**RHEINMETALL GROUP STRUCTURE.**

**Group performance indicator**

- Grow sales around 8%
- ~8% op. margin
- Targeted 2-4% Cash on sales
- 30-35% payout ratio

**Strategy roadmap**

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

**AUTOMOTIVE** *Our heart beats for your engine*

- Op. margin 8.9%
- €2,930m
- €265m
- *€478m
- 48%
- 53%
- 51%
- 11,710

**DEFENCE** *Force protection is our mission*

- 52%
- €3,221m
- 47%
- €247m
- 49%
- €8,577m
- 49%
- 10,948

* Short-term; **Headcount at capacities;
Rheinmetall Group

2019: Defence performance to overcompensate Automotive

Overall weak end markets, continuation of reduced momentum expected

- Strong performance in China
- Competitive product portfolio
- Entrance in new markets (5G)
- Diesel impact
- GM strike
- Czech plant issues
- Malware attack

Positive macro environment for Defence will continue in the coming years

- Strong order intake
- High sales execution profile
- Favorable sales mix
- Margin increase
- Export limitations
Q3 2019 Group commercial highlights

Weak Automotive compensated by Defence performance

<table>
<thead>
<tr>
<th>Order backlog</th>
<th>Sales</th>
<th>Operating result</th>
<th>EPS</th>
<th>oFCF</th>
</tr>
</thead>
<tbody>
<tr>
<td>€9.2bn</td>
<td>€1.5bn</td>
<td>€99 m</td>
<td>€1.33</td>
<td>-€127 m</td>
</tr>
<tr>
<td>-1%</td>
<td>+2%*</td>
<td>+1%</td>
<td>-26%</td>
<td>-10%</td>
</tr>
</tbody>
</table>

- Order backlog on high level
- Organic sales at constant exchange rates grew +2.5%* (reported 5.0%) to €1.5bn
- Operating result stable with significant shift between the segments
- EPS decline of 26% to €1.33 after PY €1.80 (including €0.47 real estate gain)
- Operating FCF down €11m yoy to -€127m including €15 m CTA funding
- FY Guidance specified
Q3 2019 Group commercial highlights

Operational improvement of sales and operating result

- **Sales** in €m
  - Q3 2018: 1,411
  - Q3 2019: 1,481
  - Change: +5.0%
  - Operational: +2.5%
  - FX: +0.9%
  - M&A: +1.6%

- **Operating result** in €m
  - Q3 2018: 98
  - Q3 2019: 99
  - Change: +1.0%
  - Operational: +2.2%
  - FX: +1.3%
  - M&A: -2.5%
  - Margin: 6.9% (Q3 2018) to 6.7% (Q3 2019)

- **Earnings per share** in €
  - Q3 2018: 1.80
  - Q3 2019: 1.33
  - Change: -26.1%
  - Reported EPS: 1.80
  - Adjusted EPS: 1.33

© Rheinmetall AG / Corporate Presentation Q3 2019
Q3 2019 Group commercial highlights

Operating Free Cash Flow improved operationally

- Operating free cash flow bridge in €m

<table>
<thead>
<tr>
<th></th>
<th>Q3 2018</th>
<th>EAT</th>
<th>D/A</th>
<th>Delta Pensions</th>
<th>Delta WC</th>
<th>Others</th>
<th>Capex</th>
<th>Q3 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAT operationally improved</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>CTA funding of €15 m included in Pensions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strong support from working capital optimization in Automotive</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Q3 2019 Group commercial highlights

Financial KPI impacted by M&A transactions and pension topic

- **Net financial debt** in €m
  - 30.09.2019: -660

- **Net gearing**
  - Net debt in % of total equity
  - 31.12.2018: 1.4%
  - 30.09.2019: 33.2%
  - Change: +31.8pp

- **Equity bridge** in €m and equity margin in %
  - 01.01.2019: 2.172 (32.1%)
  - EAT: 170
  - OCI: -153
  - Dividend: -92
  - Other: -107
  - 30.09.2019: 1.990 (27.9%
  - Incl.:
    - Actuarial changes: -192
    - FX effects: +36
    - RMMV-transaction: -111
FY 19 Guidance

Group margin guidance held stable

<table>
<thead>
<tr>
<th></th>
<th>2018 Growth y/y in % at constant FX</th>
<th>2019e Growth y/y in % at constant FX</th>
<th>Operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP</td>
<td>6.1</td>
<td>Slightly above 1</td>
<td>8.0</td>
</tr>
<tr>
<td>AUTOMOTIVE</td>
<td>4.2</td>
<td>Around -7</td>
<td>8.9</td>
</tr>
<tr>
<td>DEFENCE</td>
<td>7.9</td>
<td>Around 9</td>
<td>7.9</td>
</tr>
</tbody>
</table>

Operational growth at constant FX
FY mid-term guidance next three years

Sales growth and earnings improvement targeted

<table>
<thead>
<tr>
<th>AUTOMOTIVE</th>
<th>DEFENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flat to slow growth</td>
<td>6-8%</td>
</tr>
</tbody>
</table>

Mid-term

<table>
<thead>
<tr>
<th>Sales growth</th>
<th>Operating margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term setback to 5-7% (incl. micro mobility -€12m in 2020); mid-term recovery to around 8%</td>
<td>9-10%</td>
</tr>
</tbody>
</table>

Operational growth at constant FX
Automotive
Q3 2019 Highlights: Automotive
Non-LV business and absence of equipment sales burdened the quarter

Sales decline of -6.9% (FX-adjusted -8.5%)
LV sales were down 3.4%, in line with Global LV production of -3.2%*
Non-recurring China equipment sales and weak non-LV business created pressure on sales
Low visibility until year’s end remains the key issue
OFCF benefited from improved working capital management

<table>
<thead>
<tr>
<th>In €m and %</th>
<th>Q3 2018</th>
<th>Q3 2019</th>
<th>Δ</th>
<th>YTD 2018</th>
<th>YTD 2019</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>708</td>
<td>659</td>
<td>-6.9%</td>
<td>2,199</td>
<td>2,099</td>
<td>-4.6%</td>
</tr>
<tr>
<td>Operating result</td>
<td>60</td>
<td>43</td>
<td>-28.3%</td>
<td>193</td>
<td>144</td>
<td>-25.4%</td>
</tr>
<tr>
<td>Operating margin in %</td>
<td>8.5%</td>
<td>6.5%</td>
<td>-200 bp</td>
<td>8.8%</td>
<td>6.9%</td>
<td>-190 bp</td>
</tr>
<tr>
<td>Operating Free Cash Flow</td>
<td>-2</td>
<td>6</td>
<td>400.0%</td>
<td>-16</td>
<td>-8</td>
<td>50.0%</td>
</tr>
<tr>
<td>Operating FCF / Sales</td>
<td>-0.3%</td>
<td>0.9%</td>
<td>120 bp</td>
<td>-0.7%</td>
<td>-0.4%</td>
<td>30 bp</td>
</tr>
</tbody>
</table>

