

QUARTERLY STATEMENT

2022

3RD QUARTER

Rheinmetall after nine months of 2022: Increase in sales, further improvement in operating result and margin

- Consolidated sales increased by around 6.5% to €4.1 billion
- Operating result was improved by around 9% to €323 million
- Operating margin of 7.9% exceeds previous year's level of 7.7%
- Significant growth in orders within the Group
- Annual forecasts for 2022 confirmed

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Rheinmetall in figures

KEY FIGURES

		Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
SALES/EARNINGS					
Sales	€ million	1,415	1,258	4,089	3,841
<i>Of which generated abroad</i>	%	70.7	65.5	71.2	66.4
Operating result	€ million	117	106	323	297
Operating margin	%	8.3	8.4	7.9	7.7
EBIT	€ million	117	112	302	303
EBIT margin	%	8.3	8.9	7.4	7.9
EBT	€ million	111	106	284	282
Earnings from continuing operations	€ million	82	76	209	206
Earnings from discontinued operations	€ million	5	1	11	(98)
Earnings after taxes	€ million	86	77	220	108
CASH FLOW					
Cash flow from operating activities	€ million	46	1	(511)	24
Cash flow from investments	€ million	(91)	(57)	(191)	(144)
Operating free cash flow	€ million	(45)	(55)	(702)	(120)
<i>Of which continuing operations</i>	€ million	(37)	(34)	(678)	(79)
<i>Of which discontinued operations</i>	€ million	(8)	(22)	(24)	(41)
STATEMENT OF FINANCIAL POSITION (September 30)					
Equity	€ million	-	-	2,849	2,233
Total assets	€ million	-	-	7,974	7,238
Equity ratio	%	-	-	35.7	30.8
Cash and cash equivalents	€ million	-	-	196	641
Total assets less cash and cash equivalents	€ million	-	-	7,778	6,598
Net financial debt (-)/Net liquidity (+) ¹⁾	€ million	-	-	(958)	(312)
HUMAN RESOURCES (September 30)					
Germany	FTE	-	-	12,649	11,802
Foreign	FTE	-	-	12,498	12,024
Rheinmetall Group	FTE	-	-	25,147	23,826
<i>Of which continuing operations</i>	FTE	-	-	21,402	19,998
<i>Of which discontinued operations</i>	FTE	-	-	3,745	3,828
SHARES					
Stock price (September 30)	EUR	-	-	158.20	84.78
Earnings per share from continuing operations	EUR	1.65	1.66	3.93	4.16
Earnings per share from discontinued operations	EUR	0.11	0.03	0.26	(2.27)
Earnings per share	EUR	1.76	1.69	4.19	1.89

1) Financial liabilities less cash and cash equivalents



Significant events up to September 30, 2022

Strategic investment in 4iG

As part of its digitalization strategy, Rheinmetall acquired a total of 25.12% of the shares in the listed Hungarian digitalization service provider and IT supplier 4iG Nyrt (4iG) in March 2022. The investment in 4iG is included in the consolidated financial statements of Rheinmetall AG as an associate. The total volume of the transaction was €165 million.

Acquisition of drone manufacturer EMT

With effect from January 1, 2022, Rheinmetall took over the activities of unmanned aerial vehicle maker EMT Ingenieurgesellschaft Dipl.-Ing. Hartmut Euer mbH (EMT). EMT's activities include developing, producing and maintaining unarmed, tactical aviation systems for reconnaissance missions. The acquisition is also part of Rheinmetall's digitalization strategy and its associated goal of expanding its position as a systems supplier for the armed forces. EMT's most important customer is the German armed forces, which are currently introducing the newly developed reconnaissance drone LUNA NG as a key element of interconnected communications and reconnaissance and of tactical data transmission. The new drone is an important element on the path toward digitalization of the armed forces. EMT's activities form part of the Electronic Solutions division at Rheinmetall Technical Publications GmbH. EMT's existing land and buildings have been taken over by Rheinmetall Immobilien VEGA GmbH & Co. KG, which is allocated to the Group's other activities.

