

QUARTERLY REPORT 3RD QUARTER

2020

5050

Significant improvement in Defence performance continues – Automotive expecting positive operating result

- Despite a slight uptick in the automotive market in the third quarter, consolidated sales are still down 7% on the previous year's figure at €4.0 billion
- Consolidated operating result after first nine months is €92 million lower at €170 million; operating result for the third quarter is up slightly on the previous year's figure at €101 million
- Defence continues its good performance: sales move up by 12% to €2.4 billion; operating result increased by €64 million to €197 million
- Automotive remains down on previous year due to the crisis: sales decline by 27% to €1.5 billion; positive result in third quarter reduces operating loss after three quarters to €-12 million
- Improved earnings forecast: Automotive now expecting positive operating result; 2020 margin forecast for Defence raised

Rheinmetall in figures

		Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019
Sales/earnings					
Sales	€ million	1,382	1,481	3,979	4,294
of which generated abroad	%	64	68	67	71
Operating result	€ million	101	99	170	262
Operating margin	%	7.3	6.7	4.3	6.1
EBIT	€ million	66	99	(166)	269
EBIT margin	%	4.8	6.7	(4.2)	6.3
EBT	€ million	60	83	(192)	234
Earnings after taxes	€ million	49	60	(185)	170
Cash flow					
Cash flow from operating activities	€ million	91	(64)	(223)	(167)
Cash flow from investing activities	€ million	(50)	(63)	(146)	(167)
Operating free cash flow	€ million	41	(127)	(369)	(334)
Balance sheet (September 30)					
Equity	€ million	-	-	1,869	1,990
Total assets	€ million	-	-	7,162	7,125
Equity ratio	%	-	-	26	28
Cash and cash equivalents	€ million	-	-	690	355
Total assets less cash and cash equivalents	€ million	-	-	6,472	6,769
Net financial debt (-) / Net liquidity (+)	€ million	-	-	(571)	(660)
Leverage ratio ¹⁾	%	-	-	8.8	9.8
Net gearing ²⁾	%	-	-	30.5	33.2
Human resources (September 30)					
Rheinmetall Group	FTE	-	-	23,152	23,742
Domestic	FTE	-	-	11,539	11,590
Foreign	FTE	-	-	11,613	12,152
Rheinmetall Automotive					
Sales	€ million	572	659	1,528	2,099
Operating result	€ million	29	43	(12)	144
Operating margin	%	5.1	6.5	(0.8)	6.9
Capital expenditure (net investments)	€ million	19	28	52	82
Rheinmetall Defence					
Order intake	€ million	477	1,136	1,960	2,201
Order backlog (September 30)	€ million	-	-	9,754	8,689
Sales	€ million	809	823	2,450	2,198
Operating result	€ million	76	64	197	134
Operating margin	%	9.4	7.8	8.1	6.1
Capital expenditure	€ million	82	32	149	75
Shares					
Stock price (September 30, 2020/ September 30, 2019)	€	-	-	76.76	116.05
Earnings per share	€	1.03	1.33	(4.43)	3.77

1) Net financial debt/total assets adjusted for cash and cash equivalents

2) Net financial debt/total equity

Business performance of the Rheinmetall Group

€ million	Q3 2020	Q3 2019	Change	Q1–Q3 2020	Q1–Q3 2019	Change
Sales	1,382	1,481	-98	3,979	4,294	-315
Operating result	101	99	1	170	262	-92
Operating margin	7.3%	6.7%	0.6%-P	4.3%	6.1%	-1.8%-P
Operating free cash flow	41	(127)	168	(369)	(334)	-34

Good result for Defence and positive quarterly result for Automotive improve business performance

After the first half of 2020 was negatively impacted by the aftermath of the coronavirus pandemic – particularly the repercussions of the widespread shutdown of international automotive production – the business performance of the Rheinmetall Group was much improved in the third quarter. In the months from July to September 2020, consolidated operating result of €101 million was back at the good level of the previous year, which saw a quarterly operating result of €99 million. Following a loss in the previous quarter, the Automotive sector was also back in a position to contribute to this positive performance with an operating result of €29 million in the third quarter of 2020. The Rheinmetall Group's stable financial situation was reaffirmed by the confirmation of the existing Baa3 rating (investment grade) with a stable outlook from rating agency Moody's on September 14, 2020.

