Rheinmetall Group
Corporate Presentation
March 2020
Rheinmetall Group

Mobility and security form the DNA of the business model

RHEINMETALL GROUP
INTEGRATED TECHNOLOGY GROUP FOR SECURITY AND MOBILITY

Automotive *Our heart beats for your engine*
- Tier 1 supplier
- High-tech products for global markets
- Gaining powertrain neutrality

Defence *Force protection is our mission*
- System house for land based operations
- Leading provider of innovative solutions
- Internationalization focused on home markets

Business Model
- Megatrend mobility
- Growing demand for clean mobility
- Global LV production with growth
- Increased regulation

Market driver
- Increasing demand for security
- Geostrategical powershifts
- Constantly changing conflict situations
- Rising defence/security budgets
Rheinmetall Group

Highlights

**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

**RHEINMETALL GROUP**

**2019**

**AUTOMOTIVE**
- Our heart beats for your engine
- Op. margin 6.7%
- €2,736m
- €184m
- *€447m
- 11,405
- 44%
- 35%
- 49%

**DEFENCE**
- Force protection is our mission
- Sales 56%
- €3,522m
- 65%
- €343m
- Order backlog
- €10,399m
- Headcount** 51%
- 12,100

* Short-term; **Headcount at capacities;
Rheinmetall Group
Financial overview - Growth in all relevant KPI

Sales, operating result and operating margin

In €m

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales</th>
<th>Operating Result</th>
<th>Operating Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>5.183</td>
<td>5.5%</td>
<td>5.5%</td>
</tr>
<tr>
<td>2016</td>
<td>5.602</td>
<td>6.3%</td>
<td>6.3%</td>
</tr>
<tr>
<td>2017</td>
<td>5.896</td>
<td>6.8%</td>
<td>6.8%</td>
</tr>
<tr>
<td>2018</td>
<td>6.148</td>
<td>8.0%</td>
<td>8.0%</td>
</tr>
<tr>
<td>2019</td>
<td>6.255</td>
<td>8.1%</td>
<td>8.1%</td>
</tr>
</tbody>
</table>

Earnings and dividend per share

In € / in %

<table>
<thead>
<tr>
<th>Year</th>
<th>EPS</th>
<th>Dividend per Share</th>
<th>Payout Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>3.88</td>
<td>1.10</td>
<td>28.4%</td>
</tr>
<tr>
<td>2016</td>
<td>4.69</td>
<td>1.45</td>
<td>30.9%</td>
</tr>
<tr>
<td>2017</td>
<td>5.24</td>
<td>1.70</td>
<td>32.4%</td>
</tr>
<tr>
<td>2018</td>
<td>7.10</td>
<td>2.10</td>
<td>29.6%</td>
</tr>
<tr>
<td>2019</td>
<td>7.77</td>
<td>2.40</td>
<td>30.9%</td>
</tr>
</tbody>
</table>

Operating FCF and operating FCF to Sales

In €m / in %

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating FCF</th>
<th>Operating FCF to Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>29</td>
<td>-0.6%</td>
</tr>
<tr>
<td>2016</td>
<td>161</td>
<td>2.9%</td>
</tr>
<tr>
<td>2017</td>
<td>276</td>
<td>4.7%</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td>-0.6%</td>
</tr>
<tr>
<td>2019</td>
<td>314</td>
<td>5.0%</td>
</tr>
</tbody>
</table>

Net financial debt and Net debt to EBITDA

In €m

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt</th>
<th>Net debt to EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-81</td>
<td>-1</td>
</tr>
<tr>
<td>2016</td>
<td>19</td>
<td>-30</td>
</tr>
<tr>
<td>2017</td>
<td>230</td>
<td>0.04x</td>
</tr>
<tr>
<td>2018</td>
<td>-30</td>
<td>-52</td>
</tr>
<tr>
<td>2019</td>
<td>-52</td>
<td>0.07x</td>
</tr>
</tbody>
</table>
Rheinmetall Automotive
Products per division

MECHATRONICS
- PUMP TECHNOLOGY
- AUTOMOTIVE EMISSION SYSTEMS
- SOLENOID VALVES
- COMMERCIAL DIESEL SYSTEMS
- ACTUATORS

HARDPARTS
- SMALL BORE PISTONS
- BEARINGS
- LARGE BORE PISTONS
- CASTINGS

AFTERMARKET
- HARDPARTS
- MECHATRONICS
One Rheinmetall
Realization of growth in changing market conditions

- Positioning as integrated technology group for Mobility and Security
- Realization of growth potentials in changing market environments
- Leveraging strengths by bundling and channeling our expertise and competencies, e.g. different technologies
- Change perception and increase attractiveness as an employer

One Rheinmetall Phase I
Initiatives addressing culture and cooperation
2016-2018

One Rheinmetall Phase II
Focus on technologies
2018 ff.

One Rheinmetall Phase III
Commercialization
starting 2021
Automotive – A changing world
Automotive
Leading technology and market positions

**Key Figures 2019**

- Sales: €2.7bn
- Op. result: €184m
- Op. margin: 6.7%
- Op. FCF: €73m
- R&D: €143m
- Capex: €163m
- Headcount: 11,405

**Sales by division***

- Aftermarket
  - Mechatronics: 13%
  - Hardparts: 33%
  - 54%
- Hardparts
  - Mechatronics: 54%
  - Other: 26%
  - 64%

**Sales by region**

- Asia: 18%
- USMCA: 16%
- Germany: 19%
- RoW: 4%
- Europe w/o Germany: 43%

**Sales Total Management View**

- China JV-Sales in €bn: 1.1
- Consolidated Sales: 2.7

**Operating result by division***

- Aftermarket
  - Mechatronics: 19%
  - Hardparts: 26%
  - 64%
- Hardparts
  - Mechatronics: 64%
  - Other: 17%
  - 16%

**Sales by customer**

- Other: 23%
- >10% Ford, VW: 26%
- 2-5% Daimler, DAF, Volvo, PSA, BMW, CAT/Perkins: 44%
- 5-10% Renault/Nissan, GM, FCA: 17%

