivery of armored engineering vehicles and for upgrading the Puma armored personnel carrier for the German armed forces. The order backlog also increased significantly from €6.2 billion as at September 30, 2020 to €10.5 billion as at September 30, 2021. This represents growth of 70.3%.



Due to the decline in sales, the operating result in the first nine months of 2021 was down slightly on the previous year's figure at €104 million (previous year: €122 million). The operating margin was 8.0% (previous year: 9.1%).

Investments amounted to €45 million in the first three quarters of 2021 and were 59% lower than in the same period of the previous year. This decrease is particularly due to a high investment in Australia that took place in the previous year. At €244 million, operating free cash flow significantly exceeded the previous year's figure (€-163 million). This improvement mainly resulted from the reduction of working capital.

Weapon and Ammunition

Key figures Weapon and Ammunition

€ million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Sales	228	225	3	700	670	29
Order intake	324	242	81	752	867	-114
<i>Of which with external third parties</i>	230	182	48	629	759	-129
<i>Of which within Group</i>	94	60	33	123	108	15
Order backlog (September 30)	-	-	-	2,742	2,404	339
<i>Of which with external third parties</i>	-	-	-	2,145	2,109	35
<i>Of which within Group</i>	-	-	-	597	294	303
Operating result	26	15	11	73	30	43
Operating result margin	11.2%	6.6%	4.6%-P	10.4%	4.4%	5.9%-P
Capital expenditure	12	8	4	30	24	5
Operating free cash flow	(65)	(17)	-49	(143)	(159)	15

The Weapon and Ammunition division generated sales of €700 million in the first three quarters of 2021, up 4.4% on the figure for the previous year. At €752 million, the order intake was down by 13.2% compared to the high figure from the previous year (€867 million). In the previous year, the development of the order intake had been positively influenced by a large single order of €80 million for the delivery of artillery propellant powder to an international customer and by higher orders from German and British customers. As of the end of the first nine months of fiscal 2021, the order backlog had risen to €2.7 billion (previous year: €2.4 billion).

The high sales level and a good product mix led to a significant improvement in the operating result in the Weapon and Ammunition division. The operating result rose by €43 million to €73 million (previous year: €30 million) and led to an increase in the operating margin to 10.4% (previous year: 4.4%).

At €30 million, investments were slightly higher than the previous year's figure of €24 million. Operating free cash flow also showed a slight improvement of €15 million to €-143 million in the first three quarters of 2021 (previous year: €-159 million).

Electronic Solutions

Key figures Electronic Solutions

€ million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Sales	195	206	-11	558	604	-47
Order intake	251	142	109	695	569	126
<i>Of which with external third parties</i>	126	120	6	497	478	19
<i>Of which within Group</i>	125	22	103	198	91	107
Order backlog (September 30)	-	-	-	2,437	2,115	322
<i>Of which with external third parties</i>	-	-	-	1,429	1,488	-59
<i>Of which within Group</i>	-	-	-	1,009	627	382
Operating result	19	24	-5	48	53	-5
Operating result margin	9.7%	11.6%	-1.9%-P	8.6%	8.8%	-0.1%-P
Capital expenditure	9	5	4	19	15	4
Operating free cash flow	(48)	80	-128	(184)	24	-209

With sales of €558 million, the Electronic Solutions division was down by 7.8% compared to the same period of the previous year (€604 million). By contrast, the order intake increased significantly by 22.2% to €695 million (previous year: €569 million). Major new orders in the first three quarters of 2021 related to an upgrade program for the Puma armored personnel carrier and an air defence project for an international customer. The order backlog amounted to €2.4 billion (previous year: €2.1 billion). The operating result fell by €5 million to €48 million in the first three quarters of 2021 (previous year: €53 million). At 8.6%, the operating margin was at the previous year's good level (8.8%).

Investments increased by €4 million year-on-year to €19 million in the first nine months of fiscal 2021 (previous year: €15 million). Operating free cash flow declined by €209 million year-on-year to €-184 million (previous year: €24 million). This change was chiefly due to payments for the contractual trust agreement and an increase in working capital. In the same period of the previous year an additional high milestone payment of a domestic project for soldier systems was received.