Since the outset of the crisis, protecting its workforce and ensuring stable business processes have been at the heart of all Rheinmetall's efforts. The introduction of comprehensive measures has succeeded in minimizing the risk of infection for the employees at the roughly 130 company locations worldwide and ensuring the highest possible level of protection in operational processes. Since the early phase of the pandemic, Rheinmetall has also been making a substantial contribution to supplying the public healthcare sector with personal protective equipment (PPE). To cover the high demand for protective equipment in Germany, the German government signed a framework agreement with Rheinmetall to supply high volumes of an extensive range of PPE items. On the basis of this framework agreement, Rheinmetall expects orders of between €60 million and €100 million for 2020. This has seen Rheinmetall become a significant supplier of medical protective equipment in Germany.

Since May 2020, automotive manufacturers have begun to reactivate their plants outside of China, too. But due to continued modest demand, the number of vehicles being produced has increased only very slowly. After nine months of the year, the number of light vehicles (vehicles up to 6 tons) produced globally was up to 50.4 million units, which was still 15.7 million units below the previous year's figure. Global truck production in the first three quarters of 2020 was also down by 25% on the previous year.

During the global lockdown of the automotive industry, the Automotive sector adopted various measures to adapt its production operations and introduced a strict cost management policy, which allowed it to mitigate some of the negative economic repercussions of market developments. This combined with the continued positive trend in the Defence sector have contributed to an improvement in the Rheinmetall Group's overall business performance. Having said that, consolidated sales and consolidated operating result after the first nine months of the year are still lagging behind the previous year's figures.

Sales and operating result down year-on-year

Consolidated sales declined by €315 million or 7.3% year-on-year to €3,979 million in the first three quarters of 2020. Adjusted for acquisitions and currency effects, the downturn in sales was 7.4%. The differing performance of the two sectors in the first half of the year continued into the third quarter as well. The Defence sector increased its sales by €252 million or 12% in the first three quarters of 2020. The Automotive sector, on the other hand, saw its sales decline by €571 million or 27% versus the comparative period of the previous year, from €2,099 million to €1,528 million.

Sales by region € million



	Q1-Q3 2020	Q1-Q3 2019
Rheinmetall Group	3,979	4,294
1 Germany	1,333	1,257
2 Other Europe	1,116	1,347
3 North & South America	430	504
4 Asia	635	741
5 Other regions	466	446

The differing sales performance of the two sectors was also reflected in the operating result after three quarters. While the Defence sector improved its operating result by €64 million to €197 million in the first nine months of 2020, the continued tough general economic conditions pushed the Automotive sector's operating result down by €156 million to €-12 million. Overall, Rheinmetall's consolidated operating result after three quarters totaled €170 million, after €262 million in the same period of the previous year.

The Group's reported earnings before interest and taxes (EBIT) amounted to €-166 million in the first three quarters of 2020, €435 million lower than in the previous year. As well as the declining operating result, the reduction in EBIT is mainly attributable to negative non-recurring effects totaling €337 million. This figure includes the impairment of €300 million that was already recognized in the Automotive sector in the second quarter of 2020. This resulted from the international automotive industry's drastically scaled down production volume on account of the coronavirus pandemic in 2020 and from expert assumptions of significantly lower growth momentum for passenger cars and light commercial vehicles even over the medium term. Restructuring provisions of €40 million were also recognized in the third quarter of 2020, which are expected to become cash-effective in the period from 2020 to 2023. They mainly include costs for capacity adjustments and site shutdowns undertaken to optimize the global network of locations in the Hardparts division (€24 million), as well as costs for the realignment and the new structural orientation undertaken to prepare entry into new markets in the Mechatronics division (€16 million). Positive non-recurring effects of €3 million were recognized in the Defence sector. They were due to the net effect of restructuring measures (€-7 million) and a subsequent purchase price adjustment in connection with the sale of the unmanned aircraft systems product area in fiscal 2012 (€10 million).