**Global set up**

- Sites per continent: 12, 27, 3, 12

*unconsolidated
# Automotive

## Leading technology and market positions

<table>
<thead>
<tr>
<th>Sales driver</th>
<th>Segment Structure</th>
<th>Key Competitor</th>
<th>Differentiator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Megatrend mobility</td>
<td>Hardparts: Pistons, Castings, Bearings</td>
<td>Hardparts: Mahle, Nemak, GGB, Tenneco (Federal Mogul), Dong Yang</td>
<td></td>
</tr>
<tr>
<td>Global LV production with further growth</td>
<td>Aftermarket: Hardparts, Mechatronics</td>
<td>Aftermarket: Tenneco (Federal Mogul), Mahle, Bosch, Valeo</td>
<td></td>
</tr>
<tr>
<td>Increased regulation</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Differentiator**
  - Strong brand
  - Global footprint
  - Strong partnerships
    - (Hasco, Shriram, Riken, ZYNP)
  - Wide technology portfolio
  - Extensive product Know-How
Automotive overview
Product portfolio by division and engine type
Drivers for growth
Rising global fleet and regulatory restrictions are supporting our growth

LV production forecast*

<table>
<thead>
<tr>
<th>Year</th>
<th>Fuel Cell</th>
<th>Plug-in hybrid</th>
<th>Full hybrid</th>
<th>Gasoline mild hybrid</th>
<th>Diesel mild hybrid</th>
<th>Diesel</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>75%</td>
<td>20%</td>
<td>14%</td>
<td>7%</td>
<td>8%</td>
<td>17%</td>
</tr>
<tr>
<td>2020</td>
<td>71%</td>
<td>20%</td>
<td>25%</td>
<td>10%</td>
<td>15%</td>
<td>15%</td>
</tr>
<tr>
<td>2025</td>
<td>46%</td>
<td>46%</td>
<td>25%</td>
<td>20%</td>
<td>20%</td>
<td>8%</td>
</tr>
<tr>
<td>2030</td>
<td>34%</td>
<td>34%</td>
<td>25%</td>
<td>20%</td>
<td>20%</td>
<td>7%</td>
</tr>
</tbody>
</table>

Further regulatory pressure***

- 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

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* IHS 02/2020 and company estimates
** Rheinmetall Automotive sales FY 2019
*** 95g = 4.1l Gasoline or 3.6l Diesel, 2030 estimates based on Regulation (EU) 2019/631
Automotive Market trends

The growth drivers remain strong

**E³⁺**

- **Efficiency**
  - (CO₂ Reduction)
- **Emission**
  - (Reduction)
- **Electrification**
- **Outside powertrain**

The innovation pipeline is packed!
Efficiency

CO2 - reduction with Automotive products – gasoline engine vehicle

130 g CO2/km (2015) to 95 g CO2/km (2021)

-1 g CO2/km
-3 g CO2/km
-3 g CO2/km
-7 g CO2/km
-2 g CO2/km
-2 g CO2/km

Variable oil pump
Tribology system
Electr. control valve and variable coolant pump
Variable valve train
Electr. EGR system
Lightweight design parts

*Reference: 1.4L 4-cylinder. TC DI gasoline engine (115kW), approx. 138 g CO2/km in NEDC
Facing technological disruption
Rheinmetall needs to manage the transition
Electrification

Rheinmetall Automotive products

**ELECTRIFICATION**
Peripheral system and components

**CAR**
(HV) 400V^PLUS^  
50-125KW

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

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

**Life time order value of €1.3bn booked***

* Rheinmetall Automotive and Joint Ventures, incl. BEV and Hybrid
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**
- >€0.6bn
- €700m until 2026
- > €2.5bn
- >€1.5bn
- 2018
- 2019
- >4m vehicles

**Examples**
- Book to bill ratio:
  - 2015: 1.5x
  - 2016: 1.5x
  - 2017: 1.5x
  - 2018: 1.7x
  - 2019: 1.9x

- >50% of order intake for new business

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Micro Mobility
Starting with competitive product into a booming market

**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

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

Development cost of € ~30m until 2022

Start of Production

European e-Bike sales forecast [mUnits]

CAGR 2018-30: +10%
Diversification
Increasing portfolio for non-LV applications

- Trucks
- Large bore pistons
- Bearings & continuous casting
- Aftermarket

Diverse portfolio for truck applications
E.g. ship and locomotive pistons
Sanitary application
Global supply of spare parts
Trucks

Diverse portfolio for truck applications

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

MECHATRONICS
- Auxiliary coolant pumps
- Electrical coolant pumps
- Electrical oil pumps
- Coolant valves
- Variable valve Control
- Exhaust gas flaps
- Hydraulic valves
- Cylinder bore coating
- Main coolant valves
- High performance actuators
- EGR reed valves
- EGR cooler modules and mixer modules
- EGR dual poppet valves
- Permaglide bearings for truck compressors and truck hydraulics

Sales in €m
- 2015: 351
- 2016: 338
- 2017: 386
- 2018: 436
- 2019: 404

CAGR +4%

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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
Automotive China
Outperforming the market

- Partner of local big players SAIC and HASCO (50/50 joint ventures)
- 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
- Demand for Mechatronics products key driver

### Highlights

**Sales China**

<table>
<thead>
<tr>
<th>Year</th>
<th>WFOEs</th>
<th>JVs (100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>401</td>
<td>528</td>
</tr>
<tr>
<td>2013</td>
<td>528</td>
<td>681</td>
</tr>
<tr>
<td>2014</td>
<td>681</td>
<td>871</td>
</tr>
<tr>
<td>2015</td>
<td>871</td>
<td>934</td>
</tr>
<tr>
<td>2016</td>
<td>934</td>
<td>972</td>
</tr>
<tr>
<td>2017</td>
<td>972</td>
<td>1,003</td>
</tr>
<tr>
<td>2018</td>
<td>1,003</td>
<td>1,149</td>
</tr>
<tr>
<td>2019</td>
<td>1,149</td>
<td></td>
</tr>
</tbody>
</table>

**Sales China by division**

- CAGR +9%
- Mechatronics
- Hardparts
- Aftermarket

**EBIT China**

<table>
<thead>
<tr>
<th>Year</th>
<th>WFOEs</th>
<th>JVs (100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>30</td>
<td>37</td>
</tr>
<tr>
<td>2013</td>
<td>37</td>
<td>53</td>
</tr>
<tr>
<td>2014</td>
<td>53</td>
<td>53</td>
</tr>
<tr>
<td>2015</td>
<td>53</td>
<td>71</td>
</tr>
<tr>
<td>2016</td>
<td>71</td>
<td>76</td>
</tr>
<tr>
<td>2017</td>
<td>76</td>
<td>79</td>
</tr>
<tr>
<td>2018</td>
<td>79</td>
<td>76</td>
</tr>
<tr>
<td>2019</td>
<td>76</td>
<td></td>
</tr>
</tbody>
</table>
Defence – Managing the “super cycle”
Defence
Leading supplier with an increasing international presence

