



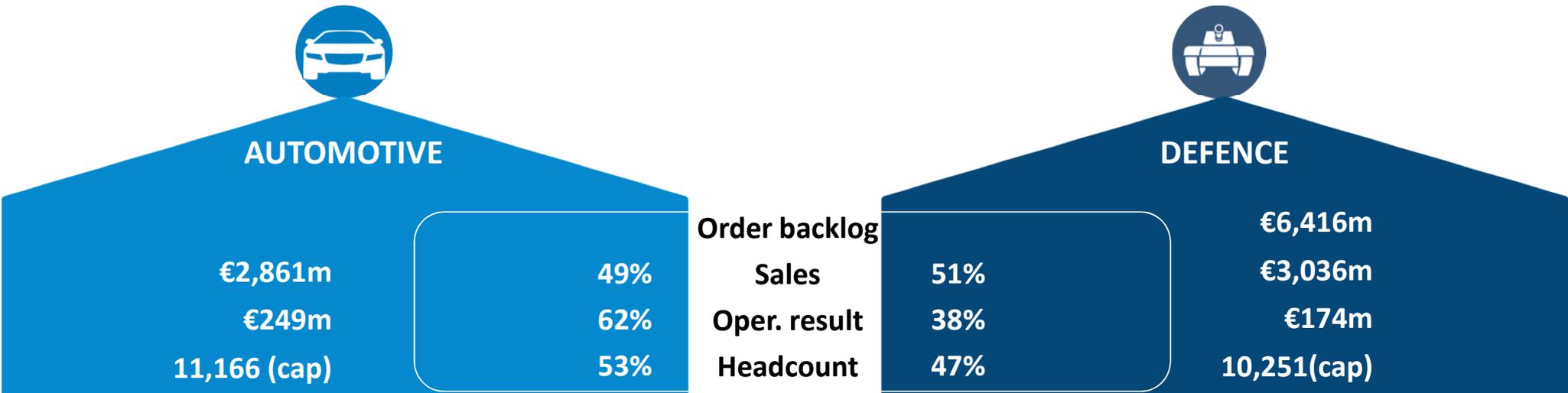
Rheinmetall AG

Corporate Presentation FY 2017

Düsseldorf, March 2018

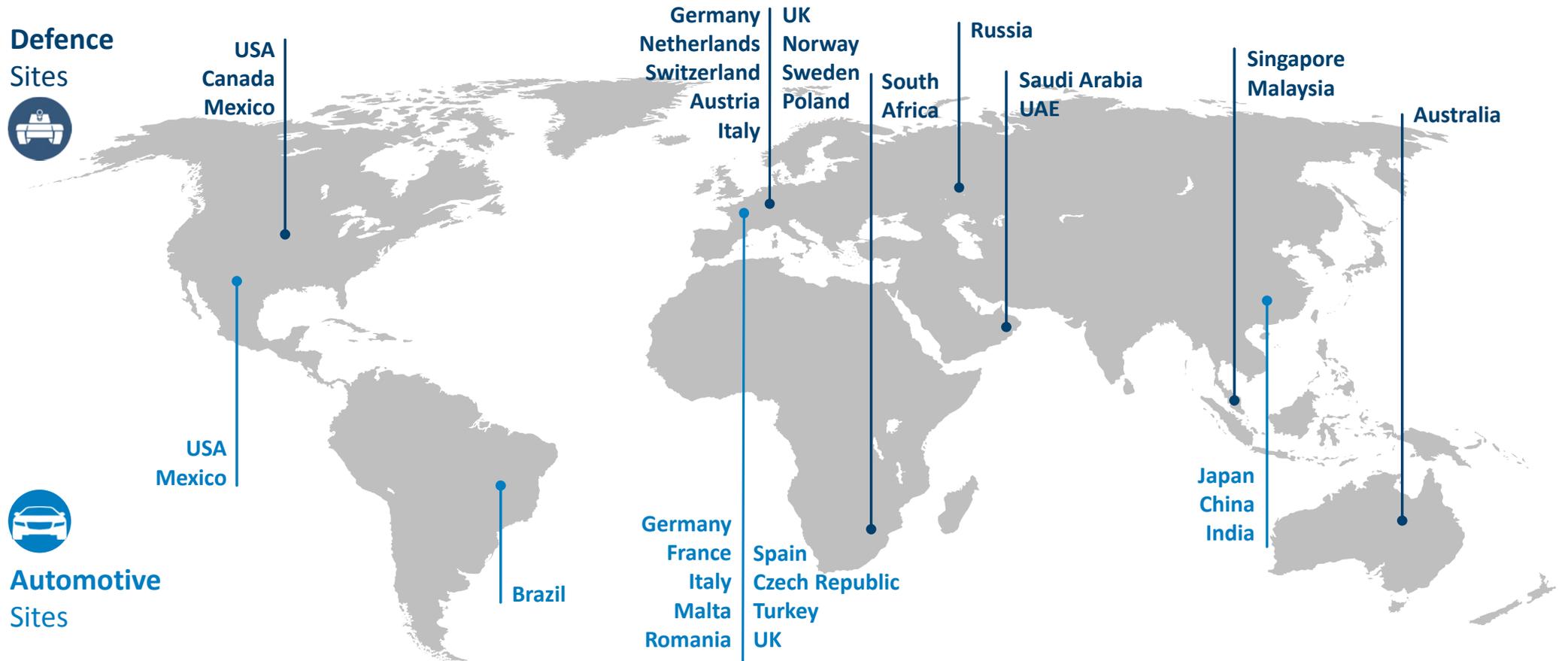
Serving the need for mobility and security

Key Performance Indicators	▪ Order backlog	€6,936m		Strategy roadmap	▪ Organic growth
	▪ Sales	€5,896m			▪ International expansion
	▪ Op. result	€400m			▪ Leading by innovations
	▪ Operating FCF	€276m			▪ Targeted acquisitions
	▪ EPS	€5.24			
	▪ DPS	€1.70*			



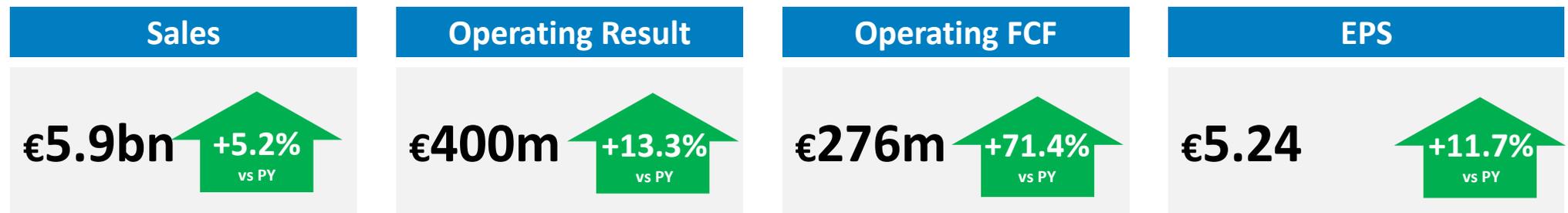
cap: at capacities

More than 100 production sites and offices on all continents



FY 2017 Group Highlights

Significantly higher free cash flow and excellent earnings development



- Group sales development on the back of solid demand in both segments rose to €5,896m
- Operating result up by €47m, raising Group operating margin by 50bp to 6.8%
- Operating free cash flow increased by €115m resulting in a 69% cash conversion rate
- EPS amounted to €5.24 driven by profitability improvement and higher net interest result
- €1.70 dividend proposal is more than 17% higher than last year

Profitability expectations exceeded: Group performance well on track!

FY 2017 Highlights: Defence

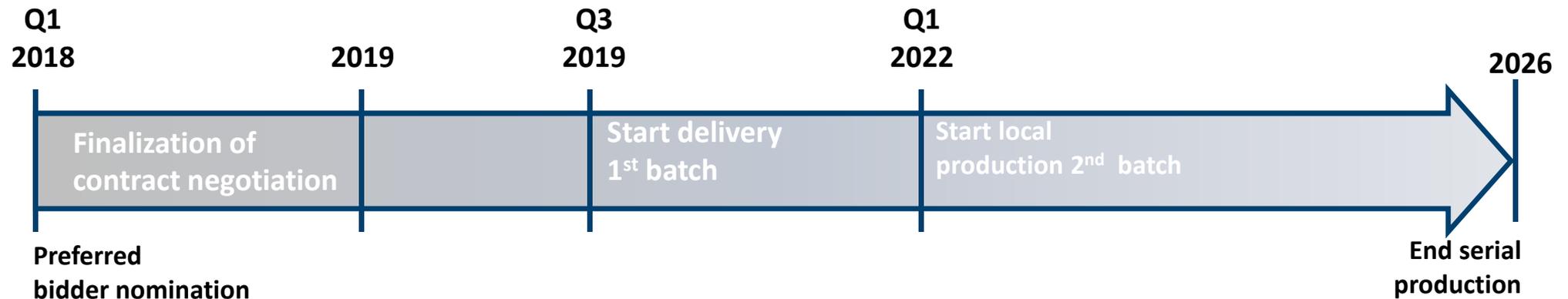
Breaking news: Rheinmetall nominated preferred bidder for Land 400 Phase 2

■ Order scope

- >200 vehicles in different variations
 - (incl. >130 Lance turrets)
- Total order volume of around €2bn
- Finalization of contract negotiation



■ Order schedule

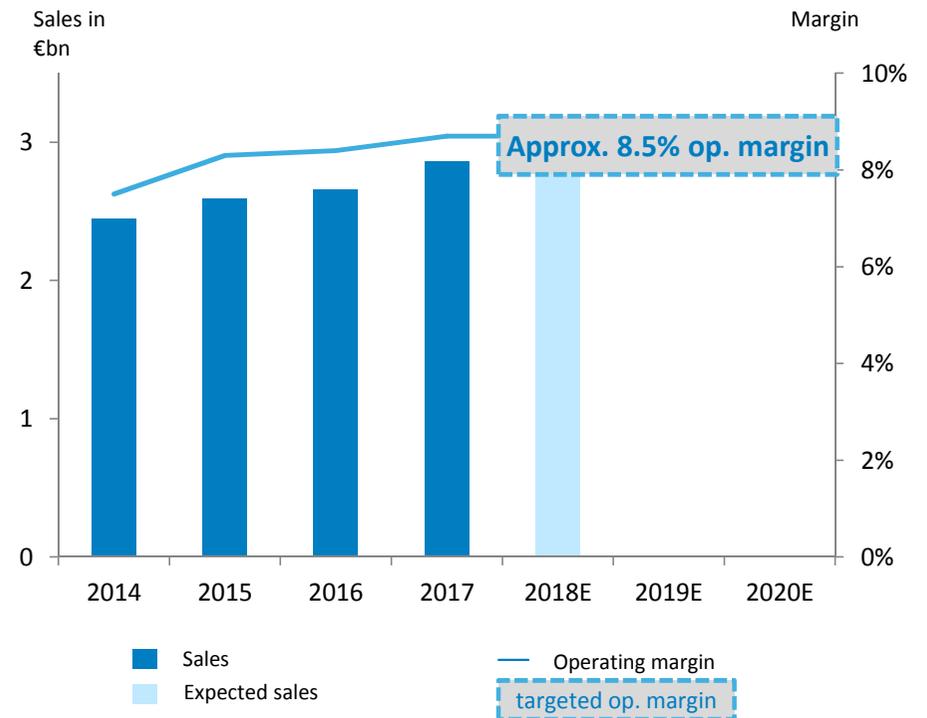


Mid-term outlook

Drivers for structural earnings improvement

■ Automotive targets

- Increase content per car
- Gain more powertrain neutrality
- Further develop product portfolio by entering new markets, e.g. e-mobility
- Increase market share with Chinese OEMs
- Grow share of electrified products to 50% by 2020



Mid-term outlook

Drivers for profitable growth intact

■ Defence targets

- Markets at the dawn of a long-term growth trend
- Increasing margins due to the lesser impact of legacy contracts
- Higher margin contained in the order book
- Leveraging our “military off-the-shelf” portfolio in vehicles
- Internationalization strategy with focus on Eastern Europe
- Development of new technologies



Short-term outlook

High sales growth and earnings improvement targeted

	Sales		Operating margin	
	2017 Growth y/y in %	2018e Growth y/y in %	2017 in %	2018e in %
Group	5.2	8 - 9	6.8	~ 7.0
Automotive 	7.7 (IHS 2.1%)	3 - 4 (IHS 1.9%)	8.7	~ 8.5
Defence 	3.1	12 - 14	5.7	6.0 - 6.5

At constant exchange rates

IHS LV growth assumption as per March 2018



FINANCIAL DETAILS

Strong Group financials underscore strategy & performance going forward!

