



QUARTERLY STATEMENT 1ST QUARTER 2024

Rheinmetall in the first quarter of 2024 Profitability significantly increased

- Operating result improves by €50 million or 60.3% to €134 million
- Operating margin up significantly on previous year at 8.5% after 6.1%
- Consolidated sales grow by 16.0% to €1.6 billion
- Rheinmetall Backlog increases to more than €40 billion
- Forecast for 2024 confirmed

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Rheinmetall in figures

KEY FIGURES

		Q1 2024	Q1 2023
SALES / EARNINGS			
Sales	€ million	1,581	1,363
<i>Of which generated abroad</i>	%	76.7	77.7
Operating result ^{1,3}	€ million	134	83
Operating result margin ^{1,3}	%	8.5	6.1
EBIT before PPA	€ million	138	86
EBIT ³	€ million	108	78
EBIT margin ³	%	6.8	5.7
EBT ³	€ million	86	70
Earnings from continuing operations ³	€ million	55	50
Earnings from discontinued operations ³	€ million	(1)	4
Earnings after taxes ³	€ million	54	54
ORDER INFORMATION			
<i>Booked Business</i>	€ million	620	1,230
<i>Frame Nomination</i>	€ million	-	370
<i>Frame Utilization</i>	€ million	(444)	-
<i>Order Intake</i>	€ million	3,757	1,504
Rheinmetall Nomination	€ million	3,933	3,104
<i>Nominated Backlog</i>	€ million	8,461	8,741
<i>Frame Backlog</i>	€ million	7,596	3,750
<i>Order Backlog</i>	€ million	24,140	15,703
Rheinmetall Backlog (March 31)	€ million	40,197	28,194
CASH FLOW			
Cash flow from operating activities	€ million	(106)	(70)
Cash flow from investments	€ million	(105)	(56)
Operating free cash flow	€ million	(211)	(126)
<i>Of which continuing operations</i>	€ million	(187)	(105)
<i>Of which discontinued operations</i>	€ million	(23)	(21)
STATEMENT OF FINANCIAL POSITION (March 31)			
Equity ³	€ million	3,681	3,245
Total assets ³	€ million	11,589	9,328
Equity ratio ³	%	31.8	34.8
Cash and cash equivalents	€ million	515	1,579
Total assets less cash and cash equivalents ³	€ million	11,074	7,749
Net financial debt (-) / Net liquidity (+) ²	€ million	(1,273)	(449)
HUMAN RESOURCES (capacity, March 31)			
Germany	FTE	13,883	12,820
Foreign	FTE	14,715	12,831
Rheinmetall Group	FTE	28,599	25,651
<i>Of which continuing operations</i>	FTE	25,344	22,227
<i>Of which discontinued operations</i>	FTE	3,255	3,424
SHARES			
Stock price (March 31)	€	521.00	275.00
Basic earnings per share from continuing operations ³	€	1.13	1.21
Basic earnings per share ³	€	1.10	1.30
Diluted earnings per share from continuing operations ³	€	1.13	1.21
Diluted earnings per share ³	€	1.10	1.30
Basic earnings per share pre PPA effects from continuing operations	€	1.66	1.37

¹ The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

² Financial liabilities less cash and cash equivalents

³ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.



Significant events up to March 31, 2024

Change in Group structure as of January 1, 2024

Effective January 1, 2024, Rheinmetall's civil business has been restructured, combining the previous Sensors and Actuators and Materials and Trade divisions to form the new Power Systems division. Rheinmetall is taking this step in order to bundle its business models and innovation in the civil business more effectively. Power Systems forms the organizational umbrella at Rheinmetall for key technological competencies in civil markets. These range from the traditional combustion engine and commercial business to new technologies such as electromobility and hydrogen, charging infrastructure and lightweight construction through to warm home heating systems.

Acquisition of Automecanica Mediaş SRL

At the beginning of 2024, Rheinmetall signed an agreement to acquire the majority interest in Automecanica Mediaş SRL, a Romanian manufacturer of military vehicles, and will hold 72.5% of the shares in the future. The other shares in the company will remain with private owners. The closing of the corresponding contractual agreement is subject to approval by the relevant authorities. The company will operate as Rheinmetall Automecanica SRL. With this acquisition, Rheinmetall is further expanding its position as a leading manufacturer of military vehicles and strengthening its activities in Central Europe in line with its strategy. The transaction was completed on April 30, 2024.

Disposal of all shares held in Shriram Pistons & Rings Ltd.

All shares in Shriram Pistons & Rings Ltd., India, still held by the Rheinmetall Group were sold on the Indian stock exchange in the first two months of fiscal 2024. The measurement of the shares at fair value had an effect of €4 million recognized in other net financial income until they were sold.

Acquisition of Dutch start-up REEQ B.V.

On March 15, 2024, Rheinmetall Defence Nederland B.V. acquired 100% of the shares in the Dutch start-up REEQ B.V. With its vehicles, REEQ B.V. has developed a new generation of mobility that combines tactical transport with a mobile energy source and is fully prepared for autonomy. Rheinmetall is thus expanding its portfolio of lightweight tactical vehicles and also taking the step towards hybrid technology with a fully electric drivetrain in a military vehicle.