<table>
<thead>
<tr>
<th>Key Figures 2019</th>
<th>Sales by division*</th>
<th>Sales by region</th>
<th>Order backlog by region</th>
<th>Global set up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales: €3.5bn</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Op. result: €343m</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Op. margin: 9.8%</td>
<td>48% Weapon and Ammunition</td>
<td>13% Aus/NZ USMCA</td>
<td>27% RoW</td>
<td>9</td>
</tr>
<tr>
<td>Op. FCF: €266m</td>
<td>27% Electronic Solutions</td>
<td>23% Asia / Middle East</td>
<td>22% Germany</td>
<td>80</td>
</tr>
<tr>
<td>R&amp;D: €75m</td>
<td>25% Vehicle Systems</td>
<td>41% Europe</td>
<td>1% Aus/NZ</td>
<td>1</td>
</tr>
<tr>
<td>Capex: €166m</td>
<td>22% Electronic Solutions</td>
<td>3% USMCA</td>
<td>3% USMCA</td>
<td>5</td>
</tr>
<tr>
<td>Headcount: 12,100</td>
<td>43% Vehicle Systems</td>
<td>1% Asia / Middle East</td>
<td>10</td>
<td>5</td>
</tr>
</tbody>
</table>

*unconsolidated
Defence

Leading technology and market position

Sales driver
- Increasing demand for security
- Geostrategic power shifts
- Constantly changing conflict situations
- Rising defence/security budgets

Structure of Corporate Segments

**Vehicle Systems**
- Tactical Vehicles
- Logistic Vehicles

**Weapon and Ammunition**
- Weapon and Munition
- Protection Systems
- Propulsion Systems

**Electronic Solutions**
- Integrated Electronic Solutions
- Air Defence and Radar Systems
- Technical Publications

Key Competitor

**Vehicle Systems**
General Dynamics, BAE, KNDS, Scania, Iveco, Hanwha

**Weapon and Ammunition**
Nammo, Northrop Grumman, Plasan, Eurenco, GD, Kongsberg

**Electronic Solutions**
R&S, CAE, Saab, Thales, Rafael, Elbit Systems, Safran, Hensoldt

Differentiator

- Reputation as trustful and reliable company
- International footprint
- Broad product portfolio
- International presence
- System integrator
- Modular and open architecture
  - Weapon and sensor platforms
- Excellent engineering
  - Know-How & capabilities
Defence

Managing the super cycle

- 1990: Downscaling of forces and armament
- Inflection point
- 2014: Annexation of Crimea
- NATO 2% target commitment
- Return to treaty and territorial defence
- Upscaling of forces and modernization
- Increase of global defence budgets
- Demand for next generation systems

Declining budgets
Defence super cycle
Successful internationalization provides diverse sources of growth

Our home markets

**Germany**
- Largest customer
- Budget increase: Commitment to 1.5% in 2024
- 100% Equipment level
- More personnel

**Australia**
- Established “home market”
- Land 400 program as demand driver
- Ammunition framework contract

**United Kingdom**
- JV with BAE serves “home market”
- MIV and Challenger LEP program
- Ammunition framework contract

**Eastern Europe**
- Modernization to NATO standards
- VJTF participation
- IFV tender pipeline
Defence tender overview

High demand could lead to promising super cycle

**UK**
- MIV Boxer
- Challenger

**France**
- Trucks
- MGCS

**Germany**
- Trucks
- IDZ
- VJTF Puma
- Leopards
- Load Handling System
- Heavy transport helicopter

- 2. Puma lot
- 2. IDZ lot
- Boxer variants
- Ammunition
- Fox
- TEN (D-LBO)
- Indirect fire
- MGCS

**Eastern Europe**
- Lithuania: Boxer
- Poland: Leopard II
- Hungary: Leopard, Howitzer, IFV(wheeled/tracked)
- Czech Rep: IFV (wheeled/track)
- Slovakia: IFV
- Bulgaria: IFV (wheeled)
- Romania: IFV (wheeled)
- Slovenia: APC (wheeled)

**USA**
- Ammunition
- Fuzes
- OMFV

**International Customers**
- MENA
- South-East Asia
- Algeria

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

Green: booked business / black: potential

Corporate Presentation March 2020
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 White paper</td>
<td>VJTF’19</td>
<td>VJTF’23 (1 Brigade)</td>
<td>1x Division (3x Brigade)</td>
<td>3x Division (8x Brigade)</td>
<td>3x Division (10x Brigade)</td>
</tr>
<tr>
<td>04/2018 Concept Bundeswehr</td>
<td>~2,200 vehicles</td>
<td>~9,000 vehicles</td>
<td>~30,000 vehicles</td>
<td>100% equipment and digitization</td>
<td></td>
</tr>
<tr>
<td>09/2018 Capability profile</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
German defence budget
Investment expenses and Rheinmetall-share - budgets become sizeable

in €m

Expense increase based on 3 pillars:

- **More budget**, investment 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 investment spend
- **More personnel**, return to ~200.000 soldiers
- **More equipment** (100% equipment level)

NATO and VJTF commitments as strong drivers for budget increase

*based on BMWi GDP forecast Oct. 19; assumption 20% of German defence budget investive*
## German Defence
### Additional structural demand of German armed forces

<table>
<thead>
<tr>
<th>Vehicles</th>
<th>Fox</th>
<th>Boxer</th>
<th>Trucks</th>
<th>Puma</th>
<th>Leopard 2</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(&gt;500 vehicles)</td>
<td>(~150 vehicles)</td>
<td>(&gt;10,000 vehicles)</td>
<td>(~250 vehicles)</td>
<td>(&gt;200 vehicles)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Programs and ammunition</th>
<th>NNBS</th>
<th>TLVS/Next Gen. Patriot</th>
<th>DLBO TEN</th>
<th>Ammunition</th>
<th>Military Camps</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Short range air defence)</td>
<td>(Tactical air defence)</td>
<td>(former MoTaKo)</td>
<td>Long term doubling potential</td>
<td>Build, operate and rebuild</td>
</tr>
</tbody>
</table>
Australia

Successful establishment of a new “home market”

2013
TRUCKS
LAND 121 Phase 3B / 5B
1st & 2nd order
Delivery 2016-2024,
€2bn & 0.4bn

2017
JV Rheinmetall NIOA
Munition
51% Rheinmetall

2017
Supashock
49% Rheinmetall
„Brain-Trust“

2018
Land 17: 155mm Munition
Framework Contract:
EUR 60m p.a.
2018-2023

2018
BOXER
Land 400 Phase 2
Delivery 2019 - 2026
EUR 2.1bn
(SOP Australia 2021)

2020
MilVehCoE
Military Vehicle
Center of Excellence

2022/2023
LYNX
Land 400 Phase 3
2019 Down selected
Delivery exp. 2023-2032
EUR 5.6bn

