Corporate Presentation

Rheinmetall AG, November 2017
Rheinmetall Group:  
Serving the need for mobility and security

Key Performance Indicators

- Sales: €5,602m
- EBIT: €353m
- Operating FCF: €161m
- EPS: €4.69
- Headcount: 20,993 (FTE)

Strategy roadmap

- Organic growth
- Internationality expansion
- Leading by innovations
- Targeted acquisitions

Sales
- €2,656m (48%)
- €223m (60%)
- 10,820 (FTE) (52%)

EBIT
- 52%
- €2,946m
- €147m

Headcount
- 48%
- 10,002 (FTE)

FTE: Full time employees
Rheinmetall Group: Products and divisions

- **Automotive**
  - **Focus**: Engine efficiency, NOx- and CO2 - reduction
  - **Mechatronics**: Provider of cleaning technologies like exhaust gas recirculation
  - **Hardparts**: Casting products like pistons, engine blocks and structural parts
  - **Aftermarket**: Supporting repair shops with a comprehensive assortment of spare parts

- **Defence**
  - **Established long term supplier of ground force equipment**
  - **Vehicle Systems**: Successful formation of a military vehicle producer with wide product range
  - **Weapon & Ammunition**: International market leader position
  - **Electronic Solutions**: Strong product basis for electronic and IT based equipment
Rheinmetall Group: Business Model

- Rising individual mobility
- Regulatory push for cleaner cars

Market drivers
- Increased number of conflicts and threats
- Higher defence spending

- Tier 1 supplier of OEMs
- Expansion in global markets based on high-tech products
- Focus on combustion engines with chances for hybrid and e-engines
- Strong pillar through non-LV business

Business model
- Leading provider of innovative products primarily to ground forces
- High order potential in home markets
- Internationalization by cooperation
Rheinmetall Group:
More than 100 production sites and offices on all continents
ESG with high importance for Rheinmetall

**Environment**
- Reduction of the ecological footprint
  - Decrease of energy needed
  - Selective use of raw materials
- „Road to 95“ and E-mobility
  - Our products increase fuel efficiency
  - New ebike, e-motor and battery pack
- Support of conservation
- Development of the former production site in Düsseldorf

**Social**
- Clear statement against cluster munition
- Promoting education and training
- Support of gender diversity
  - Women in management
- Workforce
  - Integration of refugees via apprenticeships
  - Support of employee families

**Governance**
- Transparency towards customer, investors and other stakeholder
- Non-compliant business behavior is unacceptable
- Zero tolerance of corruption and fraud
- Central Compliance Management System
  - Employee awareness initiative
Corporate Presentation: Rheinmetall Group Q3 2017
Highlights Rheinmetall Group Q3 2017

Solid quarter with strong result contribution from Defence

- Sales increased by 4.7% to €1.366 bn or 5.4% currency adjusted
- Operating result improved by 23% to €97 m
- Group margin gained 100bp advancing from 6.1% to 7.1%
- Automotive optimized global footprint with an EBIT impact of €22 m
- FY guidance affirmed
Operational margin improvement continues in Q3

Sales
in EUR million

- Q3 2016: 1,305
- Q3 2017: 1,366

Operational result in EUR million

- Q3 2016: 79
- Q3 2017: 97

Operational margin in %

- Q3 2016: 6.1%
- Q3 2017: 7.1%
Cash flow affected by working capital buildup in Defence

- **Operating Free Cash Flow**
  - Q3 2016: 36 EUR million
  - Q3 2017: 5 EUR million
  - Change: -86%

- **Earnings per share**
  - Q3 2016: 0.97 EUR
  - Q3 2017: 1.18 EUR

- **Headcount**
  - 30.09.2016: 20,982 capacities
  - 30.09.2017: 21,552 capacities
  - Change: 3%
Solid financial status further improved

- **Net debt**
  - in EUR million
  - 30.09.2016: 445
  - 30.09.2017: 242
  - Reduction: -46%

- **Equity ratio**
  - in % of total assets
  - 30.09.2016: 26%
  - 30.09.2017: 31%
  - Increase: +5pp
Highlights Rheinmetall Automotive Q3 2017
Market outperformed, margin improved

- **Sales rose** by 6% to €684 m, FX adjusted 7.3%
- **Operating result grew** by 12% to €57 m
- **Operating margin increased** by 40bp to 8.3%
- **Quarterly free cash flow improved** by €34m to €81 m
- **Restructuring impact** on reported EBIT of €22 m

Solenoid valve
Operational leverage in Mechatronics and Hardparts drive the quarter

Sales Automotive

<table>
<thead>
<tr>
<th>Q3 2016</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>643</td>
<td>684</td>
</tr>
<tr>
<td>355</td>
<td>382</td>
</tr>
<tr>
<td>225</td>
<td>232</td>
</tr>
<tr>
<td>82</td>
<td>95</td>
</tr>
<tr>
<td>-19</td>
<td>-25</td>
</tr>
</tbody>
</table>

Operating result Automotive

<table>
<thead>
<tr>
<th>Q3 2016</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>51</td>
<td>57</td>
</tr>
<tr>
<td>35</td>
<td>40</td>
</tr>
<tr>
<td>11</td>
<td>13</td>
</tr>
<tr>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>-4</td>
<td>-5</td>
</tr>
</tbody>
</table>

Reasons for result development

**Mechatronics**
- Strong demand for fuel optimization as main driver; emission reduction on solid level

**Hardparts**
- Higher demand for Large Bore Pistons and good development for European LV pistons

**Aftermarket**
- Recovery of sales in East European countries

Restatement of 2016 reported figures in Mechatronics and Aftermarkets related to change in plant assignment
Markets in better shape than anticipated, outperformance intact

**Regional sales development Automotive**
in EUR million

<table>
<thead>
<tr>
<th>Region</th>
<th>Q3 2016</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Row</td>
<td>643</td>
<td>684</td>
</tr>
<tr>
<td>South America</td>
<td>84</td>
<td>113</td>
</tr>
<tr>
<td>Asia</td>
<td>105</td>
<td>142</td>
</tr>
<tr>
<td>North America</td>
<td>138</td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>292</td>
<td>303</td>
</tr>
<tr>
<td>Europe (excl. Germany)</td>
<td>27</td>
<td>4</td>
</tr>
</tbody>
</table>