■ Key financials in €m

- **Total assets stable**
- **Equity ratio rose by 260bp to 31.6%**
- **Net cash position increased by €211m to €230m**
- **Investment grade rating improved to Ba1 with positive outlook in 09/2017**

	FY 2016	FY 2017	Δ
Total assets	6,150	6,186	36
Equity	1,781	1,955	174
Equity ratio	29.0%	31.6%	260bp
Net cash	19	230	211
Debt ratio ¹	-0.3%	-4.2%	390bp
Net gearing ²	-1.1%	-11.8%	1,070bp
Leverage ratio ³	-0.03	-0.40	0.37

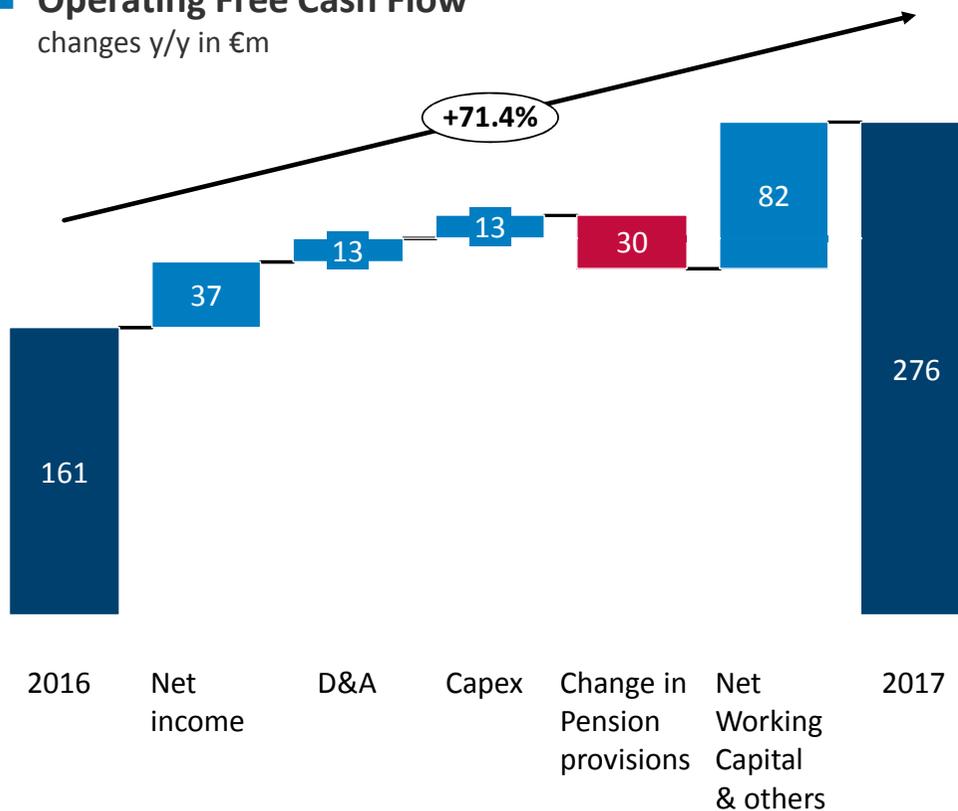
¹ Net financial debt / (total assets-liquid financial assets)

² Net financial debt / shareholder's equity

³ Net financial debt / EBITDA

Outstanding cash flow development and improved cash flow-to-sales-ratio

■ Operating Free Cash Flow changes y/y in €m



■ Key drivers

- Net income increased on improved results and lower net interest effects
- D&A included unscheduled D&A of €8m
- Lower capex in Defence and Holding
- €15m higher CTA funding for pensions
- Positive development of NWC (e.g. customer payments)
- Build-up of provisions, driven by restructuring and environmental measures
- Cash flow-to-sales-ratio improved to 4.7%

Group ROCE increased 110bp and further covered cost of capital

in €m	FY 2016	FY 2017	Δ
EBITDA	581	626	45
EBIT	353	385	32
Interest result	-54	-39	15
EBT	299	346	47
Net income	215	252	37

- EBIT rose despite net negative €15m special effects
- Interest result benefited from lower average interest rate and net cash position
- Underlying tax rate eased to 27% after 28% in 2016
- Net income increased by 17%

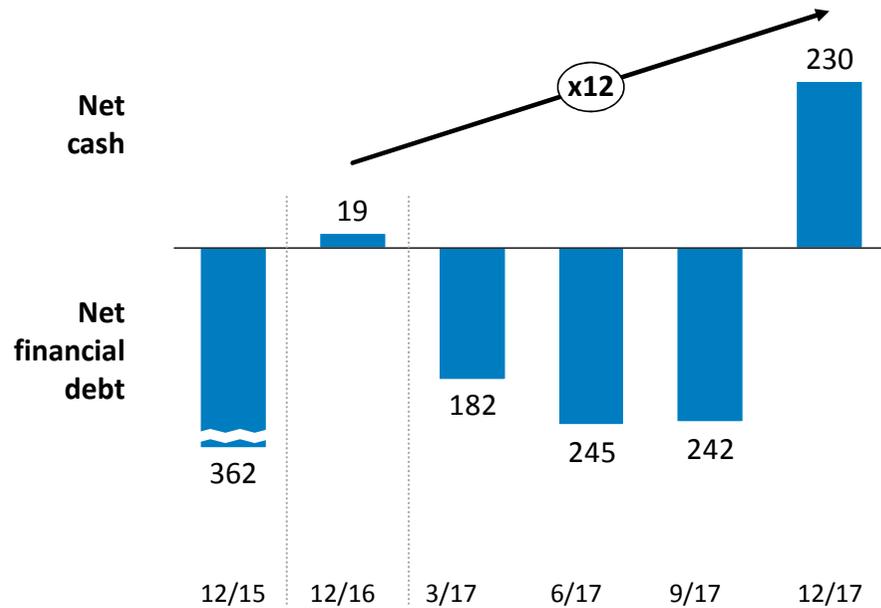
in €m	31/12/2016	31/12/2017	Δ
Equity	1,781	1,955	174
Net debt / Net liquidity (+/-)	-19	-230	-211
Pension provisions	1,186	1,080	-106
Average capital employed*	2,860	2,877	17
ROCE (in %)	12.3	13.4	110bp

- Average capital employed almost stable with mitigating effects from various line items
- ROCE improved by 110bp to 13.4% (Group pre-tax WACC: 10.5%)

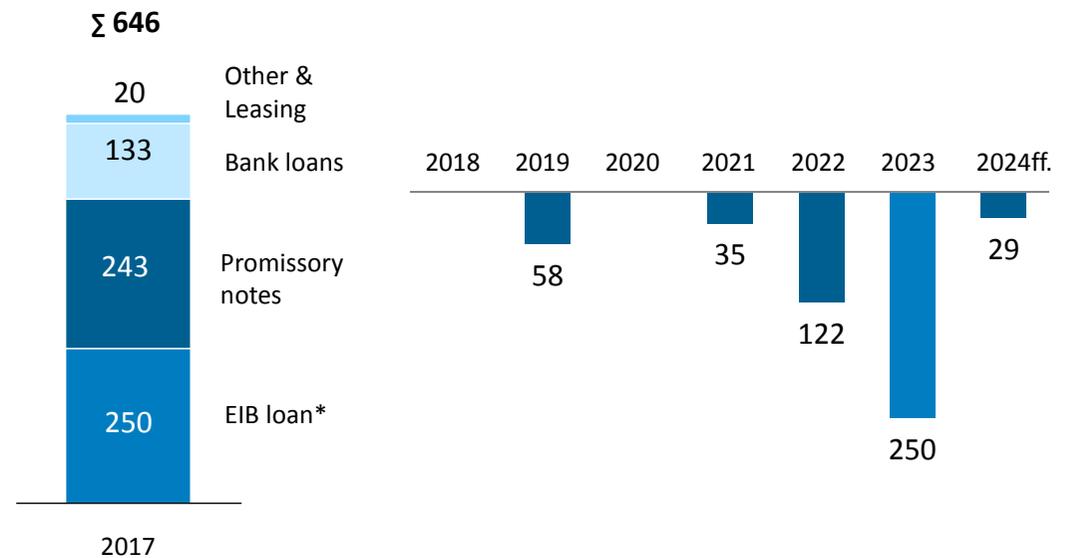
*average capital employed is the mean of 2016/2017 year-end figures

Stronger net cash position

Net financial debt / net cash
in €m at quarter-end



Debt composition and maturity profile
in €m



*€250 m EIB loan (0.962% coupon) maturing in August 2023

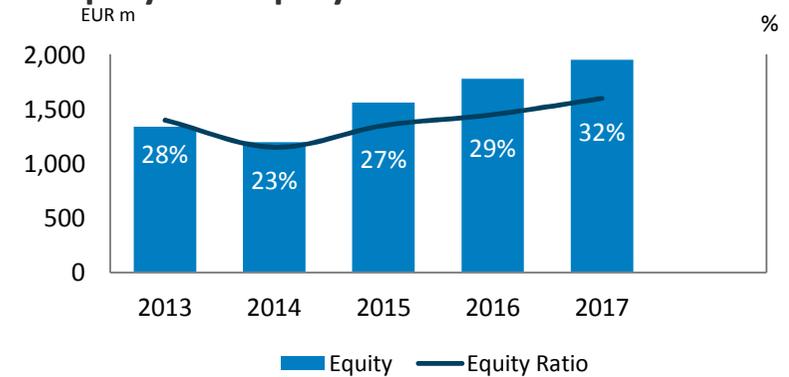
Financial solidity materially improved

■ Drivers

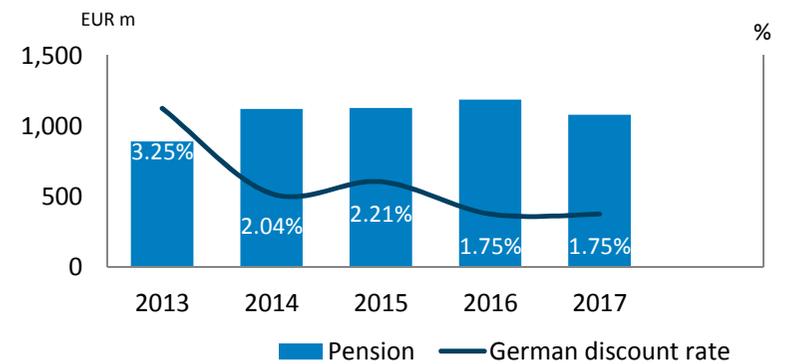
- Confidence increased by delivery on our targets
- Capitalizing on our restructuring efforts
- Equity ratio further improved
- Pension stabilized on further CTA funding
- Supportive market environment in both segments

Credit rating Ba1 with outlook positive since September 2017

■ Equity and Equity ratio



■ Pension liabilities and German discount rate



FY 2017 Highlights: Automotive

Strong sales growth with further improved result and margin



- Sales grew by 7.7% (7.9% FX-adjusted) to €2.9bn, clearly outperforming markets
- Mechatronics drove sales and results due to high demand for emission reduction and fuel efficiency products
- Operating result climbed to €249m, up 11.7%
- Operating margin increased by 30bp to 8.7%
- Closure of French pistons plant to further improve Hardparts performance
- More than €500m order backlog for e-mobility

FY 2017 Highlights: Automotive

Successful launch of innovative products

Market introduction of new ICE products



Catering to the demand for lightweight parts



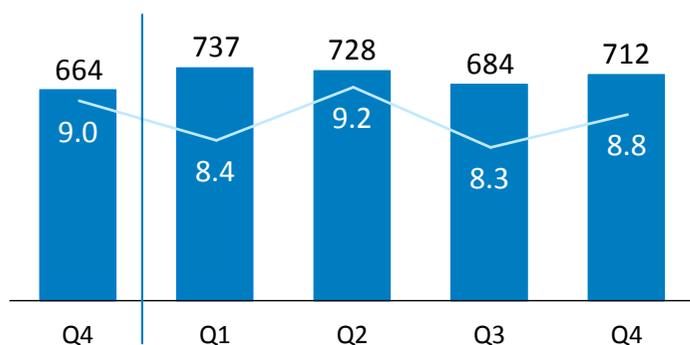
Well-received demonstration of EV
competence at the IAA 2017



Q4 2017:

Automotive with excellent sales growth on high profitability level

Quarterly sales and margin development



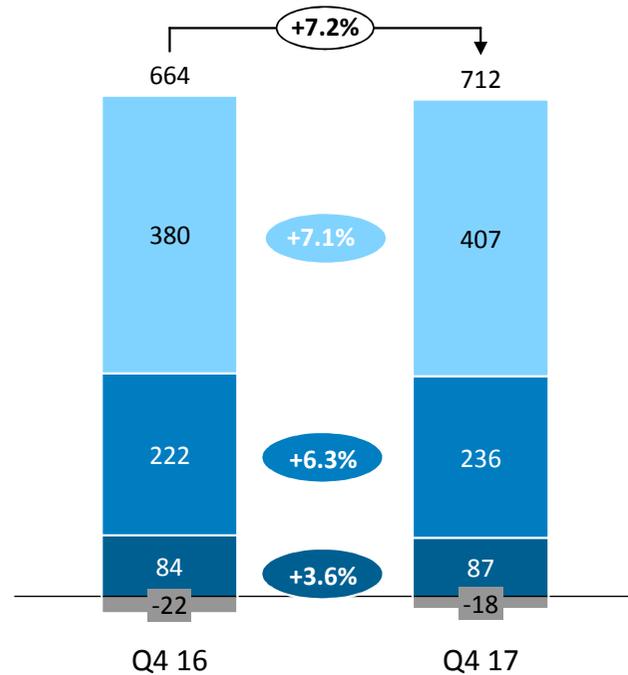
Comments on quarterly performance

- Positive sales development of 7.2% supported by all divisions (9.0% FX-adjusted)
- Improved operating result mostly achieved by Mechatronics
- Margin sequentially up, but below PY due to Hardparts results