Corporate Presentation March 2020
United Kingdom - Joint Venture with BAE
Creating a new “home market” and strengthening our position

**LEGACY BUSINESS**

- BAE UK business
- Armoured engineering vehicles and bridge-laying tanks
- AS 90 self-propelled artillery system
- Force protection components
- Services
  - 7,500 MAN vehicles under service

**EXPANSION OF PRODUCT PORTFOLIO**

**Future**

- Boxer Mechanized Infantry Vehicle (MIV)
  - 500 vehicles @ € 1.4bn
- Challenger 2 Life Extension Program
  - potential order size 148 MBT @ € 0.8-1.2bn
- Next generation of battle tanks
System house for land based operations
Integrating components to systems
Total life cycle potential
Platform sales are just the tip of the iceberg – success creates opportunities

1X SALES OF PLATFORM

2X LIFECYCLE SPENDINGS
Rheinmetall creates additional business opportunities over the entire life cycle of 50 years

- Ammunition
- Spare parts
- Service & Maintenance
- Training & Simulation
- Technical Documentation
- Upgrades (Life time extension)
FINANCIALS
FY 2019 Group: Highlights
Strong operating performance with high shareholder return

- **Order backlog**: €10.8bn (+20%)
- **Sales**: €6.3bn (+2%)
- **Operating result**: €505m (+3%)
- **EPS**: €7.77 (+9%)
- **Dividend proposal**: €2.40 (+14%)
- **Operating FCF**: €314m (>100%)
FY 2019 Highlights: Automotive
Strong cash flow generation under difficult market conditions

Sales

- Sales drop beyond market slow down especially in Diesel and unfavorable customer mix with additional impact of net negative ramp-ups

- Cost reduction measures limited further leverage driven result decline

- FY margin decreased 2.2%p to 6.7%

- Cash flow improved on working capital and diligent capex management
FY 2019 Highlights: Defence

Excellent performance of our Defence business

- Another year with order intake > €5bn
- Sales increased 9% to new record
- Result growth of €89m accelerated margin by almost 2%p to 9.8%
- Cash flow benefited from milestone payments
FY 2019 Group: EPS and dividend
Shareholders to benefit from increased dividend

- Earnings and dividend per share in €

- EPS increased notably due to improved results and minorities declining structurally on M&A by €0.71
- Underlying EPS growth of 14%
- Payout ratio around 31%
- Dividend increased for the 5th consecutive year
- Total payout mounts to just above €100m
FY 2019 Group: Highlights
Solid margin development

- **Sales** in €m
  - FY 2018: 6,148
  - FY 2019: 6,255
  - Growth: +1.7%

- **Operating result** in €m
  - FY 2018: 491
  - FY 2019: 512
  - Growth: +2.3%

- Margin in %
  - FY 2018: 8.0%
  - FY 2019: 8.2%

Group: Highlights
- Solid margin development
- Sales in €m
  - FY 2018: 6,148
  - FY 2019: 6,255
  - Growth: +1.7%
- Operating result in €m
  - FY 2018: 491
  - FY 2019: 512
  - Growth: +2.3%
- Margin in %
  - FY 2018: 8.0%
  - FY 2019: 8.2%
FY 2019 Group: Key financials

Sound balance sheet

- Equity increase was held back by OCI (lower pension discount factor) and last year’s M&A activities
- Investment grade Baa3 (stable) confirmed
- Net-debt remains on low level
- Solid credit KPIs
- Adequate liquidity available

![Equity and Equity ratio](chart)

<table>
<thead>
<tr>
<th>Year</th>
<th>Equity ratio</th>
<th>Total equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>27.3%</td>
<td>1,562 €m</td>
</tr>
<tr>
<td>2016</td>
<td>29.0%</td>
<td>1,781 €m</td>
</tr>
<tr>
<td>2017</td>
<td>30.7%</td>
<td>1,870 €m</td>
</tr>
<tr>
<td>2018</td>
<td>32.1%</td>
<td>2,173 €m</td>
</tr>
<tr>
<td>2019</td>
<td>30.6%</td>
<td>2,272 €m</td>
</tr>
</tbody>
</table>

![Net financial debt and Net debt/EBITDA](chart)

<table>
<thead>
<tr>
<th>Year</th>
<th>Net debt/EBITDA</th>
<th>Net debt to EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>-81</td>
<td>0.17x</td>
</tr>
<tr>
<td>2016</td>
<td>19</td>
<td>0.04x</td>
</tr>
<tr>
<td>2017</td>
<td>230</td>
<td>0.07x</td>
</tr>
<tr>
<td>2018</td>
<td>-30</td>
<td>-0.01x</td>
</tr>
<tr>
<td>2019</td>
<td>-52</td>
<td>-0.01x</td>
</tr>
</tbody>
</table>
FY 2019 Group: OFCF

Considerable working capital improvement as main driver

- Operating free cash flow per quarter in €m
- Typical seasonal pattern of cash flow
- Absence of unscheduled D&A (PY €42m)
- Pension driven by lower CTA funding
- Working capital improved strongly on milestone payments
- Higher tax payments
FY 2019: Capex
Segmental growth path reflected in different capex development

- **Automotive with diligent capex approach**
  in €m and in (% of sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditure</th>
<th>Capitalized Development Costs</th>
<th>IFRS 16 Non-Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>161</td>
<td>12</td>
<td>6</td>
</tr>
<tr>
<td>2019</td>
<td>143</td>
<td>11</td>
<td>17</td>
</tr>
</tbody>
</table>

- **Defence preparing for growth**
  in €m and in (% of sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>Capital Expenditure</th>
<th>Capitalized Development Costs</th>
<th>IFRS 16 Non-Cash</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>166</td>
<td>4</td>
<td>15</td>
</tr>
<tr>
<td>2019</td>
<td>89</td>
<td>83</td>
<td>17</td>
</tr>
</tbody>
</table>
FY 2019: R&D

Innovation remains key in both segments

**Automotive**
- in €m and in (% of sales)

<table>
<thead>
<tr>
<th>Year</th>
<th>Customer-financed R&amp;D</th>
<th>Capitalized development costs</th>
<th>Self-financed R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>145 (4.9%)</td>
<td>12 (0.6%)</td>
<td>36 (2.3%)</td>
</tr>
<tr>
<td>2019</td>
<td>154 (5.6%)</td>
<td>17 (0.7%)</td>
<td>39 (2.6%)</td>
</tr>
</tbody>
</table>