Sensors and Actuators

Key figures Sensors and Actuators

€ million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Sales	310	318	-8	1,007	838	169
Booked business	528	327	202	1,480	1,309	171
Operating result	23	21	2	74	6	69
Operating result margin	7.6%	6.7%	0.8%-P	7.4%	0.7%	6.7%-P
Capital expenditure	7	12	-5	19	26	-8
Operating free cash flow	21	42	-20	(7)	(57)	49

Sales in the Sensors and Actuators division climbed by 20.1% year-on-year to €1,007 million in the first three quarters of 2021 (previous year: €838 million). This positive development mainly resulted from a year-on-year rise in customer call-offs as a result of the increase in production in the international automotive industry, which came to 10.4% between January and September 2021 (light vehicles up to 6 tons). However, the previous year was impacted by the sometimes significant production restrictions in the automotive industry, particularly during the first phase of the coronavirus pandemic. In the current year, the reduced availability of semiconductors, which meant that several automotive manufacturers could only produce considerably fewer vehicles than originally planned, prevented more significant sales growth in the Sensors and Actuators division. Booked business for the first nine months of fiscal 2021 amounted to €1,480 million, representing a 13.1% increase on the previous year's level (€1,309 million). 56% of this was attributable to new business, while 44% related to extensions and



increases in the volume of existing contracts with customers. The percentage of orders with alternative drive technologies of booked business increased year-on-year from 16% to 31%.

In the first three quarters of 2021, the operating result in the Sensors and Actuators division improved by €69 million to €74 million (previous year: €6 million). This increase is attributable firstly to the rise in sales and secondly to the measures introduced to reduce costs sustainably in the wake of the coronavirus pandemic. The operating margin thus rose significantly to 7.4% (previous year: 0.7%).

Investments were reduced to €19 million in the first nine months of fiscal 2021 after €26 million in the same period of the previous year. After the first three quarters of 2021, the division's operating free cash flow was €49 million higher than the previous year's figure at €-7 million (previous year: €-57 million).

Materials and Trade

Key figures Materials and Trade

€ million	Q3 2021	Q3 2020	Change	Q1-Q3 2021	Q1-Q3 2020	Change
Sales	165	144	21	485	387	98
Booked business	188	135	53	515	412	102
Operating result	11	15	-4	38	18	20
Operating result margin	6.6%	10.5%	-3.9%-P	7.9%	4.7%	3.2%-P
Capital expenditure	3	4	-1	9	10	-1
Operating free cash flow	5	10	-5	6	(2)	8

The Materials and Trade division increased its sales to €485 million in the first three quarters of 2021, thus exceeding the previous year's level by 25.4% (previous year: €387 million). This sales growth mainly resulted from increased production in the international automotive industry as compared to the previous year, which had been impacted by pandemic-related plant closures and production cuts. In the first nine months of fiscal 2021, the division generated booked business of €515 million. This represents an increase of 24.9% compared to the same period of the previous year (€412 million).

The operating result in the Materials and Trade division more than doubled year-on-year from €18 million to €38 million in the first three quarters of 2021. In particular, the sales increases combined with continued strict cost management contributed to this good development of the earnings situation. The operating margin rose to 7.9% (previous year: 4.7%).

Investments remained at a stable level year-on-year at €9 million (previous year: €10 million). Operating free cash flow increased by €8 million to €6 million (previous year: €-2 million).



Update to the risks and opportunities

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.

Update to the risk and opportunity situation

Demand for semiconductor components in the consumer, IT and communications sector has increased significantly since the start of the coronavirus pandemic and continues to result in a global supply shortage, which is also affecting the supply chains of the Rheinmetall Group and its customers. This may also lead to bottlenecks in deliveries to our customers and to lower call-offs by our customers and thus to sales losses. On top of this, there have been price increases for various raw materials, such as steel, aluminum, silicon, and magnesium, as a result of a global shortage of raw materials and increased energy and shipping costs. A large portion of these cost increases are firstly hedged and secondly passed on to the customers by way of price adjustment clauses and renegotiations. Ongoing monitoring and crisis management is carried out by the Executive Board, the division management, and Procurement and Production to minimize the associated risks.

The other material opportunities and risks for the expected development of the Rheinmetall Group are unchanged and are described in detail in the Group Management Report for 2020.

Outlook

Updated annual forecast for 2021

Chiefly due to the still limited availability of raw materials and semiconductor components, which has led to lower delivery call-offs by major customers, Rheinmetall is forecasting slightly lower sales growth of around 6% for fiscal 2021, measured against the pro forma sales of €5,406 million in 2020. The original forecast anticipated sales growth between 7% and 9%.