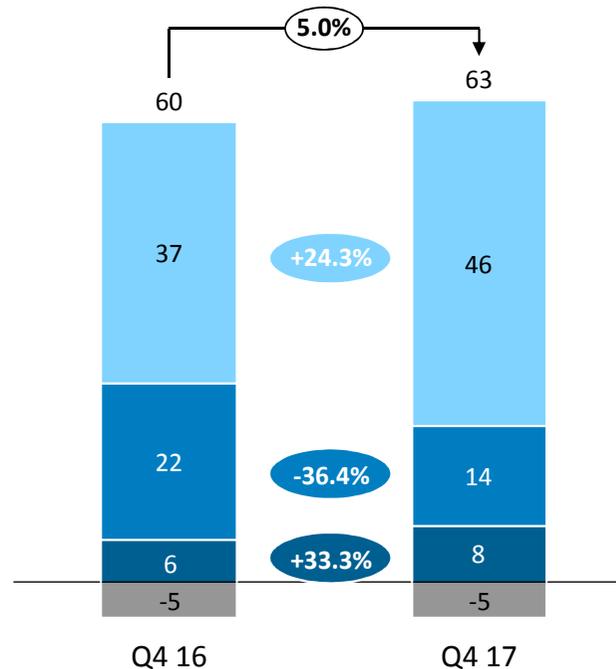
in €m	Q4 2016	Q4 2017	Δ	FY 2016	FY 2017	Δ
Sales	664	712	7.2%	2,656	2,861	7.7%
Operating result	60	63	5.0%	223	249	11.7%
Operating margin in %	9.0	8.8	-20bp	8.4	8.7	30bp
EBIT	60	63	5.0%	223	227	1.8%
Operating Free Cash Flow	146	74	-49.3%	105	106	1.0%

Q4 2017 result growth on the back of strong Mechatronics performance

Sales Automotive
in €m



Operating result Automotive
in €m



Mechatronics

- Good demand for high tech/high margin products continued

Hardparts

- Recovery of LBP demand
- Ramp-up issues for structural parts at our German casting JV
- Discontinuation of subsidies (EEG)

Aftermarket

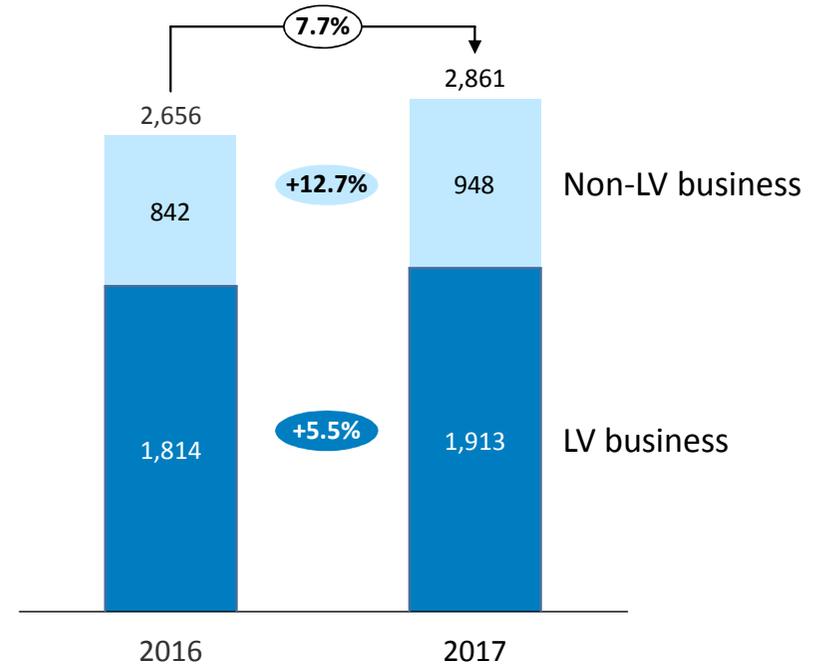
- Higher sales
- Reduced ramp-up cost

Automotive outperformed global markets again

Global LV production
in million units

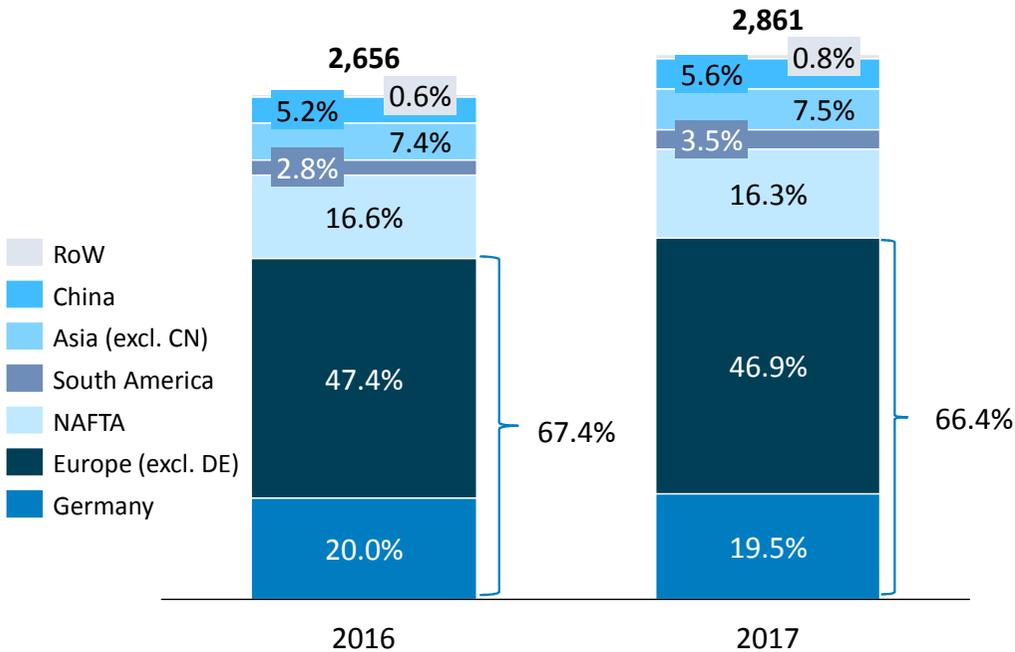


Sales Automotive LV / Non-LV
in €m

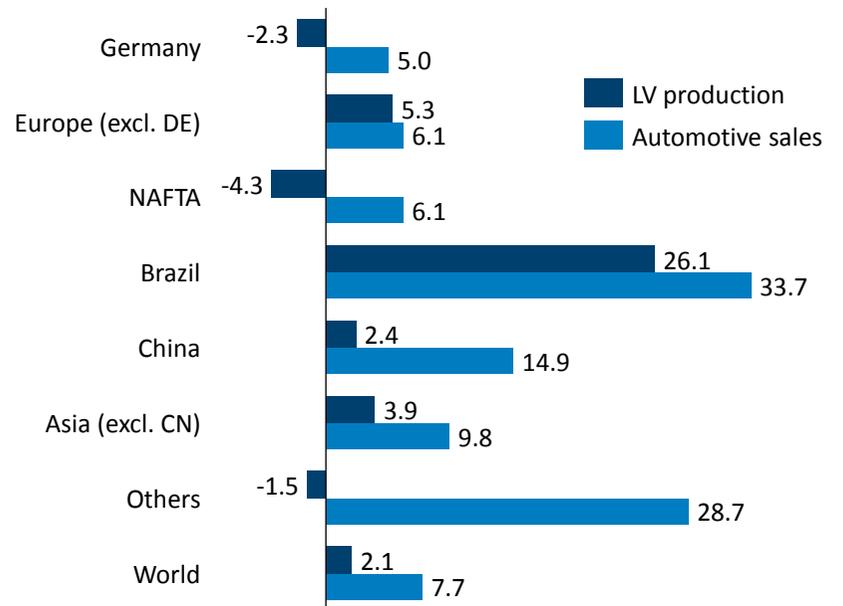


Without exception: All regions outperformed!

Regional sales development Automotive
in €m

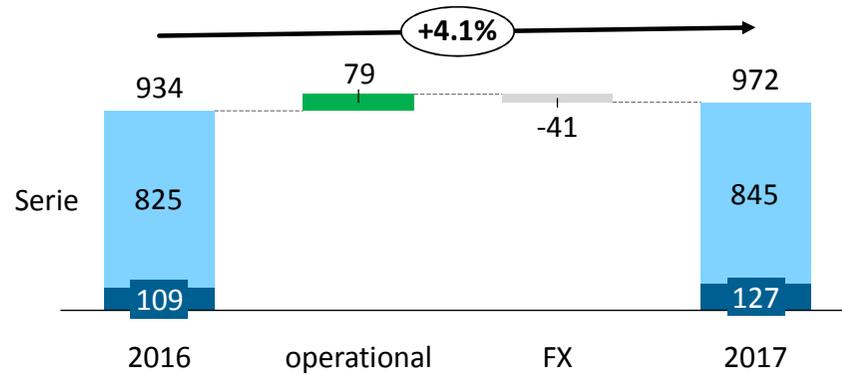


Regional Automotive sales growth FY 2017
in % (IHS March 2018)

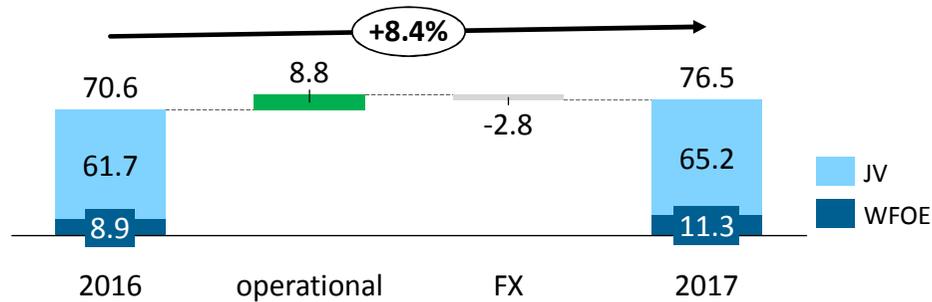


Demand for our products in China on the rise

Sales in €m



EBIT in €m



- Sales increased by 4.1% (7.8% FX-adjusted) to €972m, clearly outperforming Chinese market growth of 2.2%
- Strong and profitable growth in JVs accelerated margin to 7.7% (PY: 7.5%)
- 100% subsidiaries with very good sales and EBIT contribution, margin grew to 8.9% (PY: 8.2%)

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

FY 2017 Highlights: Defence

Strong results and cash flow on the back of higher sales



- Sales grew 3.1% (2.9% FX-adjusted) to above €3bn
- Operating result up by 18.4% to €174m
- Operating margin increased 70bp to 5.7%
- Free operating cash flow more than doubled to €238m
- Successful partnering in preparation of strategic moves