Earnings per share decreased by €8.20 to €-4.43 in the first nine months of 2020 (previous year: €3.77). In the third quarter of 2020, Rheinmetall was back to generating positive earnings per share at €1.03 (same quarter of the previous year: €1.33).

Operating free cash flow slightly lower than in previous year

Operating free cash flow fell by €34 million to €-369 million in the first three quarters of 2020. This was primarily due to the fact that the operating free cash flow figure includes allocations to the contractual trust agreement (CTA) amounting to €42 million in the current fiscal year, which is more than the previous year's figure of €15 million.

Business performance of the Rheinmetall Group

Automotive sector

€ million	Sales		Operating result	
	Q3 2020	Q3 2019	Q3 2020	Q3 2019
Automotive	572	659	29	43
Mechatronics	318	358	21	27
Hardparts	175	228	(3)	6
Aftermarket	98	92	9	9
Others/Consolidation	(19)	(20)	2	1
	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019
Automotive	1,528	2,099	(12)	144
Mechatronics	838	1,166	6	92
Hardparts	506	731	(32)	29
Aftermarket	249	269	15	25
Others/Consolidation	(65)	(68)	(2)	(2)

Strict cost management policy mitigating negative effects of coronavirus pandemic

Following massive downturns in production in the first half of the year, the performance of the global automotive industry rallied slightly in the third quarter compared with the first half of 2020. Nevertheless, the after-effects of the coronavirus pandemic can still be clearly felt even after nine months of 2020. Global production of light vehicles (vehicles under 6 t) declined by 23% year-on-year in the period from January to September 2020. In the same period, the Automotive sector generated sales of €1,528 million, which is €571 million or 27% lower versus the comparative period of the previous year. Adjusted for currency effects, sales were 26% lower than in the previous year.

As a result of the crisis-induced sales decline, the Automotive sector closed the first nine months of the current fiscal year with an operating result of €-12 million (previous year: €144 million). The operating margin was -0.8% (previous year: 6.9%). The strict cost management policy, which was adopted early on and focused on staff, non-staff and administrative costs, was systematically continued in the third quarter as well. This allowed the Group to significantly mitigate the negative effects of the coronavirus crisis on business performance. Furthermore, in the first three quarters of 2020 net investments undertaken to stabilize the liquidity situation were scaled back by 37% versus the comparative period of the previous year. Reported earnings before interest and taxes (EBIT), which includes non-recurring effects from impairment and restructuring measures, totaled €-352 million after the first nine months of the current year, which is also significantly lower than the previous year's figure of €146 million.

Sales in the Mechatronics division declined by €329 million or 28% year-on-year to €838 million in the first nine months of 2020. The production figures for passenger cars and trucks went down markedly in all the relevant sales markets. The operating result for the period from January to September 2020 was €6 million, after €92 million in the same period of the previous year. This brought the division's operating margin to 0.7% in the first three quarters, after 7.9% in the previous year.

At €506 million, sales in the Hardparts division were €225 million or 31% lower than the previous year's figure. In the period under review, the operating result was €-32 million, which remained well below the previous year's figure of €29 million. A significant downturn in sales saw the earnings contributions from the joint venture accounted for using the equity method decrease by €13 million to €5 million (previous year: €18 million). The operating margin of the Hardparts division declined to -6.3% (previous year: 3.9%).

In the Aftermarket division, sales performance in the first three quarters of 2020 was impacted by the closure of some repair shops and by decreased mobility overall. Sales declined by €20 million or 7.6% year-on-year to €249 million. The operating result came to €15 million, which was €10 million lower than the previous year's figure due to profit contribution losses and the first-time allocation of micro mobility activities to the Aftermarket division. The operating margin moved down to 6.1% (previous year: 9.4%).