With regard to the earnings performance in fiscal 2021, Rheinmetall expects to reach the upper end of the original forecast for the operating margin of 9% to 10% as a result of strict cost management and further savings in the context of the Group restructuring. Rheinmetall now anticipates an operating margin of around 10%.



Statement of financial position

€ million	09/30/2021	12/31/2020
Statement of financial position		
Assets		
Goodwill	478	476
Other intangible assets	259	240
Right-of-use assets	208	233
Property, plant and equipment	1,018	1,132
Investment property	38	39
Investments accounted for using the equity method	207	288
Other non-current assets	196	272
Deferred taxes	182	249
Non-current assets	2,585	2,928
Inventories	1,740	1,573
Contract asset	411	352
Trade receivables	1,168	1,170
Other current assets	212	192
Income tax receivables	54	24
Securities held for trade	77	-
Cash and cash equivalents	641	1,027
Assets held for sale	350	-
Current assets	4,654	4,339
Total assets	7,238	7,267
Equity and liabilities		
Share capital	112	112
Capital reserves	561	556
Retained earnings	1,381	1,233
Treasury shares	(9)	(13)
Rheinmetall AG shareholders' equity	2,044	1,888
Non-controlling interests	188	165
Equity	2,233	2,053
Provisions for pensions and similar obligations	836	1,177
Other non-current provisions	181	191
Non-current financial debt	706	873
Other non-current liabilities	52	82
Deferred taxes	13	4
Non-current liabilities	1,788	2,326
Other current provisions	698	796
Current financial debt	247	150
Contract liability	1,141	968
Trade liabilities	611	700
Other current liabilities	164	198
Income tax liabilities	116	76
Liabilities directly related to assets held for sale	240	-
Current liabilities	3,218	2,888
Total equity and liabilities	7,238	7,267



Income statement

Income Statement

€ million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Sales	1,258	1,261	3,841	3,633
Changes in inventories and work performed by the enterprise and capitalized	76	80	190	247
Total operating performance	1,334	1,341	4,030	3,880
Other operating income	25	20	77	65
Cost of materials	645	703	1,946	2,007
Staff costs	394	381	1,232	1,144
Amortization, depreciation and impairment	61	57	178	195
Other operating expenses	146	136	448	423
Income from investments accounted for using the equity method	3	16	14	3
Other net financial income	(4)	(5)	(15)	(22)
Earnings before interest and taxes (EBIT)	112	95	303	157
Interest income	1	3	2	7
Interest expenses	7	9	24	31
Earnings before taxes (EBT)	106	90	282	133
Income taxes	(31)	(9)	(76)	(37)
Earnings from continuing operations	76	81	206	96
Earnings from discontinued operations	1	(32)	(98)	(281)
Earnings after taxes	77	49	108	(185)
Of which:				
<i>Non-controlling interests</i>	4	5	27	6
<i>Rheinmetall AG shareholders</i>	73	44	82	(191)
Earnings per share	1.69 EUR	1.03 EUR	1.89 EUR	(4.43) EUR
Earnings per share from continuing operations	1.66 EUR	1.76 EUR	4.16 EUR	2.08 EUR
Earnings per share from discontinued operations	0.03 EUR	(0.73) EUR	(2.27) EUR	(6.51) EUR

Statement of comprehensive income

Statement of comprehensive income

€ million	Q3 2021	Q3 2020	Q1-Q3 2021	Q1-Q3 2020
Earnings after taxes	77	49	108	(185)
Remeasurement of net defined benefit liability from pensions	30	(4)	110	6
Amounts not reclassified to the income statement	30	(4)	110	6
Change in value of derivative financial instruments (cash flow hedge)	(7)	2	7	(34)
Currency translation difference	7	(25)	29	(80)
Income/expenses from investments accounted for using the equity method	6	(2)	15	(6)
Amounts reclassified to the income statement	6	(24)	51	(120)
Other comprehensive income after taxes	36	(29)	160	(114)
Total comprehensive	113	20	269	(299)
Of which:				
<i>Non-controlling interests</i>	1	6	27	(11)
<i>Rheinmetall AG shareholders</i>	112	14	242	(289)