*IHS Markit: 5 November 2019*
Q3 2019 Highlights: Automotive

Negative business development in all divisions and end markets

Sales Automotive in €m

- Mechatronics
- Hardparts
- Aftermarket
- Consolidation/Others

Operating result Automotive in €m

- Mechatronics
- Hardparts
- Aftermarket
- Consolidation/Others

Margin Q3 2018

- Mechatronics
- Hardparts
- Aftermarket
- Consolidation/Others

Margin Q3 2019

- Mechatronics
- Hardparts
- Aftermarket
- Consolidation/Others

Mechatronics
- Slow LV endmarkets
- R&D for e-mobility

Hardparts
- Underlying business flat y-o-y, equipment sale already in Q2 ’19
- Operational issues at CZ plant persisted

Aftermarket
- Stable results in weak markets

Q3 2019

-22
-20
-6.9%
-9.2%
-7.5%
-7.5%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
-6.0%
-9.8%
Q3 2019 China Total Management View

Strong sales growth against the market trend

- Strong operation sales growth of 21% due to successful ramp ups, supported by M&A versus a contracting China LV production of -5.5% (YTD -10.6%)*

- EBIT increased by 15.5% to €20m, but margin declined slightly from 7.0% to 6.7% due to adverse portfolio effects and ramp up cost for new products

Including 100% figures of 50/50 JV, consolidated at equity

*IHS Markit: 5 November 2019
Q3 2019 Highlights: Automotive

All end markets under pressure

Sales split LV / Non-LV in €m / in %

Q3 2018

- Diesel: 161
- Gasoline: 246
- Other LV**: 247

Q3 2019

- Diesel: 154
- Gasoline: 239
- Other LV**: 237

Delta absolute in %

- Diesel: -7
- Gasoline: -7
- Other LV**: -25

LV Business

- Diesel: -7
- Gasoline: -7
- Other LV**: -25

Delta in %

- Diesel: -4.3%
- Gasoline: -2.8%
- Other LV**: -46.5%

Sales split Non-LV in €m / in %

Q3 2018

- Truck: 101
- Large Bore: 21
- Aftermarket: 92
- Other*: 33

Q3 2019

- Truck: 96
- Large Bore: 21
- Aftermarket: 92
- Other*: 28

Delta in %

- Truck: -5
- Large Bore: 0
- Aftermarket: 0
- Other*: -5

Non-LV Business

- Truck: -5
- Large Bore: 0
- Aftermarket: 0
- Other*: -5

Delta in %

- Truck: -4.6%
- Large Bore: +1.9%
- Aftermarket: 0%
- Other*: -15.2%

Other*: MIR, Industrie, Continuous casting

** Including €20m equipment sales
Q3 2019 Highlights: Automotive

Malware attack: Basic system environment reestablished, clean up continues

- Malware attacked legal entities in the Automotive domain in the US, Mexico and Brazil
- No infection of Defence systems detected
- Production could be generally maintained, except warehouse for Aftermarkets business
- Internal and external IT support as well as several governmental agencies involved
- Limited topline effect due to successful set up of workarounds
- EBIT effect expected at around €6-8m in Q4 2019
  - Higher logistic expenses
  - Consultant fees
Automotive market

IHS revised 2019 LV volumes repeatedly and provides weak outlook

- IHS 2019 forecast
- IHS Mid-term outlook with growth on low level

IHS swings almost 8% within last 12 months

Latest industry comments are very cautious short to mid-term!
Automotive Q4 2019 effects

Automotive impacted by special effects beyond market deterioration

- Sales bridge in €m
  - Q4 2018: 731
  - Q4 2019: ~5%

- Operating result in €m and %
  - Q4 2018: 69
  - Q4 2019: ~5%

Effects include:
- Market decline
- GM Strike
- Negative Ramp effect
Automotive mid-term

2019 reports biggest market decline post the financial crisis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Market trend</td>
<td>Recovery</td>
<td>Growth</td>
<td>Decline</td>
<td>Flat</td>
<td>Slow growth</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Avg. cycle margin ~7.5%

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>-2.5%</td>
<td>7.0%</td>
<td>8.4%</td>
<td>8.9%</td>
<td>~6.5%</td>
<td>5-7%</td>
<td>~8%</td>
<td></td>
</tr>
</tbody>
</table>

Growth in CAGR

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4%</td>
<td>-1.0%</td>
<td>-5.8%</td>
<td>2.3%</td>
<td>IHS November 2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Automotive: Margin protection

Self help measures to be continued throughout 2020

- General cost reduction programs
- Process optimization to reduce scrap rate
- CAPEX reduction

Efficiency optimization

- Prioritization and optimization of R&D projects
- Micro Mobility R&D affects P&L 2020 with ~ €12m

Selective R&D

- Reduction of leased workers (-40% yoy)
- Reduction of time accounts and weekly working hours from 40-35
- Reduction of direct personnel cost (short-time work extended to 5 sites)
- Normal fluctuation (-3% yoy) and recruitment stop

Further intensification of tools possible
Defence
Q3 2019 Highlights: Defence
Defence delivered as promised

Quarterly sales and margin development

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Order intake (€m)</th>
<th>Sales (€m)</th>
<th>Operating result (€m)</th>
<th>Operating margin (%)</th>
<th>Operating FCF (€m)</th>
<th>Operating FCF / Sales (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q3 2018</td>
<td>3,044</td>
<td>703</td>
<td>44</td>
<td>6.3%</td>
<td>-98</td>
<td>-13.9%</td>
</tr>
<tr>
<td>Q3 2019</td>
<td>1,136</td>
<td>823</td>
<td>64</td>
<td>7.8%</td>
<td>-104</td>
<td>-12.6%</td>
</tr>
</tbody>
</table>

Comments on quarterly performance

- Order intake of €1.136m solid, including new VJTF orders
- Sales growth of 17.1% (FX adjusted 13.4%) driven by ES and VS and including €23m M&A effect
- Margin rose by 150 bp to 7.8%
- OFCF basically stable
Q3 2019 Highlights: Defence