**Defence**
- in €m and in (% of sales)

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<tr>
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<th>Capitalized development costs</th>
<th>Self-financed R&amp;D</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>143 (4.4%)</td>
<td>4 (0.1%)</td>
<td>68 (2.2%)</td>
</tr>
<tr>
<td>2019</td>
<td>145 (4.1%)</td>
<td>23 (0.9%)</td>
<td>75 (2.3%)</td>
</tr>
</tbody>
</table>

Customer-financed R&D  
Capitalized development costs  
Self-financed R&D
Automotive: Q4 2019 Highlights

Strong cash generation in a slow sales quarter with burdening one-offs

- Sharp sales decline of -12.9% (FX-adjusted -13.2%) significantly higher than global LV production decrease of -4.2%* aggravated by negative ramp effects, the drop in truck markets and GM strike; Diesel on new low
- Roughly €10m burden in Q4 result (GM, malware, CZ quality issues)
- OFCF doubled on efficient working capital management and diligent capex spending

Quarterly sales and margin development

<table>
<thead>
<tr>
<th></th>
<th>Q4 2018</th>
<th>Q4 2019</th>
<th>∆</th>
<th>FY 2018</th>
<th>FY2019</th>
<th>∆</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>731</td>
<td>637</td>
<td>-12.9%</td>
<td>2.930</td>
<td>2.736</td>
<td>-6.6%</td>
</tr>
<tr>
<td>Operating result</td>
<td>69</td>
<td>40</td>
<td>-42.0%</td>
<td>262</td>
<td>184</td>
<td>-29.8%</td>
</tr>
<tr>
<td>Operating margin in %</td>
<td>9.5%</td>
<td>6.2%</td>
<td>-330 bp</td>
<td>8.9%</td>
<td>6.7%</td>
<td>-220 bp</td>
</tr>
<tr>
<td>Operating Free Cash Flow</td>
<td>42</td>
<td>81</td>
<td>92.9%</td>
<td>26</td>
<td>73</td>
<td>180.8%</td>
</tr>
<tr>
<td>Operating FCF / Sales</td>
<td>5.8%</td>
<td>12.8%</td>
<td>700 bp</td>
<td>0.9%</td>
<td>2.7%</td>
<td>180 bp</td>
</tr>
</tbody>
</table>

*IHS Markit: March 2020
Automotive: Q4 2019 Highlights
Negative leverage intensified by special effects

Sales Automotive in €m
- Q4 2018: 731
- Q4 2019: 637
- Sales: 431
- Operating result: 233

Operating result Automotive in €m
- Q4 2018: 69
- Q4 2019: 40
- Margin Q4 2018: 9.5%
- Margin Q4 2019: 6.2%

Mechatronics
- Weak Truck and Diesel demand in combination with ramp down effects
- Negative leverage

Hardparts
- Small bore pistons declined on weak markets and GM strike
- Bearings hit by soft endmarkets
- Negative leverage and special burden

Aftermarket
- Solid markets and robust margin improvement
Q4 2019 Highlights: Automotive
Decline in all business areas except Aftermarket

Sales split LV/ Non-LV in €m / in %
- LV: 66%
- LV: 65%

Sales split Non-LV in €m / in %

Delta
<table>
<thead>
<tr>
<th>Sales split Non-LV in €m / in %</th>
<th>absolute</th>
<th>Delta in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diesel</td>
<td>-24</td>
<td>-14.7%</td>
</tr>
<tr>
<td>Gazoline</td>
<td>-21</td>
<td>-7.7%</td>
</tr>
<tr>
<td>other LV</td>
<td>-10</td>
<td>-20.8%</td>
</tr>
<tr>
<td>LV Business</td>
<td>-55</td>
<td>-11.2%</td>
</tr>
<tr>
<td>Truck</td>
<td>-34</td>
<td>-29.6%</td>
</tr>
<tr>
<td>Large Bore</td>
<td>-3</td>
<td>-15.2%</td>
</tr>
<tr>
<td>other</td>
<td>-5</td>
<td>-16.7%</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>+5</td>
<td>+5.7%</td>
</tr>
<tr>
<td>Non-LV Business</td>
<td>-38</td>
<td>-14.9%</td>
</tr>
</tbody>
</table>
Automotive: FY 2019
Diesel decline had the biggest single impact on sales

- **EU registrations by fuel type**
  - in % of total registrations
  - **2018**
    - Diesel: 35.9%
    - Gasoline: 56.6%
  - **2019**
    - Diesel: 30.5%
    - Gasoline: 58.9%

  ▪ Diesel registrations declined by -5.4% yoy

- **Sales by fuel type**
  - in €m
  - **2018**
    - Diesel: 2,930
    - Gasoline: 1,580
  - **2019**
    - Diesel: 2,735
    - Gasoline: 1,513

  ▪ Diesel sales fell by -6.7% yoy

Source: ACEA.be

Corporate Presentation March 2020
Automotive: Q4 2019 China performance

Strong finish to the year

- Sales in €m
  - +33.1% increase
  - Q4 ’18: 248
  - Q4 ’19: 330
  - Q4 ’18 op.: 211
  - Q4 ’19: 288

- EBIT in €m
  - +13.0% increase
  - Q4 ’18: 23
  - Q4 ’19: 26

Comments on the quarter

- Strong operational performance supported by FX and favorable M&A effect vs. market growth of 3.2% (IHS Markit 4 March 2020)
- Successful ramp-ups of pump business and strong sales for casting incl. non-automotive products
- EBIT development held back by startup cost

Including 100% figures of 50/50 JV, consolidated at equity
Defence: Q4 2019 Highlights
Best closing quarter in history

Order intake jumped to ~€3bn with large share for 2020
Sales increase of 5.5% on an already strong Q4 ’18
WA and VS were the driver behind the margin expansion of 160bp to 15.8%
Working capital improved due to milestone payments lifting cash to sales ratio to ~45%