Statement of cash flows

Statement of cash flows

€ million	Q1-Q3 2021	Q1-Q3 2020
Earnings after taxes	108	(185)
Amortization, depreciation and impairment	180	391
Impairment of non-current assets of discontinued operations	91	85
Allocation of CTA assets to secure pension and partial retirement obligations	(30)	(42)
Other changes in pension provisions	(7)	(3)
Income from disposals of non-current assets	(1)	(7)
Changes in other provisions	(49)	64
Changes in working capital	(266)	(462)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	9	(60)
Pro rata income from investments accounted for using the equity method	(20)	6
Dividends received from investments accounted for using the equity method	16	7
Other non-cash expenses and income	(7)	(17)
Cash flow from operating activities¹⁾	24	(223)
<i>of which continuing operations</i>	53	(206)
<i>of which discontinued operations</i>	(29)	(17)
Investments in property, plant and equipment, intangible assets and investment property	(144)	(146)
Cash receipts from the disposal of property, plant and equipment, intangible assets and investment property	2	20
Cash receipts from disinvestments in subsidiaries and financial assets	0	10
Cash receipts from the disposal of liquid financial assets	-	20
Payments for investments in consolidated companies and other financial assets	(23)	(1)
Payments for investments in securities held for trade	(77)	-
Cash flow from investing activities	(242)	(97)
<i>of which continuing operations</i>	(230)	(84)
<i>of which discontinued operations</i>	(12)	(13)
Dividends paid out by Rheinmetall AG	(87)	(104)
Other profit distributions	(5)	(2)
Borrowing of financial debt	50	371
Repayment of financial debt	(105)	(166)
Cash flow from financing activities	(147)	99
<i>of which continuing operations</i>	(239)	78
<i>of which discontinued operations</i>	92	22
Changes in cash and cash equivalents	(365)	(221)
Changes in cash and cash equivalents due to exchange rates	0	(9)
Total change in cash and cash equivalents	(364)	(230)
Opening cash and cash equivalents January 1	1,027	920
Closing cash and cash equivalents September 30	663	690
Closing cash and cash equivalents September 30 from discontinued operations	22	-
Closing cash and cash equivalents according to consolidated balance sheet September 30	641	690

1) *Of which:*
Net income taxes: €-62 million (previous year: €-58 million); net interest: €-12 million (previous year: €-11 million)

Statement of changes in equity

Changes in equity

€ million	Share capital	Capital reserves	Total retained earnings	Treasury shares	Rheinmetall AG shareholders' equity	Non-controlling interests	Equity
As of January 1, 2020	112	553	1,478	(17)	2,125	146	2,272
Earnings after taxes	-	-	(191)	-	(191)	6	(185)
Other comprehensive income after taxes	-	-	(97)	-	(97)	(17)	(114)
Total comprehensive	-	-	(289)	-	(289)	(11)	(299)
Dividend payout	-	-	(104)	-	(104)	(2)	(105)
Disposal of treasury shares	-	-	-	4	4	-	4
Other changes	-	3	(5)	-	(2)	0	(2)
Balance as at September 30, 2020	112	556	1,081	(13)	1,735	134	1,869
As of January 1, 2021	112	556	1,233	(13)	1,888	165	2,053
Earnings after taxes	-	-	82	-	82	27	108
Other comprehensive income after taxes	-	-	160	-	160	0	160
Total comprehensive	-	-	242	-	242	27	269
Dividend payout	-	-	(87)	-	(87)	(5)	(91)
Disposal of treasury shares	-	-	-	4	4	-	4
Other changes	-	5	(7)	-	(3)	1	(1)
Balance as at September 30, 2021	112	561	1,381	(9)	2,044	188	2,233

Composition of retained earnings:

€ million	Currency translation difference	Remeasurement of net defined benefit liability from pensions	Hedges	Comprehensive income from investments accounted for using the equity	Other reserves	Total retained earnings
As of January 1, 2020	13	(527)	17	(8)	1,981	1,478
Earnings after taxes	-	-	-	-	(191)	(191)
Other comprehensive income after taxes	(69)	5	(28)	(6)	-	(97)
Total comprehensive	(69)	5	(28)	(6)	(191)	(289)
Dividend payout	-	-	-	-	(104)	(104)
Other changes	-	-	-	-	(5)	(5)
Balance as at September 30, 2020	(56)	(521)	(11)	(13)	1,682	1,081
As of January 1, 2021	(53)	(559)	11	(17)	1,850	1,233
Earnings after taxes	-	-	-	-	82	82
Other comprehensive income after taxes	27	110	8	15	-	160
Total comprehensive	27	110	8	15	82	242
Dividend payout	-	-	-	-	(87)	(87)
Other changes	-	-	-	-	(7)	(7)
Balance as at September 30, 2021	(25)	(449)	19	(2)	1,838	1,381