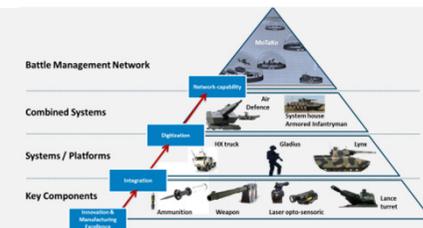
FY 2017 Highlights: Defence

2017 laid the foundation for the next growth phase

International tender pipeline with excellent prospects



Positioning as systems provider becomes more important

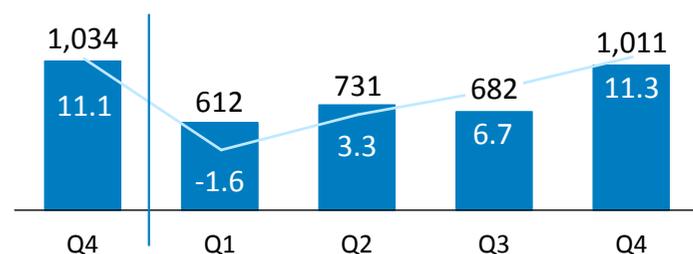


New strategic co-operations developed



Solid fourth quarter with high cash flow generation

Quarterly sales and margin development



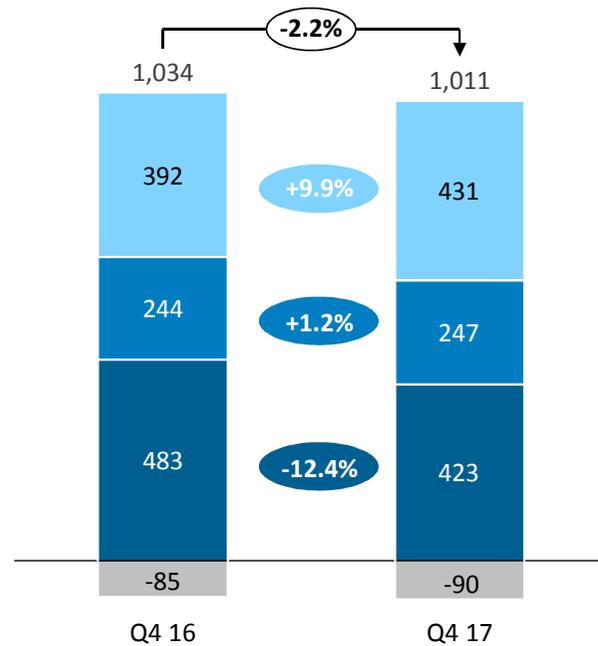
Comments on quarterly performance

- Sales slightly lower, (-2.2%; -0.9% FX-adjusted)
- Margin expansion driven by Weapon & Ammunition
- Q4 free cash flow benefited from high customer payments

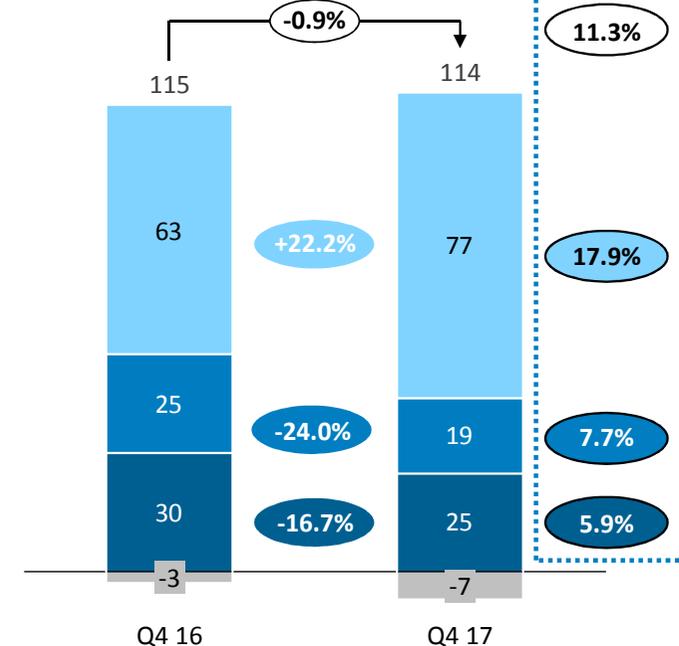
in €m	Q4 2016	Q4 2017	Δ	FY 2016	FY 2017	Δ
Order intake	725	671	-7.4%	3,050	2,963	-2.9%
Sales	1,034	1,011	-2.2%	2,946	3,036	3.1%
Operating result	115	114	-0.9%	147	174	18.4%
Operating margin in %	11.1	11.3	20bp	5.0	5.7	70bp
EBIT	115	115	0.0%	147	172	17.0%
Operating Free Cash Flow	319	395	23.8%	103	238	131.1%
Operating FCF / Sales in %	30.9	39.1	800bp	3.5	7.8	300bp

Q4 margin improvement in a weaker sales quarter

Sales Defence
in €m



Operating result Defence
in €m



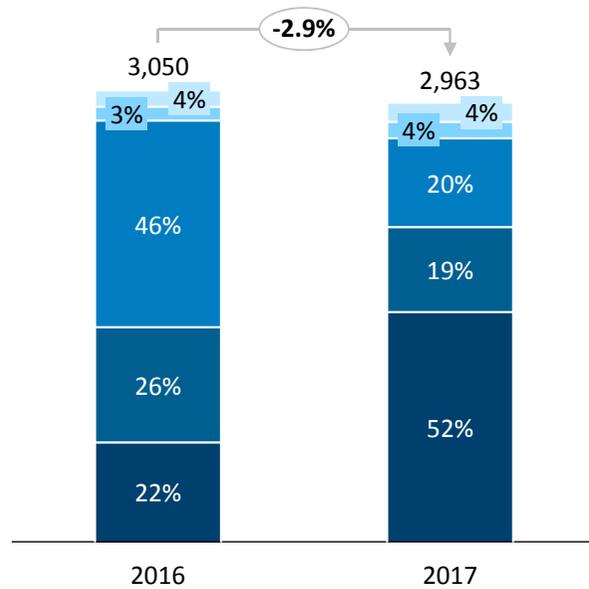
Margin

- Weapon and Ammunition**
 - High share of profitable ammunition and international business
- Electronic Solutions**
 - Lower sales in Mission Equipment
 - Q4 16 with profitable R&D contract
 - Upfront cost for new projects in Q4 17
- Vehicle Systems**
 - High Land 121 sales share in Q4 2016
 - Sales-related earnings decline

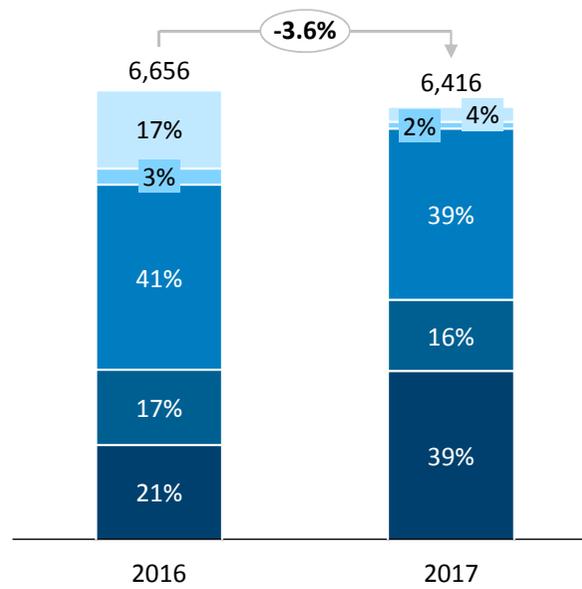
Weapon & Ammunition Electronic Solutions Vehicle Systems Consolidation

German military spending hike becomes visible

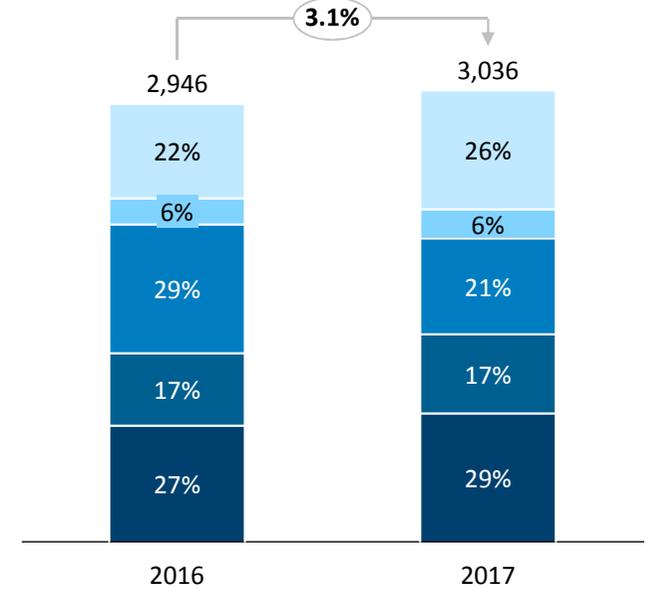
Order intake by region
in €m



Order backlog by region
in €m



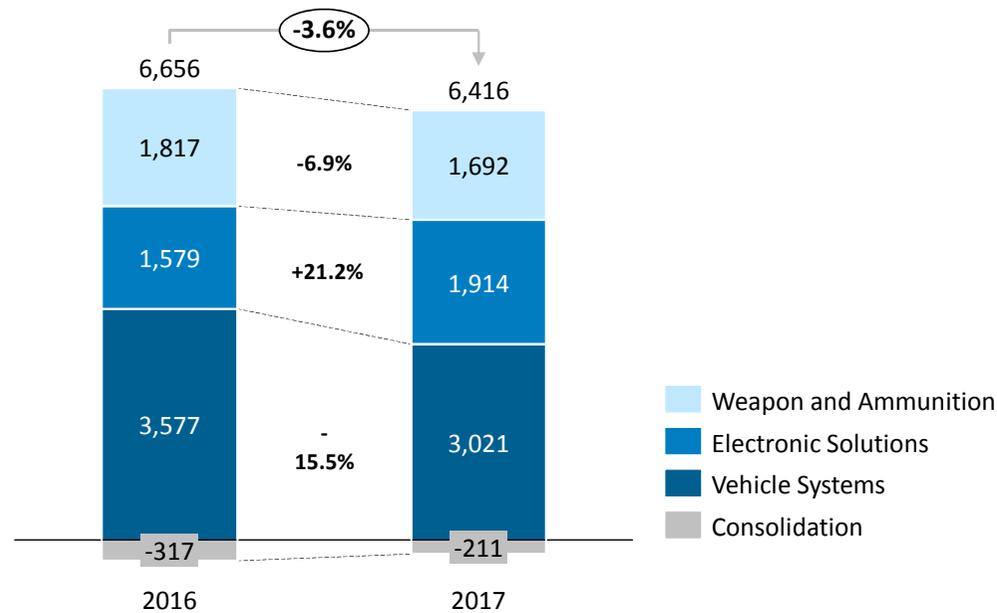
Sales by region
in %



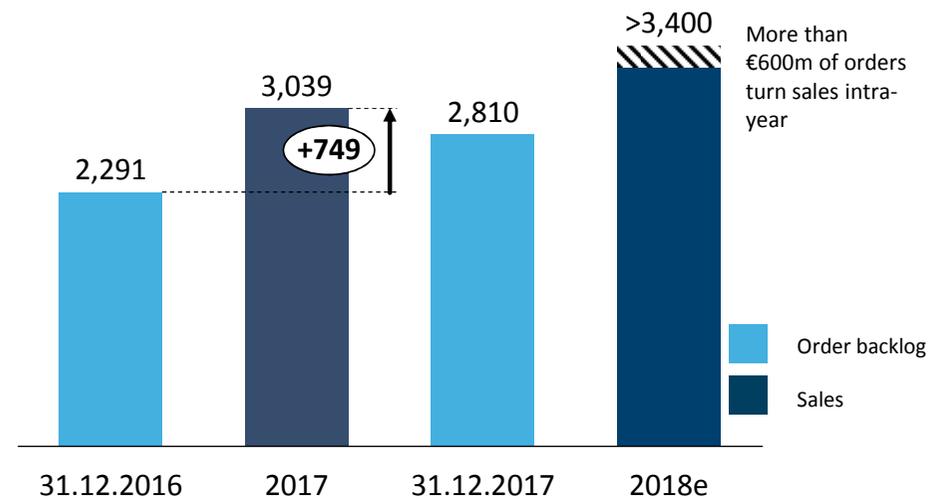
Rest of the World North America Asia Europe (w/o Germany) Germany