Quarterly sales and margin development

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Q4 18</th>
<th>Q4 19</th>
<th>∆</th>
<th>FY 18</th>
<th>FY 19</th>
<th>Δ</th>
</tr>
</thead>
<tbody>
<tr>
<td>Order intake</td>
<td>1.094</td>
<td>2.985</td>
<td>172.9%</td>
<td>5.565</td>
<td>5.186</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Sales</td>
<td>1.255</td>
<td>1.324</td>
<td>5.5%</td>
<td>3.221</td>
<td>3.522</td>
<td>9.4%</td>
</tr>
<tr>
<td>Operating result</td>
<td>179</td>
<td>210</td>
<td>17.3%</td>
<td>254</td>
<td>343</td>
<td>35.0%</td>
</tr>
<tr>
<td>Operating margin in %</td>
<td>14.2%</td>
<td>15.8%</td>
<td>160 bp</td>
<td>7.9%</td>
<td>9.8%</td>
<td>190 bp</td>
</tr>
<tr>
<td>Operating Free Cash Flow</td>
<td>479</td>
<td>595</td>
<td>24.2%</td>
<td>-29</td>
<td>266</td>
<td>&gt;100%</td>
</tr>
<tr>
<td>Operating FCF / Sales</td>
<td>38.2%</td>
<td>44.9%</td>
<td>680 bp</td>
<td>-0.9%</td>
<td>7.6%</td>
<td>850 bp</td>
</tr>
</tbody>
</table>
Q4 2019 Highlights: Defence
Closing quarter with notable outperformance

Sales Defence in €m

- Weapon & Ammunition
- Vehicle Systems
- Electronic Solutions
- Consolidation

Operating result Defence in €m

- Margin Q4 2018
- Margin Q4 2019

- Weapon & Ammunition
  - Sales held back by export restrictions
  - Excellent order execution

- Electronic Systems
  - Solid growth
  - Unfavorable product mix effects

- Vehicle Systems
  - Strong growth of higher margin tactical vehicles

Corporate Presentation March 2020
Regional overview FY 2019
Success in “home markets” is key driver

- Order intake by region in %
  - FY 2018: 5,565
  - FY 2019: 5,186
  - Order backlog by region in %
  - FY 2018: 8,577
  - FY 2019: 10,399
  - Sales by region in %
  - FY 2018:
    - Australia / NZ: 52%
    - Europe (w/o G): 47%
    - Row: 9%
    - North America: 36%
    - Asia / ME: 3%
    - Germany: 20%
  - FY 2019:
    - Australia / NZ: 52%
    - Europe (w/o G): 47%
    - Row: 9%
    - North America: 36%
    - Asia / ME: 3%
    - Germany: 20%

- FY 2018:
  - Order intake by region: 3,221
  - Sales by region:
    - Australia / NZ: 26%
    - Europe (w/o G): 15%
    - Row: 19%
    - North America: 19%
    - Asia / ME: 3%
    - Germany: 35%
  - Sales by region:
    - Australia / NZ: 26%
    - Europe (w/o G): 15%
    - Row: 19%
    - North America: 19%
    - Asia / ME: 3%
    - Germany: 35%

- FY 2019:
  - Order intake by region: 3,522
  - Sales by region:
    - Australia / NZ: 23%
    - Europe (w/o G): 13%
    - Row: 20%
    - North America: 20%
    - Asia / ME: 13%
    - Germany: 41%
  - Sales by region:
    - Australia / NZ: 23%
    - Europe (w/o G): 13%
    - Row: 20%
    - North America: 20%
    - Asia / ME: 13%
    - Germany: 41%

- FY 2018:
  - Sales by region:
    - Australia / NZ: 52%
    - Europe (w/o G): 47%
    - Row: 9%
    - North America: 36%
    - Asia / ME: 3%
    - Germany: 20%
  - Sales by region:
    - Australia / NZ: 52%
    - Europe (w/o G): 47%
    - Row: 9%
    - North America: 36%
    - Asia / ME: 3%
    - Germany: 20%
Q4 2019: Defence

Strong Q4 order intake with high share for 2020

**Order intake by division in €m**

- **Weapon and Ammunition**
  - Q4 2018: 1,094
  - Q4 2019: 344

- **Electronic Solutions**
  - Q4 2018: 485
  - Q4 2019: 418

- **Vehicle Systems**
  - Q4 2018: 474
  - Q4 2019: 2,276

- **Consolidation**
  - Q4 2018: 580
  - Q4 2019: -53

**Order backlog profile in €m per 31/12/2019**

- **Weapon and Ammunition**
  - 2018: 8,577
  - 2019: 10,399
  - Change: +21%

- **Electronic Solutions**
  - 2018: 2,122
  - 2019: 2,188
  - Change: +21%

- **Vehicle Systems**
  - 2018: 5,030
  - 2019: 6,722
  - Change: +34%

- **Consolidation**
  - 2018: -692
  - 2019: -819
  - Change: +21%

**Corporate Presentation March 2020**
Corona update (1)

Early adoption of preventive measures to contain the situation

Growing catalogue of preventive measures

- Installation of global corona action team at each site
- Daily updates on corona situation from all 6 divisions
- Increased level of disinfection and hygienic measures
- Initial travel restrictions to risk regions expanded to global foreign travel ban
- Switch to virtual meetings internally and externally with supplier and customer
- Cancellation of internal events until further notice
- 100% functionality with 50% presence (e.g. mobile office, shift models)
- Action teams analyze the supply chain and identify remedies
- Intense dialog across the supply chain
Corona update (2)

Situation very dynamic, first priority to protect employees and supply chains

Virus containment measures proven effective
- China production restarted, current activity level >60%, but no reported incidents
- Germany with five incidents, but no production impact
- Italy with one incident, fully operational
- Several employees in preventive quarantine (e.g. holiday returns)

Supply chains still stable
- Critical parts and suppliers under evaluation
- Alternative sourcing and logistics in process
- As of today no supply shortage and no delivery impact reported
- Plant closure announcement of European OEM under assessment

Automotive
Q1 impact from China expected
Europe and US business until today not affected

Defence is 100% operational
Further growth in Q1 expected

Corporate Presentation March 2020
2020 Guidance
Guidance without Corona effect

<table>
<thead>
<tr>
<th></th>
<th>Sales 2019 in €bn</th>
<th>Sales 2019 Operational growth yoy in % at constant FX</th>
<th>Sales 2020e Operational growth yoy in % at constant FX</th>
<th>Operating margin 2019 in %</th>
<th>Operating margin 2020e in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>GROUP</td>
<td>6.3</td>
<td>0.5</td>
<td>1 – 3</td>
<td>8.1</td>
<td>around 7</td>
</tr>
<tr>
<td>AUTOMOTIVE</td>
<td>2.7</td>
<td>-7.4</td>
<td>-2 to -3</td>
<td>6.7</td>
<td>around 5</td>
</tr>
<tr>
<td>DEFENCE</td>
<td>3.5</td>
<td>7.6</td>
<td>5 – 7</td>
<td>9.8</td>
<td>9 – 10</td>
</tr>
</tbody>
</table>