Segment report

Segment report Q3 2021

€ 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>	433	204	158	285	164	14	1,258
<i>Internal sales</i>	1	24	37	25	1	(87)	-
Segment sales	434	228	195	310	165	(74)	1,258
Operating result	39	26	19	23	11	(11)	106
Special items	-	-	-	-	-	6	6
EBIT	39	26	19	23	11	(5)	112
Of which:							
<i>At equity income</i>	(1)	0	1	2	(1)	2	3
<i>Amortization and depreciation</i>	10	10	7	24	5	2	58
<i>Impairment</i>	-	-	-	3	-	-	3
Interest income	0	0	0	0	0	0	1
Interest expenses	2	3	1	1	1	(2)	7
EBT	37	22	18	23	10	(3)	106
Other data							
Operating free cash flow	60	(65)	(48)	21	5	(7)	(34)

Segment report Q3 2020

€ 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>	430	211	168	307	143	2	1,261
<i>Internal sales</i>	6	14	39	11	1	(70)	-
Segment sales	436	225	206	318	144	(68)	1,261
Operating result	38	15	24	21	15	(4)	109
Special items	-	(5)	10	(16)	(3)	0	(14)
EBIT	38	10	34	5	12	(4)	95
Of which:							
<i>At equity income</i>	0	0	11	1	5	0	16
<i>Amortization and depreciation</i>	10	11	7	24	4	2	57
<i>Impairment</i>	0	-	-	-	-	0	0
Interest income	0	0	0	0	0	3	3
Interest expenses	3	3	2	1	1	(1)	9
EBT	36	7	32	5	11	0	90
Other data							
Operating free cash flow	(69)	(17)	80	42	10	3	49

The figures for the previous year have been restated due to the new segment structure.

Segment report Q1 - Q3 2021

€ 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>	1,300	646	461	942	482	10	3,841
<i>Internal sales</i>	4	54	97	65	4	(223)	-
Segment sales	1,304	700	558	1,007	485	(213)	3,841
Operating result	104	73	48	74	38	(40)	297
Special items	0	-	-	-	-	6	6
EBIT	104	73	48	74	38	(34)	303
Of which:							
<i>At equity income</i>	1	2	3	2	4	2	14
<i>Amortization and depreciation</i>	30	30	21	72	15	6	175
<i>Impairment</i>	-	-	-	3	-	-	3
Interest income	2	0	1	0	0	0	4
Interest expenses	8	13	4	3	3	(7)	24
EBT	98	60	45	72	36	(27)	282
Other data							
Operating free cash flow	244	(143)	(184)	(7)	6	6	(79)
Employees September 30 (FTE)	4,923	4,778	3,156	4,391	2,216	534	19,998
Net financial debt (-)/ Net liquidity (+) September 30	156	(199)	91	155	(12)	(503)	(312)

Segment report Q1 - Q3 2020

€ 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>	1,323	620	509	796	386	(1)	3,633
<i>Internal sales</i>	16	51	95	42	2	(205)	-
Segment sales	1,339	670	604	838	387	(206)	3,633
Operating result	122	30	53	6	18	(23)	205
Special items	-	(7)	10	(22)	(29)	0	(48)
EBIT	122	23	63	(16)	(11)	(23)	157
Of which:							
<i>At equity income</i>	1	1	12	2	(14)	0	3
<i>Amortization and depreciation</i>	29	32	23	74	14	8	180
<i>Impairment</i>	0	-	-	6	9	-	15
Interest income	2	0	1	1	0	3	7
Interest expenses	10	13	4	5	3	(4)	31
EBT	113	10	59	(20)	(15)	(16)	133
Other data							
Operating free cash flow	(163)	(159)	24	(57)	(2)	18	(338)
Employees September 30 (FTE)	4,411	4,793	2,970	4,596	2,155	490	19,415
Net financial debt (-)/ Net liquidity (+) September 30	(296)	(144)	244	182	(57)	(505)	(575)

The figures for the previous year have been restated due to the new segment structure.

Legal information and financial calendar

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Report on Q1/2022

May 10, 2022

Rheinmetall AG Annual General Meeting

August 4, 2022

Report on H1/2022

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