Joint venture with PolyCharge

In the first quarter of 2022, Rheinmetall founded a joint venture with the US start-up PolyCharge America, Inc. (PolyCharge) for the production, development, and marketing of DC-link capacitors. These capacitors play an important role in battery-electric powered vehicles, as well as for other applications such as renewable energies and medical technology. Rheinmetall holds a majority (75%) in the new joint venture Rheinmetall PolyCharge GmbH. The joint venture is included in the consolidated financial statements of Rheinmetall AG as a consolidated subsidiary and is allocated to the Sensors and Actuators division. The remaining 25% of the shares are held by PolyCharge. With this configuration, Rheinmetall is positioning itself to respond to the growing demand for e-mobility and green energy components, particularly in the automotive supply sector and also with its military customers.

Virtual Annual General Meeting and dividend distribution

On May 10, 2022, Rheinmetall AG's Annual General Meeting was again held as a purely virtual event. 58.2% of the share capital was represented. All resolutions proposed by the Executive Board and the Supervisory Board were approved, including the dividend proposal of €3.30 per share for fiscal 2021. Based on the closing price on the day of the Annual General Meeting, the dividend yield was 1.8%. The dividend of €143.2 million was distributed on May 13, 2022.

Joint venture with German biometrics company DERMALOG

Rheinmetall has contractually agreed the establishment of a joint venture with Germany's largest biometrics company, DERMALOG Identification Systems GmbH. The new joint venture, Rheinmetall Dermalog SensorTec GmbH (DERMALOG), commenced operations in July 2022. The strategic objective of the cooperation is the integration of biometric technology, AI software and digitalization solutions into Rheinmetall's various business units. Rheinmetall holds 65% and partner company DERMALOG holds 35% of the shares in the newly established joint venture. The joint venture is included in the consolidated financial statements as a consolidated subsidiary and is allocated to the Sensors and Actuators division.

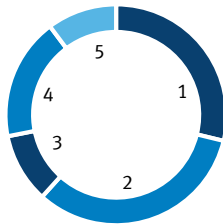
Business performance of the Rheinmetall Group

Key figures Rheinmetall Group (continuing operations)

€ million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change
Sales	1,415	1,258	157	4,089	3,841	249
Operating result	117	106	11	323	297	27
Operating margin	8.3%	8.4%	-0.1%-P	7.9%	7.7%	0.2%-P
Operating free cash flow	(37)	(34)	-4	(678)	(79)	-599

Sales exceed previous year's level

Consolidated sales increased by €249 million or 6.5% year-on-year to €4,089 million in the first three quarters of 2022 (previous year: €3,841 million). Adjusted for currency effects, sales were 4.5% higher than in the previous year. The share of sales generated abroad increased by 4.9 percentage points year-on-year to 71.2% in the first three quarters of 2022.



Sales by region

€ million	Q1-Q3 2022	Q1-Q3 2021
Rheinmetall Group	4,089	3,841
1 Germany	1,178	1,292
2 Other Europe	1,344	1,180
3 North- and South America	417	321
4 Asia	733	721
5 Other regions	417	327

Operating result increases

The operating result increased to €323 million and was thus €27 million or around 9.0% above the previous year's figure of €297 million. This improvement is based on sales growth in the high-margin Weapon and Ammunition division and the margin improvement in the Vehicle Systems division. Strict cost management also had a positive effect. The result in Others was negatively affected by the costs of the IT transformation. The Group's operating margin rose to 7.9% (previous year: 7.7%).

Earnings per share weighed down by special items

As a result of special items, earnings per share from continuing operations decreased year-on-year from €4.16 to €3.93 in the first three quarters of fiscal 2022. Adjusted for these special items, earnings per share from continuing operations amounted to €4.26 as at September 30, 2022 (previous year: €4.00). The largest negative special item was attributable to the market valuation of securities held for trade as a result of the currently highly volatile capital market situation.



Decline in operating free cash flow in first three quarters of 2022

Operating free cash flow from continuing operations declined by €-599 million year-on-year to €-678 million in the first three quarters of 2022 (previous year: €-79 million). The difference primarily resulted from the increase in inventories in the first half of the year to ensure delivery capacity in 2022 and from comparatively high advance payments from customers in the same period of the previous year. Viewed selectively for the third quarter of 2022, the operating free cash flow of €-37 million is at the previous year's level (Q3 2021: €-34 million).

Net assets and financial position

Compared to December 31, 2021, the Rheinmetall Group's total assets increased by €240 million to €7,974 million as at September 30, 2022. The ratio of non-current assets to total assets was 36.0% as at September 30, 2022, and therefore level with the end of fiscal 2021 (December 31, 2021: 35.6%).