**Regional sales growth Q3 2017**
in % (IHS October 2017)

<table>
<thead>
<tr>
<th>Region</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global</td>
<td>2.2</td>
</tr>
<tr>
<td>RoW</td>
<td>-10</td>
</tr>
<tr>
<td>Asia (incl. China)</td>
<td>4</td>
</tr>
<tr>
<td>China</td>
<td>10</td>
</tr>
<tr>
<td>North America</td>
<td>-8</td>
</tr>
<tr>
<td>South America</td>
<td>8</td>
</tr>
<tr>
<td>Germany</td>
<td>3</td>
</tr>
<tr>
<td>Europe (incl. Germany)</td>
<td>5</td>
</tr>
</tbody>
</table>

© Rheinmetall AG / Corporate Presentation Q3 2017
Chinese entities stronger than the market

- **China LV production**
  - in million units
  - Q3 2016: 6.3
  - Q3 2017: 6.3

- **Sales** in million
  - Q3 2017: 204, 206
  - Q3 2016: 232, 236

- **Operating result** in million / in %
  - Q3 2017: 134, 146
  - Q3 2016: 116, 27

**Key points**:
- **Strong growth and operating earnings**
- **JVs**: Hardparts sales up; operating margin slightly lower
- **WFOEs**: High demand for Mechatronics products, rising profitability
Hardparts streamlined its global footprint

- Closure of pistons plant in Thionville (Lorraine/France)
  - Strategic step to improve the cost basis of Hardparts
  - Concentration of European LV pistons production in Ustí (CZ)
  - Reduction of around 140 headcount in a consensual way by support of post-employment development plans
  - Production will cease in H2 2018

- Financial impact
  - One time cost of around €22 m, thereof:
    - €17 m for severance payments and site remediation (cash-effect in 2018)
    - €5 m asset impairment (non-cash effect)
  - Annual savings of around €10 m expected mid-term
Highlights Rheinmetall Defence Q3 2017

Strong momentum in earnings and order intake

- **Order intake rose** by €296 m to €870 m
- **Sales gained** 3% to €682 m
- **Operating result** increased by 53%
  from €30 m to €46 m
- **Operating margin** went up from 4.5% to 6.7%

Boxer „UK edition“ for DSEI fair 2017
Rheinmetall Defence

Margin and order intake trend positively towards FY guidance

<table>
<thead>
<tr>
<th>Quarterly sales and margins development</th>
<th>Comments on quarterly performance</th>
</tr>
</thead>
</table>
| Q3 4.5 | Q4 11.2 | Q1 612 | Q2 731 | Q3 682 | ▪ Strong increase of German orders (i.e. vehicles and ammunition)  
▪ Moderate sales growth of 3% as anticipated  
▪ Profitability improved materially, supported mainly by Vehicle Systems  
▪ Cash flow impacted by working capital build up |

<table>
<thead>
<tr>
<th>in EUR million</th>
<th>Q3 2016</th>
<th>Q3 2017</th>
<th>Δ %</th>
<th>9m 2016</th>
<th>9m 2017</th>
<th>Δ %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>574</td>
<td>870</td>
<td>51.6%</td>
<td>2,325</td>
<td>2,292</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Sales</td>
<td>662</td>
<td>682</td>
<td>3.0%</td>
<td>1,912</td>
<td>2,025</td>
<td>5.9%</td>
</tr>
<tr>
<td>Operating result</td>
<td>30</td>
<td>46</td>
<td>53.2%</td>
<td>32</td>
<td>60</td>
<td>88.9%</td>
</tr>
<tr>
<td>Operating margin in %</td>
<td>4.5</td>
<td>6.7</td>
<td>220 bp</td>
<td>1.7</td>
<td>3.0</td>
<td>130 bp</td>
</tr>
<tr>
<td>EBIT</td>
<td>30</td>
<td>46</td>
<td>53.8%</td>
<td>32</td>
<td>57</td>
<td>79.2%</td>
</tr>
<tr>
<td>Operating Free Cash Flow</td>
<td>5</td>
<td>-52</td>
<td>n.a.</td>
<td>-216</td>
<td>-157</td>
<td>27.3%</td>
</tr>
<tr>
<td>Operating FCF / Sales in %</td>
<td>0.8</td>
<td>-7.6</td>
<td>-838 bp</td>
<td>-11.3</td>
<td>-7.8</td>
<td>354 bp</td>
</tr>
</tbody>
</table>

© Rheinmetall AG / Corporate Presentation Q3 2017
Operational strength in Vehicle Systems as well as Weapon and Ammunition

**Sales Defence**
in EUR million

- **Vehicle Systems**: 361 (Q3 2016) to 370 (Q3 2017) (+3%)
- **Electronic Solutions**: 172 (Q3 2016) to 165 (Q3 2017) (-4%)
- **Weapon a. Ammunition**: 227 (Q3 2016) to 248 (Q3 2017) (+9%)

- **Q3 2016**
  - Weapon a. Ammunition: -98
  - Electronic Solutions: +4
  - Vehicle Systems: +25
  - Consolidation/Others: -4

- **Q3 2017**
  - Weapon a. Ammunition: -101
  - Electronic Solutions: +6
  - Vehicle Systems: +28
  - Consolidation/Others: +1

**Operating results Defence**
in EUR million

- **Vehicle Systems**: 30 (Q3 2016) to 46 (Q3 2017) (+53%)
- **Electronic Solutions**: 25 (Q3 2016) to 28 (Q3 2017) (+12%)
- **Weapon a. Ammunition**: 4 (Q3 2016) to 6 (Q3 2017) (+20%)

**Reasons for result development**

- **Weapon and Ammunition**
  - Good sales development leads to higher earnings

- **Electronic Solutions**
  - Stable results development despite softer sales

- **Vehicle Systems**
  - Sales driven by high order execution in tactical and logistical vehicles
German contracts essential for high order intake in Q3

- Order intake by division
  - in EUR million

- Order backlog profile
  - in EUR billion

Major German orders with total value > €460 m included

Order intake by division:
- Q3 2016:
  - Weapon and Ammunition: 173
  - Vehicle Systems: 185
  - Electronic Solutions: 288
  - Consolidation/Others: 574
- Q3 2017:
  - Weapon and Ammunition: 284
  - Vehicle Systems: 197
  - Electronic Solutions: 434
  - Consolidation/Others: 870

Order backlog profile:
- 30.09. 2016:
  - Weapon and Ammunition: 6.7
  - Vehicle Systems: 2.5
  - Electronic Solutions: 1.5
  - Consolidation/Others: 0.9
- 30.09. 2017:
  - Weapon and Ammunition: 6.9
  - Vehicle Systems: 2.5
  - Electronic Solutions: 1.8
  - Consolidation/Others: 1.5