Double digit growth of operating result

- **Sales Defence**
  - 2018: 703 €m
  - 2019: 823 €m
  - Growth: +17.1%

- **Operating result Defence**
  - 2018: 64 €m
  - 2019: 10 €m
  - Growth: +45.5%

- **Margin**
  - 2018: 6.3%
  - 2019: 7.8%

**Weapon and Ammunition**
- Sales held back by missing export approvals

**Electronic Solutions**
- Solid execution in all BU
- Restructuring supportive

**Vehicle Systems**
- High order execution
- Stable margin
Q3 2019 Highlights: Defence

Robust order intake comparing to extraordinary PY quarter

Order intake by division in €m

- Q3 2018:
  - Vehicle Systems: 2,808
  - Weapon and Ammunition: 1,137
  - Electronic Solutions: 241
  - Consolidation: 185

- Q3 2019:
  - Vehicle Systems: 3,044
  - Weapon and Ammunition: 1,137
  - Electronic Solutions: 253
  - Consolidation: 185

Order backlog profile in €bn change in %

- 30.9.18: 8.8
- 30.9.19: 8.7
- Q4 2019E: ~1.2
- 2020E: ~2.3
- 2021E ff.: ~5.2

Incl. Australian orders of ~€2.5bn!
Defence FY 2019
New record year ahead for Defence

- Defence sales and operating margin in €m and %
- Growth across all three divisions
- Margin improvement continues
- Project pipeline is filled and diversified

Prepare for solid program execution

+9% sales growth

2018: 7.9% Margin
2019e: ~9.5% Margin
Automotive – Focus on innovation
**AUTOMOTIVE** WITH LEADING TECHNOLOGY AND MARKET POSITIONS.

### Key Figures

- **Sales**: €2.9bn
- **Op. result**: €262m
- **Op. margin**: 8.9%
- **R&D**: €157m
- **Capex**: €161m
- **Headcount**: 11,710

All figures refer to FY 2018

### Structure

- **Hardparts**
  - Pistons
  - Large-bore Pistons
- **Bearings**
- **Castings**
- **Mechatronics**
  - Pump Technology
  - Automotive Emission Systems
  - Solenoid Valves
  - Commercial Diesel Systems
- **Actuators**
- **Aftermarket**

### Sales by region

- Asia: 17%
- USMCA: 16%
- Germany: 21%
- Europe w/o Germany: 45%
- RoW: 1%

### Sales by division*

- Aftermarket: 12%
- Hardparts: 33%
- Mechatronics: 55%

### Sales by customer

- Other: 41%
- >10% Ford, VW: 22%
- 2-5% DAF, Volvo, PSA, BMW, Cummins, CAT/Perkins: 23%
- 14%
- 5-10% Renault/Nissan, GM, FCA, Daimler: 14%

### Operating result by division*

- Aftermarket: 13%
- Hardparts: 26%
- Mechatronics: 64%

*unconsolidated
Global sales
Flattish market expected until 2022

Source: IHS December 2019
Market trends
The growth drivers remain strong

The innovation pipeline is packed!
HARDPARTS

MECHATRONICS

ICE

EV / FUEL CELL

STEEL PISTONS
ALU PISTONS
ENGINE BEARINGS
ENGINE BLOCKS

VACUUM PUMPS
EGR MODULE
TURBO ACTUATOR VTG
SC AIR SYSTEM

EXHAUST CONTROL VALVE GEN. 3
eWastegate Actuator
ELEC. BYPASS VALVE

FUEL TANK ISOLATION VALVE
HIGH-VOLTAGE COOLANT PUMP
THERMAL MANAGEMENT
HRB
eCATHODE VALVE

ELECTRICAL COOLANT PUMP
GASOLINE EGR
MULTI PURPOSE VALVE
CONTACTORS

ELECTRICAL OIL PUMPS
CONTACTORS
THERMO MODULE
FUEL CELL CONTROL VALVE

E-MOTOR COOLING
E-MOTOR HOUSING

BATTERY BOXES

25% Share Carbon TT

Rheinmetall Automotive
AUTOMOTIVE

HOW TO FILL THE GAP POST ICE OUTPHASING

- New Markets e.g. 5G
- Innovative Products
- E-Mobility
- Micro Mobility
- New Truck Products
New Markets Telecommunication
Diversification into new growth areas

5G-Data safety:
Major production contract for manufacturing aluminum housings for 5G network

- Rheinmetall JV with HASCO in China is the leading supplier of die-casting capacities in China
- High technological competence
- Great opportunity to diversify in growth markets

Contract value of €150m for six-digit number of boxes in 2020
Additional demand for 10,000,000 boxes until 2030 creates further potential
E-Mobility
Rheinmetall products for NEV

<table>
<thead>
<tr>
<th>BOOKED BUSINESS</th>
<th>ADDITIONAL POTENTIAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-Tron</td>
<td>E-Golf</td>
</tr>
<tr>
<td>BATTERY BOXES</td>
<td>E-ENGINE HOUSING</td>
</tr>
<tr>
<td>German premium OEMs</td>
<td>Recent market contact suggest potential of around 1.000.000 e-engine housings p.a. starting 2020</td>
</tr>
</tbody>
</table>
ELECTRIFICATION at Rheinmetall Automotive

**ELECTRIFICATION**
Peripheral system and components

**CAR**
(HV) 400VPLUS
50-125KW

**FIRST-/LAST-MILE**
48V
15-20KW

**MICRO E-DRIVE SYSTEM**
48V
0.25-0.7KW

Life time order value of €1bn booked*

* Rheinmetall Automotive and Joint Ventures, incl. BEV and Hybrid
Mechatronic Innovation pipeline
Innovative products for a variety of applications

- High Voltage Contactor
- El. Vapor Pump
- El. Climate Compressor
- El. Cooling Pumps
- High Voltage Recirculation Blower
- Multi Purpose Valve
- Compact Door Actuator

Estimated Market potential in 2025

- High Voltage Contactor: €0.6bn
- El. Vapor Pump: €700m
- El. Climate Compressor: > €2.5bn
- El. Cooling Pumps: > €1.5bn
- High Voltage Recirculation Blower: > €2.5bn
- Multi Purpose Valve: > €1.5bn
- Compact Door Actuator: > 4m vehicles

Examples
Micro E-Drive System

Starting into a booming market

CAGR 2018-30: +10%

Start of Production

Development cost of € ~30m until 2022

2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030
2.9 3.3 3.8 4.4 4.9 5.4 5.9 6.4 6.9 7.4 8.0 8.5 9.0
Micro Mobility
From internal innovations project to market entry