Recovery of Chinese automotive production

The Automotive sector's sales do not include the sales of the joint ventures with Chinese partners as these are included in consolidation using the equity method.

The recovery of Chinese automotive production continued in the third quarter of 2020. This enabled the sector's joint ventures in China to almost match the sales level of the previous year in the third quarter of 2020. Sales came to €655 million in the first three quarters of 2020, down 9.4% on the previous year's figure of €722 million. Earnings after taxes totaled €28 million in the period under review (previous year: €32 million).

The German joint venture KS HUAYU AluTech Group saw its sales decline in the first three quarters of 2020 as a result of the crisis. The sales figure of €138 million was 27% lower than in the same period of the previous year. Even earnings after taxes of €-15 million were still significantly below the previous year's level of €-2 million.

€ million – 100% basis	China joint ventures				KS HUAYU (Germany)			
	Q3 2020	Q3 2019	Q1–Q3 2020	Q1–Q3 2019	Q3 2020	Q3 2019	Q1–Q3 2020	Q1–Q3 2019
Sales	262	265	655	722	48	60	138	188
Earnings after taxes	16	13	28	32	(3)	-	(15)	(2)

Business performance of the Rheinmetall Group

Defence sector

€ million	Order intake		Sales		Operating result	
	Q3 2020	Q3 2019	Q3 2020	Q3 2019	Q3 2020	Q3 2019
Defence	477	1,136	809	823	76	64
Weapon and Ammunition	242	252	224	196	15	10
Electronic Solutions	142	345	206	216	24	20
Vehicle Systems	180	774	421	461	37	35
Others/Consolidation	(87)	(235)	(42)	(50)	-	(1)
	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019	Q1-Q3 2020	Q1-Q3 2019
Defence	1,960	2,201	2,450	2,198	197	134
Weapon and Ammunition	864	860	668	581	29	9
Electronic Solutions	569	582	604	585	53	47
Vehicle Systems	728	1,051	1,324	1,179	122	80
Others/Consolidation	(200)	(292)	(146)	(146)	(7)	(3)

Order backlog still high

The Defence sector achieved an order intake of €1,960 million in the first nine months of 2020 (previous year: €2,201 million). The order backlog after the first three quarters remained at a high level of €9,754 million (previous year: €8,689 million).

Operating margin picks up across all divisions

In the first nine months of fiscal 2020, the Defence sector achieved sales growth of 12% or €252 million. Sales rose from €2,198 million in the previous year to €2,450 million in the period under review. The operating result improved year-on-year and amounted to €197 million after the first three quarters of 2020. This represented an increase of €64 million or 48% versus the previous year's figure of €134 million. The operating margin increased accordingly, from 6.1% in the previous year to 8.1% in the first nine months of 2020. Accounting for positive and negative non-recurring effects totaling €+3 million, reported earnings before interest and taxes (EBIT) amounted to €200 million, which is also above the previous year's figure of €132 million.

The Weapon and Ammunition division generated sales of €668 million in the first nine months of 2020. This equates to an increase of €87 million – or 15% – compared with the previous year's figure. With an operating margin of 4.4% (previous year: 1.6%), the operating result amounted to €29 million in the first nine months of 2020, which is higher than the previous year's figure of €9 million. The division's sales and earnings growth was primarily the result of higher munition supplies and additional sales from medical protective equipment.

Sales in the Electronic Solutions division were up €20 million or 3.4% on the previous year at €604 million. The division's operating result increased by €6 million year-on-year to €53 million (previous year: €47 million). The operating margin improved to 8.8%, compared with 8.1% in the previous year.

The Vehicle Systems division increased its sales by €145 million or 12% in the first three quarters of 2020 to €1,324 million (previous year: €1,179 million). The operating result went up by €42 million year-on-year to €122 million. This expanded the operating margin of the Vehicle Systems division from 6.8% in the previous year to 9.2%.