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Rheinmetall will modernize German logistical fleet

- Framework agreement
  - HX2 family replaces the existing fleet of military trucks
  - Net value: €760 m for ~2,200 vehicles
  - First lot delivered between 2018-21
  - Second lot delivery schedule yet to be specified
Outlook

Guidance affirmed for 2017

**Macro view**
- **Automotive**
  - Global LV production growth ~2%*
  - Chinese LV production growth ~1%

- **Rheinmetall**
  - Automotive expected to **outperform markets**
  - Important step of cost base improvement achieved with closure of French piston production

- **Updated Outlook 2017**
  - Sales growth expected at the upper range of the guidance of 6-7% and operating margin level confirmed around 8.4%

**Defence**
- Further **demand increase** in key markets
- Germany and other allies have stepped up investment budgets

- **Automotive**
  - Strong back end loading of Defence performance
  - **Single digit** sales growth expected for 2017
  - Stronger sales momentum 2018

- **Updated Outlook 2017**
  - Sales growth expected at the lower range of the guidance of 5-6% and operating margin at upper end of the guidance of 5-5.5%

Group expected to grow around 6% at an operating margin slightly above 6.5% incl. efforts for New Technologies

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*Source: IHS October 2017*
Corporate Presentation: Rheinmetall Automotive
Automotive with leading technology and market positions

### Key Figures

- **Sales**: €2.7 bn
- **EBIT**: €223 m
- **EBIT margin**: 8.4%
- **R&D**: €74 m
- **Capex**: €149 m
- **Headcount**: 10.820

### Structure

<table>
<thead>
<tr>
<th>Category</th>
<th>Subcategory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardparts</td>
<td>Pistons</td>
</tr>
<tr>
<td></td>
<td>Large-bore Pistons</td>
</tr>
<tr>
<td></td>
<td>Bearings</td>
</tr>
<tr>
<td></td>
<td>Castings</td>
</tr>
<tr>
<td>Mechatronics</td>
<td>Pump Technology</td>
</tr>
<tr>
<td></td>
<td>Automotive Emission Systems</td>
</tr>
<tr>
<td>Solenoid Valves</td>
<td>Commercial Diesel Systems</td>
</tr>
<tr>
<td>Acuators</td>
<td></td>
</tr>
<tr>
<td>Aftermarket</td>
<td></td>
</tr>
</tbody>
</table>

### Sales by region

- **ASIA**: 13%
- **NAFTA**: 17%
- **Europe w/o Germany**: 47%
- **RoW**: 3%
- **Germany**: 20%
- **RoW**: 8%

### Sales by customer

- **>10% Ford, VW, Renault/Nissan**: 34%
- **4-6% GM, Fiat, Daimler, BMW**: 20%
- **2-3% DAF, Volvo, PSA**: 8%
- **2-3% DAF, Volvo, PSA**: 38%
- **Other**: 13%
- **Other**: 12%

### Sales by division

- **Aftermarket**: 33%
- **Hardparts**: 56%
- **Mechatronics**: 11%

### EBIT by division

- **Aftermarket**: 12%
- **Other**: 26%
- **Mechatronics**: 64%
- **Hardparts**: 26%
Growing and changing markets

Traditional drive technologies:
- Optimization of combustion engines

Alternative drive technologies:
- Hybrid
- Electric vehicles

Global light vehicle production:
- Rising number of vehicles

Digitalization:
- Autonomous driving
- Integrated data

Market growth
Rising global light vehicle production

Light vehicle production 2016-2020 CAGR in % / in million units

- NAFTA: +1.2%
- Europe: +2.2%
- Germany: +1.3%
- Asia*: +4.5%
- China: +2.7%
- Japan: 0.5%

Source: IHS Automotive Feb 2017

* without China und Japan
** without Deutschland

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Governments will continue to demand reduction of CO₂ emissions

- CO₂ emission in g/km
Electric drive will not replace combustion engines until 2025

**Market share development in % of total LV production**

<table>
<thead>
<tr>
<th>Total LV production</th>
<th>2016</th>
<th>2025 Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>91m</td>
<td>1%</td>
<td>+2%*</td>
</tr>
<tr>
<td>110m</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Light vehicles: combustion & hybrid**

<table>
<thead>
<tr>
<th>ICE CAGR 2016-2025</th>
<th>Stable scenario</th>
<th>Aggressive scenario</th>
</tr>
</thead>
<tbody>
<tr>
<td>99%</td>
<td>80%</td>
<td>75%</td>
</tr>
<tr>
<td>-0.3%*</td>
<td>-1%*</td>
<td></td>
</tr>
</tbody>
</table>

Source: IHS Automotive (September 2016), own estimates
Rheinmetall Automotive is well-prepared for the challenges of tomorrow

- **Importance of internal combustion engines:**
  - Basis for the majority of vehicles
  - For cars built with hybrid system technologies
  - For commercial and off-road vehicles (for the long-term)

- **Alternative drive systems:**
  - Increasing share of hybrids, electric vehicles, and fuel-cell

- **Innovative solutions for future drive systems:**
  - Demonstrator for electric drive and battery systems
  - Electrified pumps
  - E-engine housing and battery boxes
  - Thermal Management
  - Fuel-cell Components
Strategic goals of Rheinmetall Automotive

Increasing content per car
- More products at higher value as emission reduction, hybridization and electrification will require innovative solutions

Gaining powertrain neutrality
- Minimize dependence on certain types of drives
- Increase “electrified products” to around 50% sales share by 2020

Optimizing global footstep
- Further internationalization of our Mechatronics business
- Continuously focus capacity management, especially in Hardparts
Solutions for combustion engines to reduce NO$_x$- and CO$_2$- emissions

Rheinmetall Automotive:
Innovative products will lead to higher value per car

- 130 g CO$_2$/km 2015
- 95 g CO$_2$/km 2020

Description vehicle model (Basis)
1.4L 4-cylinder gasoline engine with DI-injection and single-stage turbocharging (115kW)

-1 g CO$_2$/km
-3 g CO$_2$/km
-7 g CO$_2$/km
-2 g CO$_2$/km
-3 g CO$_2$/km
-2 g CO$_2$/km

Variable oil pump
Tribo-system
Var. cool. pump
Var. valve train
El. low-press. EGR
Light-weight structural parts
LV Diesel exposure limited; powertrain independence is the strategic target

- **Combined global engine production forecast**

- **Automotive sales distribution by engine type**

**Further regulatory pressure expected**
- Next regulation deadline approaching in 2020
- Real driving emission (RDE) testing will create further pressure to reduce emissions by hardware installation
- First city ban for diesel engines announced in Germany

* IHS: Combined Engine Production Forecast April 2017
** Rheinmetall Automotive sales FY 2016
Broad product range for alternative drive systems

Enlarging the traditional product portfolio for combustion engines ...