Significant major orders

Rheinmetall delivers Skyranger air defence systems to Austria

Rheinmetall has been commissioned to deliver state-of-the-art Skyranger air defence systems in conjunction with the Austrian armed forces' expansion plan. The order has a volume in the mid-hundreds of million euro. Delivery will take place from 2026.

Major order for mobile air defence

The German armed forces have once again commissioned Rheinmetall for a major air defence project. Rheinmetall will supply the Skyranger 30 mobile air defence system to the German armed forces. The contract, which is worth €595 million, provides for the delivery of a prototype and a further 18 series vehicles. There is also the option for 30 further systems. The prototype is to be delivered before the end of 2024.

Delivery of Skynex air defence systems to European customer

Rheinmetall has been contracted to deliver Skynex air defence systems to a European customer. The systems enhance protection against threats from the air. The order has a value in the low hundreds of million euro. The deliveries will take place over the course of 2025.

International automotive manufacturer places order for innovative cooling and lubrication system

One of the world's largest automotive manufacturer has commissioned Rheinmetall to supply several million electric oil pumps. The order has a value in the low hundreds of million euro.

**Divert-air valves for leading Asian automotive manufacturer**

Rheinmetall's contract with an existing customer for the production of divert-air valves for various engine variants has been extended. The Group has been supplying the automotive manufacturer, which is one of the largest in Asia, with divert-air valves in series since 2019. Now the manufacturer has seamlessly extended this contract until 2032. This extension is valued at €100 million.

Core components for howitzers

Through Weapon and Ammunition and Vehicle Systems, Rheinmetall has been commissioned to deliver core components for 22 howitzers for the German armed forces. Among other things, the company will provide 22 155mm-caliber L52 weapons systems and the same number of chassis for the PzH 2000 howitzer. Following final system integration and commissioning at Rheinmetall in Unterlüß, the first of these artillery systems are due to be delivered to the German armed forces in the summer of 2025. This order has a total volume of €135 million for Rheinmetall.

Business performance of the Rheinmetall Group

Key figures Rheinmetall Group (continuing operations)

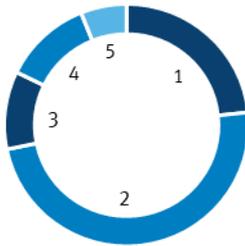
€ million	Q1 2024	Q1 2023	Change
Sales	1,581	1,363	218
Operating result ^{1,2}	134	83	50
Operating result margin ^{1,2}	8.5%	6.1%	2.3%-P
Operating free cash flow	(187)	(105)	-82

¹ The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

² The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

Sales exceed previous year's level

Consolidated sales increased by €218 million or 16.0% year-on-year to €1,581 million in the first quarter of fiscal 2024 (previous year: €1,363 million). Adjusted for currency effects, sales were 17.4% higher than in the previous year. The share of sales in Germany rose by 1.0% points year-on-year to 23.3% in the first three months of 2024.



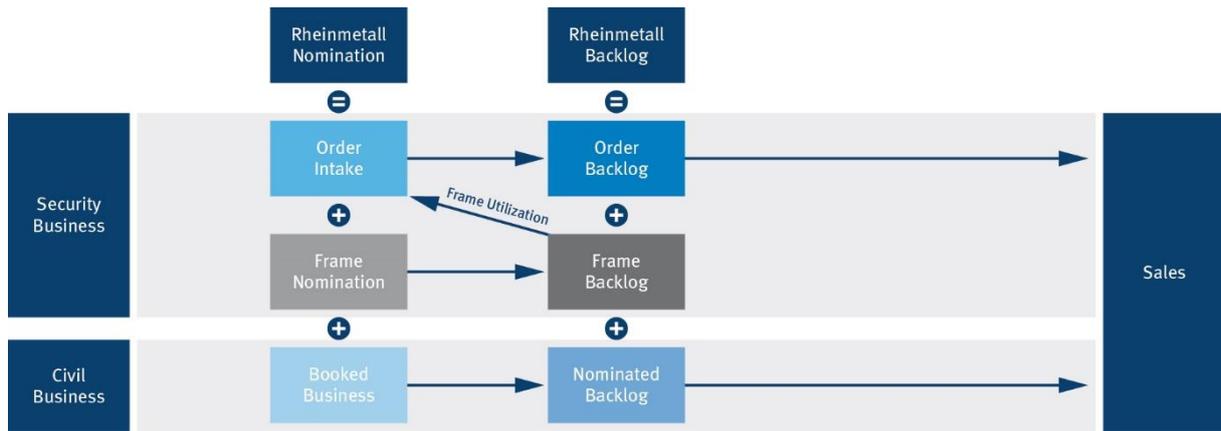
Sales by region

€ million	Q1 2024	Q1 2023
Rheinmetall Group	1,581	1,363
1 Germany	369	304
2 Other Europe	767	607
3 North, Middle and South America	165	123
4 Asia and the Near East	185	172
5 Other regions	96	158

Rheinmetall Nomination rises significantly year-on-year

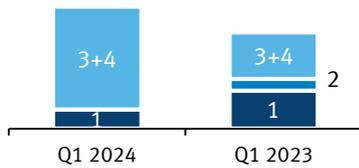
Rheinmetall Backlog includes the figures order backlog, frame backlog and nominated backlog. The frame backlog reflects the expected future call-offs from existing framework agreements for the security business, which are converted into order backlog when called off by the customer. Based on existing written agreements and framework contracts with customers, the nominated backlog figure shows the future call-offs expected for the civil business from these customer agreements. The sales resulting from the frame backlog and the nominated backlog may differ from the corresponding amounts depending on the final call-off quantities.