**High growth market**
- European market with 10% CAGR between 2018 and 2030
- High market concentration with Bosch representing almost 50% of market share
- E-bike market price averaged at €3,000 last 3 years

**USP Rheinmetall**
- Smooth phasing of engine support
- Excellent freewheeling
- Low weight and compact build
- Low noise emission
- High thermic stability
- Interesting connectivity features
- Speedy service concept

Start of production scheduled for 2021 with competitive product
Drivers for growth
Rising global fleet and regulatory restrictions are supporting our growth

- **Light vehicle production grows**
  - million vehicles per year
  - \[ \text{ICE} \] \[ \text{HEV} \]

- **BEV 2018-2025**
  - million vehicles per year

- **Emission thresholds decrease**
  - CO\(_2\) in g/km
    - 2015: 125, 2020: 95 (\(-24\%\))
  - NO\(_x\) in mg/km
    - EU5: 180, EU6: 80 (\(-56\%\))

- **Stricter emission testing**
  - Mainly EU!
  - Stricter testing sets the benchmark even higher!

IHS 07/2019 and company estimates
Efficiency

**CO₂ - reduction with Automotive products – gasoline engine vehicle**

Reference model

1.4L 4-cylinder
TC DI gasoline engine (115kW)
Approx. 138 g CO₂/km in NEDC

<table>
<thead>
<tr>
<th>Rheinmetall Automotive products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Variable oil pump</td>
</tr>
<tr>
<td>Tribology system</td>
</tr>
<tr>
<td>Electr. control valve and variable coolant pump</td>
</tr>
<tr>
<td>Variable valve train</td>
</tr>
<tr>
<td>Electr. EGR system</td>
</tr>
<tr>
<td>Lightweight design parts</td>
</tr>
</tbody>
</table>

Rheinmetall AG / Corporate Presentation Q3 2019
TRUCK product portfolio

MECHATRONICS
- Auxiliary coolant pumps
- Electrical oil pumps
- Coolant valves
- Variable Valve Control
- Exhaust gas flaps
- Hydraulic valves
- Cylinder bore coating
- Electrical bypass valves
- Pressure regulating valves
- High performance actuators
- EGR cooler modules and mixer modules
- Dual poppet valves
- EGR reed valves

HARDPARTS
- Permaglide bearings for truck compressors and truck hydraulics
- Aluminum pistons
- Steel pistons
- Piston rings Cooperation with Riken
- Main-bearings
- Connecting rod bearings
- Bearings for seat adjustments and doors

© Rheinmetall AG / Corporate Presentation Q3 2019
Diversification
Increasing portfolio for non-LV applications

- Trucks
  - Diverse portfolio for truck applications
- Large bore pistons
  - E.g. ship and locomotive pistons
- Bearings & continuous casting
  - Sanitary application
- Aftermarket
  - Global supply of spare parts
China

Demand for Mechatronics products key driver

- Sales development by Division in €m
  - CAGR +10%

- Sales development by legal structure in €m
  - WFOE
  - Joint Venture 100% share
Rheinmetall Automotive

CHINA
CORE PROJECTS

**Hardparts**
- EA211 pistons
- Heat sinks and shield covers
- EA888 pistons

**Mechatronics**
- Diverse
  - Divert-air valve
- Electrical vapor pump
- Electrical vacuum pump
- Heavy-duty
  - Back pressure valve
- Heavy-duty
  - Exhaust gas recirculation valve
- Variable oil pump
- Variable oil pump front cover

Motorservice China
Build up of Logistic Centre

© Rheinmetall AG / Corporate Presentation Q3 2019
**Automotive in China**

<table>
<thead>
<tr>
<th>50/50 joint ventures with HASCO (SAIC group)</th>
<th>Wholly Foreign-Owned Enterprises (100% Rheinmetall Automotive)</th>
<th>JV subsidiary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Castings (KSHA)</td>
<td>Aftermarket</td>
<td>Pumps (PMP Ch.)</td>
</tr>
<tr>
<td>2014</td>
<td>2008</td>
<td>2012</td>
</tr>
<tr>
<td>Engine blocks and structural body parts</td>
<td>Spare parts</td>
<td>Electrical and mechanical pumps</td>
</tr>
<tr>
<td>Pistons</td>
<td>EGR modules and electric throttle bodies</td>
<td>China</td>
</tr>
<tr>
<td>Engine blocks, cylinder heads and structural body parts</td>
<td>Large-bore pistons</td>
<td></td>
</tr>
<tr>
<td>Castings (KPSNC)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pumps (PHP)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Electrical and mechanical pumps</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany/Europe</td>
<td>China</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>China</td>
<td></td>
</tr>
</tbody>
</table>

**Sales China in €m**

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales (JVs)</th>
<th>Sales (WFOEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>401</td>
<td>30</td>
</tr>
<tr>
<td>2013</td>
<td>528</td>
<td>37</td>
</tr>
<tr>
<td>2014</td>
<td>681</td>
<td>53</td>
</tr>
<tr>
<td>2015</td>
<td>871</td>
<td>53</td>
</tr>
<tr>
<td>2016</td>
<td>934</td>
<td>71</td>
</tr>
<tr>
<td>2017</td>
<td>972</td>
<td>76</td>
</tr>
<tr>
<td>2018</td>
<td>1,003</td>
<td>79</td>
</tr>
</tbody>
</table>

**EBIT China in €m**

<table>
<thead>
<tr>
<th>Year</th>
<th>EBIT (JVs)</th>
<th>EBIT (WFOEs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>30</td>
<td>401</td>
</tr>
<tr>
<td>2013</td>
<td>37</td>
<td>528</td>
</tr>
<tr>
<td>2014</td>
<td>53</td>
<td>681</td>
</tr>
<tr>
<td>2015</td>
<td>53</td>
<td>871</td>
</tr>
<tr>
<td>2016</td>
<td>71</td>
<td>934</td>
</tr>
<tr>
<td>2017</td>
<td>76</td>
<td>972</td>
</tr>
<tr>
<td>2018</td>
<td>79</td>
<td>1,003</td>
</tr>
</tbody>
</table>

KSHA: KS Huayu Alutech GmbH, Neckarsulm
KSSP: Kolbenschmidt Shanghai Piston Co., Ltd., Shanghai
KPSNC: Kolbenschmidt Pierburg Shanghai Nonferrous Components Co., Ltd., Shanghai
PHP: Pierburg Huayu Pump Technology Co., Ltd., Shanghai
PMP: Pierburg Mikuni Pump Technology (Shanghai) Corp., Shanghai

© Rheinmetall AG / Corporate Presentation Q3 2019
**HIGHLIGHTS**

**CHINA**

- Partner of local big players SAIC and HASCO
- Biggest casting capacities in China – technology leader
- Regulation (China 6) – provides substantial growth potential for mechatronics division
- Strong demand for NEV products
- China Story on track: product pipeline supports growth ambitions
Defence – at the beginning of a “super cycle”
TOP PRODUCTS PER DIVISION.