The equity ratio increased compared to the end of fiscal 2021 to 35.7% as at September 30, 2022 (December 31, 2021: 33.9%). Net financial debt from continuing operations amounted to €-958 million as at the end of the third quarter of 2022, whereas there had been positive net liquidity of €118 million as at December 31, 2021. This change was mainly due to the negative operating free cash flow, the purchase price payments for acquisitions and the dividend payment of €3.30 per share (€143 million) in the first half of 2022.

Business performance of the divisions

Vehicle Systems

Key figures Vehicle Systems

€ million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change
Sales	469	434	35	1,320	1,304	16
Order intake	162	483	-322	842	2,456	-1,614
<i>Of which with external third parties</i>	146	475	-329	823	2,446	-1,623
<i>Of which within Group</i>	16	8	8	18	10	8
Order backlog (September 30)	-	-	-	9,995	10,481	-486
<i>Of which with external third parties</i>	-	-	-	9,981	10,474	-492
<i>Of which within Group</i>	-	-	-	14	8	6
Operating result	45	39	7	120	104	16
Operating result margin	9.7%	8.9%	0.8%-P	9.1%	8.0%	1.1%-P
Capital expenditure	27	14	13	57	45	12
Operating free cash flow	44	60	-16	(97)	244	-342

At €1,320 million, sales in the Vehicle Systems division in the first three quarters of 2022 were €16 million or 1.2% higher than the previous year's figure. The order intake decreased by €1,614 million as against the prior-year figure to €842 million. The previous year's figure was above average due primarily to large single orders (Challenger 2 for Great Britain, Puma modernization and armored engineering vehicle for the German armed forces). Contrary to initial expectations, no major orders from Germany in particular have yet been received in the third quarter of 2022. At around €10.0 billion, the order backlog as at September 30, 2022, was down €486 million or 4.6% year-on-year.

The operating result improved from €104 million to €120 million in the first three quarters of 2022. The operating margin of 9.1% exceeded the previous year's level of 8.0%. This positive development was attributable to a better product mix and strict cost management.

In the first nine months of 2022, investments amounted to €57 million, up €12 million on the previous year's figure of €45 million. This increase was primarily attributable to the capitalization of development costs. Operating free cash flow declined by €342 million to €-97 million. In the same period of the previous year, operating free cash flow had contained comparatively high advance payments from customers. In addition, working capital and especially inventories were increased to a greater extent in the first nine months of 2022 in order to ensure delivery capacity in 2022.



Weapon and Ammunition

Key figures Weapon and Ammunition

€ million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change
Sales	285	228	56	849	700	149
Order intake	460	324	136	2,002	752	1,249
<i>Of which with external third parties</i>	440	230	210	1,758	629	1,128
<i>Of which within Group</i>	20	94	-74	244	123	121
Order backlog (September 30)	-	-	-	4,036	2,742	1,294
<i>Of which with external third parties</i>	-	-	-	3,222	2,145	1,078
<i>Of which within Group</i>	-	-	-	813	597	216
Operating result	37	26	11	107	73	35
Operating result margin	12.8%	11.2%	1.7%-P	12.6%	10.4%	2.2%-P
Capital expenditure	14	12	2	30	30	1
Operating free cash flow	(51)	(65)	15	(326)	(143)	-182

The Weapon and Ammunition division generated sales of €849 million in the first three quarters of 2022, up €149 million or 21.4% on the figure for the previous year. The high increase in sales mainly resulted from munitions and propellant deliveries to international customers. In the first three quarters of 2022, the order intake increased to a record level of €2,002 million (previous year: €752 million). A munitions order from Hungary and an order for propellants from the Netherlands particularly contributed to this increase. The order backlog increased by €1.3 billion or 47.2% to €4.0 billion as at September 30, 2022 (previous year: €2.7 billion).

The operating result improved by €35 million or 47.7% to €107 million in the first three quarters of 2022. This positive development was attributable to the sales increase, a profitable product mix and higher income from investments. The operating margin was significantly increased from 10.4% to 12.6%.

At €30 million, investments were at the previous year's level (previous year: €30 million). Despite the improvement in the operating result, operating free cash flow fell by €182 million to €-326 million in the first nine months of 2022 (previous year: €-143 million). This change was primarily due to an increase in working capital, as inventories in particular were increased to ensure delivery capacity in 2022.