Risks and opportunities

Efficient risk management

Systematic and efficient risk management systems have come to hold a particular level of importance during the global coronavirus crisis. At the beginning of the expanding pandemic, coronavirus action teams, which analyze and evaluate the local situation on a daily basis and define and communicate measures, were formed at all Rheinmetall Group locations. A central crisis team led by the Executive Board is monitoring the global situation and coordinating measures across locations.

As a Tier 1 automotive supplier, the Automotive sector has been affected by the coronavirus pandemic to a greater extent than the Defence sector. The overall effects on Rheinmetall's financial position were significantly reduced by the immediate and extensive measures taken in the Automotive sector in particular to stabilize liquidity, reduce costs and safeguard supply chains. Potential risks for the Rheinmetall Group's net assets, financial position and results of operations arising from the massive sales slumps in the Automotive sector and the much lower growth forecasts for the automotive industry even in the medium term were already taken into account in the second quarter of 2020 through the recognition of impairment of €300 million.

The other material opportunities and risks of the expected development of the Rheinmetall Group are described in detail in the Group Management Report for 2019. Apart from the particular challenges of the coronavirus crisis, no material changes or new findings have arisen. Based on the current assessment of the Rheinmetall Group's risk tolerance, there are no identifiable situations of existential risk for the Rheinmetall Group.

Outlook

Earnings forecast for Defence raised, Automotive expecting positive operating net income

Rheinmetall still does not expect the coronavirus crisis to have any lasting impact on the Defence sector's business performance in 2020. Projected sales growth for the Defence sector, adjusted for currency effects, is thus around 6%. The operating margin, for which the most recent forecast was around 10%, is now being raised to between 10% and 11%.

Based on the performance in the first nine months of fiscal 2020 and provided there is no new lockdown of international automotive production between now and the end of the year, Rheinmetall anticipates a decline in sales, adjusted for currency effects, of between 20% and 23% for the Automotive sector. The forecast for operating net income in the Automotive sector, which was specified as between €-30 million and break-even in the first half of 2020, has improved in light of the market recovery in the second half of 2020. Currently, positive operating net income of between €10 million and €20 million is anticipated for the Automotive sector.

For the Group, Rheinmetall is forecasting a decline in sales, adjusted for currency effects, between 6% and 7% and – taking into account holding costs – a positive operating margin between 6% and 6.5%.

Rheinmetall Group

Consolidated balance sheet as of September 30, 2020

€ million	9/30/2020	12/31/2019
Assets		
Goodwill	475	567
Other intangible assets	250	233
Rights of use	238	204
Property, plant and equipment	1,084	1,361
Investment property	39	42
Investments accounted for using the equity method	290	309
Other non-current assets	260	255
Deferred taxes	292	224
Non-current assets	2,927	3,195
Inventories	1,682	1,463
Contract asset	458	388
Trade receivables	1,117	1,147
Other current assets	232	242
Income tax receivables	57	41
Liquid financial assets	-	20
Cash and cash equivalents	690	920
Current assets	4,235	4,220
Total assets	7,162	7,415
Equity and liabilities		
Share capital	112	112
Capital reserves	556	553
Retained earnings	1,081	1,478
Treasury shares	(13)	(17)
Rheinmetall AG shareholders' equity	1,735	2,125
Non-controlling interests	134	146
Equity	1,869	2,272
Provisions for pensions and similar obligations	1,134	1,169
Other non-current provisions	206	214
Non-current financial debt	907	880
Other non-current liabilities	88	86
Deferred taxes	18	16
Non-current liabilities	2,353	2,365
Other current provisions	750	709
Current financial debt	353	112
Contract liability	880	948
Trade liabilities	616	695
Other current liabilities	239	215
Income tax liabilities	102	99
Current liabilities	2,939	2,779
Total equity and liabilities	7,162	7,415