+ ... by products for hybrid and electric engines

- Engine blocks
- Pistons
- EGR valves
- Electric throttle bodies
- Actuators
- Solenoid valves
- Mechanical coolant pumps
- Oil pumps
- Engine bearings
- Structural components
- Battery boxes (as from 2018)
- E-engine housing (as from 2018)
- Electrical coolant pumps
- Electrical coolant valve
- Electrical vacuum pumps
- Electrical oil pumps
- Heat Pump (Predevelopment)
- Range Extender (Predevelopment)

Hardparts products, non-shaded: Mechatronics
E-mobility competence underlined by contracts and by initiatives for new solutions

- **Contract volume for electric vehicles (EV)**

<table>
<thead>
<tr>
<th>Product</th>
<th>Volume</th>
<th>Contract duration (Ø)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Battery EV</td>
<td>€~300 m</td>
<td>6 – 8 years</td>
</tr>
<tr>
<td>(Plugin) Hybrid EV</td>
<td>€~200 m</td>
<td>4 – 8 years</td>
</tr>
</tbody>
</table>

- **E-mobility competencies**
  - Thermo-management, including pump and valve technology
  - Know-how in aluminum die-casting, e.g. for engine housings and battery packs
  - Long term in-house e-motor competence
  - Well-established market access to OEMs

- **New products** for the International Motor Show (IAA) in Frankfurt, September 2017:

  - **E-traction motor**
    - High voltage motor
    - Designed for smaller sized vehicles, but scalable in size
  
  - **Modular battery pack**
    - Underfloor design with advantages for weight and space distribution
    - Aluminum structure, protected with a composite-fiber structure developed by Rheinmetall Defence
    - Integrated thermo-management

* Rheinmetall Automotive and Joint Ventures
Complexity of e-engines creates potential for further applications

Efficient distribution of heating and cooling requires innovative pump technology

Drive Unit Circuit

Thermal management circuit – heating, ventilation, interior temperature control
Automotive network in China - Mechatronics

Multi-channel approach of Mechatronics in China:

- **New: Pierburg Yinlun Emission Technology (51%)**
- **Pierburg China Ltd. (100%, founded 2009)**
- **Pierburg Huayu Pump Technology (50%, founded 2014)**
- **Pierburg Mikuni Pump Technology (51%, founded 2010)**

Joint venture for the production of modules for cooled exhaust-gas recirculation

- Headquarter: Shanghai region
- Customers: Chinese market
- Founded: December 2016

**Partner: Zhejiang Yinlun Machinery Co.**

- Leading manufacturer of automobile radiators in China, renowned brand
- Production of heat exchangers and components for emission reduction
- Sales 2016: CNY3.2 bn* (~EUR400 m)

* Source: Bloomberg

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<table>
<thead>
<tr>
<th>Year</th>
<th>Mechatronics in China Sales in EUR million</th>
<th>EBIT in EUR million</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>106</td>
<td>8</td>
</tr>
<tr>
<td>2015</td>
<td>72</td>
<td>2</td>
</tr>
<tr>
<td>2014</td>
<td>36</td>
<td>-2</td>
</tr>
</tbody>
</table>
Summary:
Automotive is well prepared

Markets and Customers:
• We expect a stable market with moderate growth rates in the medium term
• China will be the growth driver; Europe and NAFTA might weaken
• Brazil seems to have left the worse behind

Performance and Products:
• Mechatronics will be the growth driver in the next years
• Hardparts will streamline the global footprint to optimize assets and cost structure
• Aftermarket will return to former profitability after ramp-up own production facilities

New Mobility Concepts:
• Hybrid cars and e-cars offer chances for new products and higher content per car
• Refocus of R&D spending to enlarge the product portfolio
• Product pipelines are filled for every type of power trains in the coming years
Corporate presentation: Rheinmetall Defence
Defence is a leading supplier with an increasing international presence

Key Figures
- Sales: €2.9 bn
- EBIT: €147 m
- EBIT margin: 4.9%
- R&D: €184 m
- Capex: €95 m
- Headcount: 10,002

Structure
- Weapon and Ammunition
  - Weapon and Ammunition
  - Protection Systems
- Propulsion Systems
- Electronic Solutions
  - Air Defence & Radar Systems
  - Mission Equipment
  - Simulation and Training
  - Technical Publications
- Vehicle Systems
  - Logistic Vehicles
  - Tactical Vehicles

Sales by region
- Germany: 26%
- Europe: 36%
- AMEA: 16%
- NAFTA: 6%
- RoW: 23%

Order backlog by division
- Vehicle Systems: 51%
- Weapon and Ammunition: 26%
- Electronic Solutions: 23%

Sales by division
- Vehicle Systems: 43%
- Weapon and Ammunition: 34%
- Electronic Solutions: 23%
- Other: 17%
- 20%

EBIT by division
- Vehicle Systems: 20%
- Weapon and Ammunition: 10%
- Electronic Solutions: 73%
Growing and changing markets

- Change of international responsibilities
- Rising defence/security budgets
- Increasing number of conflicts combined with new threats
- Global security environment changing

Market growth
Deterioration of global security triggers higher defence spending

- UN Peacekeeping Mission
- <2% Growth in defence equipment spending *
- 2-5% growth in defence equipment spending *
- >5% growth in defence equipment spending *
- Open conflict
- High tension
- IS Terror

* Regional average based on IHS Janes May 2017
EU member states en route to comply with NATO 2% target

Europe: Defence budget development in % 2017e*

NATO equipment expenditure in % of total expenditure *

* NATO 06/2017: Equipment expenditure as a share of defence expenditure based on 2010 prices and currencies
Defence is at the beginning of long lasting market growth


- North America
  - Global +2.7%

- Europe
  - Global +1.2%

- MENA
  - Global +3.0%

- Asia/Pacific
  - Global +4.0%

Global military expenditures in bn USD

2016: 1,563  |  2020: 1,649

Source: IHS Janes March 2017
Germany is one of 22 NATO states increasing defence budgets