WEAPON AND AMMUNITION
- MID & LARGE CALIBER AMMO
- MID & LARGE CALIBER WEAPONS
- PROTECTION SYSTEMS
  - ACTIVE
  - PASSIVE
  - SOFTKILL

ELECTRONIC SOLUTIONS
- MISSION EQUIPMENT
- AIR DEFENCE & RADAR SYSTEMS
- Simulation & Training

VEHICLE SYSTEMS
- HX-FAMILY
- LOGISTIC VEHICLES
- TACTICAL VEHICLES
  - Medium wheeled
  - Medium tracked
  - Heavy tracked
DEFENCE IS A LEADING SUPPLIER WITH AN INCREASING INTERNATIONAL PRESENCE.

Key Figures

Sales: €3.2bn
Op. result: €254m
Op. margin: 7.9%
R&D: €75m
Capex: €101m
Headcount: 10,948

All figures refer to FY 2018
MANAGING THE SUPER CYCLE

- Annexation Crimea 2014
- Germany
  - VJTF
  - Puma
  - Boxer
  - Leopard
  - Trucks
  - Load Handling System
  - Ammunition
- Australia
  - Challenger
  - Simulation
  - Lynx
  - Ammunition
- Europe (UK)
  - MIV
  - Lynx
  - Boxer
- Eastern Europe
- International
  - USA
  - MENA
  - South-East Asia
  - Algeria
- MGCS
- Indirect fire system
- Increase of global defence budgets
- 2014
- 2035
Defence tender overview
Promising super cycle pipeline

USA:
- Ammunition
- Fuzes
- OMGV

UK:
- MIV Boxer
- Challenger
- France:
- MGCS

Sweden
- Trucks

Germany:
- Trucks
- IDZ
- VJTF Puma
- Leopards
- 3. Boxer lot
- 2. Puma lot
- 2. IDZ lot
- Fox
- Boxer variants
- TEN (D-LBO)
- Indirect fire
- Ammunition
- MGCS

Lithuania:
- Boxer

Poland:
- Leopard II

Hungaria:
- Leopard, Howitzer
- IFV (wheeled/tracked)

Czech Rep:
- IFV (tracked)

Slovakia:
- IFV

Bulgaria:
- IFV (wheeled)

Romania:
- IFV (wheeled)

Slovenia:
- APC (wheeled)

UK:
- MIV Boxer
- Challenger
- France:
- MGCS

Sweden
- Trucks

Germany:
- Trucks
- IDZ
- VJTF Puma
- Leopards
- 3. Boxer lot
- 2. Puma lot
- 2. IDZ lot
- Fox
- Boxer variants
- TEN (D-LBO)
- Indirect fire
- Ammunition
- MGCS

Lithuania:
- Boxer

Poland:
- Leopard II

Hungaria:
- Leopard, Howitzer
- IFV (wheeled/tracked)

Czech Rep:
- IFV (tracked)

Slovakia:
- IFV

Bulgaria:
- IFV (wheeled)

Romania:
- IFV (wheeled)

Slovenia:
- APC (wheeled)

Australia:
- Land 17 1 C.2
- Land 121 3a, 5b
- Land 400 II
- Land 400 III
- Simulation

Sweden
- Trucks

Germany:
- Trucks
- IDZ
- VJTF Puma
- Leopards
- 3. Boxer lot
- 2. Puma lot
- 2. IDZ lot
- Fox
- Boxer variants
- TEN (D-LBO)
- Indirect fire
- Ammunition
- MGCS

Lithuania:
- Boxer

Poland:
- Leopard II

Hungaria:
- Leopard, Howitzer
- IFV (wheeled/tracked)

Czech Rep:
- IFV (tracked)

Slovakia:
- IFV

Bulgaria:
- IFV (wheeled)

Romania:
- IFV (wheeled)

Slovenia:
- APC (wheeled)

Australia:
- Land 17 1 C.2
- Land 121 3a, 5b
- Land 400 II
- Land 400 III
- Simulation

Green: booked business / black: potential
German defence budget

Investive expenses and Rheinmetall-share - budgets become sizeable

in €m

Drivers for budget increase:
- More personnel, return to ~200,000 soldiers
- More equipment (100% equipment level)
- More finance, investive share increased by 36% from 2018 to 2019
- If political 1.5% commitment is to be achieved in 2024 this could lead to € ~12 bn investive spend

NATO and VJTF commitment as strong drivers!

*based on BMWi GDP forecast Oct. 19; assumption 20% of German defence budget investive
German mid-term potential
Be the key land systems provider in our home market

**TRUCKS**
- Three Major Truck Programs (unprotected and protected trucks, load handling system)
- Framework contracts 2018 - 2027
- New logistic fleet 10,000 to 20,000 trucks
- unprotected: 2,271 units, protected: 1,000 units, load handling system: 4,000 units
- Potential € 3 – 6bn

**LEOPARD UPGRADES**
- Development and production of a digitized turret with ~130mm gun for Leopard user nations
- Delivery > 2025
- > 300 systems
- Potential € > 1.7bn Germany and Netherlands

**PUMA/BOXER/FUCHS**
- Additional batches
- development and production of new variants and increase of the number of current variants
- Order intake expected in 2021
- > 1000 systems
- Potential: € > 3bn
German mid-term potential
Large ammunition sales potential from expected restocking

Rheinmetall Defence

Rheinmetall share on German ammunition purchases*

Rheinmetall Products e.g.:
- 40mm
- Medium caliber
- Large caliber
- Artillery
- Mortar
- Fuses
- Pyro
- Air bombs

~35%

Development of ammunition spending in €m*

- 2019: €560
- 2030e: €1,200

~35%

Estimated €12bn spending up to 2030, €1.2bn pa purchase value

*based on company estimates and current BMVG EPL 14 data
German portfolio enhancement

**Rheinmetall enters Bundeswehr contractor based operations services (G-CAP*)**

### Military in theatre camps
- Build, operate and rebuild camps for in-theatre operations
- Tender start in Q2 2020, award expected in Q1 2021
- Long term contracts >10 years
- Potential contract volume ~€100m per camp, per annum