Strong order backlog as a basis for further growth

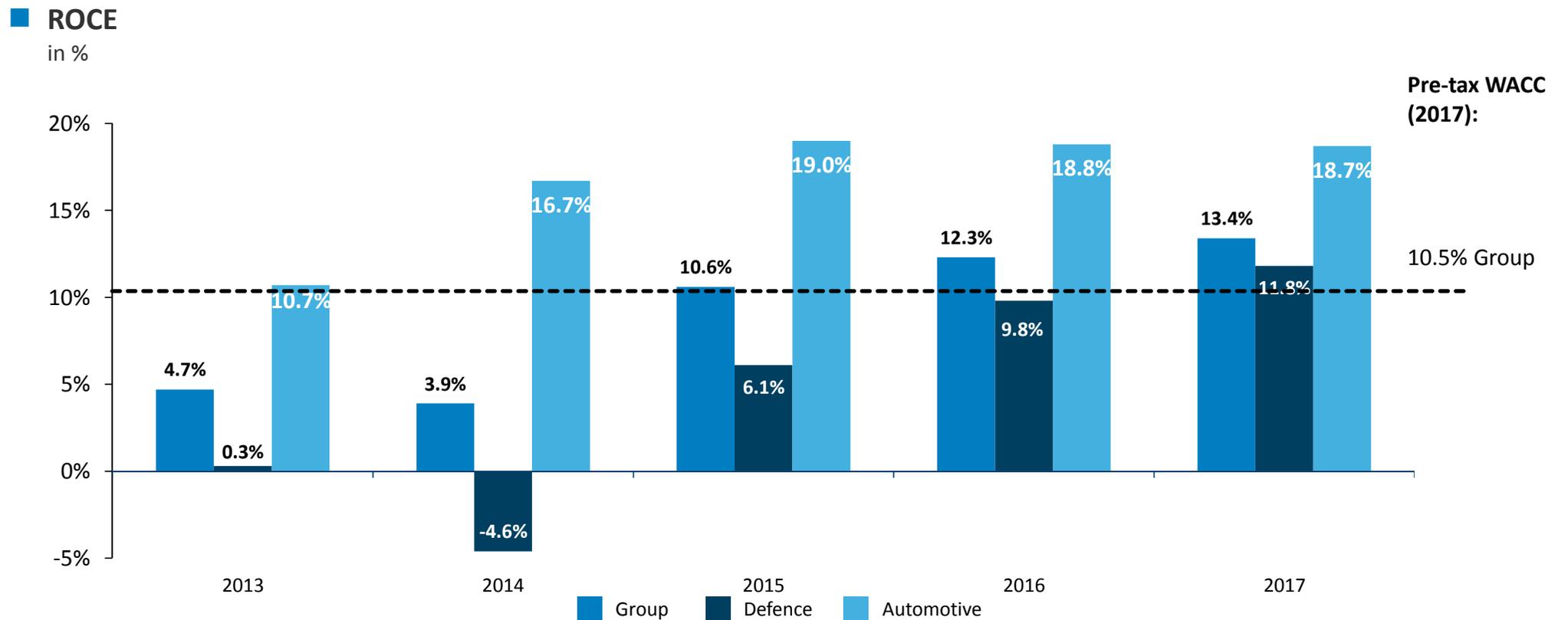
Order backlog end of year
in EUR million



Order backlog for the following year
in EUR million



Continuing ROCE improvement





AUTOMOTIVE APPENDIX

Automotive with leading technology and market positions

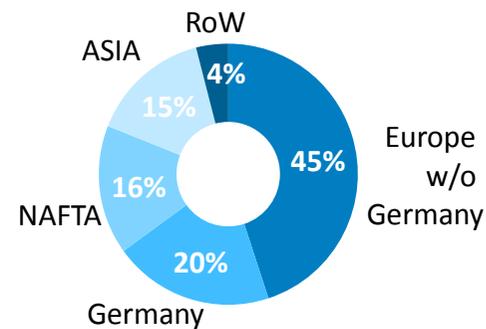
Key Figures

Sales:	€2.9bn
Op. result:	€247m
Op. margin:	8.7%
R&D:	€151m
Capex:	€176m
Headcount:	11.166

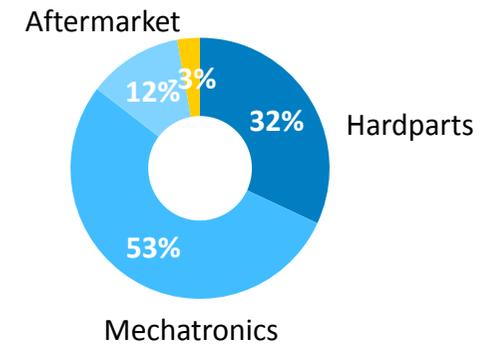
Structure

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

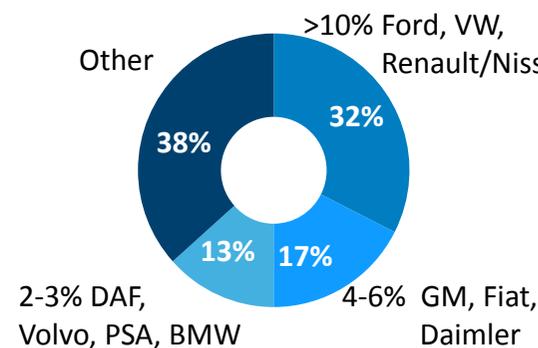
Sales by region



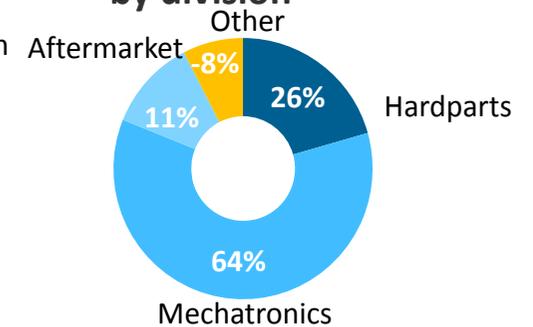
Sales by division



Sales by customer



Operating result by division

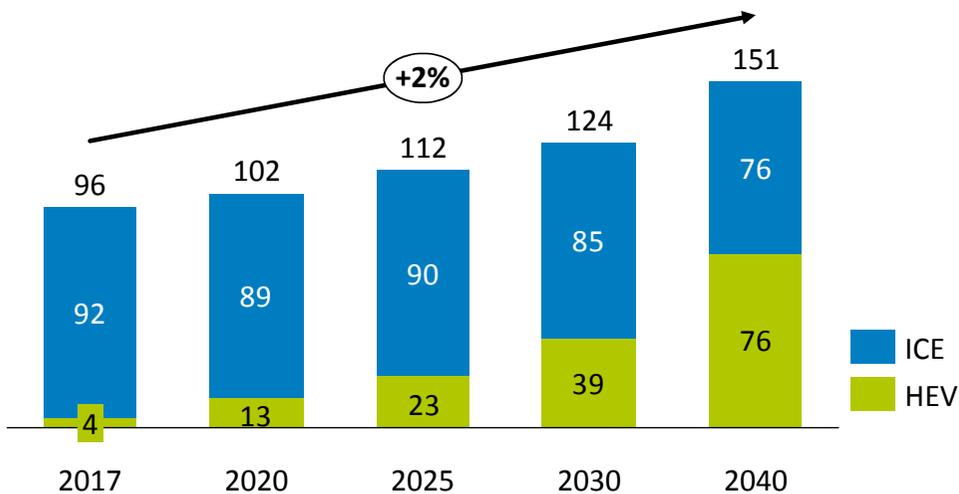


All figures refer to FY 2017

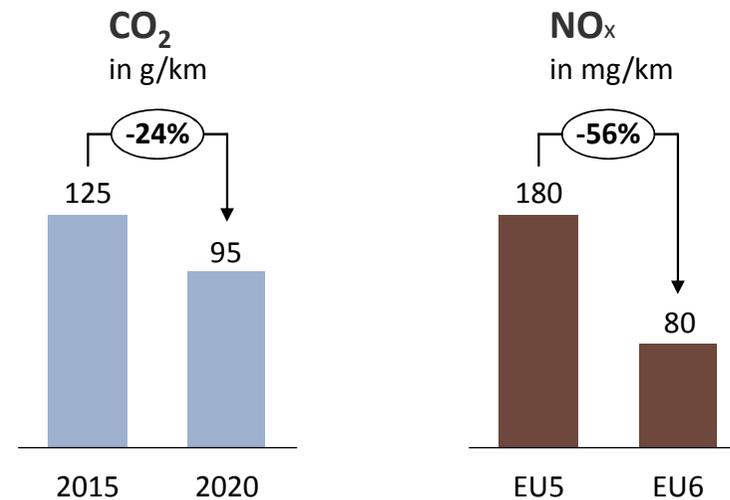
Drivers for growth

Rising global fleet and regulatory restrictions are supporting our growth

Light vehicle production
million vehicles per year

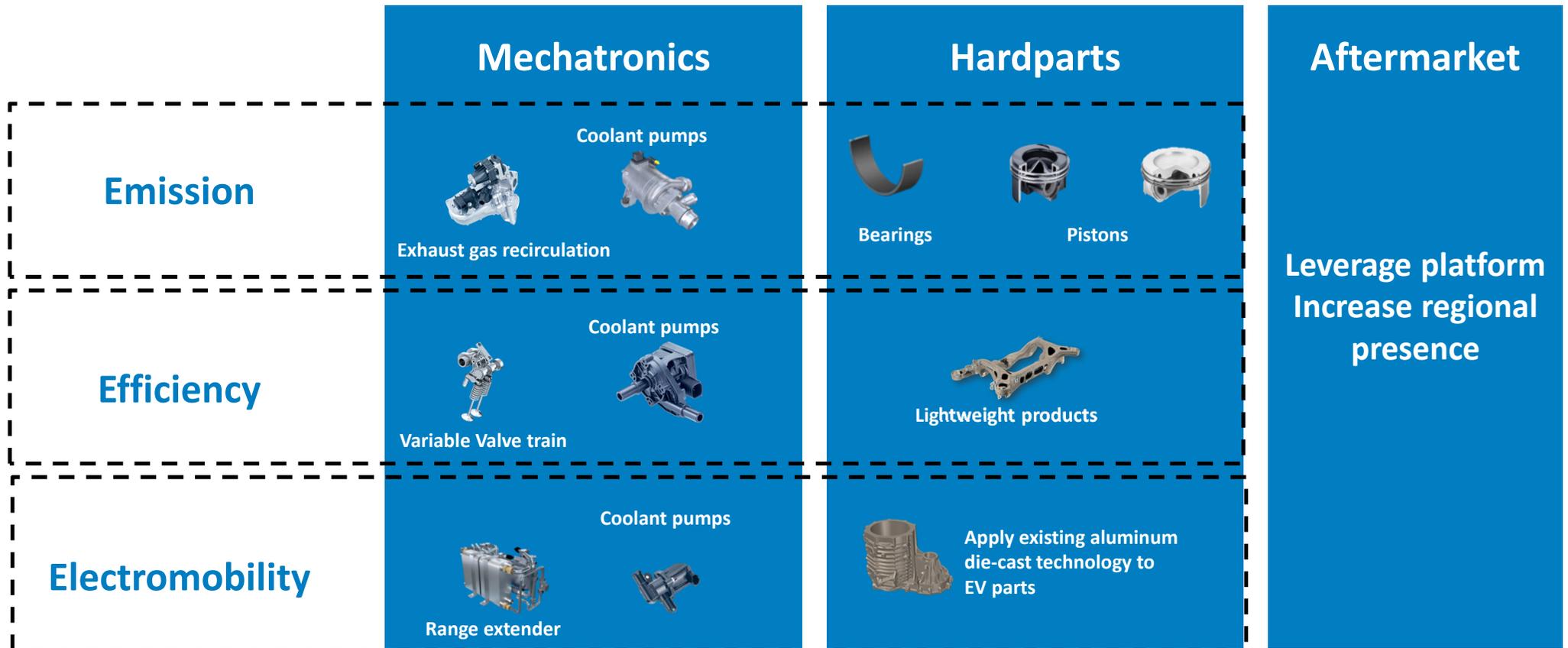


Emission regulation



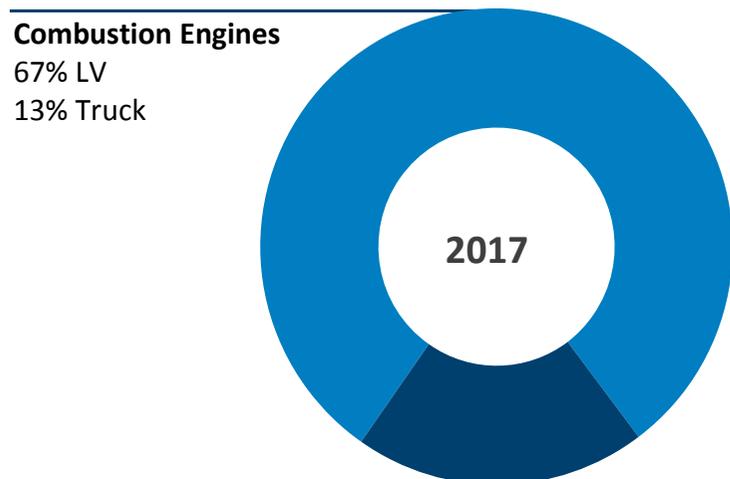
Our goal is to outperform global market growth by 100 to 200 bp

