



Rheinmetall Group Corporate Presentation

September 2019



RHEINMETALL GROUP STRUCTURE.

Group performance indicator

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

RHEINMETALL GROUP

Strategy roadmap

Organic growth	International expansion
Leading by innovations	Targeted acquisitions

AUTOMOTIVE *Our heart beats for your engine*

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

2018

Sales
Oper. Result
Order backlog
Headcount**

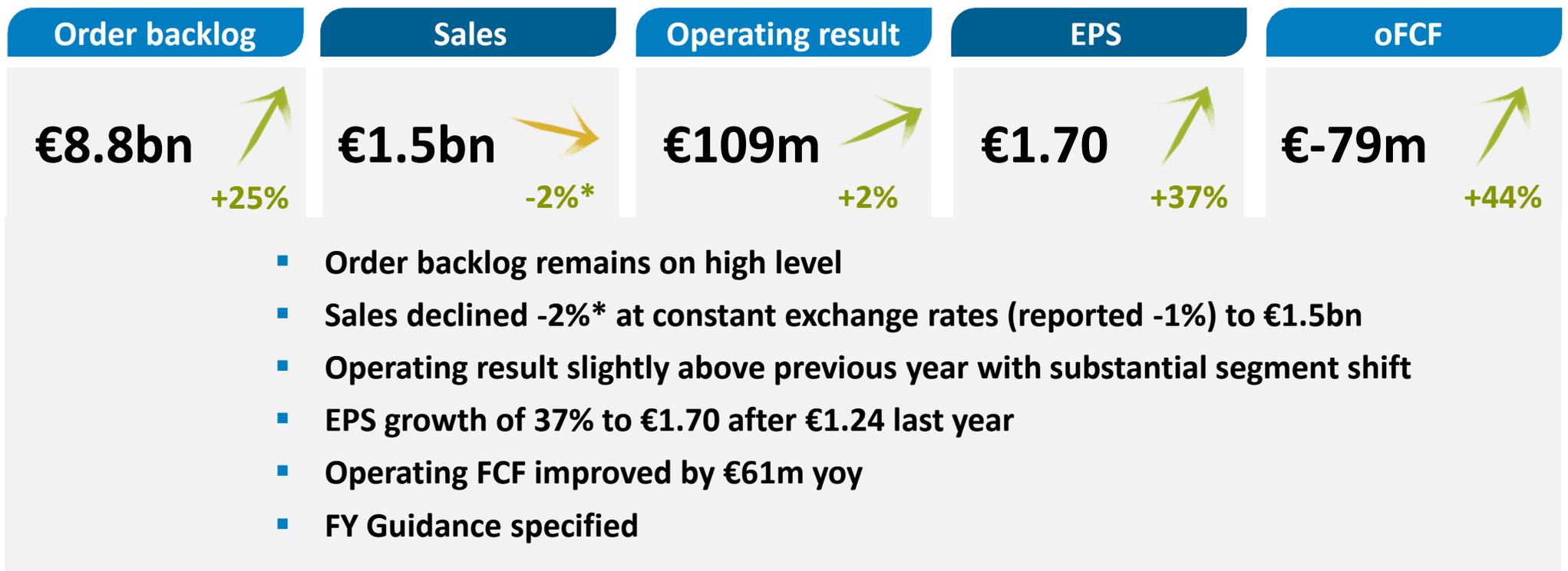
DEFENCE *Force protection is our mission*

52%	€3,221m	Op. margin
47%	€247m	7.9%
	€8,577m	
49%	10,948	

* Short-term; **Headcount at capacities;

Q2 2019 Group commercial highlights

Performance in line with expectations



Q2 2019 Group commercial highlights

Rheinmetall successful in Q2 with awards and important orders

Pierburg China awarded
“High Unit Productivity Enterprise”
by Kunshan government



Pierburg scoring again in China
Major order from renowned
truck manufacturer



Rheinmetall Automotive
books first UpValve order
Variable valve train going
into series production in China



Foundation stone laid for major ammunition contract –
Rheinmetall to serve as the Dutch armed
forces’ chief supplier for another decade
Partnership agreement with DMO
procurement authority extended to 2030



Rheinmetall books order for second lot of trucks
Bundeswehr to buy 252
unprotected transport vehicles
under framework contract



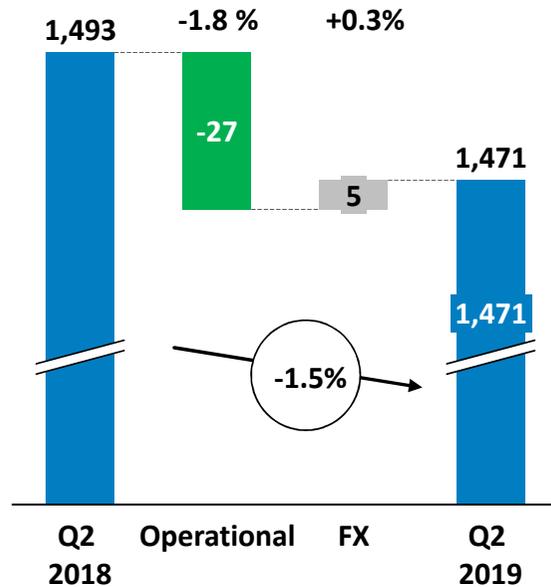
Major Bundeswehr order
Rheinmetall to supply German military
with tens of thousands of artillery shells



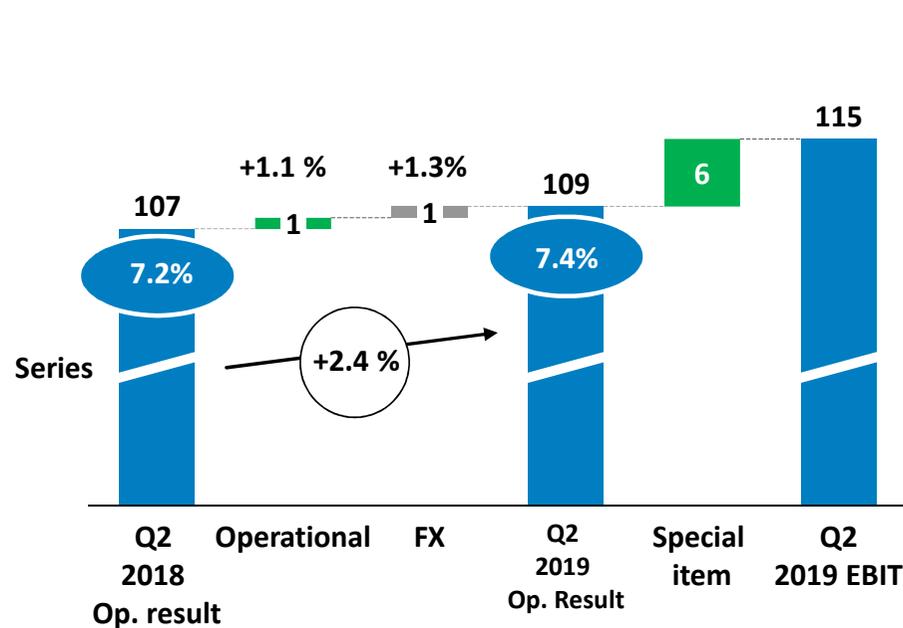
Q2 2019 Group commercial highlights

Solid earnings performance in the second quarter

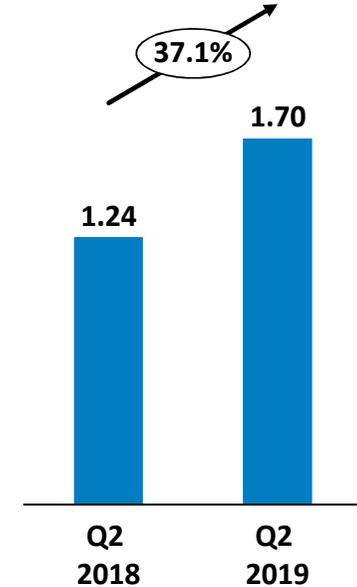
Sales
in €m



Operating result in €m
Operating margin in %



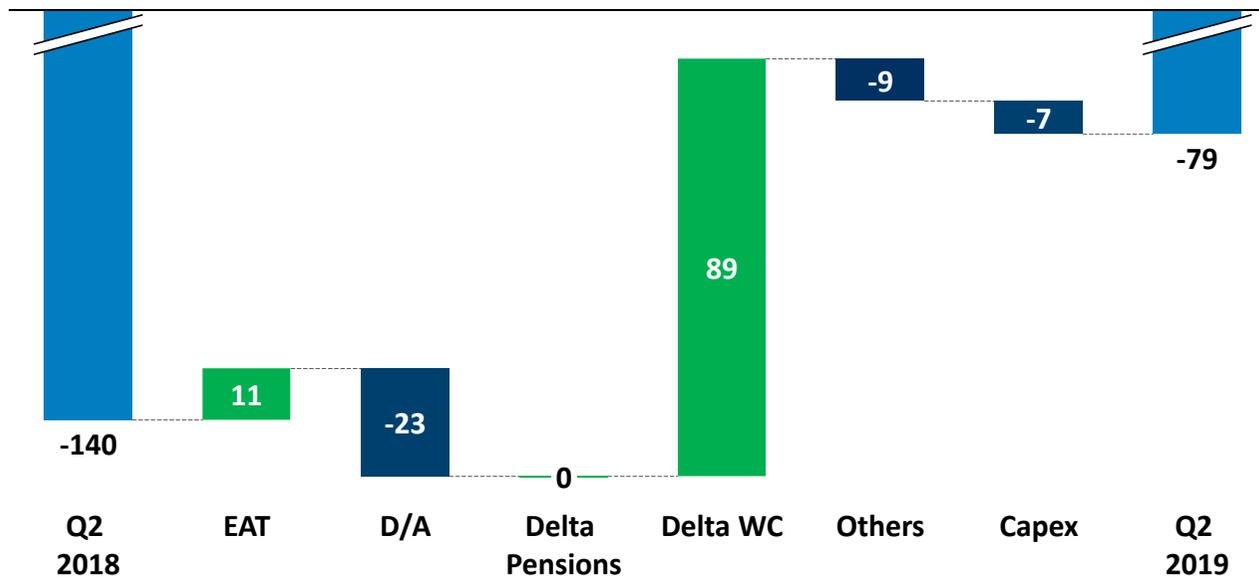
Earnings per share
in €



Q2 2019 Group commercial highlights

Operating Free Cash Flow driven by working capital improvements

■ Operating free cash flow bridge
in €m

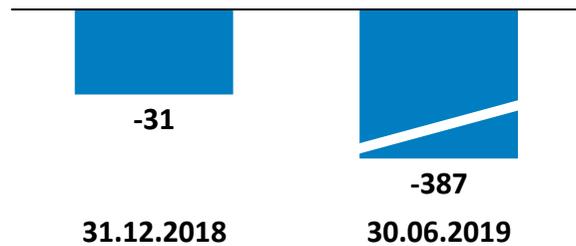


- Improved earnings
- Q2 2018 included non-scheduled write-down of €24m
- Working capital optimization was the major driver for OFCF improvements in both segments

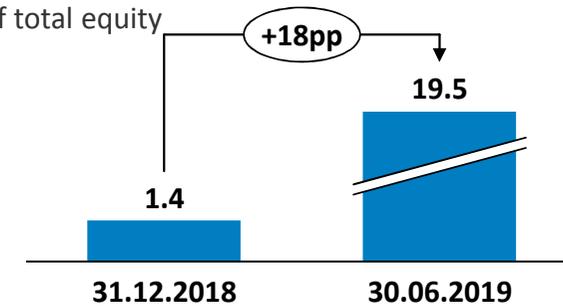
Q2 2019 Group commercial highlights

Reduced equity ratio mainly related to M&A transaction

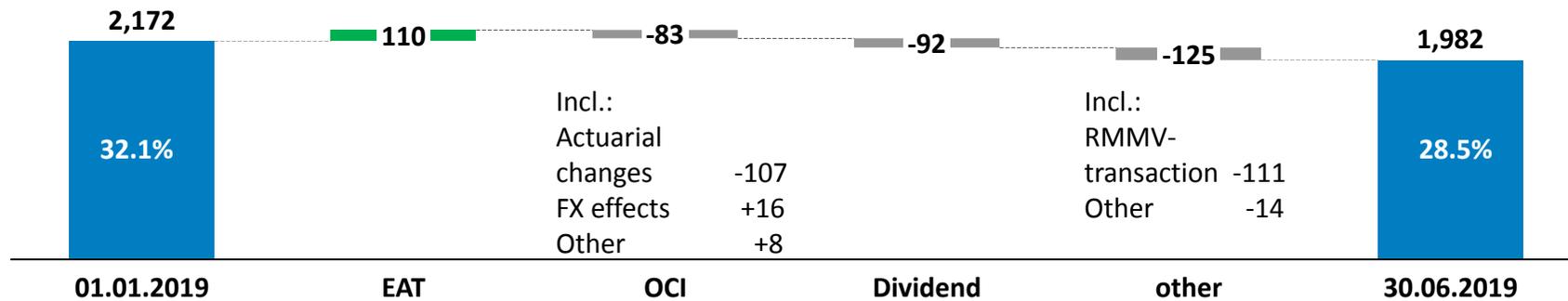
■ Net financial debt in €m



■ Net gearing Net debt in % of total equity



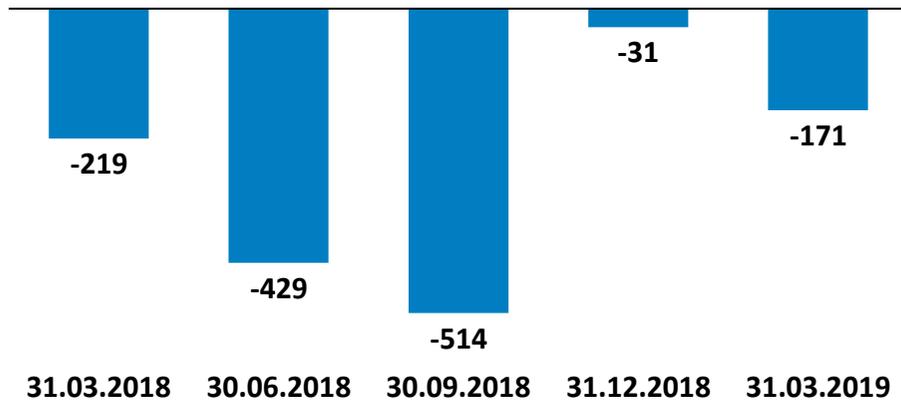
■ Equity bridge in €m and equity margin in %