### Persistent Surveillance System
- Contractor run surveillance operations
- Long term contracts >10 years
- Contract volume >€20m per camp, per annum

*Contractor Augmentation Programs are framework contracts, outsourcing specific task to third party providers*
German defence
NATO commitment key driver for German demand

Lead role in Very High Readiness Joint Task Force (VJTF)

<table>
<thead>
<tr>
<th>Bundeswehr</th>
<th>‘19</th>
<th>‘23</th>
<th>‘27</th>
<th>‘31</th>
<th>‘32+</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>VJTF’19</td>
<td>VJTF’23</td>
<td>1x Division</td>
<td>3x Division</td>
<td>3x Division</td>
</tr>
<tr>
<td>2016</td>
<td>~2.200 vehicles</td>
<td>~9.000 vehicles</td>
<td>~30.000 vehicles</td>
<td>~30.000 vehicles</td>
<td>~30.000 vehicles</td>
</tr>
<tr>
<td>2016</td>
<td>(1 Brigade)</td>
<td>(3x Brigade)</td>
<td>(8x Brigade)</td>
<td>(10x Brigade)</td>
<td>(10x Brigade)</td>
</tr>
<tr>
<td>2016</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
</tr>
<tr>
<td>2016</td>
<td>04/2018</td>
<td>04/2018</td>
<td>04/2018</td>
<td>04/2018</td>
<td>04/2018</td>
</tr>
<tr>
<td>2016</td>
<td>Concept</td>
<td>Concept</td>
<td>Concept</td>
<td>Concept</td>
<td>Concept</td>
</tr>
<tr>
<td>2016</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
<td>Bundeswehr</td>
</tr>
<tr>
<td>2016</td>
<td>09/2018</td>
<td>09/2018</td>
<td>09/2018</td>
<td>09/2018</td>
<td>09/2018</td>
</tr>
<tr>
<td>2016</td>
<td>Capability profile</td>
<td>Capability profile</td>
<td>Capability profile</td>
<td>Capability profile</td>
<td>Capability profile</td>
</tr>
</tbody>
</table>

100% equipment and digitization
Additional business opportunities on the base of current success in vehicle and soldier system sales

Rheinmetall creates additional business opportunities over the entire life cycle on every level - consisting of:

- Spare parts
- Service & Maintenance
- Training & Simulation
- Technical Documentation
- Upgrades (Life time extension)
German Defence
Drivers behind budget increase

“Turnarounds” in Germany

- Personnel:
  Mid-term return to 200,000 soldiers
- Material:
  100% equipment level and additional division
- Finance:
  Increase of defence budget 54% from 2018 to 2024

Enhanced future profile

- Anchor army for smaller neighbor armies
- Leading role in “enhanced Forward Presence“ in Lithuania
- Framework nation in „Very High Readiness Joint Task Force as of 2019
- Currently 14 international mandates

Framework nation concept triggers standardization of equipment

Army 4.0: Rheinmetall integrates components to systems
Home market Australia
Successful establishment of a new home market

Military Trucks
- Land 121 35 / 5B (2013/2018)
- EUR 2bn

JV Rheinmetall NIOA Munition
- 51% Rheinmetall (2017)
- Land 17: 155mm Munition: EUR 350m
- Major Munition Framework Contract: EUR 60m
- NEW Facility in Queensland

Boxer / Lance
- Land 400 Phase 2 (2019)
- EUR 2.1bn

Simulation
- Simulation / Training for M1A1 Fighting Vehicles Technology

Lynx
- Land 400 Phase 3 (2022/2023)
- EUR 5.6bn
- Down selected

MilVehCoE
Military Vehicle Center of Excellence
- Military Trucks
- Combat Vehicles
- Fleet-Service

JV Supashock
- 49% Rheinmetall (2017)
- „Brain-Trust“

SALES 2020e: € ~330m
International order potential
UK home market: Current and future orders

Mechanized Infantry Vehicle (Boxer)

- **Background**
  Mechanized Infantry Vehicle (MIV), several different configurations, including armored personnel carrier, command vehicle, specialist carrier and field ambulance.

- **Order size**
  500 vehicles
  volume of € 1.4bn

- **Timeline**
  Delivery is expected to start from 2023

Challenger Life Extension Program

- **Background**
  Challenger life extension program with focus on switch from rifled to smoothbore gun (NATO)

- **Order size**
  148 MBT
  volume of approx. € 0.8 – 1.2bn

- **Timeline**
  - Decision expected for Q4 2020
  - Start of production in 2023

Shift from rifled to smoothbore gun offers potential for additional ammunition sales!
**European Defence Consolidation landscape**

- **Governmental shareholding** restricts room for cross-border consolidation.
- **Big common armament programs** could be catalysts for further consolidation.

**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.
Innovations
Demand-driven product development and targeted cooperations

New logistical platforms
Groundbreaking sub-systems

New tactical platforms
Innovative weapon and ammunition
Digitized command and reconnaissance

New business models
New cooperations with Sikorsky, Raytheon
## Group 2014 – 2018: Key figures (as reported)