Rheinmetall Group

Consolidated income statement for Q3/2020

€ million	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019
Sales	1,382	1,481	3,979	4,294
Changes in inventories and work performed by the enterprise and capitalized	75	107	233	271
Total operating performance	1,458	1,588	4,212	4,565
Other operating income	19	31	70	109
Cost of materials	770	868	2,201	2,456
Staff costs	442	408	1,291	1,250
Amortization, depreciation and impairment	62	71	476	204
Other operating expenses	150	179	462	511
Income from investments ¹⁾	18	9	4	22
Other net financial income	(6)	(3)	(23)	(7)
Earnings before interest and taxes (EBIT)	66	99	(166)	269
Interest income	3	-	7	4
Interest expenses	(9)	(16)	(33)	(38)
Earnings before taxes (EBT)	60	83	(192)	234
Income taxes	(11)	(23)	7	(65)
Earnings after taxes	49	60	(185)	170
Of which:				
<i>Non-controlling interests</i>	5	3	6	7
<i>Rheinmetall AG shareholders</i>	44	57	(191)	162
Earnings per share	€1.03	€1.33	€(4.43)	€3.77

1) Income from investments (Q1-Q3 2020) includes:

€10 million in income from investments as a result of a subsequent purchase price adjustment

€11 million in income from investments accounted for using the equity method

€-17 million in impairment of investments accounted for using the equity method

Consolidated statement of comprehensive income for Q3/2020

€ million	Q3 2020	Q3 2019	Q1-Q3 2020	Q1-Q3 2019
Earnings after taxes	49	60	(185)	170
Remeasurement of net defined benefit liability from pensions	(4)	(85)	6	(192)
Amounts not reclassified to the income statement	(4)	(85)	6	(192)
Change in value of derivative financial instruments (cash flow hedge)	2	(7)	(34)	(1)
Currency translation difference	(25)	20	(80)	36
Income/expenses from investments accounted for using the equity method	(2)	2	(6)	3
Amounts reclassified to the income statement	(24)	15	(120)	39
Other comprehensive income after taxes	(29)	(70)	(114)	(153)
Total comprehensive income	20	(10)	(299)	17
Of which:				
<i>Non-controlling interests</i>	6	-	(11)	7
<i>Rheinmetall AG shareholders</i>	14	(10)	(289)	10

Rheinmetall Group

Statement of cash flows for Q3/2020

€ million	Q1–Q3 2020	Q1–Q3 2019
Earnings after taxes	(185)	170
Amortization, depreciation and impairment	476	204
Allocation of CTA assets to secure pension and partial retirement obligations	(42)	(15)
Other changes in pension provisions	(3)	(1)
Income from disposals of non-current assets	(7)	(1)
Changes in other provisions	64	(44)
Changes in working capital	(462)	(392)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(60)	(78)
Pro rata income from investments accounted for using the equity method	6	(22)
Dividends received from investments accounted for using the equity method	7	7
Other non-cash expenses and income	(17)	5
Cash flow from operating activities ¹⁾	(223)	(167)
Investments in property, plant and equipment, intangible assets and investment property	(146)	(167)
Cash receipts from the disposal of property, plant and equipment, intangible assets and investment property	20	8
Payments for the purchase of liquid financial assets	-	(225)
Cash receipts from the disposal of liquid financial assets	20	287
Cash receipts from subsequent purchase price adjustment	10	-
Payments for investments in consolidated companies and other financial assets	(2)	(51)
Cash flow from investing activities	(97)	(149)
Dividends paid out by Rheinmetall AG	(104)	(90)
Other profit distributions	(2)	(2)
Increase in shares in consolidated subsidiaries	-	(136)
Borrowing of financial debt	371	259
Repayment of financial debt	(166)	(90)
Cash flow from financing activities	99	(59)
Changes in cash and cash equivalents	(221)	(374)
Changes in cash and cash equivalents due to exchange rates	(9)	4
Total change in cash and cash equivalents	(230)	(370)
Opening cash and cash equivalents January 1	920	724
Closing cash and cash equivalents September 30	690	355