Our portfolio addresses the three basic drivers



Strategic goal to reduce ICE exposure

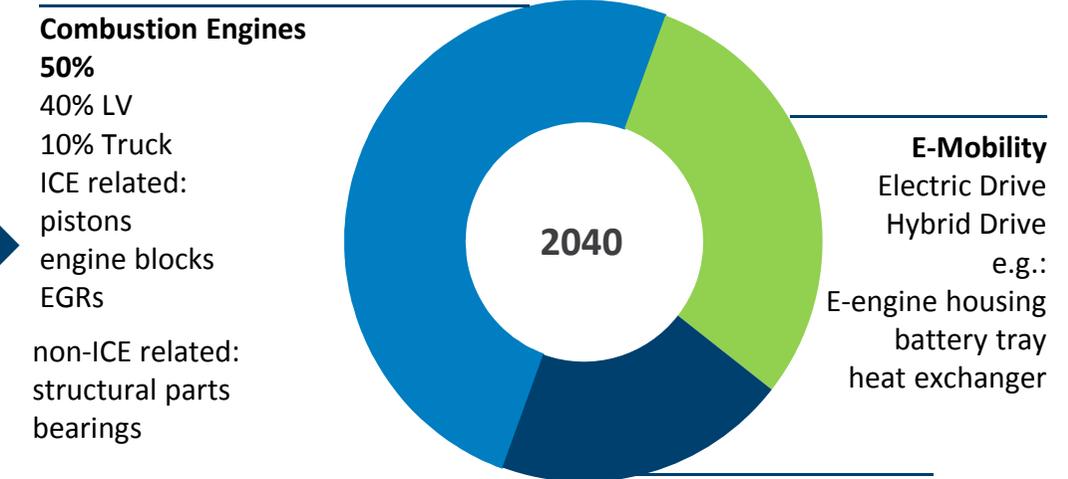
Actual sales split



Combustion Engines
67% LV
13% Truck

Non-Combustion Business
Continuous Casting
MIR, LB
Aftermarket
Others

Strategic sales split



Combustion Engines
50%
40% LV
10% Truck
ICE related:
pistons
engine blocks
EGRs
non-ICE related:
structural parts
bearings

E-Mobility
Electric Drive
Hybrid Drive
e.g.:
E-engine housing
battery tray
heat exchanger

Non-LV Business
Continuous Casting
MIR, LB
Aftermarket
Others

Data based on fiscal 2017

Strategic goals of Rheinmetall Automotive

STRATEGIC GOALS

Increasing content per car

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

Gaining powertrain neutrality

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

Optimizing global footprint

- Further internationalization of our Mechatronics business

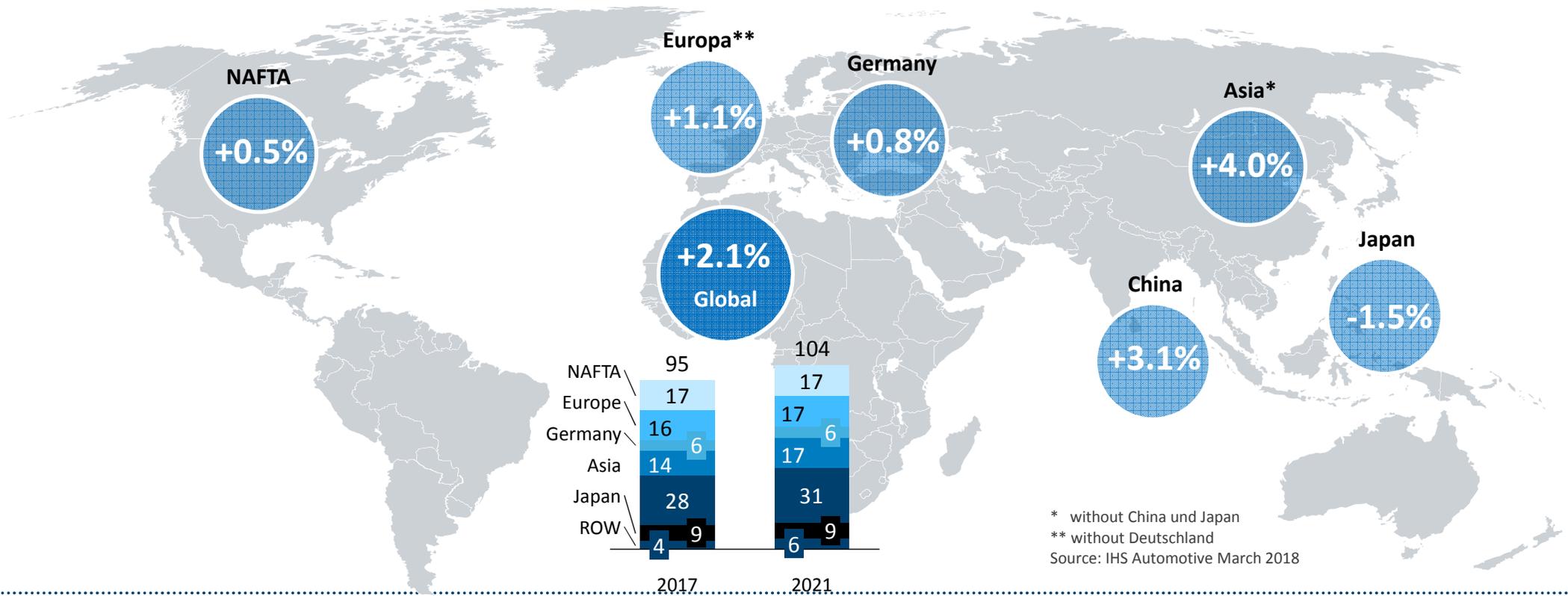
Increase Chinese OEM share

- China is the single biggest market and we want to grow our position with Chinese OEMs



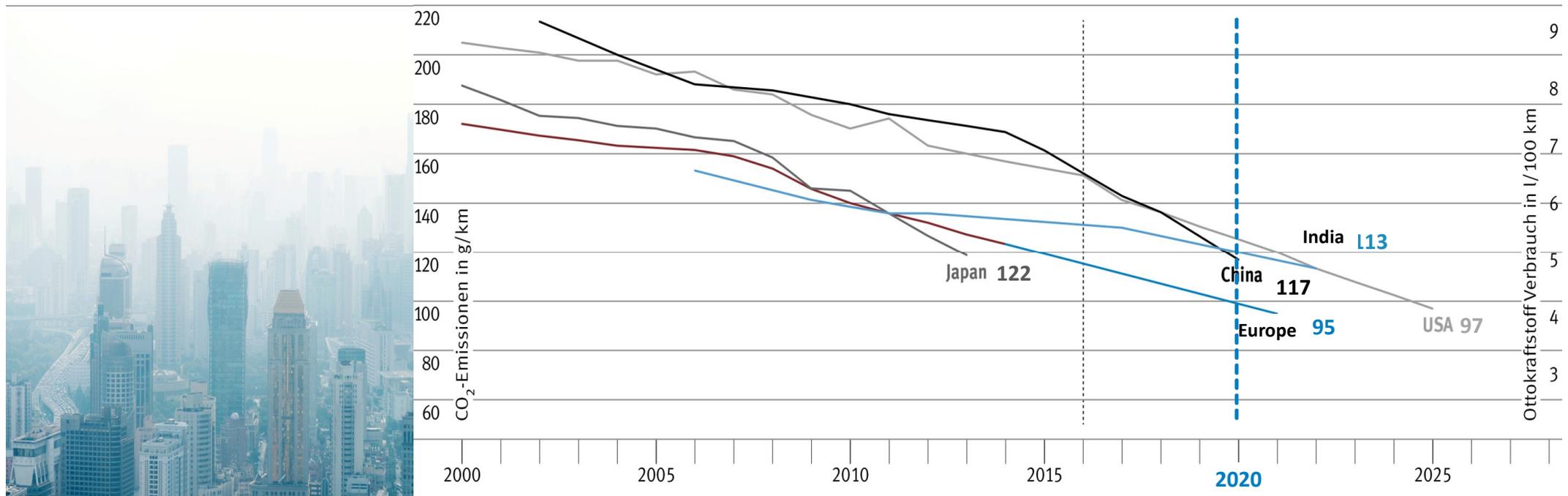
Rising global light vehicle production

■ Light vehicle production 2017-2021 CAGR in % / in million units



Governments will continue to demand reduction of CO₂ emissions

■ CO₂ emission
in g/km

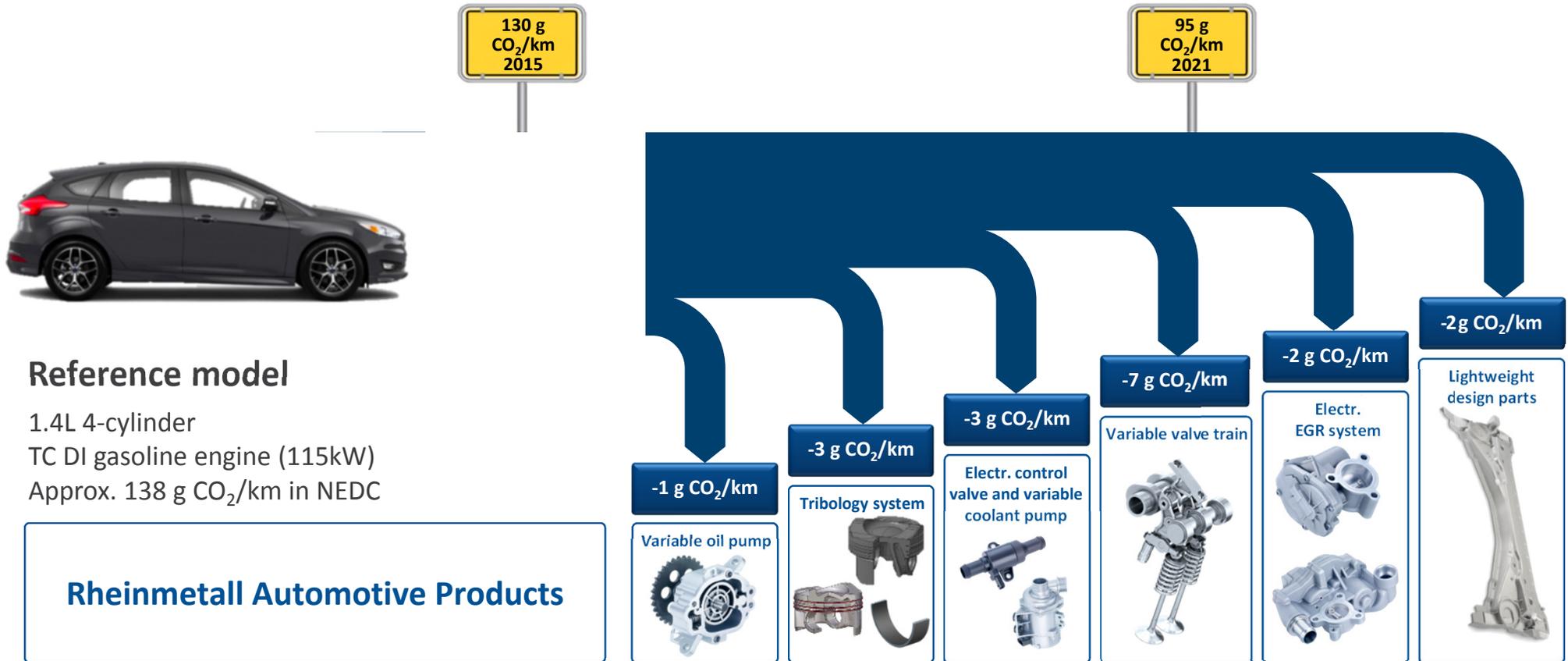


*Note that Japan has already exceeded its 2020 statutory target, as of 2013

Source: ICCT

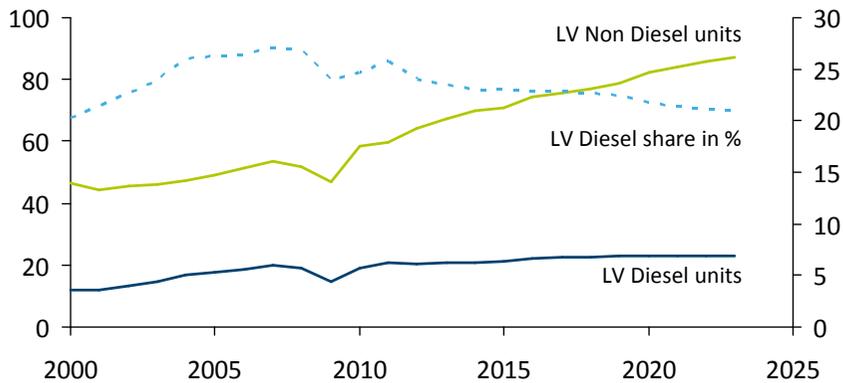
Efficiency

CO₂ Reduction with Automotive Products – Gasoline Engine Vehicle



LV Diesel exposure limited; powertrain independence is the strategic target

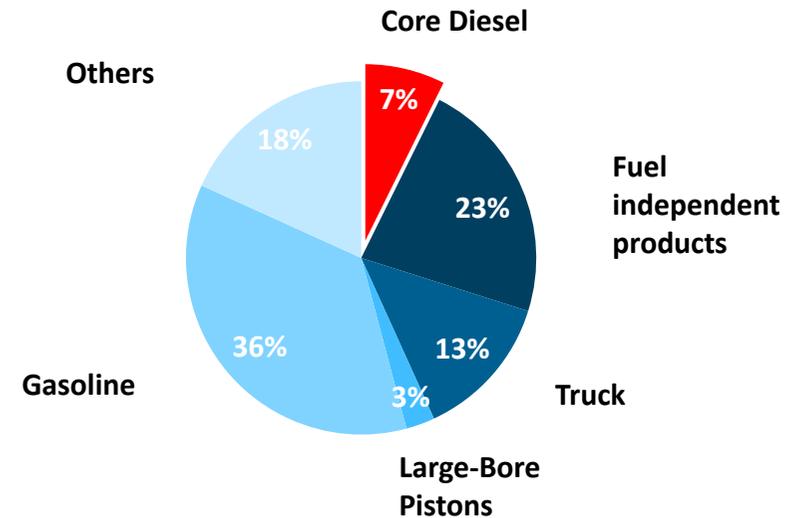
■ Combined global engine production forecast*