Electronic Solutions

Key figures Electronic Solutions

€ million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change
Sales	231	195	36	642	558	84
Order intake	143	251	-107	845	695	150
<i>Of which with external third parties</i>	117	126	-9	711	497	214
<i>Of which within Group</i>	27	125	-98	134	198	-64
Order backlog (September 30)	-	-	-	2,660	2,437	223
<i>Of which with external third parties</i>	-	-	-	1,623	1,429	195
<i>Of which within Group</i>	-	-	-	1,036	1,009	28
Operating result	25	19	6	50	48	2
Operating result margin	10.7%	9.7%	1.0%-P	7.7%	8.6%	-0.9%-P
Capital expenditure	6	9	-3	18	19	-1
Operating free cash flow	(4)	(48)	44	(141)	(184)	43

The Electronic Solutions division increased its sales in the first three quarters of 2022 by €84 million to €642 million (previous year: €558 million); this equates to growth of 15.1%. The order intake increased by €150 million or 21.6% year-on-year to €845 million. Major new orders in the first nine months of 2022 related to combat helmets for the German armed forces and numerous smaller projects. On September 30, 2022, the order backlog amounted to €2.7 billion, up 9.1% on the previous year's figure (previous year: €2.4 billion).



As a result of the sales growth, the operating result rose by €2 million to €50 million in the first three quarters of 2022 (previous year: €48 million). The operating margin decreased to 7.7% (previous year: 8.6%), which is primarily attributable to the acquisition of the activities of the drone manufacturer EMT and the resulting start-up losses.

In the first nine months of fiscal 2022, the investments of the Electronic Solutions division amounted to €18 million and were thus at the previous year's level (previous year: €19 million). Operating free cash flow improved by €43 million to €-141 million (previous year: €-184 million) due to the reduction of working capital.

Sensors and Actuators

Key figures Sensors and Actuators

€ million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change
Sales	355	310	45	1,045	1,007	38
Booked business	651	528	123	2,083	1,480	603
Operating result	16	23	-8	66	74	-8
Operating result margin	4.5%	7.6%	-3.1%-P	6.3%	7.4%	-1.0%-P
Capital expenditure	24	7	17	48	19	29
Operating free cash flow	27	21	5	6	(7)	14

Sales in the Sensors and Actuators division climbed by €38 million or 3.8% year-on-year to €1,045 million in the first three quarters of 2022. The sales growth resulted primarily from currency effects and increased call-offs in Europe and Asia. In the first nine months of fiscal 2022, Booked Business increased by 40.7% to a volume of €2,083 million (previous year: €1,480 million). A major order for electrification components of €255 million made a particular contribution to this in the third quarter of 2022.

The operating result fell by €8 million to €66 million in the first three quarters of 2022 (previous year: €74 million). The decline is particularly attributable to increased raw material prices, which can only be passed on to customers after a delay. The operating margin fell to 6.3% (previous year: 7.4%).

In the first nine months of 2022, investments were up by €29 million year-on-year at €48 million (previous year: €19 million). This increase was attributable to higher capitalizations for development projects and lease extensions. €14 million to €6 million in the first three quarters of 2022 (previous year: €-7 million).

Materials and Trade

Key figures Materials and Trade

€ million	Q3 2022	Q3 2021	Change	Q1-Q3 2022	Q1-Q3 2021	Change
Sales	188	165	23	562	485	77
Booked business	180	188	-8	584	515	69
Operating result	18	11	8	45	38	7
Operating result margin	9.8%	6.6%	3.2%-P	8.1%	7.9%	0.2%-P
Capital expenditure	4	3	1	12	9	3
Operating free cash flow	12	5	8	(5)	6	-11

The Materials and Trade division increased its sales to €562 million in the first three quarters of 2022, thus exceeding the previous year's level by €77 million or 15.8%. This sales growth was particularly attributable to strong growth in aftermarket activities. Booked business of €584 million was generated in the first nine months of fiscal 2022. This represents an increase of 13.4% compared to the same period of the previous year (€515 million).



The operating result of the Materials and Trade division increased by €7 million or 18.9% to €45 million in the first three quarters of 2022. The operating margin rose to 8.1% (previous year: 7.9%). The increased sales and the improvement in the earnings of the Chinese joint venture accounted for using the equity method had a positive effect.