FY guidance will be updated earliest with Q1 earnings release
Appendix
Sustainability
Path to climate neutrality already started

- 2014: Global compliance organisation
- 2009: Statement on cluster munition and anti-personnel landmines
- 2015: First non financial data
- 2017: First CSR ratings selection
  - MSCI: BBB
  - ISS-oekom: D
  - Sustainalytics: 51
- 2018: Statement on white phosphorous ammunition
- 2017: GRI-Report
- 2021: Reporting analogous to UN Global Compact
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- 2020: Triple Bottom Line
- 2020: GRI-Report
- 2022: Reporting analogous to UN Global Compact
- 2023: CDP
- 2023: TCFD (Task Force on Climate-related Financial Disclosures)
- 2022: Report on contribution to Sustainable Development Goals
- 2020 - 2040: Milestone plan re CO₂ neutrality
  - 3 years increments
- 2021: Updated CSR ratings selection
  - MSCI: AA
  - ISS-oekom: D+
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- 2018: Updated CSR ratings selection
  - MSCI: BB
  - ISS-oekom: D
  - Sustainalytics: 51
- 2017: First CSR ratings selection
  - MSCI: BBB
  - ISS-oekom: D
  - Sustainalytics: 51
- 2014: Global compliance organisation
- 2009: Statement on cluster munition and anti-personnel landmines
- 2015: First non financial data
- 2017: First CSR ratings selection
  - MSCI: BBB
  - ISS-oekom: D
  - Sustainalytics: 51
- 2018: Statement on white phosphorous ammunition
- 2017: GRI-Report
- 2021: Reporting analogous to UN Global Compact
- 2020: First CSR ratings selection
  - MSCI: BB
  - ISS-oekom: D
  - Sustainalytics: 51
- 2020: Triple Bottom Line
- 2020: GRI-Report
- 2022: Reporting analogous to UN Global Compact
- 2023: CDP
- 2023: TCFD (Task Force on Climate-related Financial Disclosures)
- 2022: Report on contribution to Sustainable Development Goals
- 2020 - 2040: Milestone plan re CO₂ neutrality
  - 3 years increments
- 2021: Updated CSR ratings selection
  - MSCI: AA
  - ISS-oekom: D+
  - Sustainalytics: 60
- 2019: Updated CSR ratings selection
  - MSCI: AA
  - ISS-oekom: D+
  - Sustainalytics: 60
- 2018: Updated CSR ratings selection
  - MSCI: BB
  - ISS-oekom: D
  - Sustainalytics: 51
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  - MSCI: BBB
  - ISS-oekom: D
  - Sustainalytics: 51
## Sustainability

**ESG @Rheinmetall**

### E - Environmental

Automotive Product portfolio actively reduces CO² emission
Reduction energy intensity (MWh/EUR m revenue) 2015: 229,4 | 2019: 157,2
Reduction THG intensity (tCO₂/EUR m revenue) 2015: 101,2 | 2019: 65,7
Revenue coverage ISO 14001 72,4 %
Revenue coverage ISO 50001 84,4 %
Environmental issues | Part of Business Partner Check

### S - Social

Transparency in the Supply Chain | Suppliers EU-registered: PM: ~ 60 % and NPM: ~ 56 %
Human Rights | In-house DD 2019 as per DIHR | Part of Business Partner Check since 2019
Health & Safety | ISO 45001 | 14 companies certified
Diversity | Goals 2020-2025 | Women in management development programs
Corporate Citizenship | Sponsoring 2019: EUR 876k | Donations 2019: EUR 486k

### G - Governance

Compliance Management System - IDW PS 980 approved | Extensive training
Data Privacy | Set-up of network infrastructure as part of CMS
Strict regime | 2019: 33,529 entries in War Weapons Book | 104 export licenses german weapons of war control act (KWKG) | 752 export licenses Foreign Trade and Payments Ordinance (AWG)
Product responsibility Reporting | Contribution to SDGs & GRI Reporting | Annually from 2020 onwards
CSR Ratings | 10 agencies

---

Corporate Presentation March 2020
### 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></td>
</tr>
<tr>
<td>Fringe benefits:</td>
<td></td>
</tr>
<tr>
<td>• Pension insurance (or comparable)</td>
<td></td>
</tr>
<tr>
<td>• Company car</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual target salary (100%)</th>
<th></th>
</tr>
</thead>
</table>

#### Fixum (60%)
- Twelve equal portions of monthly payments
- Fringe benefits:
  - Pension insurance (or comparable)
  - Company car

#### Performance-related variable remuneration (40%)
- Short term incentive
  - **KPI:** EBT, ROCE (each 50%)
  - **Reference:** Budget
  - **Range:** 0 - 200%
  - **Escalators:** 0% - <70% - < 110%
  - **Payout:** cash

- Long-term incentive
  - **KPI:** Average adjusted EBT of the last three years (EBT capped at €300m)
  - **Payout:** In shares and cash* with 4 year lock-up period

*for related tax payments
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
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 2020

<table>
<thead>
<tr>
<th>Rheinmetall Group</th>
<th>In % (PY)</th>
<th>Automotive</th>
<th>Defence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Holding cost</td>
<td>€20-25</td>
<td>Around 5.5% (5.5%)</td>
<td>Around 5% (4.7%)</td>
</tr>
<tr>
<td>(PY: €25m)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tax rate</td>
<td>Comparable level (PY: 26%)</td>
<td>5.5-6.0% (5.9%)</td>
<td>3-3.5% (3.1%)</td>
</tr>
<tr>
<td>Interest result</td>
<td>~-€45m (PY:-€35m)</td>
<td>Around 6% (5.9%)</td>
<td>2-2.5% (2.0%)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Group 2015 – 2019: Key figures (as reported)