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



Rheinmetall Nomination increased by 26.7% to €3,933 million in the first quarter of fiscal 2024 (previous year: €3,104 million). The increase is due to orders from Germany, the Near East and Australia in particular. In addition, the Rheinmetall Expal Munitions companies in particular contributed to growth. The key indicators of booked business and frame nomination were down year-on-year in the first quarter of 2024.

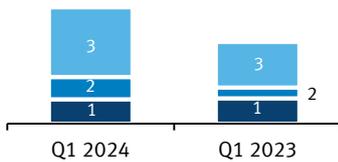
Rheinmetall Nomination



Rheinmetall Nomination

€ million	Q1 2024	Q1 2023	Change
1 Booked Business	620	1,230	-609
2 Frame Nomination	-	370	-370
3 Frame Utilization	(444)	-	-444
4 Order intake	3,757	1,504	2,253
Rheinmetall Nomination	3,933	3,104	829

Rheinmetall Backlog



Rheinmetall Backlog

€ million	Q1 2024	Q1 2023	Change
1 Nominated Backlog	8,461	8,741	-280
2 Frame Backlog	7,596	3,750	3,846
3 Order Backlog	24,140	15,703	8,437
Rheinmetall Backlog	40,197	28,194	12,003

Operating result up on previous year

In light of the acquisition of the munitions manufacturer Expal Systems S.A.U., which was completed on July 31, 2023, the definition of the operating result performance indicator was modified to take account of the effects of the purchase price allocation for this transaction. Starting from the third quarter of 2023, the operating result is therefore calculated as earnings before interest and taxes (EBIT) adjusted for remeasurement effects in connection with purchase price allocation (PPA effects) and special items resulting from corporate transactions, restructuring and other significant items unrelated to operations or the accounting period. The prior-period figures have been restated accordingly.



The operating result amounts to €134 million as of March 31, 2024 and was therefore up by €50 million or 60.3% on the previous year's figure of €83 million. The improvement in the operating result relates in particular to the contribution by the Rheinmetall Expal Munitions companies acquired as of July 31, 2023. The Group's operating margin climbed to 8.5% (previous year: 6.1%).

Special items and PPA effects Q1 2024

€ million	Operating result	Corporate transactions	Restructuring	Others	Special items	PPA effects	EBIT
Rheinmetall Group	134	4	-	-	4	(30)	108
Vehicle Systems	38	-	-	-	-	(1)	37
Weapon and Ammunition	53	-	-	-	-	(25)	28
Electronic Solutions	17	-	-	-	-	(1)	16
Power Systems	31	-	-	-	-	-	31
Others/consolidation	(6)	4	-	-	4	(3)	(5)

Special items and PPA effects Q1 2023¹

€ million	Operating result ²	Corporate transactions	Restructuring	Others	Special items	PPA effects	EBIT
Rheinmetall Group	83	-	-	3	2	(8)	78
Vehicle Systems	43	-	-	-	-	(1)	42
Weapon and Ammunition	23	-	-	-	-	(1)	22
Electronic Solutions	12	-	-	-	-	(1)	12
Power Systems ⁴	24	-	-	-	-	-	24
Others/consolidation ³	(19)	-	-	3	2	(5)	(22)

¹ The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

² The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

³ Some figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

⁴ Sensors and Actuators and Materials and Trade were combined to form Power Systems effective January 1, 2024.

Operating free cash flow decreases in the first quarter of 2024

The operating free cash flow from continuing operations declined by €82 million year-on-year to €-187 million in the first quarter of 2024 (previous year: €-105 million). The deterioration in operating free cash flow relates in particular to the increase in inventories and cash capital expenditure.

Derivation of operating free cash flow – continuing operations¹

€ million	Q1 2024	Q1 2023
Earnings from continuing operations (after taxes)	55	50
Amortization, depreciation and impairments	91	63
Allocation of CTA assets to secure pension and partial retirement obligations	(3)	(3)
Changes in working capital and others	(231)	(163)
Cash flows from operating activities	(88)	(53)
Investments in property, plant and equipment, intangible assets and investment property	(99)	(53)
Operating free cash flow (continuing operations)	(187)	(105)

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.



Earnings per share

As a result of the convertible bond issued in February 2023, diluted earnings per share are calculated in addition to basic earnings per share. The calculation of diluted earnings per share is based on the assumption that all potentially dilutive instruments are converted into ordinary shares at the time of issue, resulting in an increase in the number of shares. At the same time, earnings after taxes are adjusted by the effect on earnings of these instruments, such as interest costs.