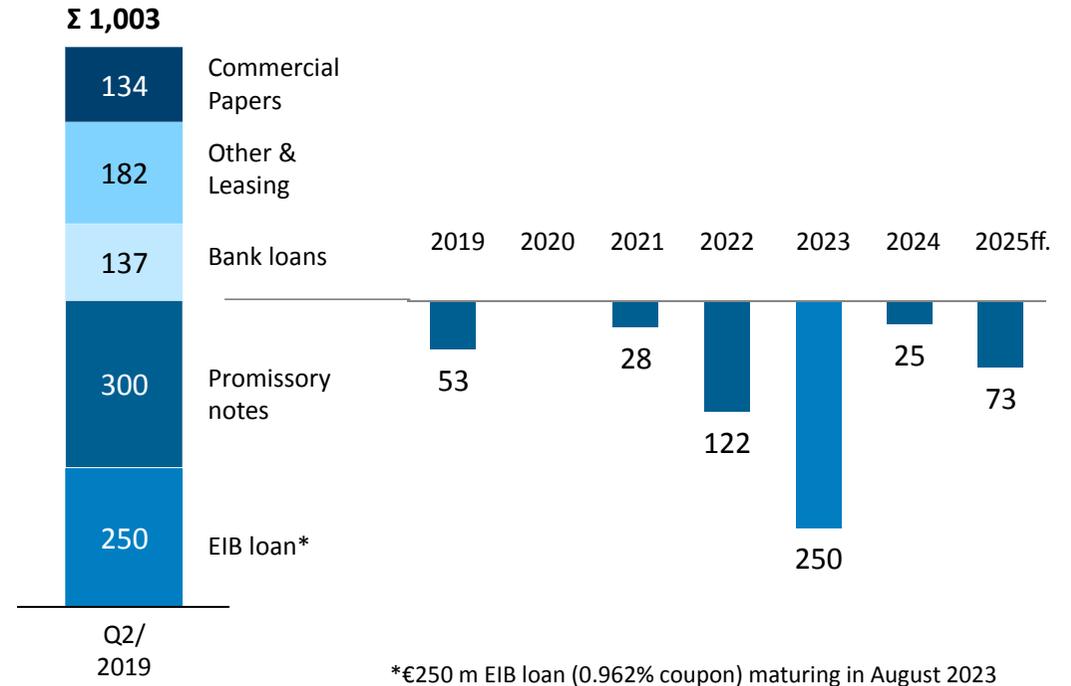
Q2 2019 Group commercial highlights

Typical seasonal increase of net debt

Net financial debt
in €m at quarter-end



Debt composition and maturity profile
in €m



Updated view on H2

Global LV market

- No market recovery expected
- IHS revised market growth to -3.7% for the FY 2019
- OEM and Tier 1 expect a market decline between -4 to -5% for the full year 2019

AUTOMOTIVE



- H2 sales slightly below H1 2019
- Ramp-up significantly lower than expected according to latest customer info
- Margin should stabilize around H1 level

DEFENCE



- Pipeline fully loaded
- German order entry likely to increase
- Normal seasonal pattern with backend loaded sales
- High operating leverage
- FY order entry slightly above €4bn

FY 2019 GUIDANCE. GROUP GUIDANCE SPECIFIED

	Sales		Operating margin	
	2018 Growth yoy in % at constant FX	2019e Growth yoy in % at constant FX	2018 in %	2019e in %
GROUP	6.1	around 4 (before: 4 – 6)	8.0	around 8
AUTOMOTIVE 	4.2	-2 to -3 (before: 0 to 1)	8.9	around 7 (before: around 8)
DEFENCE 	7.9	around 11 (before: 9 – 11)	7.9	around 9 (before: 8.0 – 8.5)

Operational growth at constant FX; Assumptions: no hard Brexit; no further escalation of trade wars



Automotive – Focus on innovation

AUTOMOTIVE WITH LEADING TECHNOLOGY AND MARKET POSITIONS.

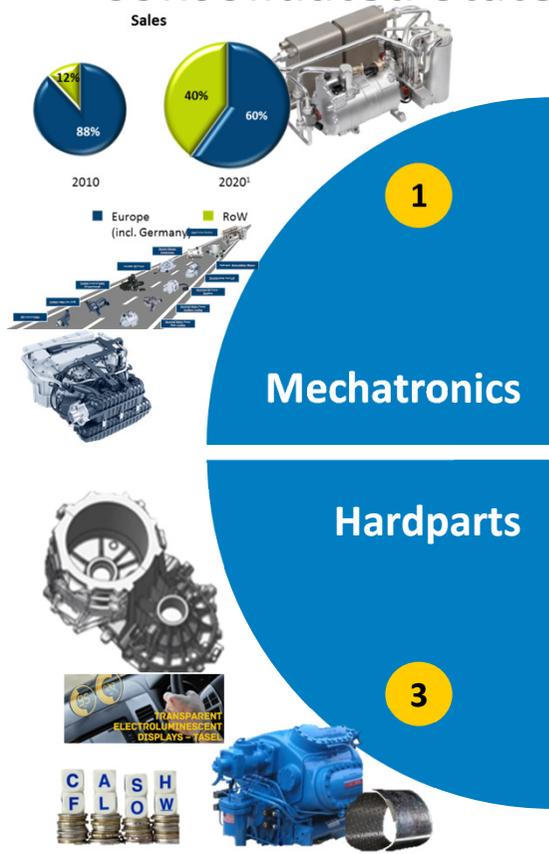
Key Figures		Structure		Sales by region		Sales by division*	
Sales:	€2.9bn	Hardparts					
Op. result:	€262m	Pistons	Large-bore Pistons				
Op. margin:	8.9%	Bearings	Castings				
R&D:	€157m	Mechatronics					
Capex:	€161m	Pump Technology	Automotive Emission Systems				
Headcount:	11.710	Solenoid Valves	Commercial Diesel Systems				
		Actuators					
		Aftermarket					

All figures refer to FY 2018

*unconsolidated

AUTOMOTIVE STRATEGY

Consolidated Statements of all divisions



1

Mechatronics

- **Legislation** is driving the business
- **International** market offer great **growth potentials**
- E-Mob and Diesel impacts
- Preserve **technological leadership** (thermo-mgmt., HV/EV competences)
- **New products** pipeline fully loaded

3

Hardparts

- **Manage-for-cash** strategy for engine component segment
- Re-investment and growth by **diversification** & transformation
- **Optimize** global footprint

- Gain bigger share in **NEV** market
- Growth strategy outperforming Chinese market development
- Build up strong **local engineering / R&D** capabilities
- Environmental challenges

- Optimize In-house production
- Focus on high tech products and **expand product portfolio**
- Increase sales through **new sales channels** and customers
- Implement BU (Matrix) organization and optimize processes / project management

2

China

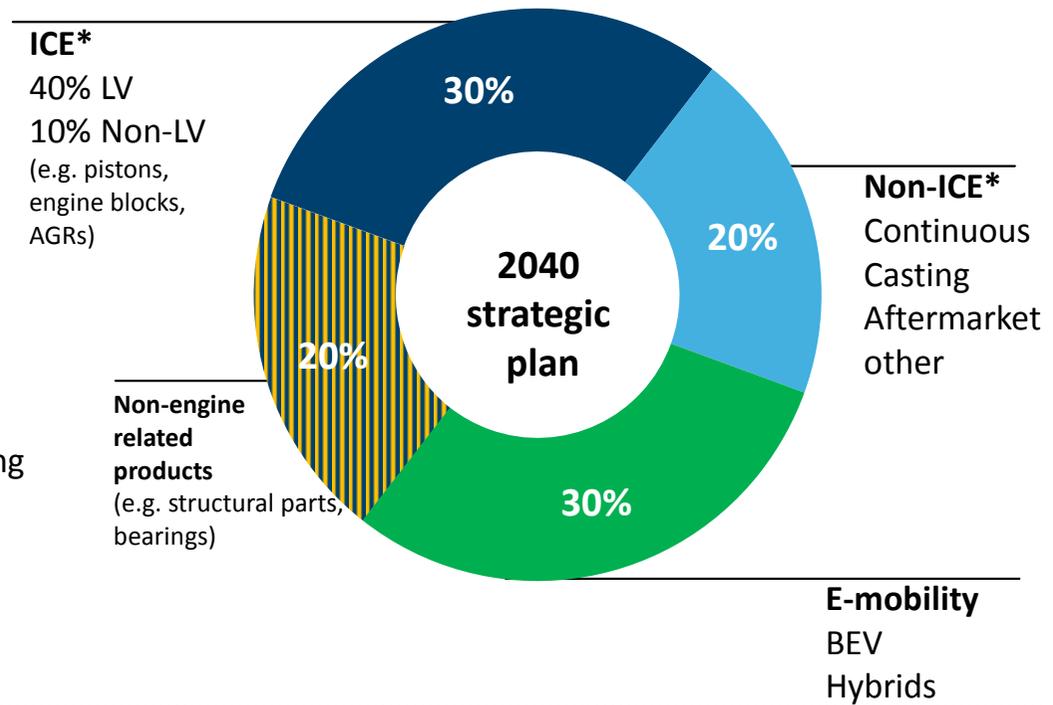
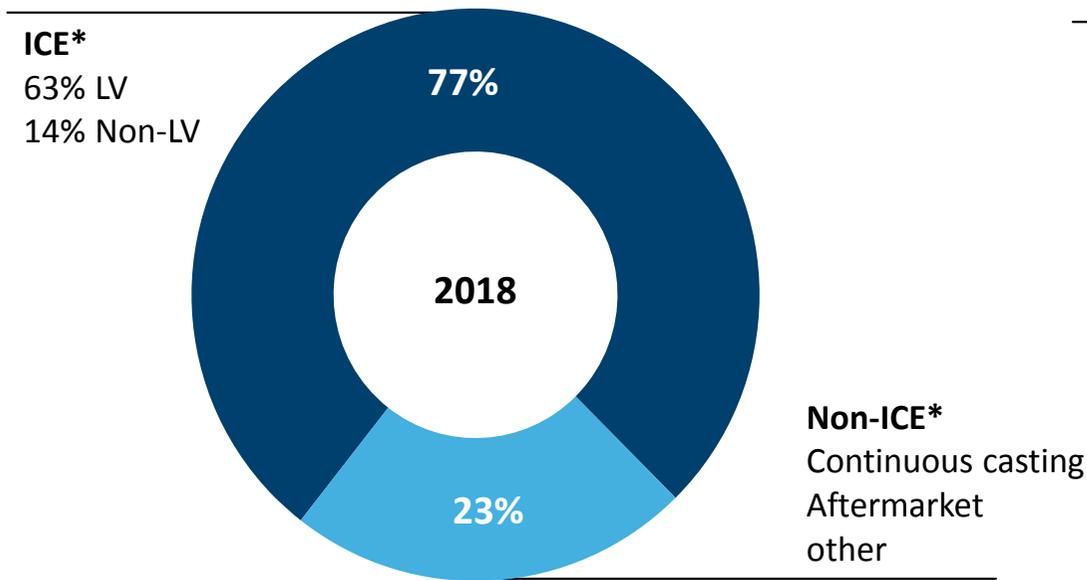
4

Aftermarket

Strategic outlook

Increase independence from combustion engine

■ Sales split
in %

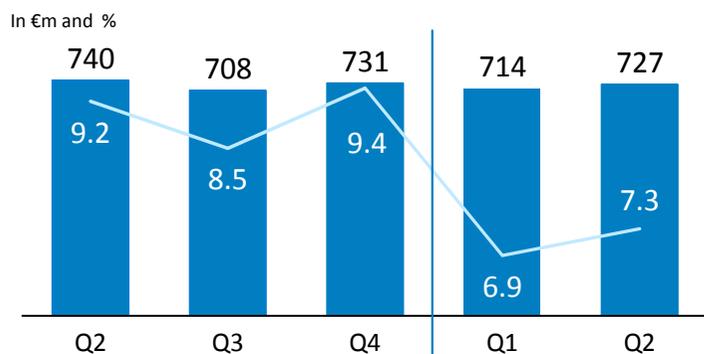


*ICE = internal combustion engine

Q2 2019 Highlights: Automotive

Maintaining competitiveness in a deteriorating market

Quarterly sales and margin development



Comments on quarterly performance

- Sales decline of -1.8% (FX-adjusted -2.6%) again far better than overall market development (Global LV production: -7.5%*)
- Expected reduction of operating result to €53m, with sequential margin improvement to 7.3%
- OFCF improved due to optimized working capital management

In €m	Q2 2018	Q2 2019	Δ	YTD 2018	YTD 2019	Δ
Sales	740	727	-1.8%	1,491	1,441	-3.4%
Operating result	68	53	-22.1%	133	102	-23.3%
Operating margin in %	9.2%	7.3%	-200 bp	8.9%	7.1%	-180 bp
Operating Free Cash Flow	36	62	72.2%	-14	-14	0.0%
Operating FCF / Sales	4.9%	8.5%	360 bp	-0.9%	-1.0%	-1 bp