<table>
<thead>
<tr>
<th>in €m</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</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>5.730</td>
<td>6.150</td>
<td>6.101</td>
<td>6.759</td>
<td>7.415</td>
</tr>
<tr>
<td>Shareholder's equity</td>
<td>1.562</td>
<td>1.781</td>
<td>1.870</td>
<td>2.173</td>
<td>2.272</td>
</tr>
<tr>
<td>Equity ratio (in %)</td>
<td>27.3</td>
<td>29.0</td>
<td>30.7</td>
<td>32.1</td>
<td>30.6</td>
</tr>
<tr>
<td>Pension liabilities</td>
<td>1.128</td>
<td>1.186</td>
<td>1.080</td>
<td>972</td>
<td>1.169</td>
</tr>
<tr>
<td>Net financial debt</td>
<td>-81</td>
<td>19</td>
<td>230</td>
<td>-30</td>
<td>-52</td>
</tr>
<tr>
<td>Net financial debt / EBITDA</td>
<td>0.17</td>
<td>-0.03</td>
<td>-0.37</td>
<td>0.04</td>
<td>0.07</td>
</tr>
<tr>
<td>Net gearing (in %)</td>
<td>5.2</td>
<td>-1.1</td>
<td>-12.3</td>
<td>1.4</td>
<td>2.3</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>5.183</td>
<td>5.602</td>
<td>5.896</td>
<td>6.148</td>
<td>6.255</td>
</tr>
<tr>
<td>Operating result</td>
<td>287</td>
<td>353</td>
<td>400</td>
<td>491</td>
<td>505</td>
</tr>
<tr>
<td>Operating margin (in %)</td>
<td>5.5</td>
<td>6.3</td>
<td>6.8</td>
<td>8.0</td>
<td>8.1</td>
</tr>
<tr>
<td>EBITDA</td>
<td>490</td>
<td>581</td>
<td>626</td>
<td>836</td>
<td>792</td>
</tr>
<tr>
<td>EBIT</td>
<td>287</td>
<td>353</td>
<td>385</td>
<td>518</td>
<td>512</td>
</tr>
<tr>
<td>EBIT margin (in %)</td>
<td>5.5</td>
<td>6.3</td>
<td>6.5</td>
<td>8.4</td>
<td>8.2</td>
</tr>
<tr>
<td>EBT</td>
<td>221</td>
<td>299</td>
<td>346</td>
<td>485</td>
<td>477</td>
</tr>
<tr>
<td>Net income</td>
<td>160</td>
<td>215</td>
<td>252</td>
<td>354</td>
<td>354</td>
</tr>
<tr>
<td>Earnings per share (in EUR)</td>
<td>3.88</td>
<td>4.69</td>
<td>5.24</td>
<td>7.10</td>
<td>7.77</td>
</tr>
<tr>
<td>Dividend per share (in EUR)</td>
<td>1.10</td>
<td>1.45</td>
<td>1.70</td>
<td>2.10</td>
<td>2.40</td>
</tr>
<tr>
<td>ROCE (in %)</td>
<td>10.6</td>
<td>12.3</td>
<td>13.8</td>
<td>17.1</td>
<td>15.4</td>
</tr>
<tr>
<td><strong>CF statement</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Free cashflow from operations</td>
<td>29</td>
<td>161</td>
<td>276</td>
<td>-35</td>
<td>314</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>20676</td>
<td>20993</td>
<td>21610</td>
<td>22899</td>
<td>23780</td>
</tr>
</tbody>
</table>
## Segments 2015 – 2019 Key figures

<table>
<thead>
<tr>
<th>Year</th>
<th>Automotive</th>
<th>Defence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>2.621</td>
<td>2.670</td>
</tr>
<tr>
<td>Order intake</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Order backlog (Dec. 31)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating result</td>
<td>216</td>
<td>223</td>
</tr>
<tr>
<td>Operating margin (in %)</td>
<td>8,3%</td>
<td>8,4%</td>
</tr>
<tr>
<td>EBITDA</td>
<td>335</td>
<td>356</td>
</tr>
<tr>
<td>EBIT</td>
<td>216</td>
<td>223</td>
</tr>
<tr>
<td>EBIT margin (in %)</td>
<td>8,3%</td>
<td>8,4%</td>
</tr>
<tr>
<td>Capex</td>
<td>167</td>
<td>149</td>
</tr>
<tr>
<td>OFCF</td>
<td>96</td>
<td>105</td>
</tr>
<tr>
<td>Employees (Dec. 31) according to capacity</td>
<td>10,934</td>
<td>10,820</td>
</tr>
<tr>
<td>Mechatronics</td>
<td>1,450</td>
<td>1,499</td>
</tr>
<tr>
<td>Sales</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating Result</td>
<td>8,1%</td>
<td>9,3%</td>
</tr>
<tr>
<td>Margin</td>
<td>952</td>
<td>921</td>
</tr>
<tr>
<td>Hardparts</td>
<td>73</td>
<td>62</td>
</tr>
<tr>
<td>Operating Result</td>
<td>7,7%</td>
<td>6,7%</td>
</tr>
<tr>
<td>Margin</td>
<td>285</td>
<td>319</td>
</tr>
<tr>
<td>Aftermarket</td>
<td>27</td>
<td>29</td>
</tr>
<tr>
<td>Operating Result</td>
<td>9,5%</td>
<td>9,1%</td>
</tr>
</tbody>
</table>
Continuing ROCE improvement

<table>
<thead>
<tr>
<th>Year</th>
<th>Group</th>
<th>Defence</th>
<th>Automotive</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>4.7%</td>
<td>0.3%</td>
<td>10.7%</td>
</tr>
<tr>
<td>2014</td>
<td>-4.6%</td>
<td>3.9%</td>
<td>16.7%</td>
</tr>
<tr>
<td>2015</td>
<td>6.1%</td>
<td>10.6%</td>
<td>19.0%</td>
</tr>
<tr>
<td>2016</td>
<td>12.3%</td>
<td>9.8%</td>
<td>18.8%</td>
</tr>
<tr>
<td>2017</td>
<td>.13,4%</td>
<td>11.8%</td>
<td>18.7%</td>
</tr>
<tr>
<td>2018</td>
<td>17.1%</td>
<td>15.9%</td>
<td>20.2%</td>
</tr>
<tr>
<td>2019</td>
<td>15,4%</td>
<td>13,1%</td>
<td>19,6%</td>
</tr>
</tbody>
</table>

11.0% Group

- ROCE in %
Next events and IR contacts

Next Events

- Bank of America, Global Industrials Conference
  - 19 March 2020
- Bankhaus Metzler, Frankfurt
  - 31 March 2020
- Roadshow Zurich
  - 02 April 2020

- Q1 2020 Earnings call
  - 30 April 2020
- Annual Stockholder’s Meeting Rheinmetall AG
  - 05 May 2020
- H1 2020 Earnings call
  - 30 July 2020
- Q3 2020 Earnings call
  - 04 November 2020

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All investor meetings will be conducted as telephone conferences.

Quick link to documents

Corporate Presentation
Interim Reports
Annual Reports
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