The investments of the Materials and Trade division increased slightly year-on-year by €3 million to €12 million (previous year: €9 million). Operating free cash flow declined by €11 million to €-5 million (previous year: €6 million), as working capital was increased to ensure short-term delivery capacity. The previous year's figure was also positively influenced by a special dividend from a joint venture (€12 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

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 declines in sales in Rheinmetall's civilian divisions.

Triggered by the war in Ukraine, there is now uncertainty over the availability of energy. This could lead to regional and temporary supply shortages in Germany and Europe from the end of the fourth quarter 2022 and in the first quarter of 2023. Under central coordination, Rheinmetall has set up a task force, among other things to examine opportunities to convert gas equipment to other fuels (liquefied natural gas, hydrogen, oil) and in the short term to realize potential savings (e.g. optimization of heating structures in factory buildings and offices at the respective locations).

Rheinmetall is countering cost increases as a result of high inflation rates with a bundle of various measures. A large portion of these cost increases are firstly hedged by Rheinmetall (raw materials) and secondly passed on to the customers by way of existing price adjustment clauses, material surcharges and renegotiations, especially in the civilian business.

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 for 2021.

Supplementary report

Share purchase agreement for the large-bore piston business signed

Rheinmetall and the corporate group Koncentra Verkstads AB (KVAB), Gothenburg, Sweden, signed a share purchase agreement on October 24, 2022. KVAB will take over the entire large-bore pistons business including all employees, the three production plants in Germany, the US and China, and the steel pistons line from the small-bore pistons plant in Marinette, US. KVAB is a group of companies in the manufacturing industry and operates in the international market for large engines. A new company – KS Large Bore Pistons Germany GmbH – is being founded for the German plant, while the two existing companies in the US (KS Large Bore Pistons LLC) and China (KSLP China Co. Ltd) are being transferred. The antitrust authorities will review the sale in the coming weeks. Closing of the transaction is targeted for the beginning of 2023. The search for a buyer for the small-bore pistons business continues. As at September 30, 2022, the large- and small-bore pistons activities were still recognized as a discontinued operation in accordance with the requirements of IFRS 5.



Outlook

Current annual forecasts confirmed

Despite the known macroeconomic uncertainty with regard to economic development in Germany and in the international market environment, Rheinmetall is confirming the current annual forecasts after nine months of fiscal 2022.

In recent months, Rheinmetall has used strict cost control, active provisioning, and the mitigation of risks on the energy and procurement markets as measures to successfully counter the general trend of inflation and the continuing disruptions on the markets for raw materials and primary products.

Not least in light of these timely decisions and largely already implemented measures, the Group continues to expect organic sales growth of around 15% in the current fiscal year and anticipates an improvement in the operating result and an operating margin of over 11%.



Consolidated statement of financial position

Statement of financial position of Rheinmetall-Group as of September 30, 2022

€ million	09/30/2022	12/31/2021
Assets		
Goodwill	479	481
Other intangible assets	301	287
Right-of-use assets	218	214
Property, plant and equipment	1,104	1,056
Investment property	27	30
Investments accounted for using the equity method	397	201
Other non-current assets	228	337
Deferred taxes	119	147
Non-current assets	2,873	2,752
Inventories	2,240	1,651
Contract asset	384	408
Trade receivables	1,384	1,164
Other current assets	255	213
Income tax receivables	113	11
Securities held for trade	132	162
Cash and cash equivalents	196	1,039
Assets held for sale	397	334
Current assets	5,100	4,982
Total assets	7,974	7,734
Equity and liabilities		
Share capital	112	112
Capital reserves	566	561
Retained earnings	1,942	1,755
Treasury shares	(6)	(9)
Rheinmetall AG shareholders' equity	2,614	2,418
Non-controlling interests	235	203
Equity	2,849	2,620
Provisions for pensions and similar obligations	484	773
Other non-current provisions	195	210
Non-current financial liabilities	446	706
Other non-current liabilities	68	45
Deferred taxes	56	38
Non-current liabilities	1,248	1,772
Other current provisions	661	677
Current financial liabilities	708	215
Contract liability	1,163	1,111
Trade liabilities	792	809
Other current liabilities	213	196
Income tax liabilities	105	87
Liabilities directly related to assets held for sale	235	246
Current liabilities	3,876	3,341
Total equity and liabilities	7,974	7,734