Diluted earnings per share are calculated as follows:

Derivation of diluted earnings per share

	Continuing Operations	Discontinued Operations	Q1 2024	Continuing Operations	Discontinued Operations	Q1 2023
Earnings after taxes in € million - Rheinmetall AG shareholders¹	49	(1)	48	53	4	56
Adjustment for interest expense in respect of the convertible bond in € million	10	-	10	6	-	6
Tax effects on the adjustment for interest expense in respect of the convertible bond in € million	(3)	-	(3)	(2)	-	(2)
Diluted earnings after taxes in € million - Rheinmetall AG shareholders¹	56	(1)	54	57	4	60
Weighted number of shares in millions - basic	43.42			43.38		
Effect from the potential conversion of the convertible bond in millions	3.22			1.93		
Weighted number of shares in millions - diluted	46.64			45.32		
Basic earnings per share¹	€ 1.13	€ (0.03)	€ 1.10	€ 1.21	€ 0.09	€ 1.30
Diluted earnings per share¹	€ 1.20	€ (0.03)	€ 1.17	€ 1.26	€ 0.08	€ 1.34
Adjusted diluted earnings per share (due to antidilutive effect)¹	€ 1.13	€ (0.03)	€ 1.10	€ 1.21	€ 0.09	€ 1.30

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

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

Net assets and financial position

As of March 31, 2024, the Rheinmetall Group's total assets declined by €118 million as against December 31, 2023 to €11,589 million. The ratio of non-current assets to total assets is at a similar level to the end of fiscal 2023 at 40.0% as of March 31, 2024 (December 31, 2023: 39.4%).

The equity ratio rose slightly as against the end of fiscal 2023 to 31.8% as of March 31, 2024 (December 31, 2023: 31.1%) as a result of the slight decrease in total assets. Net financial debt from continuing operations increased to €-1,273 million as at the end of the first quarter of 2024 (December 31, 2023: €-1,063 million). The change is essentially due to the negative operating free cash flow.

Asset and capital structure

€ million	3/31/2024	%	12/31/2023	%
Non-current assets	4,636	40	4,615	39
Current assets	6,953	60	7,092	61
Total assets	11,589	100	11,707	100
Equity	3,681	32	3,643	31
Non-current liabilities	2,589	22	2,605	22
Current liabilities	5,319	46	5,459	47
Total equity and liabilities	11,589	100	11,707	100



Business performance of the segments

Vehicle Systems

Key figures Vehicle Systems¹

€ million	Q1 2024	Q1 2023	Change
Sales	493	462	31
Rheinmetall Nomination	929	1,229	-301
<i>Frame Nomination</i>	-	370	-370
<i>Frame Utilization</i>	(138)	-	-138
<i>Order Intake</i>	1,067	859	208
Rheinmetall Backlog (March 31)	16,866	12,658	4,208
<i>Frame Backlog</i>	3,266	2,633	633
<i>Order Backlog</i>	13,600	10,026	3,575
Operating result ²	38	43	-5
Operating result margin ²	7.7%	9.2%	-1.5%-P
Capital expenditure	21	76	-55
Operating free cash flow	(310)	(95)	-215

¹ The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

² The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

Vehicle Systems sales amounted to €493 million in the first three months of 2024, €31 million or 6.7% higher than the prior-year figure. The increase in sales is attributable in particular to projects for the delivery of tactical vehicles.

Rheinmetall Nomination decreased by €301 million year-on-year to €929 million. The largest single order in 2024 is the service contract already issued for the Boxer heavy weapon carrier, which is worth more than €620 million. Several major orders (in particular the Leopard 2 upgrade for Norway and the Puma infantry fighting vehicle upgrade for Germany) and a frame nomination for trucks in Austria were acquired in the previous year.

The operating result deteriorated from €43 million to €38 million in the first quarter of 2024. The development in the operating result is essentially due to the decline in high-margin orders compared to the previous year. At 7.7%, the operating margin is down on the prior-year figure of 9.2%.

Investment amounted to €21 million in the first three months of 2024, down by €55 million on the prior-year figure of €76 million. The decline is essentially due to leases agreed in the previous year for plant and equipment to expand capacity.

The operating free cash flow declined by €215 million to €-310 million. This results from the increase in inventories in particular.



Weapon and Ammunition

Key figures Weapon and Ammunition¹

€ million	Q1 2024	Q1 2023	Change
Sales	362	213	149
Rheinmetall Nomination	836	595	241
<i>Frame Nomination</i>	-	-	-
<i>Frame Utilization</i>	(306)	-	-306
<i>Order Intake</i>	1,141	595	547
Rheinmetall Backlog (March 31)	11,607	5,214	6,394
<i>Frame Backlog</i>	4,155	943	3,212
<i>Order Backlog</i>	7,452	4,271	3,181
Operating result ²	53	23	30
Operating result margin ²	14.7%	10.9%	3.8%-P
Capital expenditure	34	5	28
Operating free cash flow	39	70	-31

¹ The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

² The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

Weapon and Ammunition generated sales of €362 million in the first quarter of 2024, €149 million or 70.1% higher than the figure for the previous year. The increase as against the same period of the previous year is due in particular to higher ammunition deliveries. Key projects included artillery orders for Germany and Ukraine. The Rheinmetall Expal Munitions companies acquired on July 31, 2023 generated sales of €101 million, €29 million of which relates to intragroup sales, and made a crucial contribution to sales growth.