- **Enhanced future profile of German Bundeswehr**
  - “Anchor army” for smaller neighbors
  - Leading role in the “enhanced Forward Presence” in Lithuania
  - Framework nation in the “Very High Readiness Joint Task Force” as of 2019
  - Increasing number of international mandates, e.g. Mali

- **German defence budget 2016-2021 in EUR billion**

![Graph showing German defence budget 2016-2021](image)
Strategic goals of Rheinmetall Defence

### Benefiting from home markets
- Business opportunities by increasing budgets in Germany and neighboring countries

### Entering new markets
- Strategic partnerships to gain access to new markets
- Target markets close to traditional markets, e.g. public security

### Enlarging internationalization
- Form partnerships with local suppliers to provide local content

### Creating innovations
- Armored vehicles and their weapons
- New technologies, e.g. laser technology
- IT-based networking
Down-selection in major programs

- **Canada:** Modernization: Leopard
- **Germany:** Military trucks
- **Netherlands:** Boxer
- **Sweden:** Military trucks
- **Poland:** Modernization program
- **Lithuania:** Boxer
- **UK:** Challenger life extension; MIV Boxer
- **Romania:** Wheeled vehicles
- **Singapore:** Military trucks
- **Indonesia:** Upgrade Leopard/Marder
- **Australia:** Land 121
- **Australia:** Land 400
Strategic partnerships create business potential for Weapon and Ammunition

**United States, Defense Munitions International (DMI)**
- 50:50-JV with General Dynamics Ordnance and Tactical Systems

**New: United States RDZM**
- 50:50-JV with Day & Zimmermann (RDZM)
- State-of-the-art ammunition for the US market

**United Kingdom**
- Partnering agreements with Defence Equipment and Support (DE&S) and with BAE Systems

**Netherlands**
- Partnering agreement

**New: Germany**
- Partnering agreement with German government on a regular supply of large- and medium-ammunition
Various opportunities in Australia

**Australian Defence Programs**

- **Land 121 5b (Australian trucks)**
  - Customer is finalizing vehicle specifications
  - New offer under preparation
  - Tender process design not yet decided

- **Land 400 (Australian Boxer)**
  - Trials completed to our full satisfaction
  - Best and final offer to be presented in August
  - Decision expected H1 2018

**Investments and possible CAPEX**

- **Equity investment in Supashock**
  - Acquisition of 49% equity stake in Supashock
  - Target: Integration of Australian technology in tactical and logistical vehicles

**Queensland selected as industrial base**

- Subject to acquisition of the Land 400 order, Rheinmetall and Queensland agreed on joint investment approach
- Potential creation of 400-500 jobs
Rheinmetall integrates components to systems

- Battle Management Network
- Combined Systems
- Systems / Platforms
- Key Components

Network-capability
- Digitization
- Integration
- Innovation & Manufacturing Excellence

Key Components:
- Ammunition
- Weapon
- Laser opto-sensoric
- Lance turret

Combined Systems:
- MoTaKo
- Air Defence
- System house Armored Infantryman

Innovation & Manufacturing Excellence
Three major partnering agreements mark next step for potential growth

<table>
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<tr>
<th><strong>Objective</strong></th>
<th><strong>Status</strong></th>
<th><strong>Update</strong></th>
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| - Bid for the planned rifle procurement of the Bundeswehr  
- Plan: Technology partnership with 60% value creation in Germany | Cooperation agreement January 2017 | - Trials have started after submission of documents for special forces tender  
- Tender for general assault rifle still open |

Potential areas of cooperation:
- Air defence (Patriot-replacement)  
- Weapon & Munition  
- Combat vehicles  
- Training  
- Cyber security

Future digital communication and battle management system of the German ground forces:
- MoTaKo  
- MoTIV

- Signing of “Strategic collaboration agreement” end of June with defined work share*  
- Exclusivity for German market  
- Further work groups assess additional fields of collaboration  

*Tactical air defence systems and close /close-by range ballistic systems

- Invite additional partners
Corporate Presentation: Appendix
### Selected key data: outlook 2017

<table>
<thead>
<tr>
<th>Rheinmetall Group</th>
<th>Automotive</th>
<th>Defence</th>
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<tr>
<td>Holding cost</td>
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<td>Capex*</td>
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<td></td>
<td>~30%</td>
<td>~5.5 - 6.5%</td>
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<tr>
<td>Tax rate</td>
<td>~4.5 - 5.5%</td>
<td>D &amp; A*</td>
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<tr>
<td></td>
<td>~4 - 6%</td>
<td>R &amp; D*</td>
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**Financing:**
- Bond €500 m (5.25% coupon) redeemed in September 2017
- EIB loan €250 m (0.962% coupon) maturing in August 2023

**Rating:**
- Ba1 (positive outlook) Moody’s

* as percentage of sales
### Appendix Rheinmetall Group

#### Group 2012 – 2016: Key figures

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2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)

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### Segments 2012 – 2016 Key figures

#### AUTOMOTIVE

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#### DEFENCE

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2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)

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## Income statement Group

<table>
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<tr>
<th>In EUR million</th>
<th>Income Statement</th>
<th>In EUR million</th>
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## Cash flow statement Group

### Cash Flow Statement

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<th>9m 2016</th>
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<td>Other non-cash expenses and income</td>
<td>-1</td>
<td>-5</td>
<td>-4</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Cash flows from operating activities</strong></td>
<td><strong>-128</strong></td>
<td><strong>-20</strong></td>
<td>108</td>
<td><strong>-174</strong></td>
<td><strong>-155</strong></td>
<td>19</td>
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<tr>
<td>Cash receipts from the disposal of assets</td>
<td>1</td>
<td>2</td>
<td>1</td>
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</tr>
<tr>
<td>Payments for the purchase of liquid financial assets</td>
<td>-152</td>
<td>-213</td>
<td>-61</td>
<td></td>
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<tr>
<td>Cash receipts from the disposal of liquid financial assets</td>
<td>117</td>
<td>363</td>
<td>246</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in consolidated companies and other financial assets</td>
<td>-13</td>
<td>0</td>
<td>13</td>
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<tr>
<td>Payments for investments in consolidated companies and other financi</td>
<td>2</td>
<td>-9</td>
<td>-11</td>
<td></td>
<td></td>
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<tr>
<td><strong>Cash flow from investing activities</strong></td>
<td><strong>-219</strong></td>
<td><strong>-12</strong></td>
<td>207</td>
<td><strong>-214</strong></td>
<td><strong>-216</strong></td>
<td>2</td>
</tr>
</tbody>
</table>