Consolidated income statement

Income Statement of the Rheinmetall-Group

€ million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Sales	1,415	1,258	4,089	3,841
Changes in inventories and work performed by the enterprise and capitalized	138	76	367	190
Total operating performance	1,553	1,334	4,456	4,030
Other operating income	53	25	121	77
Cost of materials	797	645	2,195	1,946
Staff costs	440	394	1,361	1,232
Amortization, depreciation and impairment	63	61	185	178
Other operating expenses	194	146	513	448
Income from investments accounted for using the equity method	8	3	23	14
Other net financial income	(3)	(4)	(43)	(15)
Earnings before interest and taxes (EBIT)	117	112	302	303
Interest income	1	1	3	4
Interest expenses	7	7	22	24
Earnings before taxes (EBT)	111	106	284	282
Income taxes	(30)	(31)	(75)	(76)
Earnings from continuing operations	82	76	209	206
Earnings from discontinued operations	5	1	11	(98)
Earnings after taxes	86	77	220	108
Of which:				
<i>Non-controlling interests</i>	10	4	39	27
<i>Rheinmetall AG shareholders</i>	77	73	182	82
Earnings per share	1.76 EUR	1.69 EUR	4.19 EUR	1.89 EUR
Earnings per share from continuing operations	1.65 EUR	1.66 EUR	3.93 EUR	4.16 EUR
Earnings per share from discontinued operations	0.11 EUR	0.03 EUR	0.26 EUR	(2.27) EUR

Consolidated statement of comprehensive income

Statement of comprehensive income of the Rheinmetall-Group

€ million	Q3 2022	Q3 2021	Q1-Q3 2022	Q1-Q3 2021
Earnings after taxes	86	77	220	108
Remeasurement of net defined benefit liability from pensions	29	30	66	110
Amounts not reclassified to the income statement	29	30	66	110
Change in value of derivative financial instruments (cash flow hedge)	(5)	(7)	(3)	7
Currency translation difference	36	7	90	29
Income/expenses from investments accounted for using the equity method	2	6	7	15
Amounts reclassified to the income statement	33	6	94	51
Other comprehensive income after taxes	62	36	160	160
Total comprehensive	148	113	381	269
Of which:				
<i>Non-controlling interests</i>	7	1	40	27
<i>Rheinmetall AG shareholders</i>	141	112	341	242



Consolidated statement of cash flows

Statement of cash flows

€ million	Q1-Q3 2022	Q1-Q3 2021
Earnings after taxes	220	108
Amortization, depreciation and impairment of property, plant and equipment, intangible assets and investment property	185	180
Impairment of non-current assets of discontinued operations	-	91
Allocation of CTA assets to secure pension and partial retirement obligations	(50)	(30)
Other changes in pension provisions	(18)	(7)
Income from disposals of non-current assets	(1)	(1)
Changes in other provisions	(26)	(49)
Changes in working capital	(725)	(266)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(96)	9
Pro rata income from investments accounted for using the equity method	(23)	(20)
Dividends received from investments accounted for using the equity method	5	16
Other non-cash expenses and income	18	(7)
Cash flow from operating activities¹⁾	(511)	24
<i>of which continuing operations</i>	(499)	53
<i>of which discontinued operations</i>	(12)	(29)
Investments in property, plant and equipment, intangible assets and investment property	(191)	(144)
Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property	3	2
Cash outflows for investments in consolidated companies and other financial assets	(199)	(23)
Cash outflows for investments in securities held for trade	-	(77)
Cash flow from investing activities	(387)	(242)
<i>of which continuing operations</i>	(375)	(230)
<i>of which discontinued operations</i>	(12)	(12)
Dividends paid out by Rheinmetall AG	(143)	(87)
Other profit distributions	(6)	(5)
Borrowing of financial debt	353	50
Repayment of financial debt	(155)	(105)
Cash flow from financing activities	49	(147)
<i>of which continuing operations</i>	96	(239)
<i>of which discontinued operations</i>	(46)	92
Changes in cash and cash equivalents	(849)	(365)
Changes in cash and cash equivalents due to exchange rates	4	-
Total change in cash and cash equivalents	(844)	(364)
Opening cash and cash equivalents January 1	1,058	1,027
Closing cash and cash equivalents September 30	213	663
Closing cash and cash equivalents September 30 from discontinued operations	17	22
Closing cash and cash equivalents according to consolidated balance sheet September 30	196	641