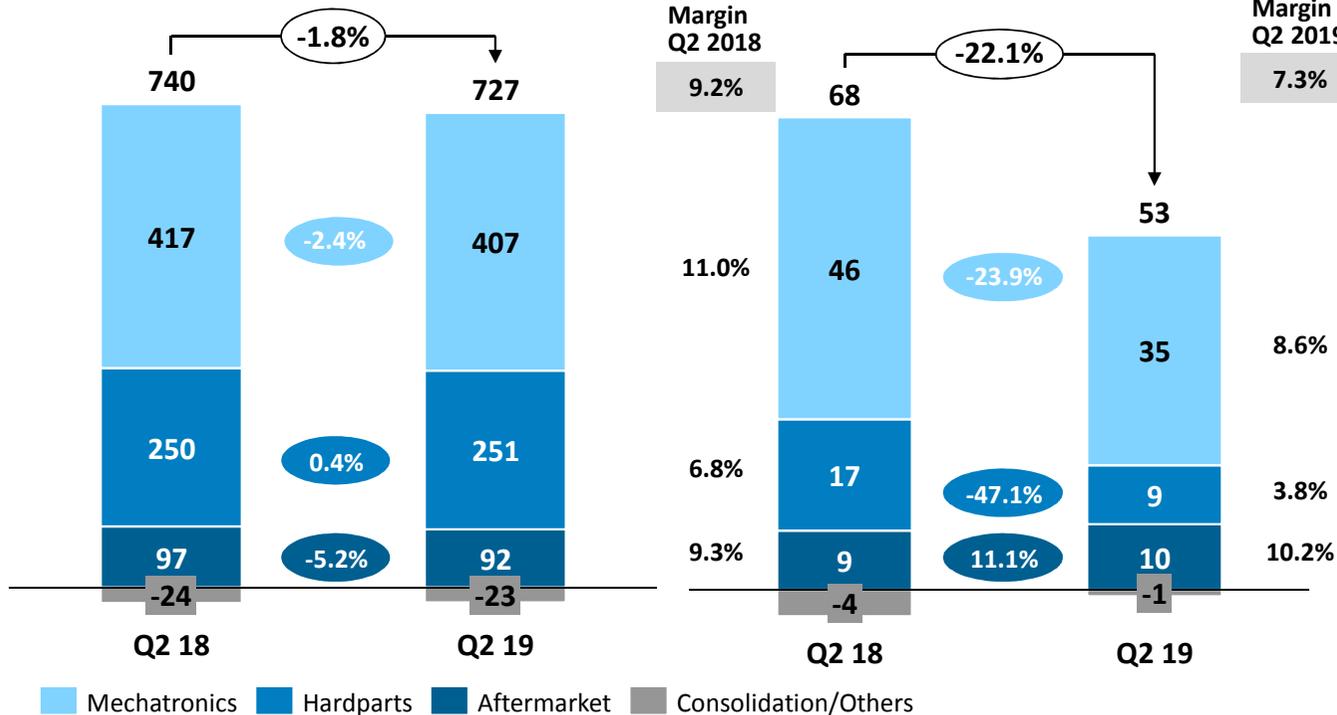
*IHS Markit: 29 July 2019

Q2 2019 Highlights: Automotive

Pressure on Diesel left a mark in Mechatronics and Hardparts

Sales Automotive
in €m

Operating result Automotive
in €m



Mechatronics

- Low Diesel related sales with adverse margin effect
- Higher R&D expenses for future-related projects
- New E-mobility cost allocation

Hardparts

- Low Diesel LV-Piston sales setoff by equipment sale to China
- Operational issues plus fire interrupted production at CZ site
- Lower at-equity contribution

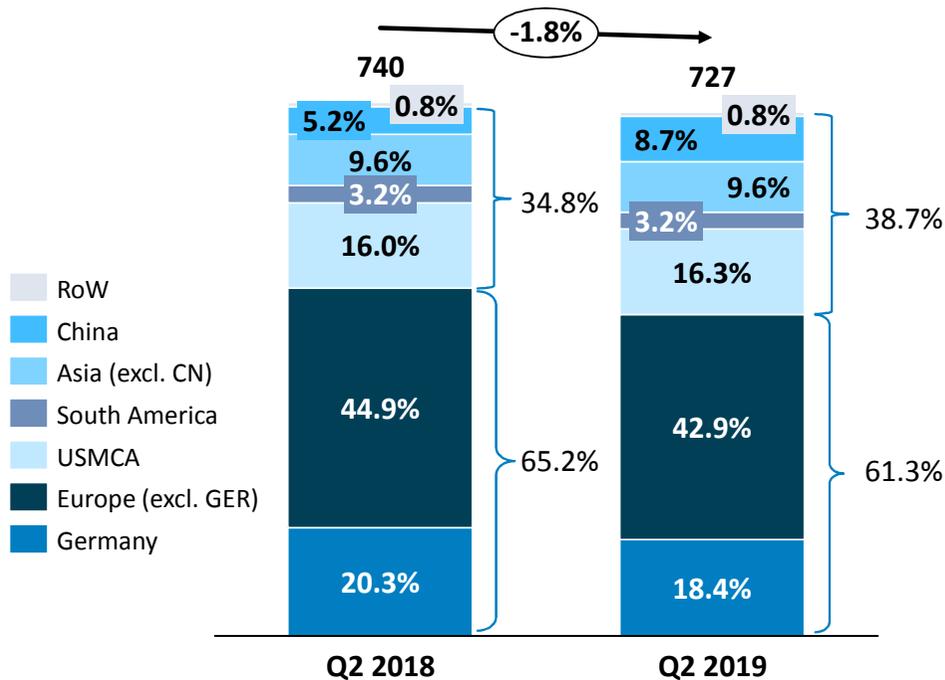
Aftermarket

- Weak European demand
- Stable results

Q2 2019 Highlights: Automotive

Weak development, but global market development was even worse

Regional sales development Automotive in €m



- Weak market environment, global LV production declined by 7.5*%

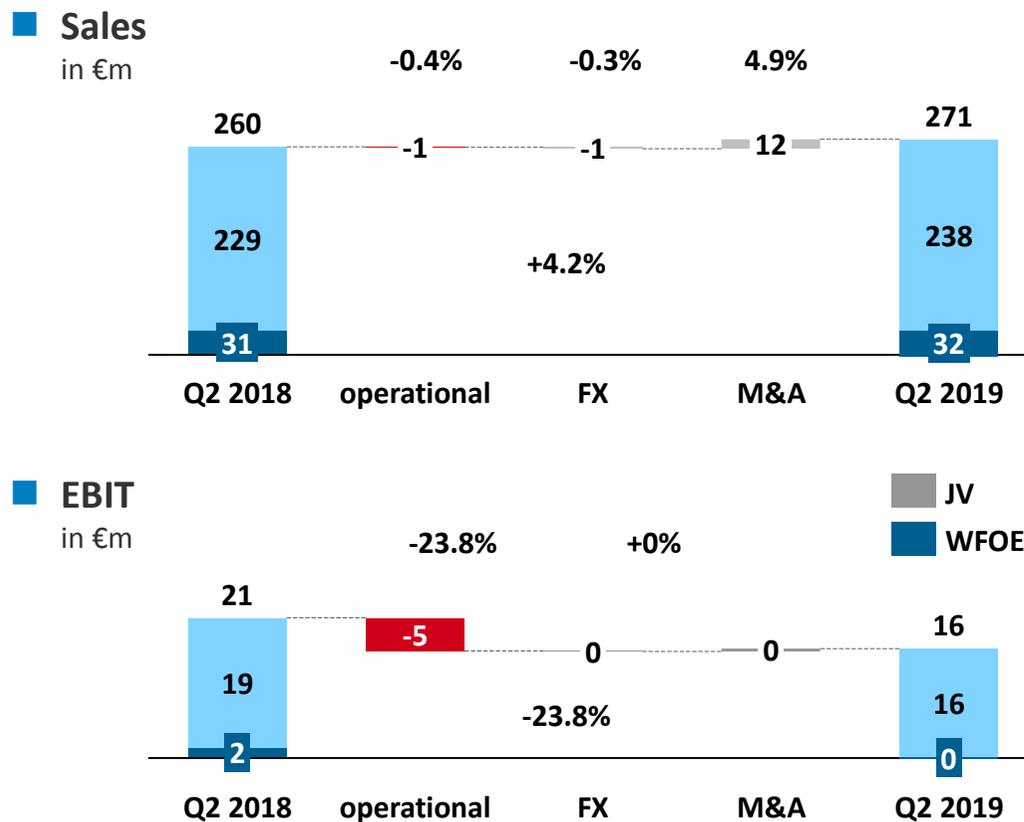
Automotive:

- Western Europe (incl. Germany) declined in all divisions in line with market ↓
- USMCA with operational decline overcompensated by FX effects →
- China sales grew against the negative market trend supported by equipment sales ↑

*IHS Markit: 29 July 2019

Q2 2019 China Total Management View

Sales development again significantly better than market



- Sales development operationally almost stable, supported by M&A effect of 4.9 %
- Significantly better than China LV production of -16.3%* (YTD - 13.5%*)
- Margin declined from 8.1% to 5.9% due to adverse portfolio effects and ramp-up cost for new products

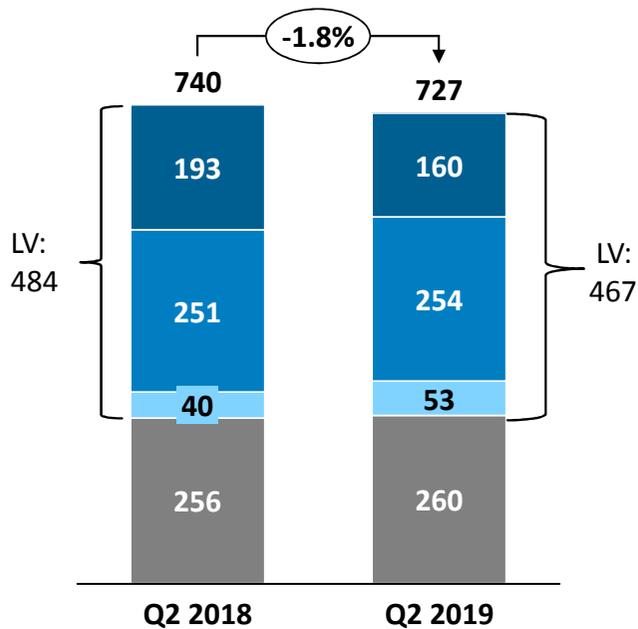
Including 100% figures of 50/50 JV, consolidated at equity

*IHS Markit: 29 July 2019

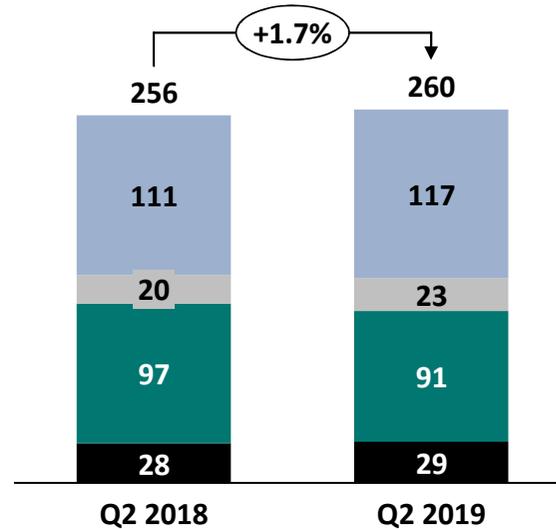
Q2 2019 Highlights: Automotive

Diesel suffered most in Q2 mitigated by Gasoline and Non-LV Business

■ Sales split LV / Non-LV
in €m / in %



■ Sales split Non-LV
in €m / in %

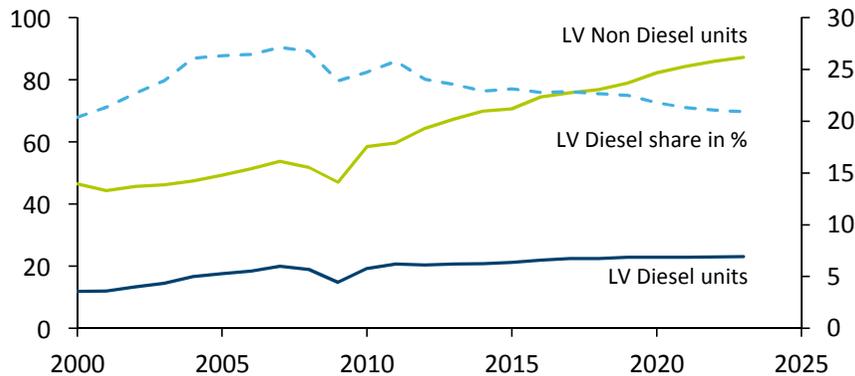


	absolute	Delta in %
Diesel	-33	-17.1%
Gasoline	+3	+1.2%
other LV	+13	+32.5%
<hr/>		
LV Business	-17	-3.5%
Truck	+5	+4.8%
Large Bore	+3	+17.6%
Aftermarket	-6	-6.2%
other	+1	+3.6%
<hr/>		
Non-LV Business	+4	+1.7%

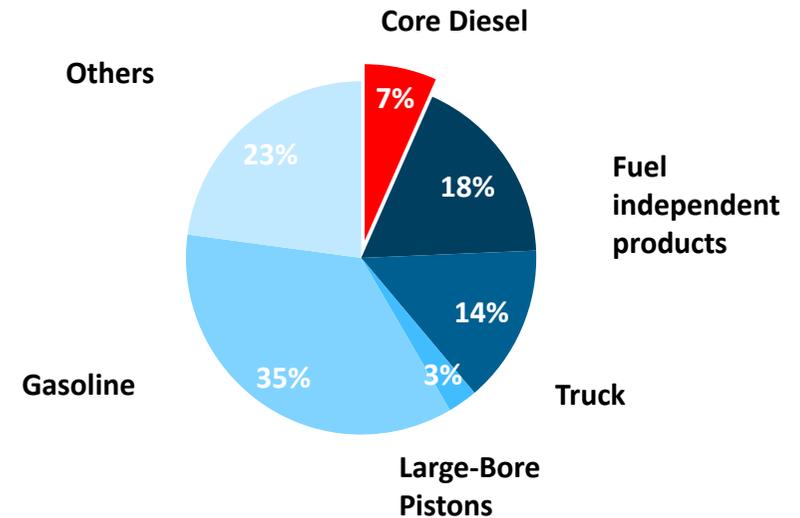
Note: A bracket groups Truck, Large Bore, and Aftermarket with a total delta of 6.9%.