Rheinmetall Nomination amounted to €836 million in the first three months of 2024, up significantly on the prior-year level (previous year: €595 million). At €103 million, 42.6% of the growth relates to the acquired Rheinmetall Expal Munitions companies, while further growth was generated in Near East countries and Australia in particular with indirect fire products. As a result of several major orders since the first quarter of 2023, Rheinmetall Backlog has more than doubled and increased by €6,394 million to €11,607 million (previous year: €5,214 million). This was driven by the signing of two multi-year ammunition framework agreements in the second half of 2023.

The operating result rose by €30 million or 129.1% to €53 million in the first three months of 2024 (previous year: €23 million). Despite higher staff and non-staff costs within Weapon and Ammunition, the operating margin improved from 10.9% to 14.7% thanks to the earnings contribution by the Rheinmetall Expal Munitions companies of €37 million.

At €34 million, investment was significantly higher than the previous year's level (previous year: €5 million) as a result of capacity expansion projects at several companies. The new Rheinmetall Expal Munitions companies accounted for €7 million of this.

The operating free cash flow declined by €31 million to €39 million in the first three months of 2024 (previous year: €70 million). The operating free cash flow was squeezed by cash capital expenditure of €28 million as against the previous year. At the same time, a higher increase in inventories in the opening months of fiscal 2024 was mitigated by advance payments received on projects.



Electronic Solutions

Key figures Electronic Solutions¹

€ million	Q1 2024	Q1 2023	Change
Sales	287	227	59
Rheinmetall Nomination	1,812	339	1,473
<i>Frame Nomination</i>	-	-	-
Frame Utilization	-	-	-
<i>Order Intake</i>	1,812	339	1,473
Rheinmetall Backlog (March 31)	5,751	3,622	2,129
<i>Frame Backlog</i>	174	174	-
<i>Order Backlog</i>	5,576	3,448	2,129
Operating result ²	17	12	5
Operating result margin ²	6.0%	5.4%	0.6%-P
Capital expenditure	8	8	1
Operating free cash flow	57	(77)	134

¹ The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

² The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

Electronic Solutions sales amounted to €287 million in the first three months of 2024, an increase on the previous year's level (previous year: €227 million). The sales growth of 26.1% is essentially due to the Skyraenger 30 mobile air defence system for the German customer and other delivery shares for the Puma infantry fighting vehicle.

Rheinmetall Nomination rose by €1,473 million year-on-year to €1,812 million. This is as a result of the five-fold increase in order intake. Key order intake in the first three months of 2024 related to the development contract for the short and very short range air defence protection system and the delivery agreement for the Skyraenger 30 mobile air defence system, both for the German customer. On March 31, 2024, Rheinmetall Backlog was €5,751 million and therefore €2,129 million higher than the prior-year figure (previous year: €3,622 million).

At €17 million, the operating result was up on the previous year's level in the first quarter of 2024 (previous year: €12 million). The operating margin rose to 6.0% as a result of sales (previous year: 5.4%).

Investment by Electronic Solutions in the first three months of fiscal 2024 amounted to €8 million, on a par with the previous year's level (previous year: €8 million).

The operating free cash flow increased by €134 million to €57 million as a result of advance payments received (previous year: €-77 million).



Power Systems

Key figures Power Systems¹

€ million	Q1 2024	Q1 2023	Change
Sales	541	541	-
Booked Business	620	1,230	-609
Nominated Backlog (March 31)	8,461	8,741	-280
Operating result ²	31	24	7
Operating result margin ²	5.8%	4.5%	1.3%-P
Capital expenditure	24	23	-
Operating free cash flow	17	(15)	32

¹ Sensors and Actuators and Materials and Trade were combined to form Power Systems effective January 1, 2024.

² The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The figures for the previous year have been restated accordingly.

Power Systems sales are stable year-on-year at €541 million (previous year: €541 million). The decline in sales in Europe was compensated by sales growth in the US region.

In the first three months of fiscal 2024, booked business was down significantly year-on-year at €620 million (previous year: €1,230 million). Nominated backlog fell by 3.2% to €8,461 million as of March 31, 2024 (previous year: €8,741 million).

The operating result climbed by 29.3% to €31 million in the first quarter of 2024 (previous year: €24 million). The increase is due to higher sales prices and a better product mix. The improved at-equity result of a Chinese joint venture also had a positive effect on the operating result. The operating margin is therefore 5.8% (previous year: 4.5%).

Investments were stable year-on-year at €24 million (previous year: €23 million).

At €17 million, the operating free cash flow is significantly higher than the previous year's figure of €-15 million. This is as a result of higher earnings after taxes.