1) *Of which:*

Net income taxes: €-142 million (previous year: €-62 million); net interest: €-12 million (previous year: €-12 million)



Consolidated 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, 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	-	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)
As of September 30, 2021	112	561	1,381	(9)	2,044	188	2,233
As of January 1, 2022	112	561	1,755	(9)	2,418	203	2,620
Earnings after taxes	-	-	182	-	182	39	220
Other comprehensive income after taxes	-	-	159	-	159	1	160
Total comprehensive	-	-	341	-	341	40	381
Dividend payout	-	-	(143)	-	(143)	(6)	(149)
Disposal of treasury shares	-	-	-	3	3	-	3
Other changes	-	6	(10)	-	(4)	(1)	(6)
As of September 30, 2022	112	566	1,942	(6)	2,614	235	2,849

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, 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)
As of September 30, 2021	(25)	(449)	19	(2)	1,838	1,381
As of January 1, 2022	8	(330)	25	3	2,047	1,755
Earnings after taxes	-	-	-	-	182	182
Other comprehensive income after taxes	87	66	(1)	7	-	159
Total comprehensive	87	66	(1)	7	182	341
Dividend payout	-	-	-	-	(143)	(143)
Book transfers	-	-	-	7	(7)	-
Other changes	-	-	-	-	(10)	(10)
As of September 30, 2022	95	(264)	24	18	2,068	1,942



Segment report

Segment report Q3 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>	466	228	186	339	187	9	1,415
<i>Internal sales</i>	3	56	45	16	1	(121)	-
Segment sales	469	285	231	355	188	(112)	1,415
Operating result	45	37	25	16	18	(24)	117
Special items	-	-	-	-	-	-	-
EBIT	45	37	25	16	18	(24)	117
Of which:							
<i>At equity result</i>	(1)	3	1	1	4	-	8
<i>Amortization and depreciation</i>	14	11	8	23	5	3	63
<i>Impairment</i>	-	-	-	-	-	-	-
Interest income	-	-	-	1	-	(1)	1
Interest expenses	2	5	1	1	1	(4)	7
EBT	44	32	24	16	18	(21)	111
Other data							
Operating free cash flow	44	(51)	(4)	27	12	(66)	(37)

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 result</i>	(1)	-	1	2	(1)	2	3
<i>Amortization and depreciation</i>	10	10	7	24	5	2	58
<i>Impairment</i>	-	-	-	3	-	-	3
Interest income	-	-	-	-	-	-	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 Q1 - Q3 2022

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Sensors and Actuators	Materials and Trade	Others/ Consolidation	Group (continuing operations)
Income statement							
External sales	1,306	701	508	990	560	23	4,089
Internal sales	14	148	134	55	2	(352)	-
Segment sales	1,320	849	642	1,045	562	(329)	4,089
Operating result	120	107	50	66	45	(65)	323
Special items	-	-	-	-	-	(21)	(21)
EBIT	120	107	50	66	45	(86)	302
Of which:							
At equity income	2	12	2	2	3	2	23
Amortization and depreciation	39	33	22	69	14	7	185
Impairment	-	-	-	-	-	-	-
Interest income	1	1	1	2	1	(2)	3
Interest expenses	7	14	4	3	3	(9)	22
EBT	115	94	46	66	43	(79)	284
Other data							
Operating free cash flow	(97)	(326)	(141)	6	(5)	(115)	(678)
Employees September 30 (FTE)	5,489	5,004	3,470	4,485	2,275	681	21,402

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							
External sales	1,300	646	461	942	482	10	3,841
Internal sales	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	-	-	-	-	-	6	6
EBIT	104	73	48	74	38	(34)	303
Of which:							
At equity income	1	2	3	2	4	2	14
Amortization and depreciation	30	30	21	72	15	6	175
Impairment	-	-	-	3	-	-	3
Interest income	2	-	1	-	-	-	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

Financial calendar and legal information

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Dates

March 16, 2023

Publication of the 2022 annual report

May 4, 2023

Quarterly Statement on Q1 / 2023

May 9, 2023

Rheinmetall AG Annual General Meeting

August 10, 2023

Report on H1 / 2023

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