LV Diesel exposure limited; powertrain neutrality is the strategic target

■ Combined global engine production forecast*



■ FY '18 sales distribution by engine type



■ Further regulatory pressure expected

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

Benefitting from OEM's effort to reduce emissions and to avoid penalties

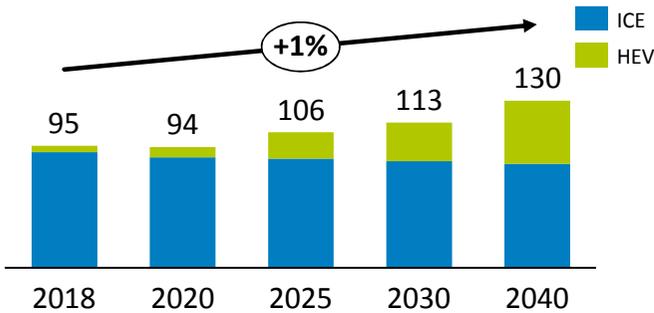
* IHS: Combined Engine Production Forecast April 2017

Drivers for growth

Rising global fleet and regulatory restrictions are supporting our growth

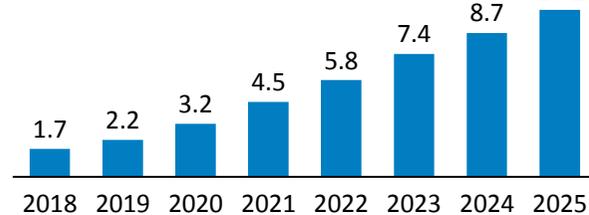
Light vehicle production grows

million vehicles per year



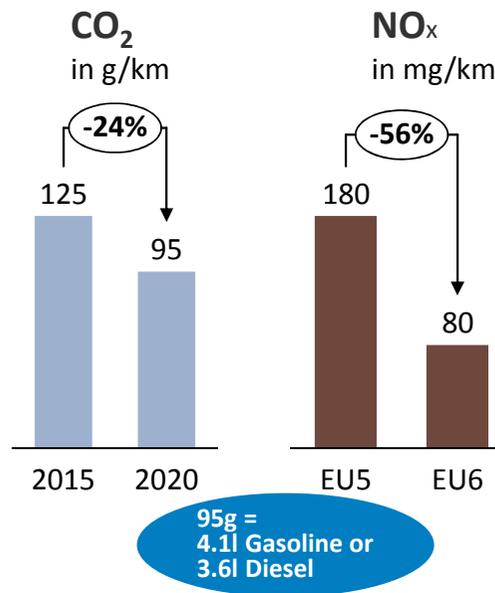
BEV 2018-2025

million vehicles per year



IHS 07/2019 and company estimates

Emission thresholds decrease



Stricter emission testing



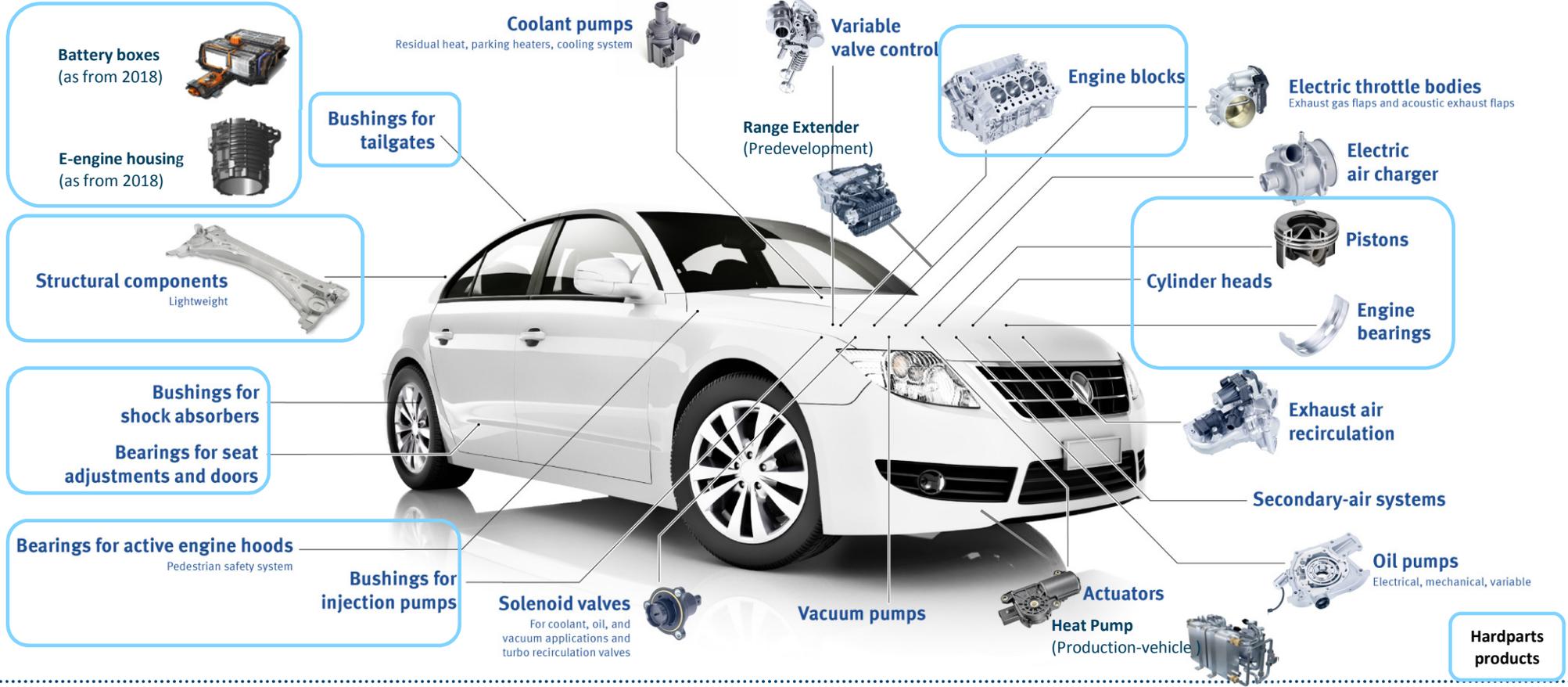
Mainly EU!



Stricter testing sets the benchmark even higher!

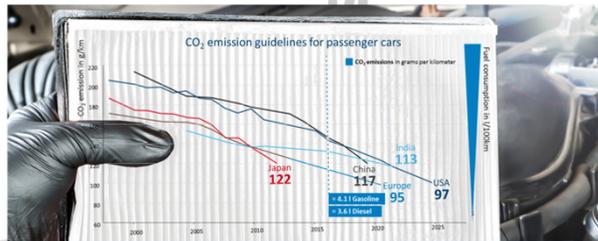
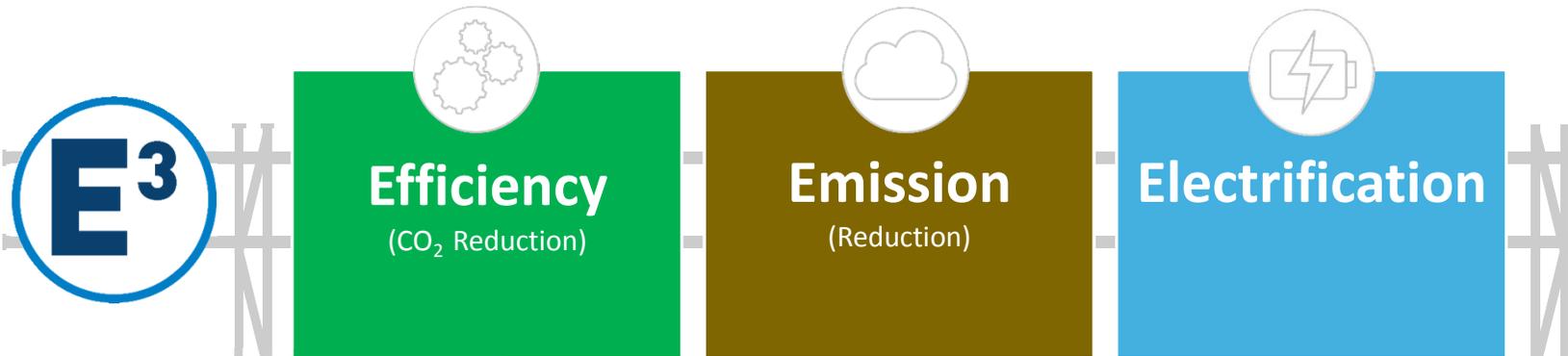
Broad product range for alternative drive systems

Enlarging the traditional product portfolio for combustion engines ... **+** ... by products for hybrid and electric engines



Market trends

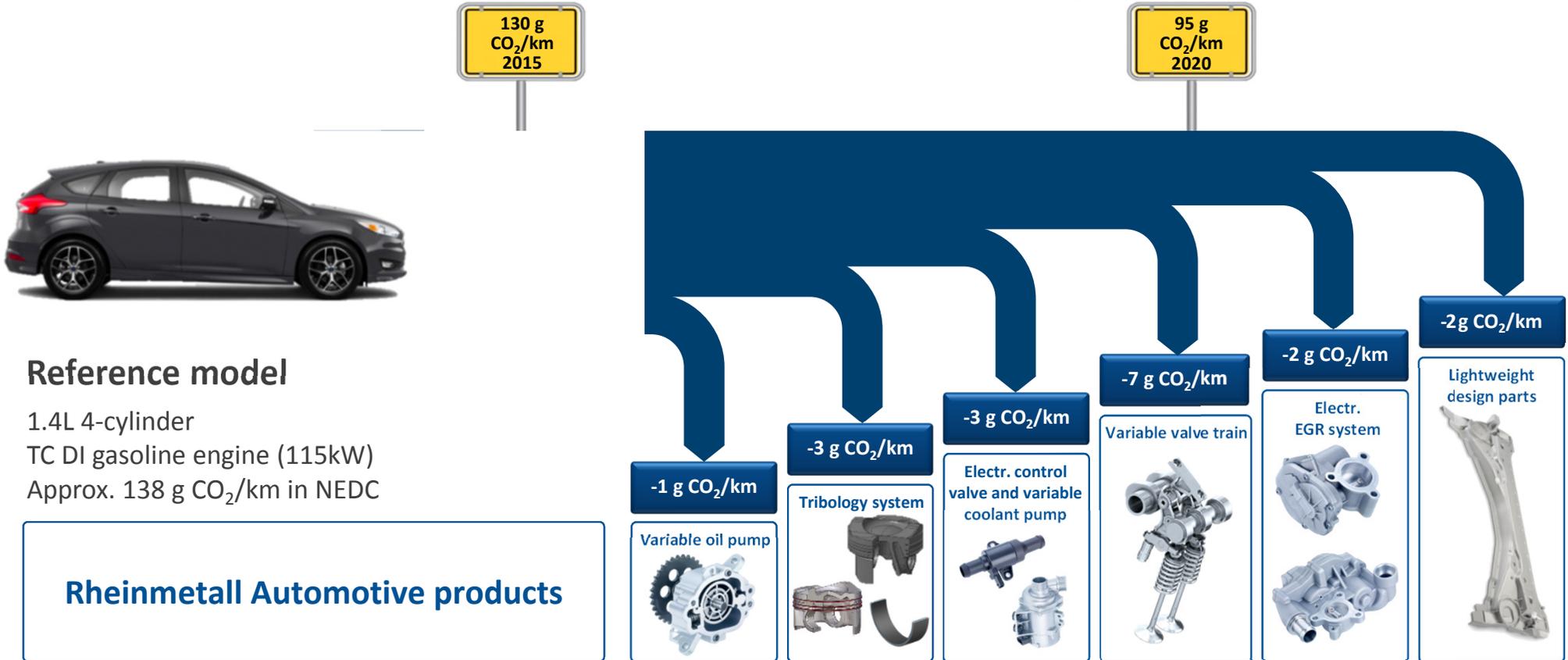
The growth drivers of Rheinmetall Automotive



The innovation pipeline for all three trends is packed!

Efficiency

CO₂ - reduction with Automotive products – gasoline engine vehicle



Reference model

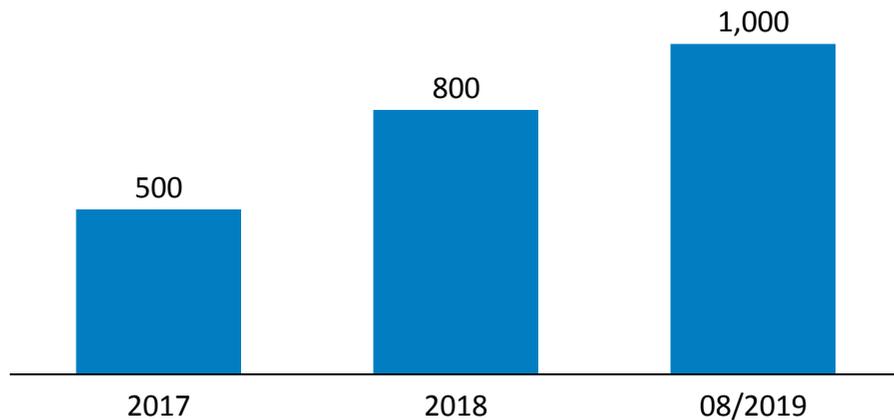
1.4L 4-cylinder
TC DI gasoline engine (115kW)
Approx. 138 g CO₂/km in NEDC

Rheinmetall Automotive products

E-mobility

Competence underlined by contracts and by initiatives for new solutions

■ Lifetime order value for electric vehicles (EV)*
in €m



E-Taxi London

Pump technology for pure electric taxis



Battery cell boxes

Aluminum battery boxes for German premium OEM



Electric engine housing

Electric engine housing for German premium OEM to serve the Chinese market



* Rheinmetall Automotive and Joint Ventures, incl. BEV and Hybrid

Truck

Our current product portfolio

Truck sales in €m

Year	2014	2016	2018
Sales (€m)	275	386	424

- Main coolant pumps
- Auxiliary coolant pumps
- Electrical oil pumps
- Bearings for seat adjustments and doors
- Permaglide bearings for truck compressors and truck hydraulics
- Exhaust gas flaps
- Hydraulic valves
- Bushings for injection pumps
- Coolant valves
- Variable valve control
- Aluminum pistons
- Steel pistons
- Piston rings Cooperation with Riken
- Cylinder bore coating
- Main-bearings
- Connecting rod bearings
- EGR cooler modules and mixer modules
- Dual poppet valves
- EGR reed valves
- High performance actuators
- Pressure regulating valves
- Electrical bypass valves

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

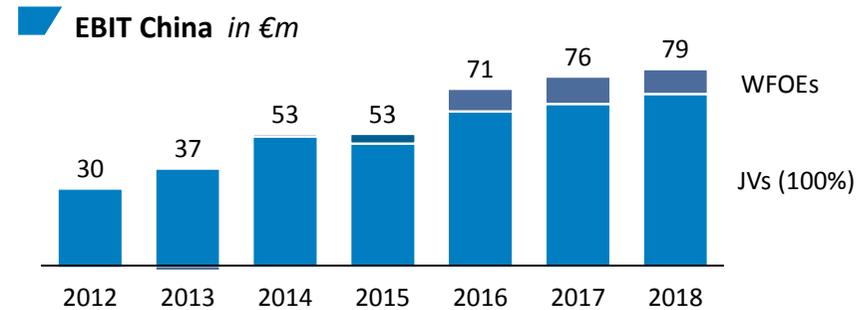
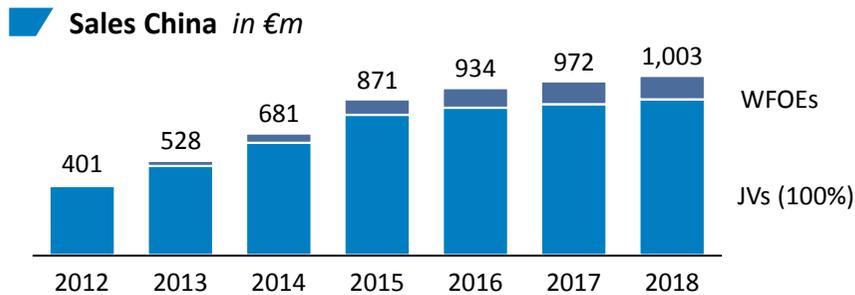
Aftermarket