1) Of which:

Net income taxes of €-58 million (previous year: €-93 million)

Net interest of €-11 million (previous year: €-20 million)

Rheinmetall Group

Statement of 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, 2019	112	547	1,383	-21	2,021	151	2,172
Earnings after taxes	-	-	162	-	162	7	170
Other comprehensive income after taxes	-	-	(153)	-	(153)	-	(153)
Total comprehensive income	-	-	9	-	9	7	17
Dividend payout	-	-	(90)	-	(90)	(2)	(92)
Disposal of treasury shares	-	-	-	4	4	-	4
Changes in shares in subsidiaries	-	-	(92)	-	(92)	(43)	(136)
Change in basis of consolidation	-	-	-	-	-	17	17
Other changes	-	6	2	-	8	-	8
Balance as at September 30, 2019	112	553	1,212	(17)	1,860	130	1,990
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 income	-	-	(289)	-	(289)	(11)	(299)
Dividend payout	-	-	(104)	-	(104)	(2)	(105)
Disposal of treasury shares	-	-	-	4	4	-	4
Other changes	-	3	(5)	-	(2)	-	(2)
Balance as at September 30, 2020	112	556	1,081	(13)	1,735	134	1,869

Composition of retained earnings:

€ million	Currency translation difference	Remeasurement of net defined benefit liability from pensions	Hedges	Other comprehensive income from investments accounted for using the equity method	Other reserves	Total retained earnings
As of January 1, 2019	(15)	(431)	7	(5)	1,827	1,383
Earnings after taxes	-	-	-	-	162	162
Other comprehensive income after taxes	35	(191)	-	3	-	(153)
Total comprehensive income	35	(191)	-	3	162	9
Dividend payout	-	-	-	-	(90)	(90)
Changes in shares in subsidiaries	-	(3)	-	-	(90)	(92)
Other changes	-	-	-	-	2	2
Balance as at September 30, 2019	21	(627)	7	(2)	1,812	1,212
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 income	(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

Rheinmetall Group Segment report

€ million	Automotive		Defence		Others/Consolidation		Group	
	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3	Q1-Q3
	2020	2019	2020	2019	2020	2019	2020	2019
Sales	1,528	2,099	2,450	2,198	1	(2)	3,979	4,294
Operating result	(12)	144	197	134	(15)	(15)	170	262
Special items	(340)	2	3	(2)	-	7	(337)	7
EBIT	(352)	146	200	132	(15)	(9)	(166)	269
<i>Of which:</i>								
<i>At equity income</i>	7	19	4	3	-	-	11	22
<i>Impairment of investments accounted for using the equity method</i>	(17)	-	-	-	-	-	(17)	-
<i>Income from subsequent purchase price payment</i>	-	-	10	-	-	-	10	-
<i>Amortization and depreciation</i>	113	119	85	79	5	6	203	204
<i>Impairment</i>	273	-	-	-	-	-	273	-
Interest income	2	3	3	4	3	(3)	7	4
Interest expenses	(16)	(16)	(27)	(31)	11	8	(33)	(38)
EBT	(367)	134	176	105	(1)	(4)	(192)	234
Other data								
Operating free cash flow	(97)	(8)	(300)	(328)	28	2	(369)	(334)
Order intake	1,504	2,115	1,960	2,201	(1)	(2)	3,463	4,314
Order backlog September 30	423	494	9,754	8,689	-	-	10,177	9,183
Employees September 30 (FTE)	10,647	11,567	12,229	11,905	276	271	23,152	23,742
Net financial debt (-) / Net liquidity (+) September 30	(133)	(26)	(145)	(209)	(292)	(425)	(571)	(660)

Legal information and contact

Dates

MARCH 18, 2021

Publication of the 2020 annual report

MAY 6, 2021

Report on Q1/2021

MAY 11, 2021

Rheinmetall AG Annual General Meeting

AUGUST 5, 2021

Report on H1/2021

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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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