- Capital payment to/ capital contribution by non-controlling interests: -8, -10, -2
- Increase in shares in consolidated subsidiaries: 0, 0, 0
- Dividends paid out bei RHM AG: -47, -62, -15
- Capital contributions by non-controlling interests: 0, 4, 4
- Shares issued: 4, 4, 0
- Borrowing of financial debts: 69, 401, 332
- Repayment of financial debts: -53, -537, -484
- Changes in financial resources: -382, -232, 150
- Changes in cash and cash equivalents due to exchange rates: 0, -14, -14
- Total change in financial resources: -382, -246, 136
- **Opening cash and cash equivalents January 1**: 691, 616, -75
- **Closing cash and cash equivalents September 30**: 309, 370, 61

In EUR million
## Balance Sheet Group

### Balance Sheet

<table>
<thead>
<tr>
<th></th>
<th>31.12.'16</th>
<th>30.09.'17</th>
<th>Δ</th>
<th>31.12.'16</th>
<th>30.09.'17</th>
<th>Δ</th>
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<tbody>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
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<tr>
<td>Intangible assets</td>
<td>819</td>
<td>798</td>
<td>-21</td>
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<td>112</td>
<td>112</td>
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<td>Property, plant and equipment</td>
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<td>1,340</td>
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<td>Investment property</td>
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<td>55</td>
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<td>1082</td>
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<td>Investments carried at equity</td>
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<td>249</td>
<td>9</td>
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<td>-25</td>
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<tr>
<td>Other non-current assets</td>
<td>36</td>
<td>52</td>
<td>16</td>
<td></td>
<td>Rheinmetall AG shareholders’ equity</td>
<td>1686</td>
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<td>Deferred tax assets</td>
<td>236</td>
<td>221</td>
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<td>Minorities</td>
<td>95</td>
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<td><strong>Current assets</strong></td>
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<td>3,210</td>
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<tr>
<td>Inventories (net)</td>
<td>1,098</td>
<td>1,218</td>
<td>120</td>
<td></td>
<td>Provision for Pensions and similar obligations:</td>
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<td>Trade receivables</td>
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<td>1,353</td>
<td>47</td>
<td></td>
<td>Other provisions</td>
<td>135</td>
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<tr>
<td>Other financial assets</td>
<td>43</td>
<td>41</td>
<td>-2</td>
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<td>Financial debts</td>
<td>220</td>
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<tr>
<td>Other receivables and assets</td>
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<td>142</td>
<td>17</td>
<td></td>
<td>Other liabilities</td>
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<tr>
<td>Income tax receivables</td>
<td>10</td>
<td>46</td>
<td>36</td>
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<td>Deferred tax liabilities</td>
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<td>Cash and cash equivalents</td>
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<td>410</td>
<td>-396</td>
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<td></td>
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<tr>
<td><strong>Total assets</strong></td>
<td>6,150</td>
<td>5,925</td>
<td>-225</td>
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<td></td>
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<tr>
<td><strong>Current liabilities</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>Other provisions</td>
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<td>791</td>
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<td></td>
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<td>Other liabilities</td>
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<td>-188</td>
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<tr>
<td>Income tax liability</td>
<td>53</td>
<td>106</td>
<td>53</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Total liabilities</strong></td>
<td>6,150</td>
<td>5,925</td>
<td>-225</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Quarterly development Group

Sales in EUR million

Operational results in EUR million

<table>
<thead>
<tr>
<th></th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>1,305</td>
<td>1,698</td>
<td>1,349</td>
<td>1,459</td>
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<td></td>
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<tr>
<td>Defence</td>
<td></td>
<td>79</td>
<td>30</td>
<td>50</td>
<td>97</td>
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<tr>
<td>Automotive</td>
<td>-2</td>
<td>60</td>
<td>62</td>
<td>45</td>
<td></td>
</tr>
<tr>
<td>Consolidation/Others</td>
<td>662</td>
<td>664</td>
<td>612</td>
<td>731</td>
<td>682</td>
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</tbody>
</table>
**Cash Flow Statement Group**

<table>
<thead>
<tr>
<th>in EUR million</th>
<th>Q3 2016</th>
<th>9m 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>9m 2017</th>
<th>Δ Q3 2016/2017</th>
<th>Δ 9m 2016/2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Group Net Income</strong></td>
<td>46</td>
<td>99</td>
<td>116</td>
<td>28</td>
<td>51</td>
<td>43</td>
<td>122</td>
<td>-3</td>
<td>23</td>
</tr>
<tr>
<td><strong>Amortization / depreciation</strong></td>
<td>52</td>
<td>161</td>
<td>67</td>
<td>57</td>
<td>55</td>
<td>59</td>
<td>171</td>
<td>7</td>
<td>10</td>
</tr>
<tr>
<td><strong>Change in pension accruals</strong></td>
<td>-</td>
<td>-14</td>
<td>-</td>
<td>-34</td>
<td>-3</td>
<td>1</td>
<td>-36</td>
<td>1</td>
<td>-22</td>
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<tr>
<td><strong>Cash Flow</strong></td>
<td>98</td>
<td>246</td>
<td>183</td>
<td>51</td>
<td>103</td>
<td>103</td>
<td>257</td>
<td>5</td>
<td>11</td>
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<tr>
<td><strong>Changes in working capital and other items</strong></td>
<td>-1</td>
<td>-374</td>
<td>389</td>
<td>-207</td>
<td>-34</td>
<td>-36</td>
<td>-277</td>
<td>-35</td>
<td>97</td>
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<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>98</td>
<td>-128</td>
<td>572</td>
<td>-156</td>
<td>69</td>
<td>67</td>
<td>-20</td>
<td>-31</td>
<td>108</td>
</tr>
<tr>
<td><strong>Free Cash Flow from Operations</strong></td>
<td>36</td>
<td>-302</td>
<td>463</td>
<td>-199</td>
<td>19</td>
<td>5</td>
<td>-175</td>
<td>-31</td>
<td>127</td>
</tr>
</tbody>
</table>
Equity and pension liabilities

Financial solidity materially improved

- Confidence increased by delivery on our targets
- Capitalizing on our restructuring efforts
- Achievement of a solid equity ratio
- Pension stabilized on further CTA funding
- Supportive market environment in both segments

Credit rating Ba1 with outlook positive since August 2017
Net-financial debt considerably improved on positive cash development

- **Net-financial debt**
  - in EUR million at quarter end
  - Graph showing decreases from 330 in 12/14 to 182 in 09/17, indicating a 46% decrease.