Global supply of spare parts

Automotive in China

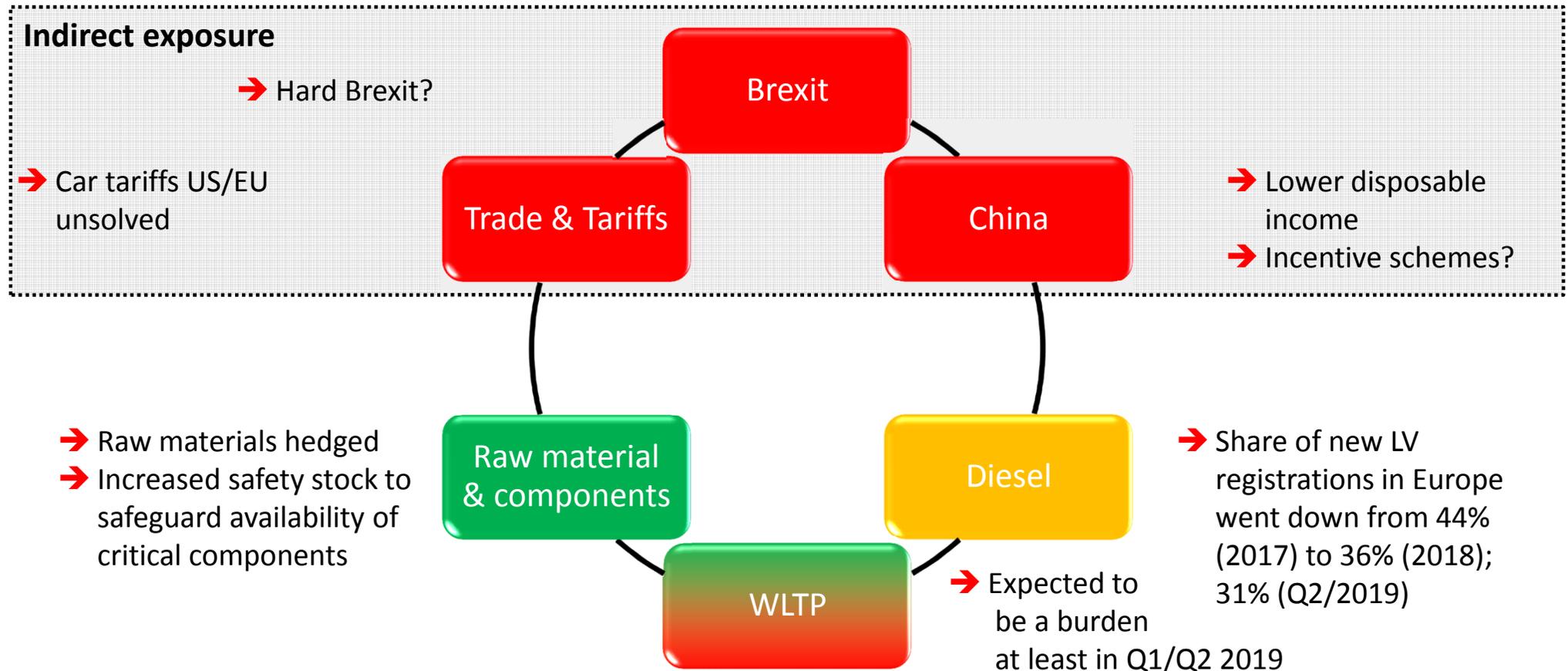
50/50 joint ventures with HASCO (SAIC group)				Wholly Foreign-Owned Enterprises (100% Rheinmetall Automotive)			JV subsidiary
Castings (KSHA)	Pistons (KSSP)	Castings (KPSNC)	Pumps (PHP)	Aftermarket	Pierburg	Large-bore pistons	Pumps (PMP Ch.)
2014	1997	2001	2012	2008	2009	2013	2012
Engine blocks and structural body parts	Pistons	Engine blocks, cylinder heads and structural body parts	Electrical and mechanical pumps	Spare parts	EGR modules and electric throttle bodies	Large-bore pistons	Electrical and mechanical pumps
Germany/ Europe	China			China			China



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

Outlook Automotive: 2019

The risk map for Automotive has gained complexity



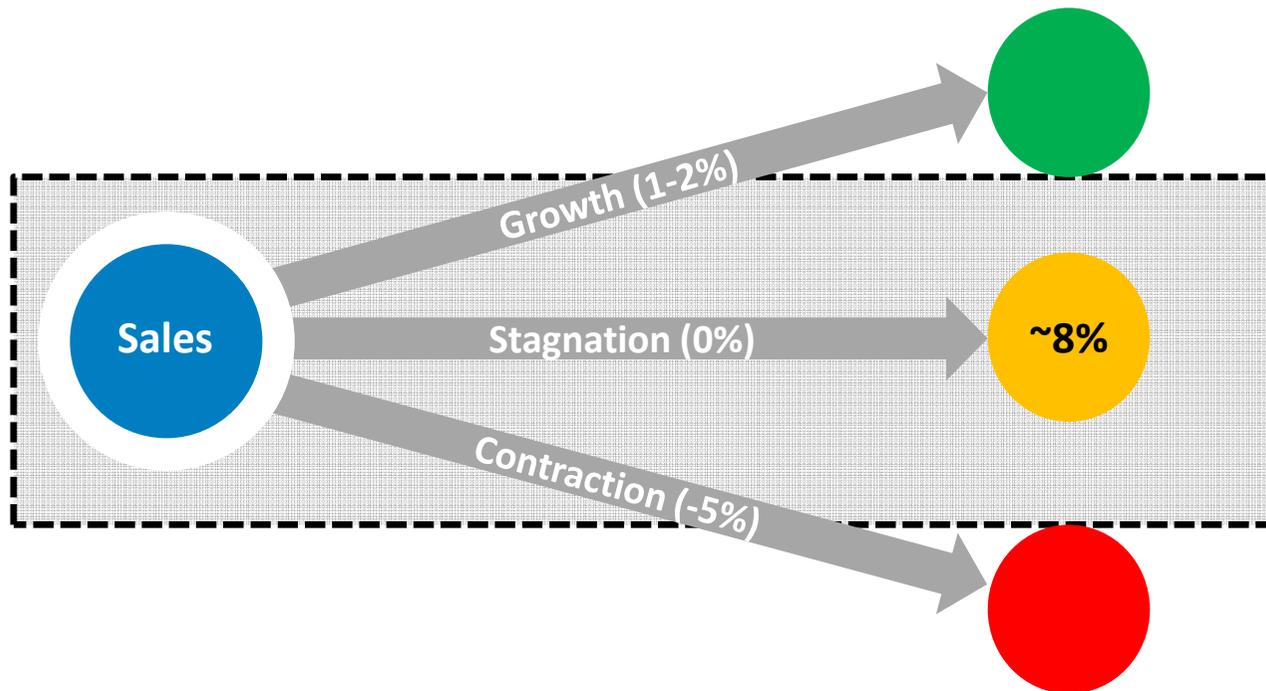
Outlook Automotive: 2019 and mid-term

Various instruments available to limit impact of negative markets

■ Sales scenarios

■ Impact on operating result

■ Possible measures



Short-term

- Reduction of leased work force
- Flexibility of working hours
- Prioritization of projects (internal)
- General cost saving programs (e.g. travel, marketing)
- No new hires (replacement or additional)

Structural

- Adjustment of capacities (e.g. line or plant closure)



Defence – at the beginning of a “super cycle”

DEFENCE IS A LEADING SUPPLIER WITH AN INCREASING INTERNATIONAL PRESENCE.

Key Figures		Structure		Sales by region		Sales by division*	
Sales:	€3.2bn	Weapon and Ammunition					
Op. result:	€254m	Weapon and Ammunition	Protection Systems	Order backlog by division		Operating result by division*	
Op. margin:	7.9%	Propulsion Systems					
R&D:	€75m	Electronic Solutions					
Capex:	€101m	Air Defence & Radar Systems	Mission Equipment	Operating result by division*			
Headcount:	10,948	Simulation and Training	Technical Publications				
		Vehicle Systems					
		Logistic Vehicles	Tactical Vehicles				

All figures refer to FY 2018

*unconsolidated

1990

"Peace dividend"

DECLINING BUDGETS
(ESPECIALLY IN THE WEST)

Downscaling
of forces and
armament

Out of
area
missions

INFLECTION
POINT
2014

Annexation of the Crimean peninsula

GLOBALLY RISING
BUDGETS

NATO 2%
target

Return to
alliance and
territorial
defence

2035

Upscaling of
forces and
modernization

DEFENCE STRATEGY

Consolidated Statements of all divisions



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

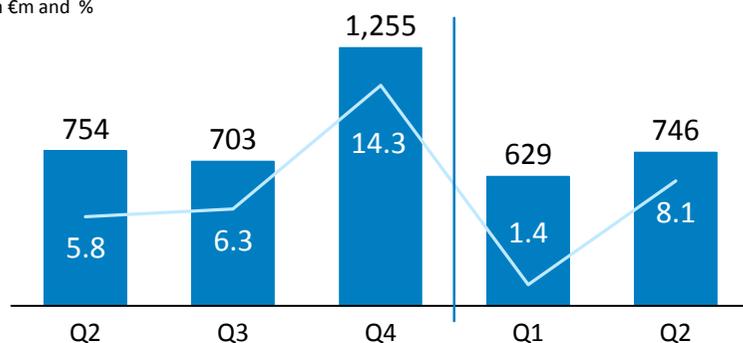
- Medium wheeled
- Medium tracked
- Heavy tracked

Q2 2019 Highlights: Defence

Acceleration of profitability

Quarterly sales and margin development

In €m and %



Comments on quarterly performance

- Order intake of €501m lacking major orders, expected for H2
- Sales stable vs last year; FX not relevant
- Margin improvement of 230 bp
- OFCF improved due to better working capital management
- No P&L impact from acquisitions

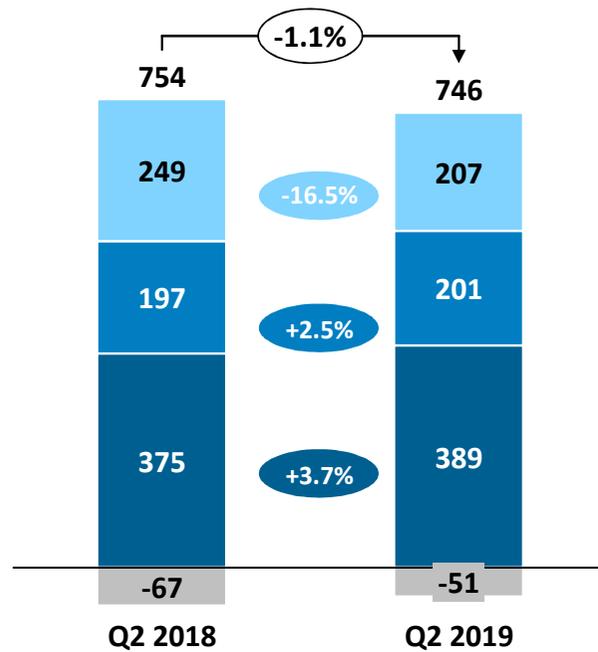
In €m

	Q2 2018	Q2 2019	Δ	YTD 2018	YTD 2019	Δ
Order intake	570	501	-12.1%	1,427	1,065	-25.4%
Sales	754	746	-1.1%	1,263	1,375	8.9%
Operating result	44	60	36.4%	31	69	122.6%
Operating margin in %	5.8%	8.1%	230 bp	2.5%	5.0%	250 bp
Operating Free Cash Flow	-171	-131	n.a.	-410	-224	n.a.
Operating FCF / Sales	-22.7%	-17.6%	510 bp	-32.5%	-16.3%	1,620 bp