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.

Key statements on the opportunity and risk situation

The opportunities and risks relating to the expected development of the Rheinmetall Group are essentially unchanged and are described in detail in the Group management report for fiscal 2023.

Supplementary report

Small-bore disposal completed

The transaction agreed between Rheinmetall and Comitans Capital AG, Munich, on December 18, 2023 for the sale of the small-bore pistons business with all production sites in Germany, Mexico, Brazil, Czechia and Japan as well as the investment in the joint venture Kolbenschmidt Huayu Piston Co., Ltd., China, was closed on April 15, 2024. The transaction entails the deconsolidation of the Group companies belonging to small-bore pistons business. Based on the preliminary purchase price, there is a deconsolidation loss in the order of €50 million. This is mainly due to the reclassification of currency translation differences recognized in other comprehensive income to the income statement as part of the deconsolidation. The final purchase price adjustments are yet to be determined.

By way of this transaction, Rheinmetall is completing the disposal of the Pistons division, which is classified as non-core business, in conjunction with the Group's repositioning. It is thereby pursuing its strategy of focusing on new areas of technology and alternative drive systems in the future with regard to its civil activities.

Acquisition of Automecanica Mediaș SRL completed

On April 30, 2024, Rheinmetall completed its acquisition of 72.5% of the shares in the Romanian vehicle manufacturer Automecanica Mediaș SRL for a provisional purchase price of €17 million. €2 million was already paid in the first quarter of 2024 in preparation for the completion of the transaction. By way of the acquisition, Rheinmetall is further expanding its position as a leading manufacturer of military vehicles and enhancing its activities in Central Europe.



Outlook

Current annual forecast confirmed

Rheinmetall is confirming its current annual forecast for the year after the first three months of fiscal 2024. The assumptions underlying this assessment and further explanations can be found in the *Report on expected developments* section in the *Combined Management Report* chapter of the 2023 Annual Report.

The forecasts are presented in accordance with the new group structure that became effective on January 1, 2024.

Rheinmetall Group – forecast business performance in 2024

			2023	Forecast for fiscal 2024 (Annual Report 2023)
Sales				
Group	€ million		7,176	sales growth to around €10 bn
Vehicle Systems	€ million		2,609	sales growth 45% to 50%
Weapon and Ammunition	€ million		1,756	sales growth 55% to 65%
Electronic Solutions	€ million		1,318	sales growth 30% to 35%
Power Systems ¹	€ million		2,084	sales growth to around 5%
Operating result margin				
Group		%	12.8	operating result margin 14% to 15%
Vehicle Systems		%	12.4	operating result margin 12% to 13%
Weapon and Ammunition		%	23.0	operating result margin 25% to 26%
Electronic Solutions		%	11.4	operating result margin 12% to 13%
Power Systems ¹		%	6.4	operating result margin around 7%
OFCF (in relation to operating result)				
Group		%	38.8	cash conversion rate around 40%

¹ New Power Systems segment from January 1, 2024, comprising the previous Sensors and Actuators (S+A) and Materials and Trade (M+T) divisions; figures for 2023 restated



Consolidated income statement

Income Statement of the Rheinmetall Group

€ million	Q1 2024	Q1 2023
Sales	1,581	1,363
Changes in inventories and work performed by the enterprise and capitalized	432	332
Total operating performance	2,013	1,695
Other operating income	42	32
Cost of materials	1,039	893
Personnel costs	581	500
Amortization, depreciation and impairment	91	63
Other operating expenses	228	182
Result from investments accounted for using the equity method ¹	(1)	(10)
Other financial result	(9)	(2)
Earnings before interest and taxes (EBIT)¹	108	78
Interest income	5	16
Interest expenses	26	24
Earnings before taxes (EBT)¹	86	70
Income taxes	(31)	(20)
Earnings from continuing operations¹	55	50
Earnings from discontinued operations ¹	(1)	4
Earnings after taxes¹	54	54
Of which:		
<i>Non-controlling interests</i>	6	(3)
<i>Rheinmetall AG shareholders¹</i>	48	56
Basic earnings per share¹	€ 1.10	€ 1.30
Basic earnings per share from continuing operations ¹	€ 1.13	€ 1.21
Basic earnings per share from discontinued operations ¹	€ (0.03)	€ 0.09
Diluted earnings per share¹	€ 1.10	€ 1.30
Diluted earnings per share from continuing operations ¹	€ 1.13	€ 1.21
Diluted earnings per share from discontinued operations ¹	€ (0.03)	€ 0.09

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

Consolidated statement of comprehensive income

Statement of comprehensive income of the Rheinmetall Group

€ million	Q1 2024	Q1 2023
Earnings after taxes¹	54	54
Remeasurement of net defined benefit liability from pensions	18	(4)
Amounts not reclassified to the income statement	18	(4)
Change in value of derivative financial instruments (cash flow hedge)	(4)	(13)
Currency translation difference	(35)	(16)
Other comprehensive income / expenses from investments accounted for using the equity method ¹	(6)	10
Amounts reclassified to the income statement¹	(44)	(20)
Other comprehensive income after taxes¹	(27)	(23)
Total comprehensive income¹	27	31
Of which:		
<i>Non-controlling interests</i>	3	(4)
<i>Rheinmetall AG shareholders¹</i>	24	35

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.