■ 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

■ Automotive sales distribution by engine type**



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

* IHS: Combined Engine Production Forecast April 2017

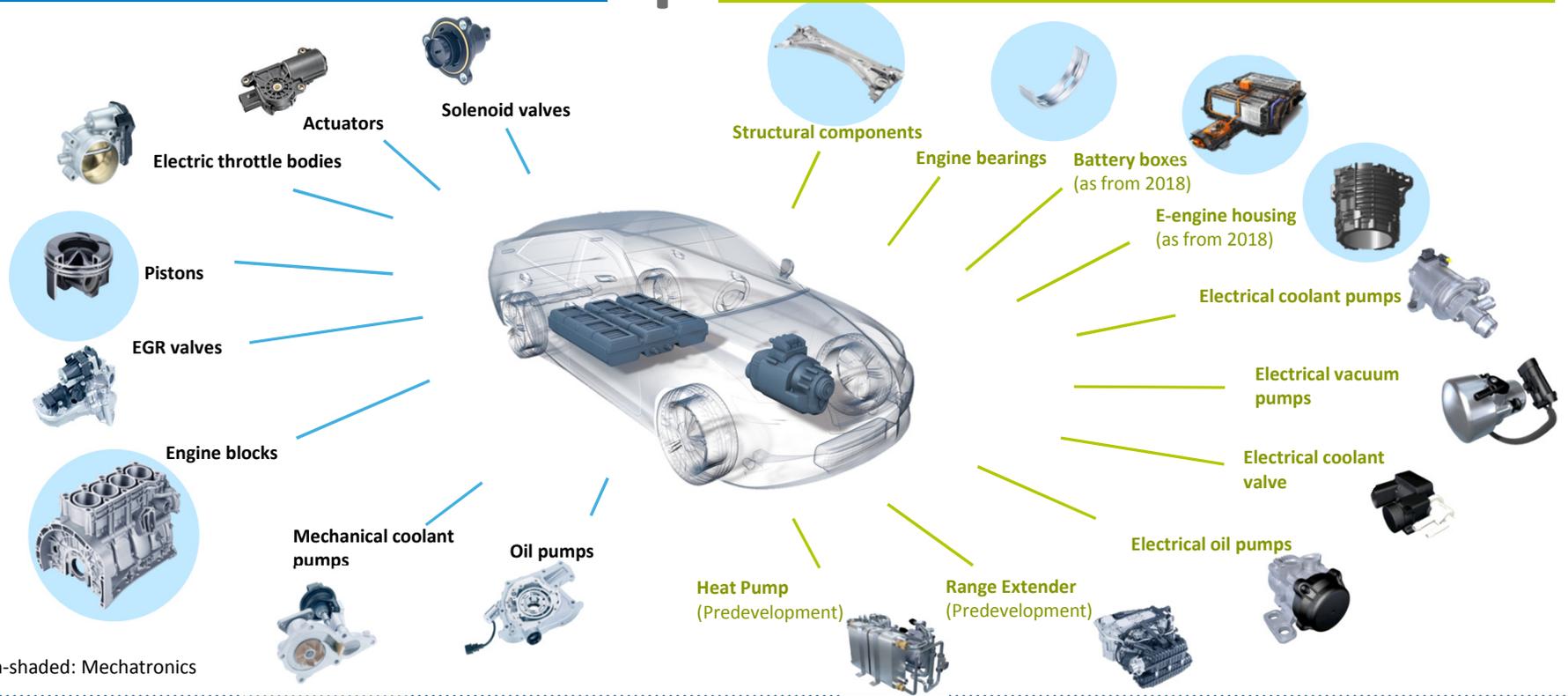
** Rheinmetall Automotive sales FY 2017

Broad product range for alternative drive systems

Enlarging the traditional product portfolio for combustion engines ...



... by products for hybrid and electric engines



● Hardparts products, non-shaded: Mechatronics

E-mobility competence underlined by contracts and by initiatives for new solutions

■ Contract volume for electric vehicles (EV)*

Product	Volume	Contract duration (∅)
Battery EV	~€300m	6 – 8 years
(Plugin) Hybrid EV	~€200m	4 – 8 years

■ E-mobility competencies

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

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

Electrification and downsizing require more sophisticated products

Coolant pump



Mechanical



>6x



Electrical

Exhaust gas recirculation



Valve



>3x



Valve, cooler, bypass and bypass actuator



Oil pump



Mechanical



>3x



Variable

Piston



Aluminum



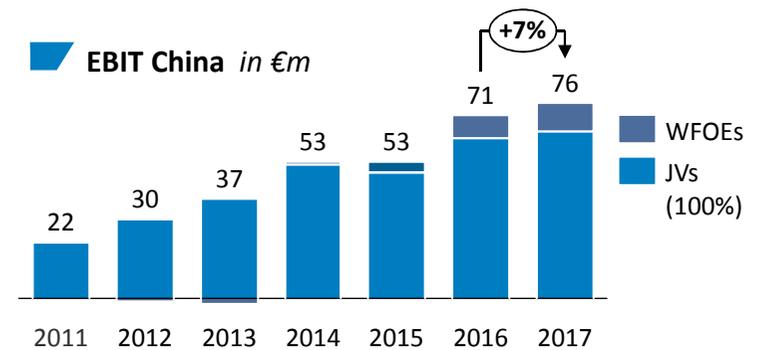
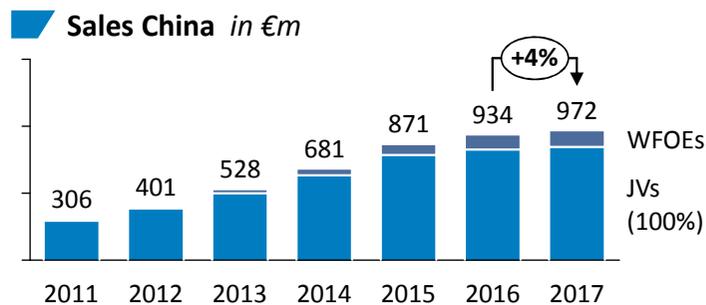
>3x



Steel

Automotive in China

50/50 joint ventures with HASCO (SAIC group)				Wholly Foreign-Owned Enterprises (100% Rheinmetall Automotive)			JV subsidiary
Castings (ATAG)	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



Markets with different growth focus: More than 40 locations with high focus on local needs

Germany

- Tamm
- Berlin
- Dormagen
- Hartha
- Langenhagen
- Neckarsulm (Headquarter)**
- Neuss
- Neuenstadt
- Papenburg
- St. Leon-Rot
- Walldürn

Czech Republic

- Ústí n. L.
- Chabarovice

Great Britain

- Kirtlington

France

- Lyon
- Paris
- Thionville

Spain

- Abadiano

Italy

- Lanciano
- Livorno
- Turin

USA

- Auburn Hills
- Greensburg
- Greenville (Fountain Inn)
- Marinette

Mexico

- Celaya

Brazil

- Nova Odessa

Japan

- Hiroshima
- Odawara
- Tokyo

China

- Shanghai (7)
- Kunshan (2)
- Yantai

India

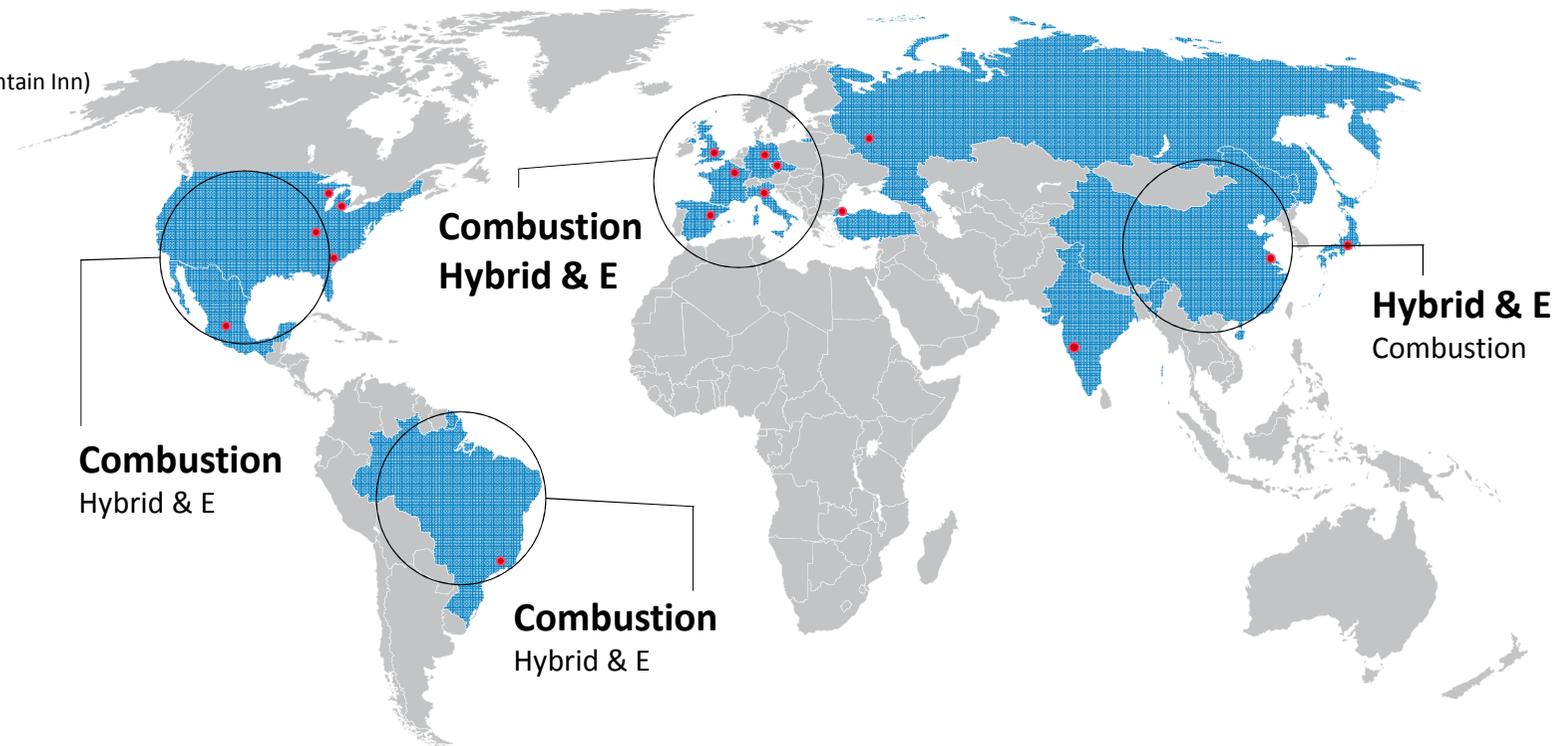
- Pune
- New Delhi
- Supa

Turkey

- Istanbul

Russia

- Moscow



Including JVs in Neckarsulm und Greensburg / Yantai / Shanghai / Tokyo as well as the stake in the New Delhi enterprise and the sales offices

Summary

Markets and Customers:

Markets in better shape than anticipated, global LV production will grow by >2%
Our global production and technology footprint will follow local needs
Rheinmetall Automotive intends to outperform markets in future, too

Performance and Products:

Sales growth at Mechatronics will follow the high demand for fuel-optimization products
Hardparts will continue to optimize its global footprint, with the focus on generating cash
Aftermarket: back on track with a new strategy, now set to return to former profitability

New Mobility Concepts:

Trend to more efficiency and emission reduction promises higher content per car
Electrification brings additional business and sales growth
Product pipelines are still filled with innovations for every type of power trains



DEFENCE APPENDIX

Defence is a leading supplier with an increasing international presence

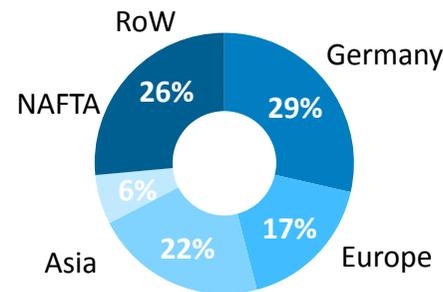
Key Figures

Sales:	€3.0bn
Op. result:	€174m
Op. margin:	5.7%
R&D:	€73m
Capex:	€89m
Headcount:	10,251