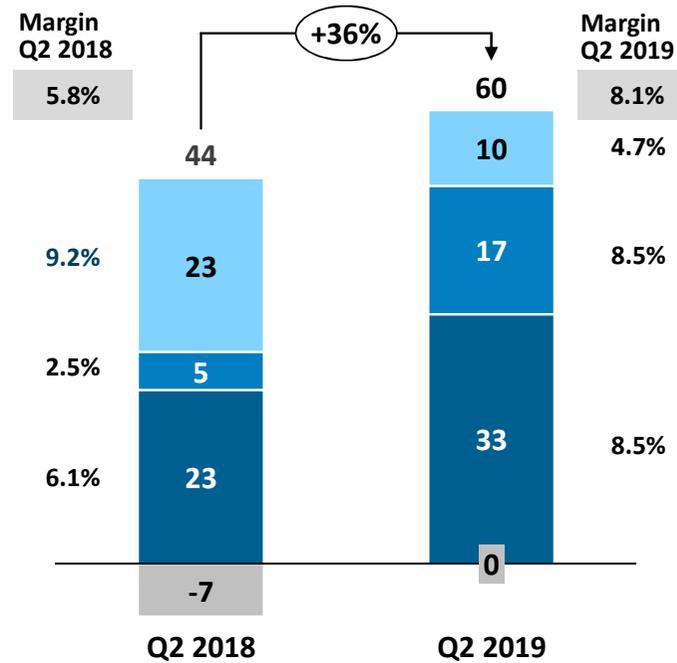
Q2 2019 Highlights: Defence

ES and VS with strong profitability gains

Sales Defence
in €m



Operating result Defence
in €m



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

Weapon and Ammunition

- Negative impact from ZA
- Slower sales due to missing German export approvals

Electronic Solutions

- Turnaround in Norway
- High order execution

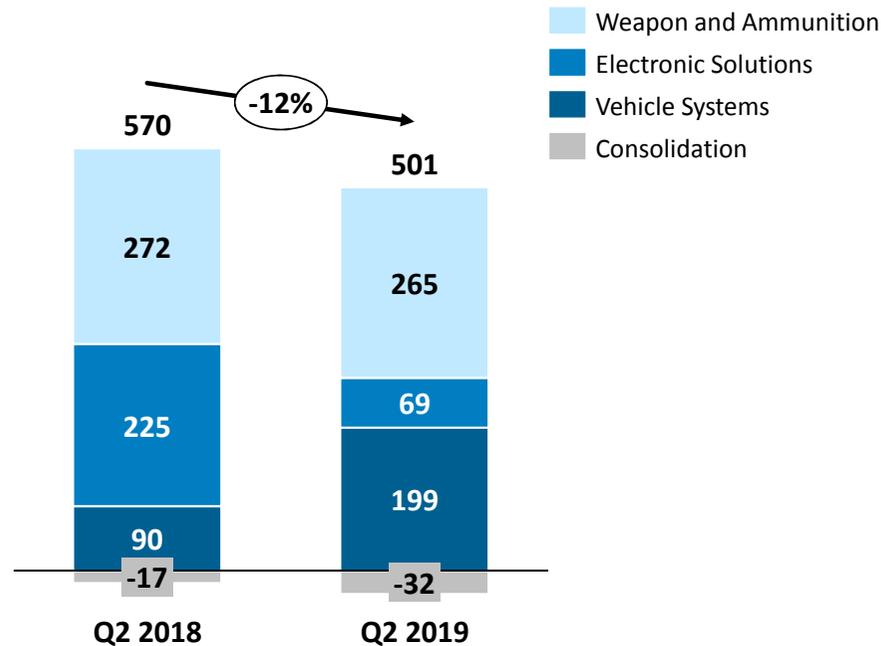
Vehicle Systems

- Good execution in logistical vehicle business
- High utilization of capacities

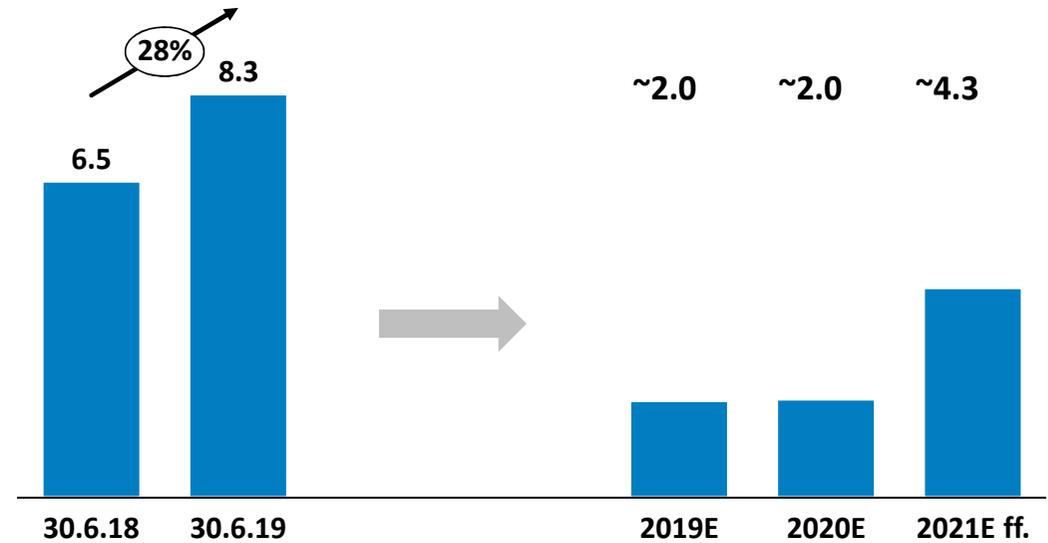
Q2 2019 Highlights: Defence

Modest order intake due to project timing geared towards second half

■ Order intake by division
in €m



■ Order backlog profile
in €bn
change in %



Update on M&A

■ RBSL (UK)

- Leading supplier of land systems in Europe
- Acquisition of 55% stake in JV with BAE Systems
- Closing July 1st
- 45% minorities

■ IBD (D)

- Rheinmetall becomes one-stop-shop for protection technology
- Acquisition of IBD Group
- Closing June 1st
- Elimination of Chempro minorities



■ RMMV (D)

- Re-acquisition of tactical vehicles share to regain full control
- Closing expected in Q3'19
- Reduction of minorities

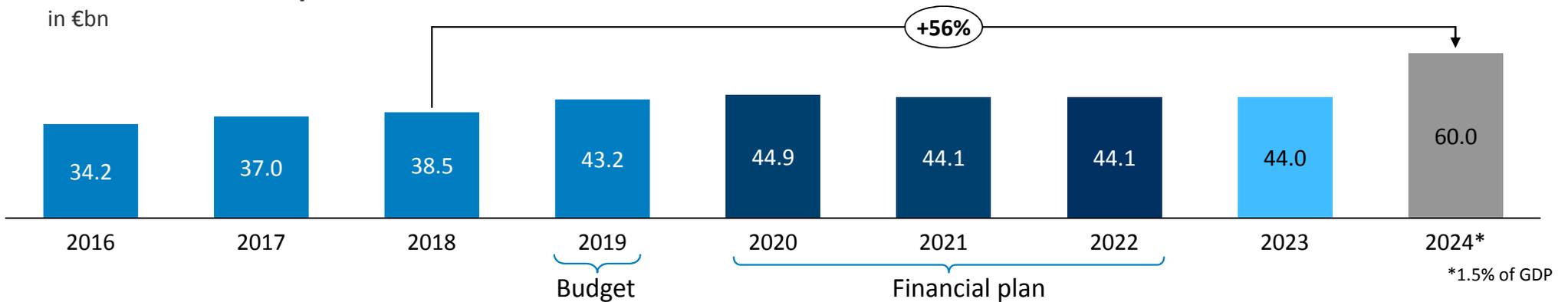
■ Provectus Robotics (CA)

- Integration of key technology for automated mobility (UGV)
- Closing June 1st
- 100% acquisition

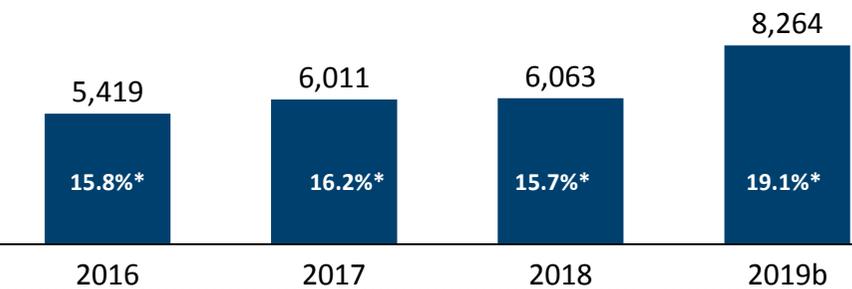
German Defence

Strong German commitment to 1.5% with increased demand starting in 2019

■ German defence expenditure
in €bn

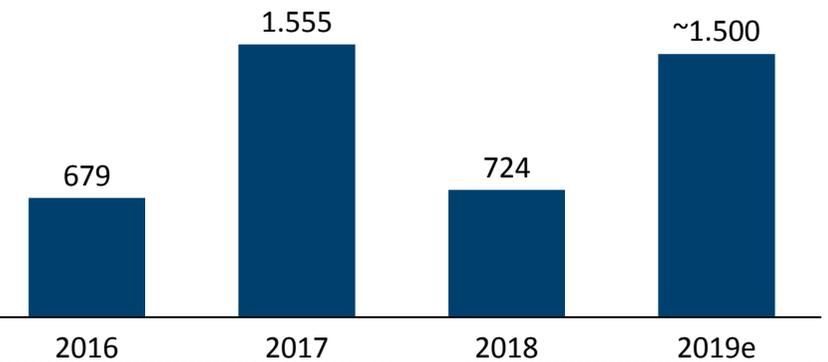


■ German defence investment
in €m



* investment share in (NATO's 20% investment target)

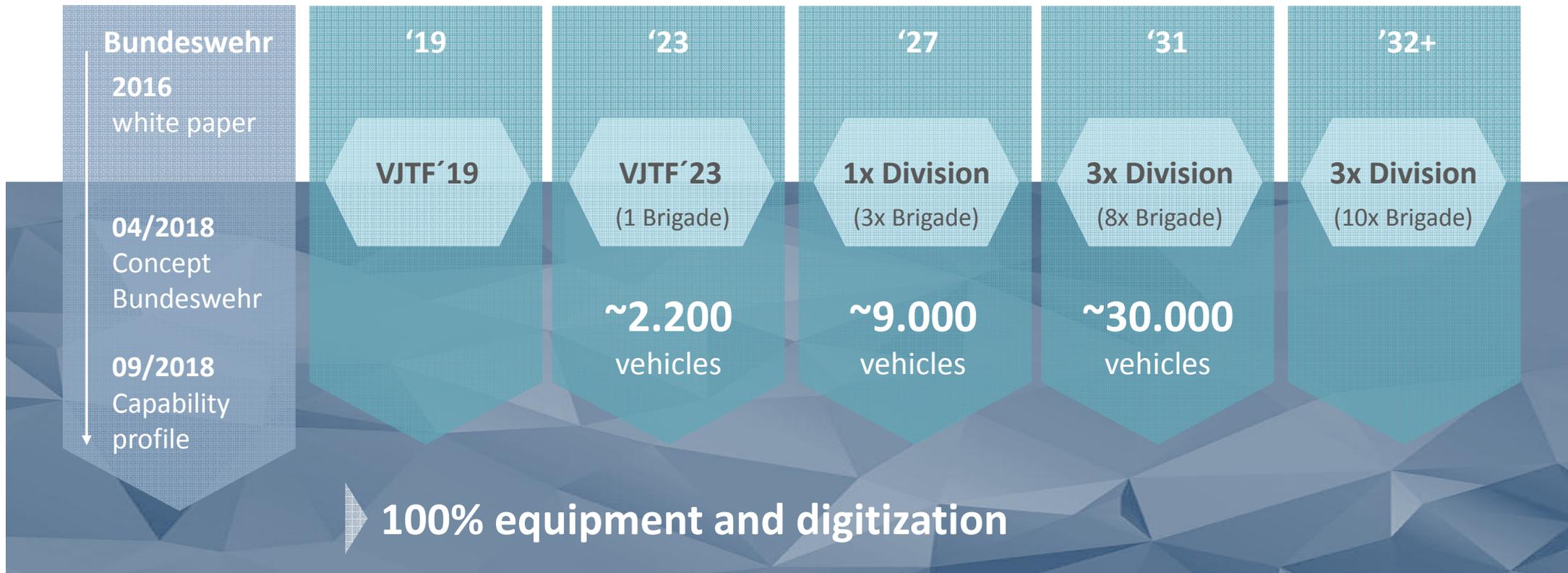
■ Rheinmetall German order intake
in €m



German Defence

NATO commitment key driver for German demand

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



German Defence

Additional structural demand of German army under discussion

■ Vehicles – mid-to-long term potential



FOX (400 vehicles)



Boxer (300-400 vehicles)



Trucks (> 10.000 vehicles)



Puma (~250 vehicles)

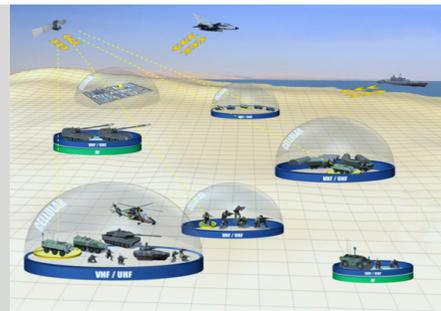
■ Equipment and ammunition – multi billion programs



NNBS (Short range air defence)



TLVS (Tactical air defence)



D-LBO (> €5 bn net) (MoTaKo)



Ammunition (~€2 bn net)

Mission Australia

Establishing a new “home market” down under

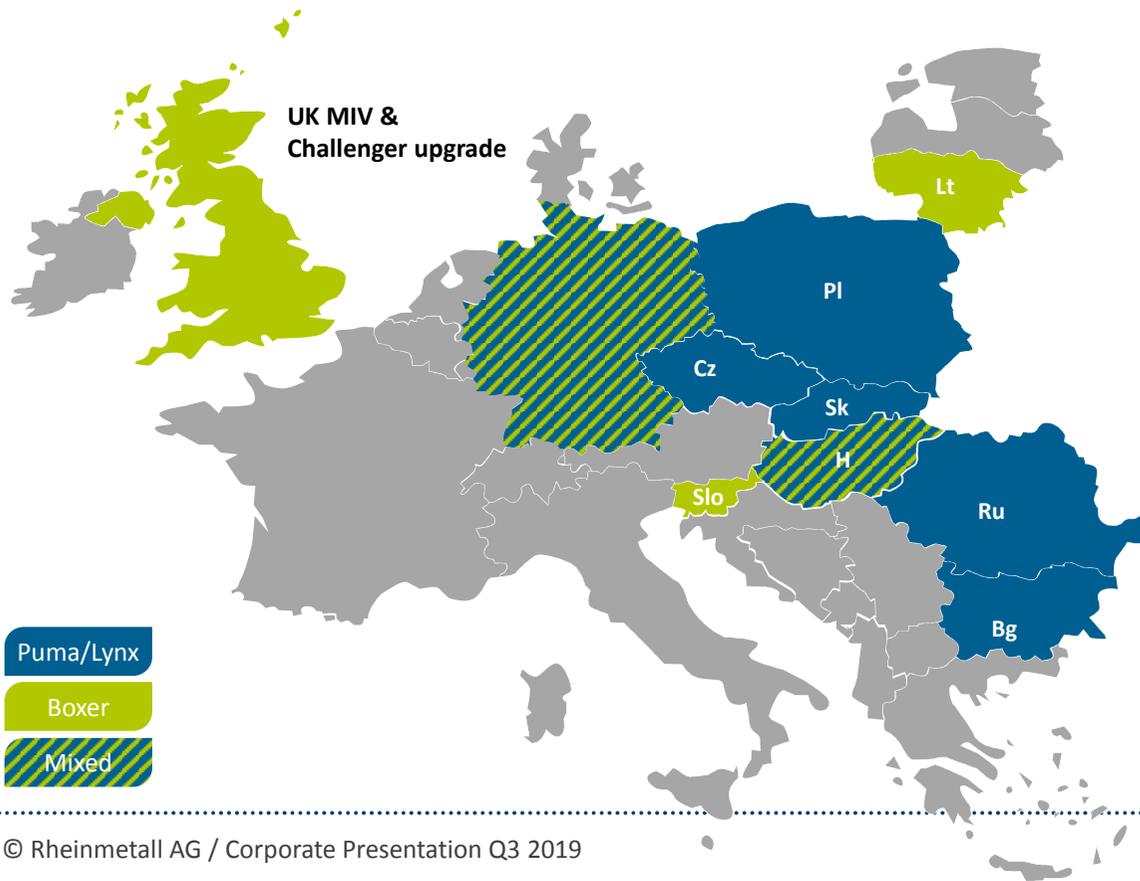


Australia timing and order size of Land programs

Trucks 1 st & 2 nd order ✓	2016-2024	€2.0bn & €0.4bn
Boxer CRV ✓	2019-2026	€2.1bn
Ammunition ✓	2018/19	€65m*
Lynx tender	2024-2031	€4-5bn (Down selection expected in Q4)

*initial assessment, option for 5 year contract

EUROPEAN DEFENCE. CURRENT OR EXPECTED TENDERS TACTICAL VEHICLES.