- **Debt composition and maturity profile of instruments**
  - in EUR million
  - Graph showing obligations for 2017 to 2023ff with specific amounts and maturities.
Moderate headcount increase to accompany growth

**Headcount per segment**
in capacities at year end

- **2014**: 10,830 (Defence), 9,184 (Group), 152 (Automotive)
- **2015**: 10,934 (Defence), 9,581 (Group), 161 (Automotive)
- **2016**: 10,820 (Defence), 10,002 (Group), 171 (Automotive)

**Headcount per region**
in capacities at year end

- **Europe**: 73%
- **Americas**: 15%
- **Asia**: 5%
- **Brazil**: 5%
- **Mexico**: 4%
- **RoW**: 7%

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First orders for public security and e-mobility

**Public Security**
- Survivor vehicles for German police forces
- Drone detection systems for Swiss prisons
- Innovative body armor for German police forces in several states

**Electromobility**
- Pump technology for electric vehicles
- Aluminum battery boxes for German premium OEM
- Electric engine housing for German premium OEM to serve the Chinese market
Quarterly development Automotive

Sales by division in EUR million

<table>
<thead>
<tr>
<th>Division</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechatronics</td>
<td>643</td>
<td>664</td>
<td>737</td>
<td>728</td>
<td>684</td>
</tr>
<tr>
<td>Hardparts</td>
<td>355</td>
<td>380</td>
<td>425</td>
<td>407</td>
<td>382</td>
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<tr>
<td>Aftermarket</td>
<td>225</td>
<td>222</td>
<td>249</td>
<td>251</td>
<td>232</td>
</tr>
<tr>
<td>Consolidation/Others</td>
<td>-19</td>
<td>-23</td>
<td>-20</td>
<td>-23</td>
<td>-25</td>
</tr>
</tbody>
</table>

Operational results by division in EUR million

<table>
<thead>
<tr>
<th>Division</th>
<th>Q3 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mechatronics</td>
<td>51</td>
<td>60</td>
<td>62</td>
<td>67</td>
<td>57</td>
</tr>
<tr>
<td>Hardparts</td>
<td>35</td>
<td>35</td>
<td>43</td>
<td>47</td>
<td>40</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>11</td>
<td>22</td>
<td>17</td>
<td>16</td>
<td>13</td>
</tr>
<tr>
<td>Consolidation/Others</td>
<td>-4</td>
<td>-5</td>
<td>-5</td>
<td>-5</td>
<td>-5</td>
</tr>
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</table>
# Cash flow statement Automotive

<table>
<thead>
<tr>
<th>in EUR million</th>
<th>Q3 2016</th>
<th>9m 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>9m 2017</th>
<th>Δ Q3 '16/'17</th>
<th>Δ 9m '16/'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>36</td>
<td>116</td>
<td>49</td>
<td>46</td>
<td>50</td>
<td>25</td>
<td>121</td>
<td>-11</td>
<td>5</td>
</tr>
<tr>
<td>Amortization / depreciation</td>
<td>29</td>
<td>93</td>
<td>40</td>
<td>32</td>
<td>32</td>
<td>37</td>
<td>101</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Change in pension accruals</td>
<td>-1</td>
<td>-1</td>
<td>-1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Cash Flow</td>
<td>64</td>
<td>208</td>
<td>88</td>
<td>78</td>
<td>82</td>
<td>62</td>
<td>222</td>
<td>-2</td>
<td>14</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>18</td>
<td>-146</td>
<td>129</td>
<td>-172</td>
<td>20</td>
<td>61</td>
<td>-91</td>
<td>43</td>
<td>55</td>
</tr>
<tr>
<td>Net cash used in operating activities</td>
<td>82</td>
<td>62</td>
<td>217</td>
<td>-94</td>
<td>102</td>
<td>123</td>
<td>131</td>
<td>41</td>
<td>69</td>
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<tr>
<td>Cash outflow for additions to tangible and intangible assets</td>
<td>-35</td>
<td>-103</td>
<td>-71</td>
<td>-24</td>
<td>-33</td>
<td>-42</td>
<td>-99</td>
<td>-7</td>
<td>4</td>
</tr>
<tr>
<td>Free cash flow from operations</td>
<td>47</td>
<td>-41</td>
<td>146</td>
<td>-118</td>
<td>69</td>
<td>81</td>
<td>32</td>
<td>34</td>
<td>73</td>
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</table>
### Automotive in China

#### 50/50 joint ventures with HASCO (SAIC group)

<table>
<thead>
<tr>
<th></th>
<th>Pistons (KSSP)</th>
<th>Castings (KPSNC)</th>
<th>Pumps (PHP)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Engine blocks and structural body parts</td>
<td>Pistons</td>
<td>Engine blocks, cylinder heads and structural body parts</td>
<td>Electrical and mechanical pumps</td>
</tr>
<tr>
<td>Germany/Europe</td>
<td></td>
<td>China</td>
<td></td>
</tr>
</tbody>
</table>

#### Wholly Foreign-Owned Enterprises (100% Rheinmetall Automotive)

<table>
<thead>
<tr>
<th></th>
<th>Aftermarket</th>
<th>Pierburg</th>
<th>Large-bore pistons</th>
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</thead>
<tbody>
<tr>
<td>2008</td>
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<td>2009</td>
<td>2013</td>
</tr>
<tr>
<td>Engine blocks, cylinder heads and structural body parts</td>
<td>Spare parts</td>
<td>EGR modules and electric throttle bodies</td>
<td>Large-bore pistons</td>
</tr>
<tr>
<td>Germany/Europe</td>
<td>China</td>
<td>China</td>
<td>China</td>
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</tbody>
</table>

#### JV subsidiary

<table>
<thead>
<tr>
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<th>Pumps (PMP Ch.)</th>
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<tr>
<td>2012</td>
<td>China</td>
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#### Sales China in EUR m

<table>
<thead>
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<th>Year</th>
<th>Sales China (EUR m)</th>
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</thead>
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<td>298</td>
</tr>
<tr>
<td>2012</td>
<td>388</td>
</tr>
<tr>
<td>2013</td>
<td>499</td>
</tr>
<tr>
<td>2014</td>
<td>628</td>
</tr>
<tr>
<td>2015</td>
<td>785</td>
</tr>
<tr>
<td>2016</td>
<td>825</td>
</tr>
<tr>
<td>2018e</td>
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</table>

Sales China in EUR m:

#### EBIT China in EUR m

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT China (EUR m)</th>
</tr>
</thead>
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<tr>
<td>2011</td>
<td>0</td>
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<td>2012</td>
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<td>2013</td>
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<td>2014</td>
<td>52</td>
</tr>
<tr>
<td>2015</td>
<td>49</td>
</tr>
<tr>
<td>2016</td>
<td>62</td>
</tr>
<tr>
<td>2018e</td>
<td></td>
</tr>
</tbody>
</table>

EBIT China in EUR m:
- JVs (100%): 2011 = 1, 2012 = 5, 2013 = 1, 2014 = 4, 2015 = 5, 2016 = 9
Electrification and downsizing require more sophisticated products

- Coolant pump
  - Mechanical: >6x
  - Electrical

- Exhaust gas recirculation
  - Valve: >3x
  - Valve, cooler, bypass and bypass actuator

- Oil pump
  - Mechanical: >3x
  - Variable

- Piston
  - Aluminum: >3x
  - Steel
Quarterly development Defence

Sales by division
in EUR million

Operational earnings by division
in EUR million

<table>
<thead>
<tr>
<th></th>
<th>Weapon &amp; Ammunition</th>
<th>Vehicle Systems</th>
<th>Electronic Solutions</th>
<th>Consolidation/Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2016</td>
<td>-98</td>
<td>662</td>
<td>391</td>
<td>227</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>483</td>
<td>361</td>
<td>244</td>
<td>172</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>613</td>
<td>-84</td>
<td>613</td>
<td>191</td>
</tr>
<tr>
<td>Q2 2017</td>
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<td>-67</td>
<td>351</td>
<td>244</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>682</td>
<td>-52</td>
<td>337</td>
<td>138</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Weapon &amp; Ammunition</th>
<th>Vehicle Systems</th>
<th>Electronic Solutions</th>
<th>Consolidation/Others</th>
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</thead>
<tbody>
<tr>
<td>Q3 2016</td>
<td>30</td>
<td>115</td>
<td>63</td>
<td>25</td>
</tr>
<tr>
<td>Q4 2016</td>
<td>25</td>
<td>30</td>
<td>30</td>
<td>14</td>
</tr>
<tr>
<td>Q1 2017</td>
<td>-1</td>
<td>-1</td>
<td>0</td>
<td>-1</td>
</tr>
<tr>
<td>Q2 2017</td>
<td>24</td>
<td>14</td>
<td>6</td>
<td>13</td>
</tr>
<tr>
<td>Q3 2017</td>
<td>46</td>
<td>28</td>
<td>13</td>
<td>1</td>
</tr>
</tbody>
</table>
# Cash flow statement Defence

<table>
<thead>
<tr>
<th>in EUR million</th>
<th>Q3 2016</th>
<th>9m 2016</th>
<th>Q4 2016</th>
<th>Q1 2017</th>
<th>Q2 2017</th>
<th>Q3 2017</th>
<th>9m 2017</th>
<th>Δ Q3 '16/'17</th>
<th>Δ 9m '16/'17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>13</td>
<td>-4</td>
<td>78</td>
<td>-16</td>
<td>8</td>
<td>32</td>
<td>24</td>
<td>19</td>
<td>28</td>
</tr>
<tr>
<td>Amortization / depreciation</td>
<td>22</td>
<td>66</td>
<td>26</td>
<td>24</td>
<td>22</td>
<td>21</td>
<td>67</td>
<td>-1</td>
<td>1</td>
</tr>
<tr>
<td>Change in pension accruals</td>
<td>1</td>
<td>4</td>
<td>1</td>
<td>-3</td>
<td>-6</td>
<td>2</td>
<td>-7</td>
<td>1</td>
<td>-11</td>
</tr>
<tr>
<td><strong>Cash Flow</strong></td>
<td>36</td>
<td>66</td>
<td>105</td>
<td>5</td>
<td>24</td>
<td>55</td>
<td>84</td>
<td>19</td>
<td>18</td>
</tr>
<tr>
<td>Changes in working capital and other items</td>
<td>-8</td>
<td>-221</td>
<td>248</td>
<td>-61</td>
<td>-38</td>
<td>-88</td>
<td>-187</td>
<td>-80</td>
<td>34</td>
</tr>
<tr>
<td><strong>Net cash used in operating activities</strong></td>
<td>28</td>
<td>-155</td>
<td>353</td>
<td>-56</td>
<td>-14</td>
<td>-33</td>
<td>-103</td>
<td>-61</td>
<td>52</td>
</tr>
<tr>
<td>Cash outflow for additions to tangible and intangible assets</td>
<td>-23</td>
<td>-61</td>
<td>-34</td>
<td>-16</td>
<td>-19</td>
<td>-19</td>
<td>-54</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td><strong>Free cash flow from operations</strong></td>
<td>5</td>
<td>-216</td>
<td>319</td>
<td>-72</td>
<td>-33</td>
<td>-52</td>
<td>-157</td>
<td>-57</td>
<td>59</td>
</tr>
</tbody>
</table>
Defence industry in Europe

- **Governmental shareholding** restricts room for cross-border consolidation
- **Big common armament programs** as catalyst for further consolidation are not at European mid-term horizon

**Rheinmetall’s approach:**
- JV partnerships with companies in different nations instead of “putting all eggs in one basket”
- Sufficient organic growth potential, but suitable M&A transactions are possible
Management Structure

Board of Directors (Group)

- Peter S. Krause
  Human Resources
- Horst Binnig
  Board Member
- Armin Papperger
  CEO
- Helmut P. Merch
  CFO

Management Board (Automotive)

- Horst Binnig
  CEO
- Olaf Hedden
  Finance/Controlling
- Peter S. Krause
  Human Resources, Legal

Management Board (Defence)

- Armin Papperger
  CEO
- Gordon Hargreave
  Electronics Solutions
- Ben Hudson
  Vehicle systems
- Peter S. Krause
  Human Resources
- Helmut P. Merch
  Finance/Controlling, IT
- Dr. Andreas Schwer
  Board Member
Next events and IR contacts

### Events 2017

- **Q3 Earnings call**
  - Date: 7 Nov

- **Capital Markets Day 2017**
  - Location: Bremen
  - Date: 21 – 22 Nov

- **Berenberg Conference**
  - Location: Pennyhill
  - Date: 4 – 5 Dec

### Events 2018

- **Commerzbank Conference**
  - Location: New York
  - Date: 8 – 10 Jan

- **Kepler Cheuvreux Conference**
  - Location: Frankfurt
  - Date: 15– 16 Jan

### Quick link to documents

- Corporate Presentation
- Interim Reports
- Annual Reports

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