<table>
<thead>
<tr>
<th>in €m</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Balance sheet</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>5,271</td>
<td>5,730</td>
<td>6,150</td>
<td>6,101</td>
<td>6,759</td>
</tr>
<tr>
<td>Shareholder’s equity</td>
<td>1,197</td>
<td>1,562</td>
<td>1,781</td>
<td>1,870</td>
<td>2,172</td>
</tr>
<tr>
<td>Equity ratio (in %)</td>
<td>22.7</td>
<td>27.3</td>
<td>29.0</td>
<td>30.7</td>
<td>32.1</td>
</tr>
<tr>
<td>Pension liabilities</td>
<td>1121</td>
<td>1,128</td>
<td>1,186</td>
<td>1,080</td>
<td>972</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>-330</td>
<td>-81</td>
<td>19</td>
<td>230</td>
<td>-31</td>
</tr>
<tr>
<td>Net gearing (in %)</td>
<td>27.6</td>
<td>5.2</td>
<td>-1.1</td>
<td>-12.3</td>
<td>1.4</td>
</tr>
<tr>
<td><strong>Income statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales</td>
<td>4,688</td>
<td>5,183</td>
<td>5,602</td>
<td>5,896</td>
<td>6,148</td>
</tr>
<tr>
<td>Operating result</td>
<td>160</td>
<td>287</td>
<td>353</td>
<td>400</td>
<td>492</td>
</tr>
<tr>
<td>Operating margin (in %)</td>
<td>3.4</td>
<td>5.5</td>
<td>6.3</td>
<td>6.8</td>
<td>8.0</td>
</tr>
<tr>
<td>EBITDA</td>
<td>299</td>
<td>490</td>
<td>581</td>
<td>626</td>
<td>836</td>
</tr>
<tr>
<td>EBIT</td>
<td>102</td>
<td>287</td>
<td>353</td>
<td>385</td>
<td>518</td>
</tr>
<tr>
<td>EBIT margin (in %)</td>
<td>2.2</td>
<td>5.5</td>
<td>6.3</td>
<td>6.5</td>
<td>8.4</td>
</tr>
<tr>
<td>EBT</td>
<td>22</td>
<td>221</td>
<td>299</td>
<td>346</td>
<td>485</td>
</tr>
<tr>
<td>Net income</td>
<td>21</td>
<td>160</td>
<td>215</td>
<td>252</td>
<td>354</td>
</tr>
<tr>
<td>Earnings per share (in EUR)</td>
<td>0.47</td>
<td>3.88</td>
<td>4.69</td>
<td>5.24</td>
<td>7.10</td>
</tr>
<tr>
<td>Dividend per share (in EUR)</td>
<td>0.3</td>
<td>1.1</td>
<td>1.45</td>
<td>1.70</td>
<td>2.10</td>
</tr>
<tr>
<td>ROCE (in %)</td>
<td>3.9</td>
<td>10.1</td>
<td>12.3</td>
<td>13.8</td>
<td>17.1</td>
</tr>
<tr>
<td><strong>Cash flow statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cash flow from operations</td>
<td>-182</td>
<td>29</td>
<td>161</td>
<td>276</td>
<td>-35</td>
</tr>
<tr>
<td><strong>Headcount</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employees (Dec 31) according to capacity</td>
<td>20,166</td>
<td>20,676</td>
<td>20,993</td>
<td>21,610</td>
<td>22,899</td>
</tr>
</tbody>
</table>
## Key figures

### AUTOMOTIVE

<table>
<thead>
<tr>
<th>Year</th>
<th>Order intake</th>
<th>EBIT</th>
<th>EBIT margin (in %)</th>
<th>Capex</th>
<th>Employees (Dec 31) according to capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,466</td>
<td>1,664</td>
<td>10.3</td>
<td>34</td>
<td>10,830</td>
</tr>
<tr>
<td>2015</td>
<td>2,621</td>
<td>1,711</td>
<td>10.9</td>
<td>96</td>
<td>10,934</td>
</tr>
<tr>
<td>2016</td>
<td>2,670</td>
<td>1,621</td>
<td>6.2</td>
<td>73</td>
<td>10,820</td>
</tr>
<tr>
<td>2017</td>
<td>2,922</td>
<td>989</td>
<td>6.9</td>
<td>72</td>
<td>11,166</td>
</tr>
<tr>
<td>2018</td>
<td>2,889</td>
<td>65</td>
<td>10.6</td>
<td>7.3</td>
<td>11,710</td>
</tr>
</tbody>
</table>

### DEFENCE

<table>
<thead>
<tr>
<th>Year</th>
<th>Order intake</th>
<th>EBIT</th>
<th>EBIT margin (in %)</th>
<th>Capex</th>
<th>Employees (Dec 31) according to capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2,812</td>
<td>-4</td>
<td>-0.4</td>
<td>-132</td>
<td>9,184</td>
</tr>
<tr>
<td>2015</td>
<td>2,693</td>
<td>74</td>
<td>8.4</td>
<td>-38</td>
<td>9,581</td>
</tr>
<tr>
<td>2016</td>
<td>3,050</td>
<td>108</td>
<td>3.4</td>
<td>96</td>
<td>10,002</td>
</tr>
<tr>
<td>2017</td>
<td>3,016</td>
<td>239</td>
<td>7.9</td>
<td>95</td>
<td>10,251</td>
</tr>
<tr>
<td>2018</td>
<td>5,565</td>
<td>268</td>
<td>7.9</td>
<td>89</td>
<td>10,948</td>
</tr>
</tbody>
</table>

### EBITDA

<table>
<thead>
<tr>
<th>Year</th>
<th>EBITDA</th>
<th>Capex</th>
<th>Employees (Dec 31) according to capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>17</td>
<td>-132</td>
<td>9,184</td>
</tr>
<tr>
<td>2015</td>
<td>175</td>
<td>-38</td>
<td>9,581</td>
</tr>
<tr>
<td>2016</td>
<td>268</td>
<td>103</td>
<td>10,002</td>
</tr>
<tr>
<td>2017</td>
<td>268</td>
<td>238</td>
<td>10,251</td>
</tr>
<tr>
<td>2018</td>
<td>403</td>
<td>-29</td>
<td>10,948</td>
</tr>
</tbody>
</table>

### Aftermarket

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Operating result</th>
<th>EBIT</th>
<th>EBIT margin (in %)</th>
<th>Capex</th>
<th>Employees (Dec 31) according to capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>26</td>
<td>-9</td>
<td>-4</td>
<td>-0.4</td>
<td>-132</td>
<td>9,184</td>
</tr>
<tr>
<td>2015</td>
<td>27</td>
<td>90</td>
<td>74</td>
<td>8.4</td>
<td>-38</td>
<td>9,581</td>
</tr>
<tr>
<td>2016</td>
<td>33</td>
<td>147</td>
<td>108</td>
<td>3.4</td>
<td>96</td>
<td>10,002</td>
</tr>
<tr>
<td>2017</td>
<td>36</td>
<td>147</td>
<td>25</td>
<td>2.1</td>
<td>95</td>
<td>10,251</td>
</tr>
<tr>
<td>2018</td>
<td>36</td>
<td>147</td>
<td>3.6</td>
<td>3.6</td>
<td>89</td>
<td>10,948</td>
</tr>
</tbody>
</table>
Rheinmetall technologies
as an answer to current threats and challenges
Capital allocation
Our capital allocation policy is geared towards further growth

- Funding of growth (organic and M&A)
- Dividend to shareholders (Payout ratio 30-35%)
- Improvement of pension funding via CTA (target level 50-60%)
## Select key data: outlook 2019

### Rheinmetall Group

<table>
<thead>
<tr>
<th>Metric</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding cost</td>
<td>~€25-30m (€24m)</td>
</tr>
<tr>
<td>Tax rate</td>
<td>Comparable level (27%)</td>
</tr>
<tr>
<td>Interest result</td>
<td>~-€40m (-€33m)</td>
</tr>
</tbody>
</table>