Drivers for European vehicle programmes

- Return to territorial and alliance defence
- Standardization of NATO equipment
- Modernization and upgrades

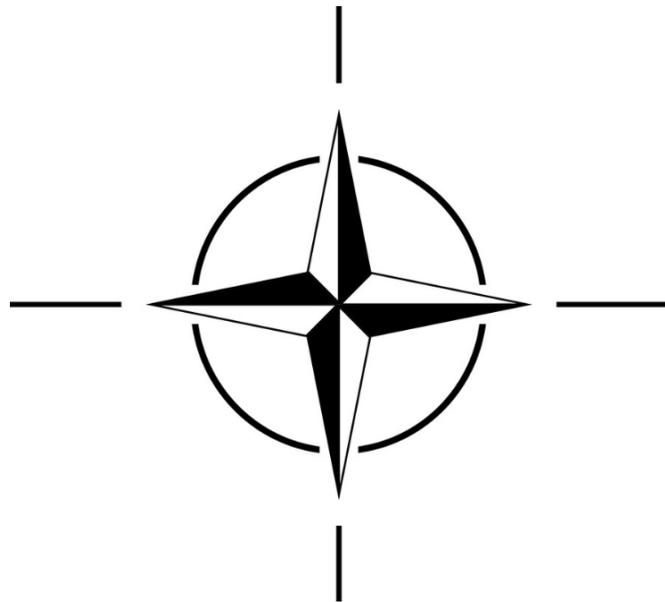
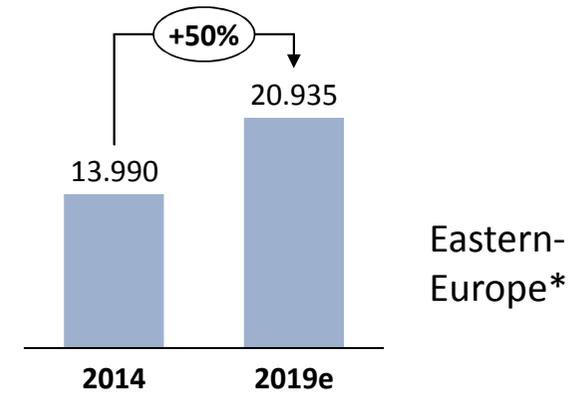
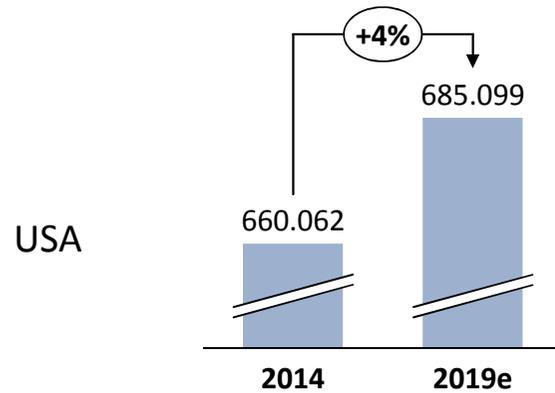
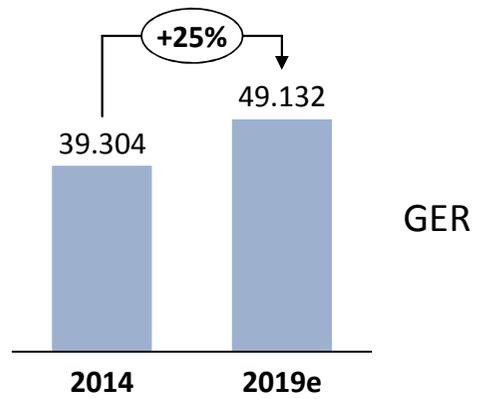
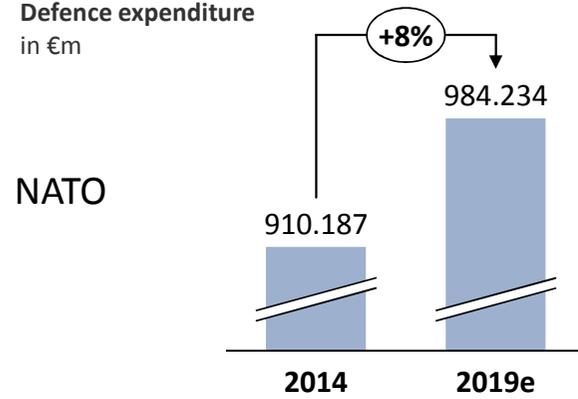
Estimate for European tactical vehicles demand (number of vehicles)

	Germany	Rest of Europe
Tracked	~250	>600
Wheeled	700-800	>900

European Defence

Eastern Europe Nato members increased spending by 50%

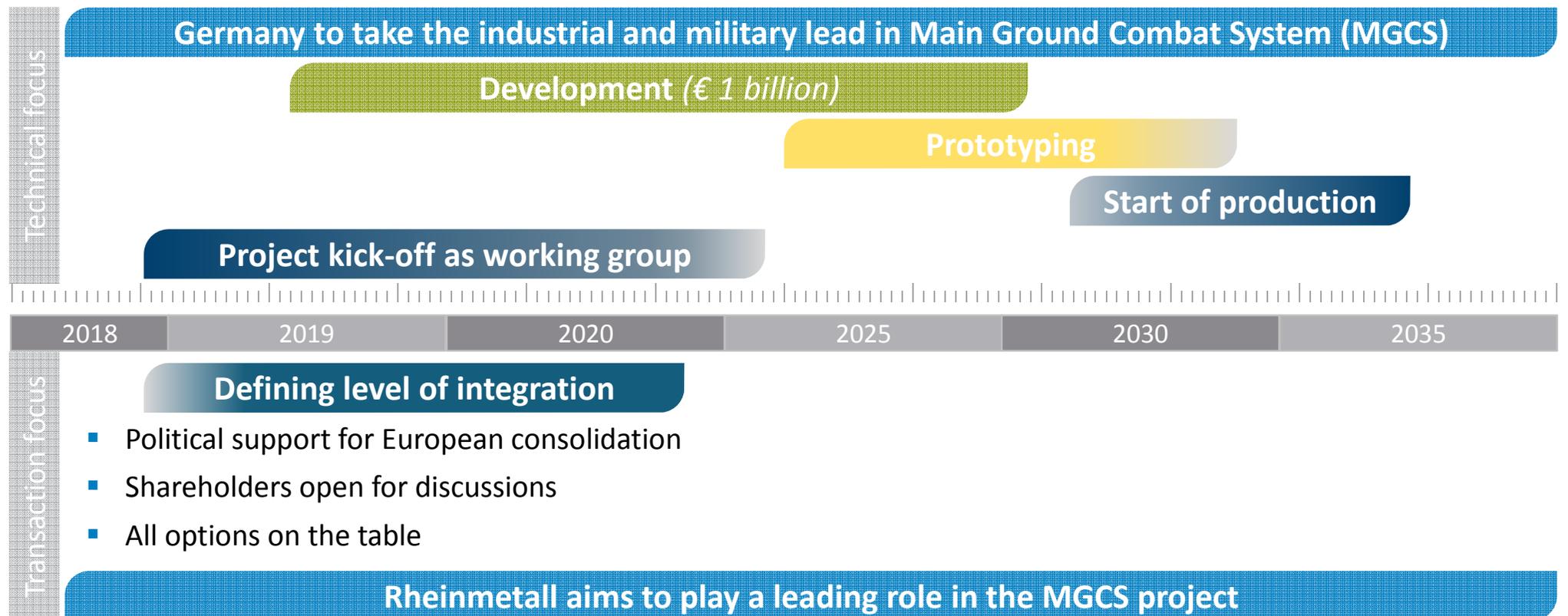
■ Defence expenditure in €m



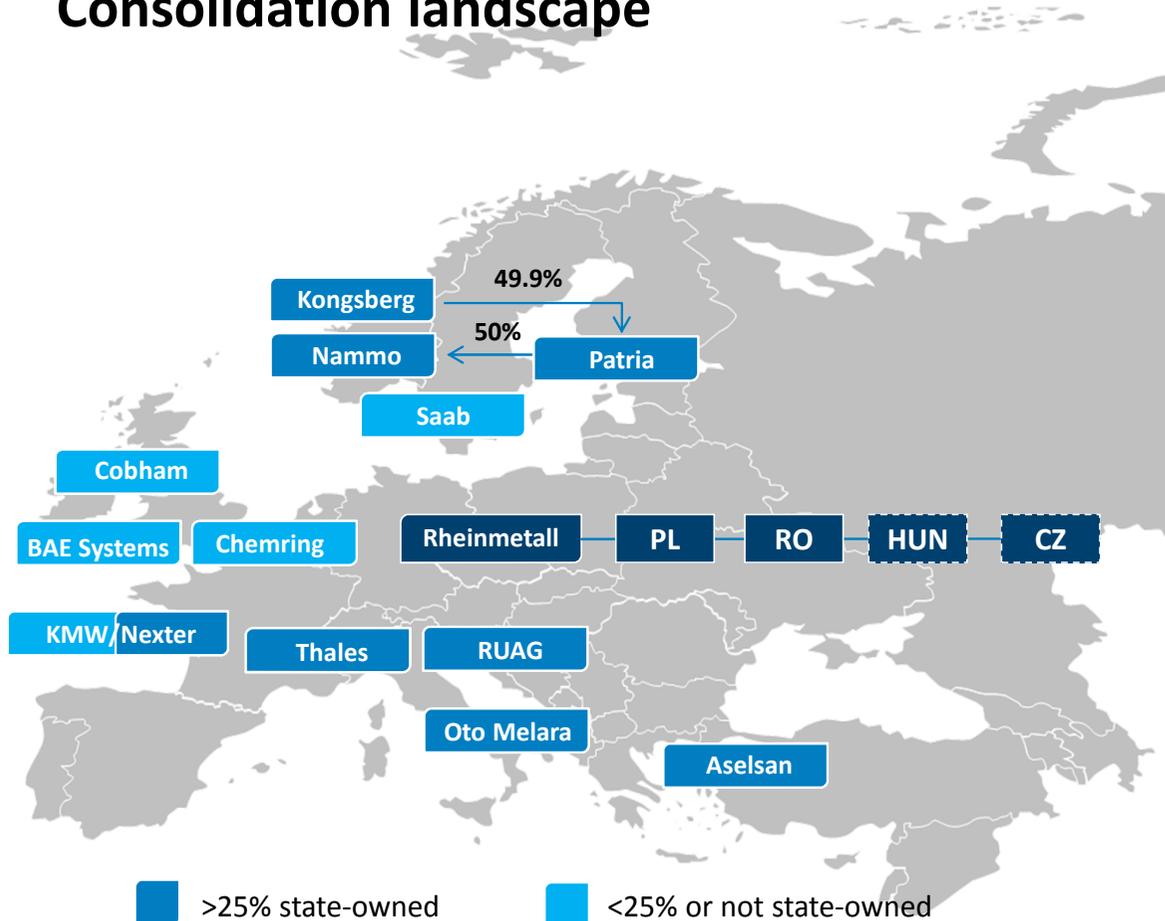
*Including: Poland, Bulgaria, Hungary, Romania, Lithuania, Croatia, Latvia

European Defence

Future Main Battle Tank system MGCS will be a milestone for the industry



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

Defence International

Creation of new hubs in 2018

CANADA

SKANDINAVIA

EASTERN EUROPE

New

GREAT BRITAIN

POLAND

USA

NETHERLANDS

New

MIDDLE EAST

NORTH AFRICA

ASIA

SOUTH AFRICA

AUSTRALIA

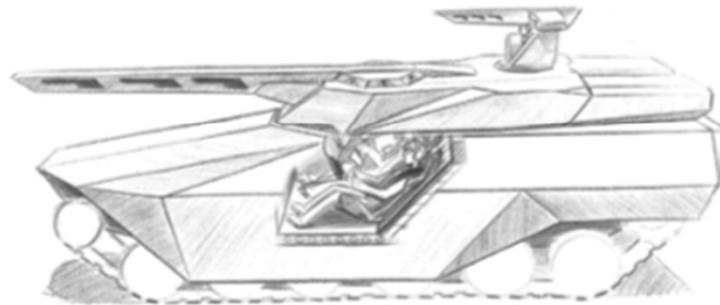
Innovations

Demand-driven product development and targeted cooperations



New logistical platforms

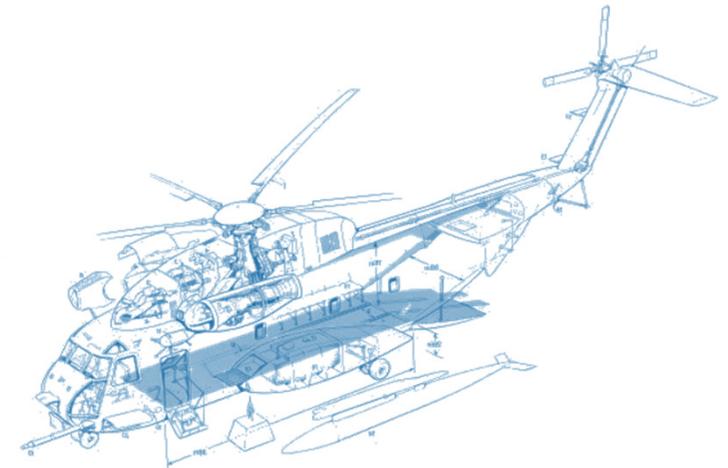
Groundbreaking sub-systems



New tactical platforms

Innovative weapon and ammunition

Digitized command and reconnaissance



New business models

New cooperations with
Sikorsky, Raytheon

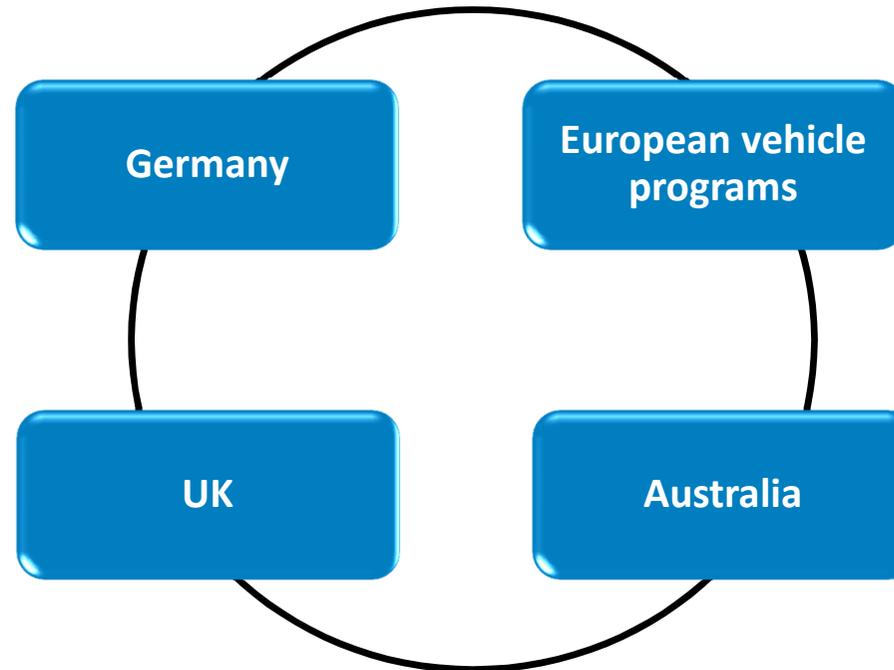
Outlook Defence: 2019

Solid pipeline of projects in our home markets

■ Key projects and potentials

- Participation in budget increase
- German order entry (~€1.5bn)