Consolidated statement of financial position

Statement of financial position of Rheinmetall Group as of March 31, 2024

€ million	3/31/2024	12/31/2023
Assets		
Goodwill	1,126	1,125
Other intangible assets	941	952
Right-of-use assets	265	271
Property, plant and equipment	1,396	1,370
Investment property	22	22
Investments accounted for using the equity method	367	373
Other non-current assets	369	339
Deferred taxes	151	164
Non-current assets	4,636	4,615
Inventories	3,859	3,244
Contract assets	537	516
Trade receivables	1,509	2,021
Other current assets	264	251
Income tax receivables	51	13
Cash and cash equivalents	515	850
Assets held for sale	217	196
Current assets	6,953	7,092
Total assets	11,589	11,707
Equity and liabilities		
Share capital	112	112
Capital reserves	687	676
Retained earnings	2,556	2,533
Treasury shares	(4)	(5)
Rheinmetall AG shareholders' equity	3,350	3,316
Non-controlling interests	331	327
Equity	3,681	3,643
Provisions for pensions and similar obligations	531	562
Other non-current provisions	278	230
Non-current financial debts	1,487	1,503
Other non-current liabilities	51	51
Deferred taxes	243	260
Non-current liabilities	2,589	2,605
Other current provisions	707	690
Current financial debts	301	410
Contract liabilities	2,746	2,594
Trade liabilities	1,029	1,222
Other current liabilities	265	274
Income tax liabilities	123	108
Liabilities directly related to assets held for sale	147	161
Current liabilities	5,319	5,459
Total equity and liabilities	11,589	11,707



Consolidated statement of cash flows

Statement of cash flows of the Rheinmetall Group

€ million	Q1 2024	Q1 2023
Earnings after taxes ¹	54	54
Amortization / depreciation / impairment of property, plant and equipment, intangible assets and investment property	91	63
Allocation of CTA assets to secure pension and partial retirement obligations	(3)	(3)
Other changes in pension provisions	(6)	9
Income / expenses from disposals of non-current assets	1	(10)
Changes in other provisions	93	(6)
Changes in working capital	(202)	(101)
Changes in receivables, liabilities (without financial debt) and prepaid & deferred items	(145)	(85)
Pro rata income / loss from investments accounted for using the equity method ¹	1	10
Other non-cash expenses and income	11	(1)
Cash flow from operating activities²	(106)	(70)
<i>Of which continuing operations</i>	(88)	(53)
<i>Of which discontinued operations</i>	(18)	(18)
Investments in property, plant and equipment, intangible assets and investment property	(105)	(56)
Cash inflows from the disposal of property, plant and equipment, intangible assets and investment property	2	-
Cash inflows from disinvestments in consolidated companies and financial assets	27	56
Cash outflows for investments in consolidated companies and financial assets	-22	-10
Cash flow from investing activities	(98)	(11)
<i>Of which continuing operations</i>	(119)	8
<i>Of which discontinued operations</i>	21	(19)
Borrowing of financial debts	94	165
Repayment of financial debts	(227)	(49)
Cash inflows from the issuance of convertible bond - Addition to equity	-	113
Cash inflows from the issuance of convertible bond - Fair value financial liability	-	887
Transaction costs for the issuance of convertible bond	-	(7)
Cash flow from financing activities	(133)	1,109
<i>Of which continuing operations</i>	(64)	1,131
<i>Of which discontinued operations</i>	(69)	(22)
Changes in cash and cash equivalents	(337)	1,028
Changes in cash and cash equivalents due to exchange rates	(2)	(3)
Total change in cash and cash equivalents	(340)	1,025
Opening cash and cash equivalents January 1	873	568
Closing cash and cash equivalents March 31	533	1,593
Closing cash and cash equivalents March 31 from discontinued operations	18	14
Closing cash and cash equivalents as per consolidated statement of financial position March 31	515	1,579

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

² Of which: Net income taxes: €-61 million (previous year: €-14 million); net interest: €-20 million (previous year: €0 million)



Consolidated statement of changes in equity

Development of equity

€ million	Share capital	Capital reserve	Total retained earnings ¹	Treasury shares	Rheinmetall AG shareholders' equity ¹	Non-controlling interests	Equity ¹
As of 1/1/2023	112	566	2,147	(6)	2,819	271	3,090
Earnings after taxes	-	-	56	-	56	(3)	54
Other comprehensive income after taxes	-	-	(22)	-	(22)	(1)	-23
Total comprehensive income	-	-	35	-	35	(4)	31
Disposal of treasury shares	-	-	-	1	1	-	1
Change in scope of consolidation	-	-	1	-	1	-	1
Changes in respect of the convertible bond	-	113	-	-	113	-	113
Other changes	-	8	2	-	10	-	10
As of 3/31/2023	112	687	2,184	(5)	2,978	267	3,245
As of 1/1/2024	112	676	2,533	(5)	3,316	327	3,643
Earnings after taxes	-	-	48	-	48	6	54
Other comprehensive income after taxes	-	-	(24)	-	(24)	(3)	(27)
Total comprehensive income	-	-	24	-	24	3	27
Disposal of treasury shares	-	-	-	1	1	-	1
Other changes	-	10	-	-	10	-	10
As of 3/31/2024	112	687	2,556	(4)	3,350	331	3,681