### Automotive

- **Capex**
  - 5.5-6% (5.5%)
- **D&A**
  - ~5.5% (5.3% reported, scheduled 5.2%)
- **R&D**
  - 5-6% (5.4%)

### Defence

- **Capex**
  - 3.5-4.5% (3.1%)
- **D&A**
  - 3-3.5% (4.8% reported, scheduled 3.7%)
- **R&D**
  - 2-2.5% (2.3%)
Debt

Typical seasonal increase of net debt amplified by M&A payout

Net financial debt
in €m at quarter-end

<table>
<thead>
<tr>
<th>Date</th>
<th>Net Financial Debt (€m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>30.09.2018</td>
<td>-514</td>
</tr>
<tr>
<td>31.12.2018</td>
<td>-31</td>
</tr>
<tr>
<td>31.03.2019</td>
<td>-171</td>
</tr>
<tr>
<td>30.06.2019</td>
<td>-387</td>
</tr>
<tr>
<td>30.09.2019</td>
<td>-660</td>
</tr>
</tbody>
</table>

Debt composition and maturity profile
in €m

<table>
<thead>
<tr>
<th>Year</th>
<th>Commercial Papers</th>
<th>Other &amp; Leasing</th>
<th>Bank Loans</th>
<th>Promissory Notes</th>
<th>EIB Loan*</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>162</td>
<td>183</td>
<td>161</td>
<td>300</td>
<td>53</td>
</tr>
<tr>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>28</td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>122</td>
</tr>
<tr>
<td>2022</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>2023</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>73</td>
</tr>
<tr>
<td>2024</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25</td>
</tr>
<tr>
<td>2025+</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>25</td>
</tr>
</tbody>
</table>

*€250 m EIB loan (0.962% coupon) maturing in August 2023
More than 100 production sites and offices on all continents
Continuing ROCE improvement

- ROCE in %

- Pre-tax WACC (2018):
  - 10.5% Group

- 2013: 4.7%, 0.3%
- 2014: 3.9%, -4.6%
- 2015: 6.1%, 10.6%
- 2016: 12.3%, 10.6%
- 2017: 13.4%, 11.8%
- 2018: 15.9%, 20.2%
# Board remuneration based on three building blocks

<table>
<thead>
<tr>
<th>Fixum (60%)</th>
<th>Performance-related variable remuneration (40%)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Twelve equal portions of monthly payments</strong></td>
<td><strong>Short term incentive</strong></td>
</tr>
<tr>
<td>Fringe benefits:</td>
<td></td>
</tr>
<tr>
<td>• Pension insurance (or comparable)</td>
<td>• KPI: EBT, ROCE (each 50%)</td>
</tr>
<tr>
<td>• Company car</td>
<td>• Reference: Budget</td>
</tr>
<tr>
<td></td>
<td>• Range: 0 - 200%</td>
</tr>
<tr>
<td></td>
<td>• Escalators: 0% - &lt;70% - &lt; 110% 0% linear to max. 200%</td>
</tr>
<tr>
<td></td>
<td>• Payout: cash</td>
</tr>
<tr>
<td></td>
<td><strong>Long-term incentive</strong></td>
</tr>
<tr>
<td></td>
<td>• KPI: Average adjusted EBT of the last three years (EBT capped at €300m)</td>
</tr>
<tr>
<td></td>
<td>• Payout: In shares and cash* with 4 year lock-up period</td>
</tr>
</tbody>
</table>

*for related tax payments
Appendix: Rheinmetall Group

ESG
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 e-bike, e-motor and battery pack
  - Support of conservation
  - Transformation 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

---

© Rheinmetall AG / Corporate Presentation Q3 2019
Next events and IR contacts

### Next Events

- Commerzbank GIS, New York  
  13-15 January 2020
- Baader Helvea, Toronto  
  16 January 2020
- Unicredit Kepler Cheuvreux GCC, Frankfurt  
  20-21 January 2020
- Bankhaus Lampe Conference, London  
  30 January 2020
- FY Provisional figures  
  2 March 2020
- FY Earnings release  
  18 March 2020
- Bank of America Merrill Lynch, Global Industrials Conference  
  19 March 2020

### IR Contacts

**Dirk Winkels**
Head of IR  
Tel: +49-211 473-4749  
Email: dirk.winkels@rheinmetall.com

**René Weinberg**
Senior Investor Relations Manager  
Tel: +49-211 473-4759  
Email: rene.weinberg@rheinmetall.com

**Rosalinde Schulte**
Investor Relations Assistant  
Tel: +49-211 473-4718  
Email: rosalinde.schulte@rheinmetall.com

### Quick link to documents

- Corporate Presentation
- Interim Reports
- Annual Reports
Disclaimer

This presentation contains “forward-looking statements” within the meaning of the US Private Securities Litigation Reform Act of 1995 with respect to Rheinmetall’s financial condition, results of operations and businesses and certain of Rheinmetall’s plans and objectives. These forward-looking statements reflect the current views of Rheinmetall’s management with respect to future events. In particular, such forward-looking statements include the financial guidance contained in the outlook for 2020.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as “will”, “anticipates”, “aims”, “could”, “may”, “should”, “expects”, “believes”, “intends”, “plans” or “targets”. By their nature, forward-looking statements are inherently predictive, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. In particular, such factors may have a material adverse effect on the costs and revenue development of Rheinmetall. Further, the economic downturn in Rheinmetall’s markets, and changes in interest and currency exchange rates, may also have an impact on Rheinmetall’s business development and the availability of financing on favorable conditions. The factors that could affect Rheinmetall’s future financial results are discussed more fully in Rheinmetall’s most recent annual and quarterly reports which can be found on its website at www.rheinmetall.com.

All written or oral forward-looking statements attributable to Rheinmetall or any group company of Rheinmetall or any persons acting on their behalf contained in or made in connection with this presentation are expressly qualified in their entirety by factors of the kind referred to above. No assurances can be given that the forward-looking statements in this presentation will be realized. Except as otherwise stated herein and as may be required to comply with applicable law and regulations, Rheinmetall does not intend to update these forward-looking statements and does not undertake any obligation o do so.

This presentation does not constitute an offering of securities or otherwise constitute an invitation or inducement to any person to underwrite, subscribe for or otherwise acquire or dispose of securities in Rheinmetall AG or any of its direct or indirect subsidiaries.