- Challenger life extension, expected 2020 (€0.8 – 1.2bn)
- UK Boxer expected end of 2019 (~€1bn]



- Hungary: Leopard & tank howitzer sub contract (€0.3 – 0.4bn)
- Hungary: Boxer/Lynx (~€2bn)
- Czech Republic: Lynx (€1 – 1.5bn)
- Land 400 Phase 3 (2022; €4 – 5bn)



GROUP APPENDIX

Select key data: outlook 2019

Rheinmetall Group		Automotive	Defence
In % (Previous Year)			
Holding cost	~€25-30m (€24m)	Capex <small>(w/o IFRS 16)</small>	5.5-6% (5.5%) 3.5-4.5%(3.1%)
Tax rate	Comparable level (27%)	D&A	~5.5% (5.3% reported, scheduled 5.2%) 3-3.5% (4.8% reported, scheduled D&A 3.7%)
Interest result	~-€40m (-€33m)	R&D	5-6% (5.4%) 2-2.5% (2.3%)

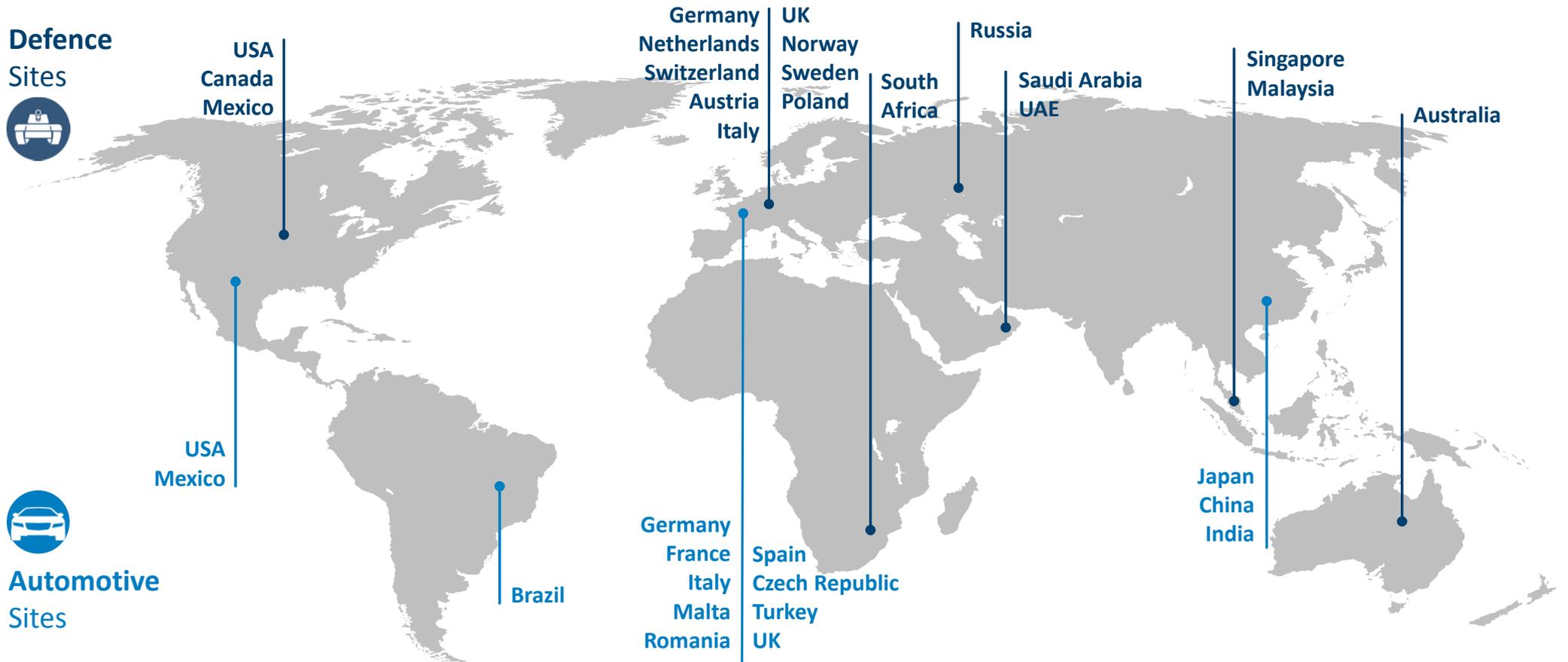
Group 2014 – 2018: Key figures (as reported)

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

Segments 2014 – 2018 Key figures

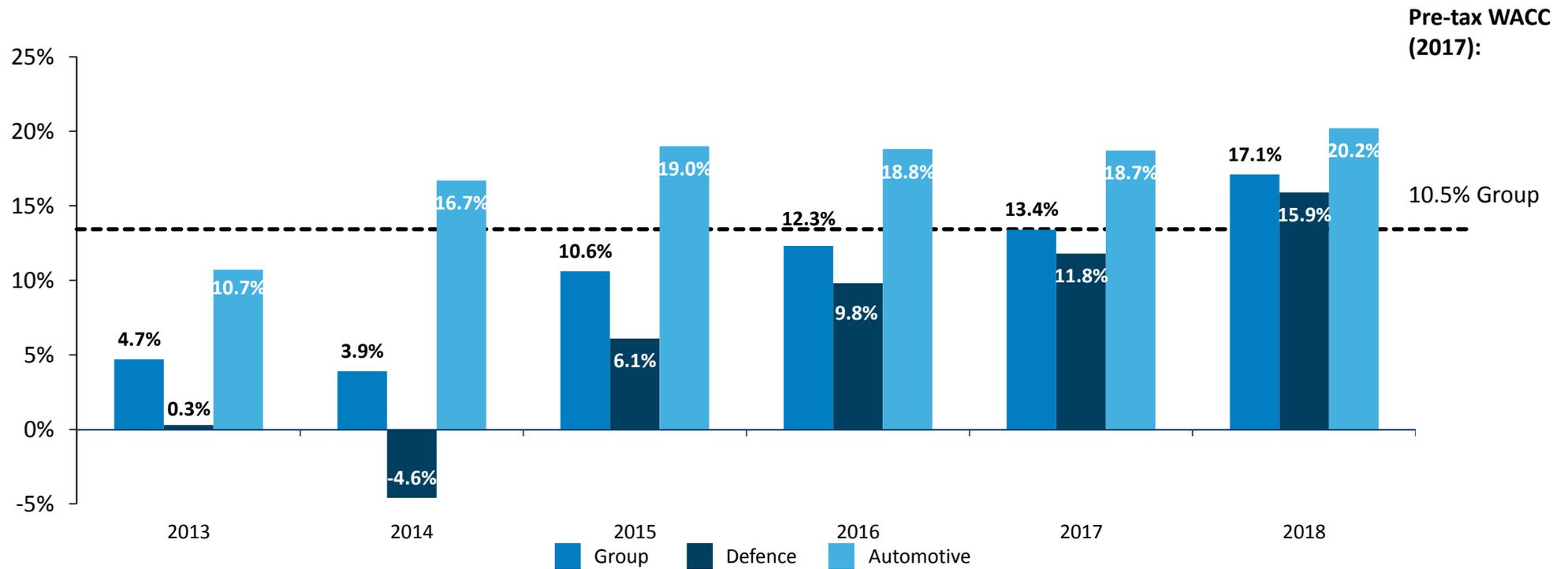
AUTOMOTIVE								DEFENCE				
2014	2015	2016	2017	2018	in €m			2014	2015	2016	2017	2018
2,466	2,621	2,670	2,922	2,889	Order intake			2,812	2,693	3,050	2,963	5,565
416	445	459	520	478	Order backlog (Dec. 31)			6,516	6,422	6,656	6,415.8	8,577
2,448	2,592	2,656	2,861	2,930	Sales			2,240	2,591	2,946	3,036	3,221
184	216	223	248.8	262	Operating result			-9	90	147	174	254
7.5	8.3	8.4	8.7	8.9	Operating margin (in %)			-0.4	3.5	5.0	5.7	7.9
295	332	356	366.8	420	EBITDA			17	175	239	268	403
184	216	223	227	265	EBIT			-67	90	147	172	247
7.5	8.3	8.4	7.9	9.0	EBIT margin (in %)			-3	3.5	5.0	5.7	7.7
158	167	149	154	161	Capex			76	96	95	89	87
34	96	105	106	26	OFCF			-132	-38	103	238	-29
10,830	10,934	10,820	11,166	11,710	Employees (Dec 31) according to capacity			9,184	9,581	10,002	10,251	10,948
1,322	1,450	1,527	1,621	1,664	Mechatronics	Sales	Weapon & Ammunition	977	881	1,112	1,175	1,056
96	119	142	176	171		EBIT		-4	74	108	117	121
7.3	8.1	9.3	10.9	10.3		EBIT margin		-0.4	8.4	9.7	10.0	11.5
934	952	921	968	989	Hardparts	Sales	Electronic Solutions	705	759	745	691	839
72	73	62	60	65		EBIT		-53	26	25	20	47
7.7	7.7	6.7	6.2	6.6		EBIT margin		-7.5	3.4	3.4	2.9	5.6
269	285	305	359	367	Aftermarket	Sales	Vehicle Systems	667	1,195	1,392	1,480	1,568
26	27	27	33	36		EBIT		-9	3	29	53.2	108
9.7	9.5	8.9	9.2	9.8		EBIT margin		-1.4	0.3	2.1	3.6	6.9

More than 100 production sites and offices on all continents



Continuing ROCE improvement

■ ROCE
in %



Board remuneration based on three building blocks

Annual target salary (100%)

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%
0% linear to max. 200%
- 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

ESG

High importance for Rheinmetall

■ Environment



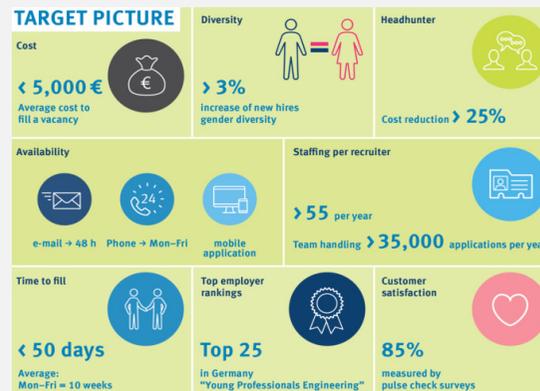
- **Reduction of the ecological footprint**
 - Decrease of energy needed
 - Selective use of raw materials
- **„Road to 95“ and E-mobility**
 - Our products increase fuel efficiency
 - New e-bike, e-motor and battery pack
- **Support of conservation**
- **Transformation of the former production site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



■ Social



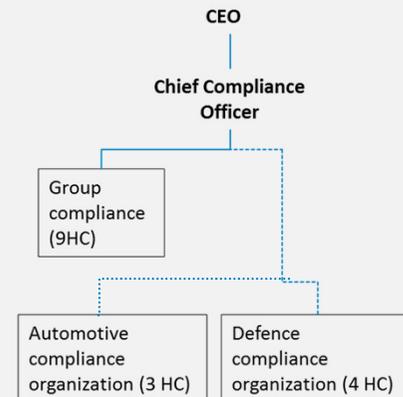
- **Clear statement against cluster munition**
- **Promoting education and training**
- **Support of gender diversity**
 - Women in management
- **Workforce**
 - Integration of refugees via apprenticeships
 - Support of employee families



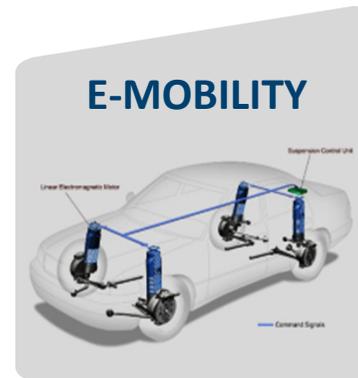
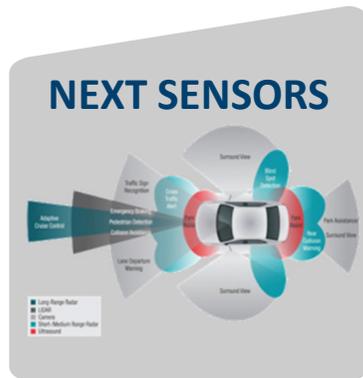
■ Governance



- **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 TECHNOLOGY CLUSTER. TOP FIVE TECHNOLOGY CLUSTER IDENTIFIED



- Advanced assistant systems for driving, sensing, protection and weaponing

- New, digitalized vehicle architectures
- Virtual prototyping and digital twins
- System / health monitoring, predictive maintenance, logistics

- New LIDAR* / Radar sensors
- Resistant to jamming / spoofing
- Next generation IR sensors

- Hybrid drive
- E-drive
- Micro mobility

- AI supported technologies
 - to handle complex situations
 - for decision support
 - for information superiority

*LIDAR=light detection and ranging

Investor Relations

Next events and contacts

■ Next Events

RS East Coast

17/18 September

Berenberg Conference, Munich

24/25 September

Berenberg Conference, Pennyhill

4 December

Q3 Earnings release

7 November

Capital Markets Day 2019, Unterlüß

19/20 November

■ Quick link to documents

Corporate Presentation



Interim Reports



Annual Reports



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