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

Composition of retained earnings

€ million	Currency translation difference	Remeasurement of net defined benefit liability from pensions	Hedges	Comprehensive income / loss from investments accounted for using the equity method ¹	Other reserves ¹	Total retained earnings ¹
As of 1/1/2023	33	(276)	11	15	2,364	2,147
Earnings after taxes	-	-	-	-	56	56
Other comprehensive income after taxes	(13)	(4)	(10)	5	-	(22)
Total comprehensive income	(13)	(4)	(10)	5	56	35
Change in scope of consolidation	-	(6)	-	-	7	1
Other changes	-	-	-	-	2	2
As of 3/31/2023	20	(285)	2	19	2,429	2,184
As of 1/1/2024	46	(248)	(3)	20	2,718	2,533
Earnings after taxes	-	-	-	-	48	48
Other comprehensive income after taxes	(32)	18	(4)	(6)	-	(24)
Total comprehensive income	(32)	18	(4)	(6)	48	24
Book transfers	1	-	-	-	(1)	-
As of 3/31/2024	14	(230)	(7)	14	2,765	2,556

¹ The figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.



Segment report

Segment report Q1 2024

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Power Systems	Others / Consolidation	Group (continuing operations)
Income statement						
External sales	489	321	227	540	5	1,581
Internal sales	4	41	60	1	(106)	-
Segment sales	493	362	287	541	(101)	1,581
Operating result	38	53	17	31	(6)	134
Special items	-	-	-	-	4	4
PPA effects	(1)	(25)	(1)	-	(3)	(30)
EBIT	37	28	16	31	(5)	108
<i>Of which:</i>						
At-equity result	-	-	-	-	(1)	(1)
Amortization and depreciation	17	37	8	24	4	91
Impairment	-	-	-	-	-	-
Interest income	3	3	4	5	(9)	5
Interest expenses	7	7	3	2	9	26
EBT	34	24	17	34	(23)	86
Other data						
Operating free cash flow	(310)	39	57	17	10	(187)
Employees March 31 (FTE)	6,601	6,833	4,260	6,725	925	25,344

Segment report Q1 2023²

€ million	Vehicle Systems	Weapon and Ammunition	Electronic Solutions	Power Systems ⁴	Others / Consolidation ³	Group (continuing operations)
Income statement						
External sales	457	174	185	541	6	1,363
Internal sales	5	37	42	-	(85)	-
Segment sales	462	213	227	541	(80)	1,363
Operating result ¹	43	23	12	24	(19)	83
Special items	-	-	-	-	2	2
PPA effects	(1)	(1)	(1)	-	(5)	(8)
EBIT	42	22	12	24	(22)	78
<i>Of which:</i>						
At-equity result	2	2	-	(4)	(9)	(10)
Amortization and depreciation	16	10	7	26	4	63
Impairment	-	-	-	-	-	-
Interest income	3	2	2	3	7	16
Interest expenses	4	6	3	3	8	24
EBT	41	18	11	24	(23)	70
Other data						
Operating free cash flow	(95)	70	(77)	(15)	12	(105)
Employees March 31 (FTE)	5,974	4,861	3,904	6,849	639	22,227

¹ The definition of the operating result performance indicator was modified with retrospective effect in the third quarter of 2023. The prior-period figures have been restated accordingly.

² The figures for the previous year have been restated to take into account the amended reporting structure due to the changes made to the Group structure as of October 1, 2023.

³ Some figures for the previous year were restated as a result of the amended schedule for the disposal of and the retrospective at-equity valuation of the investment in Shriram Pistons & Rings Ltd.

⁴ Sensors and Actuators and Materials and Trade were combined to form Power Systems effective January 1, 2024

Financial calendar and legal information

This quarterly statement was published on May 14, 2024.

Dates

May 14, 2024

Rheinmetall AG Annual General Meeting

August 8, 2024

Report on H1 / 2024

November 7, 2024

Quarterly Statement on Q3 / 2024

Contact

Corporate Communications

Dr. Philipp von Brandenstein

Phone +49 211 473-4306

Fax +49 211 473-4158

philipp.vonbrandenstein@rheinmetall.com

Investor Relations

Dirk Winkels

Phone +49 211 473-4749

Fax +49 211 473-4157

dirk.winkels@rheinmetall.com

Supervisory Board: Ulrich Grillo, Chairman

Executive Board: Armin Papperger, Chairman, Dagmar Steinert, Peter Sebastian Krause

Rheinmetall Aktiengesellschaft, Rheinmetall Platz 1, 40476 Düsseldorf

Phone: + 49 211 473 01, Fax: +49 211 473 4746, www.rheinmetall.com

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