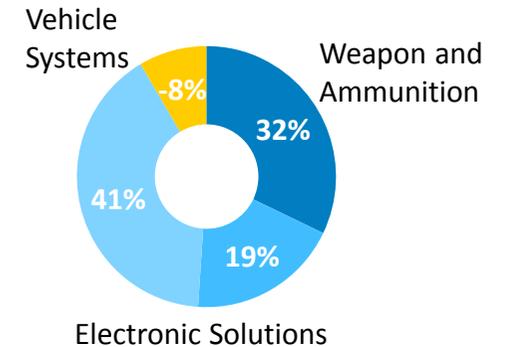
Structure

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

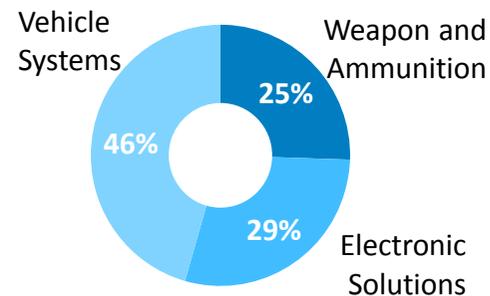
Sales by region



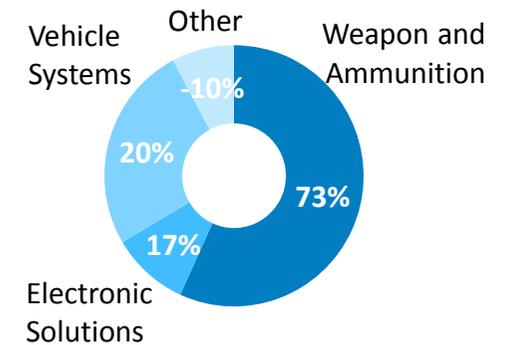
Sales by division



Order backlog by division



EBIT by division



All figures refer to FY 2017

Strategic goals of Rheinmetall Defence

Strategic goals

Entering new markets

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

Enlarging internationalization

- Form partnerships with local suppliers to provide local content

Benefiting from home markets

- Business opportunities by increasing budgets in Germany and neighboring countries

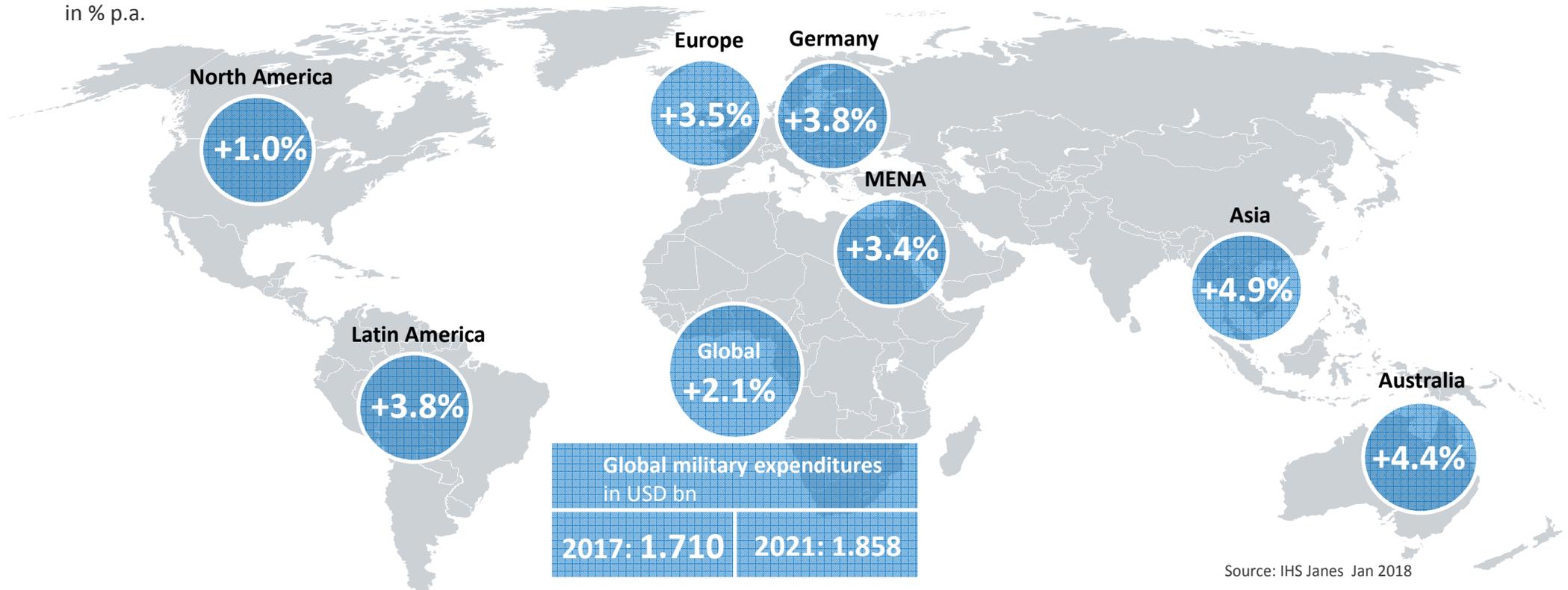
Creating innovations

- Armored vehicles and their weapons
- New technologies, e.g. laser technology
- IT-based networking



Defence is at the beginning of long-lasting market growth

■ Defence budgets development 2017 – 2021
in % p.a.



Source: IHS Janes Jan 2018

Demand for defence products has entered into a long-term growth cycle

Change in macro environment



Triggers increased defence spending



Rising budgets and growing project portfolios

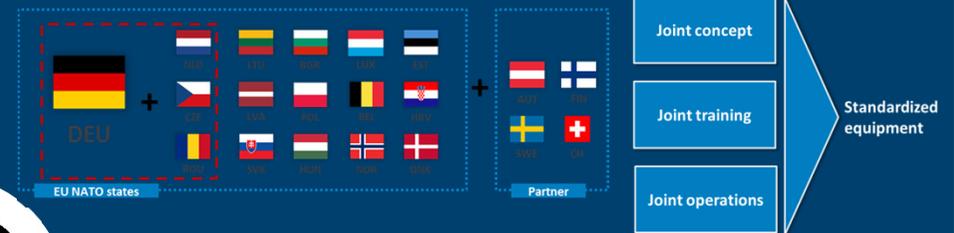
- Germany announced to spend €130 bn over the next decade
- Defence budget increases 3% cagr 2016-2022
- UK tank programs
- Franco-German defence initiative
- EU Defence Initiative
 - EU Funds
 - Pesco
- NATO returns to territorial defence strategy
- 2% spending target
- East European armies set up various vehicle programs
- Australian „One Defence“ program
- Singapore and Indonesia accelerating defence spending

Drivers behind German's budget increase

“Turnarounds” in Germany

- Personnel:
Mid-term return to 220,000 soldiers
- Material:
100% equipment level and additional division
- Finance
Increase of defence budget 23% from 2016 to 2021

Framework nation concept triggers standardization of equipment

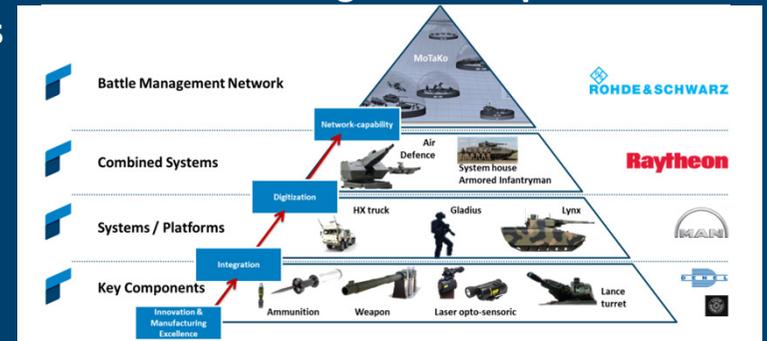


Enhanced future profile

- 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



Army 4.0: Rheinmetall integrates components to systems



German defence policy: 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)

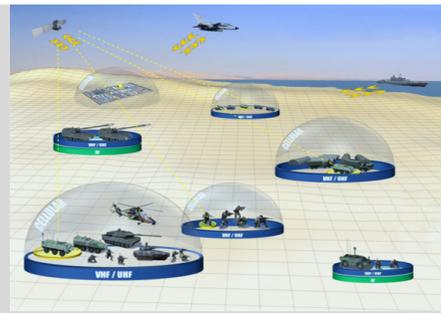
■ Equipment and ammunition – multi billion programs



NNBS (Short air defence)



TLVS (Tactical air defence)



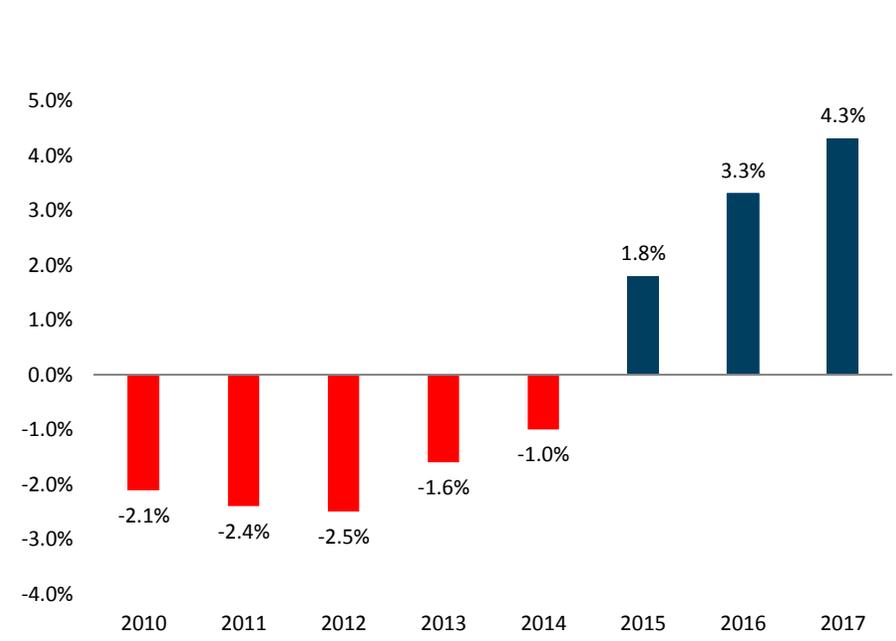
MoTaKo (> €5 bn net)



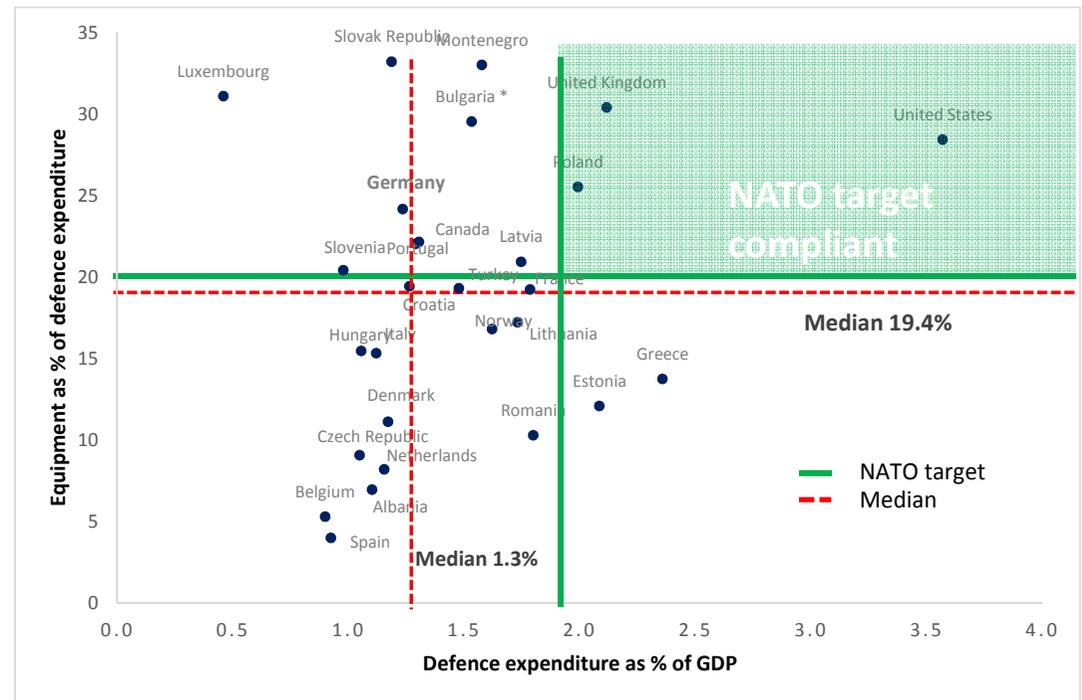
Ammunition (~€2 bn net)

Trend reversal enroute with few NATO members complying with targets

NATO defence expenditure
in % (at 2010 prices and FX rates)



NATO expenditure as % share of GDP vs equipment share in defence expenditure
in %



Vehicle portfolio is highly competitive and state-of-the-art technology

Successful participation in domestic and international vehicle tenders



Land 121 - AUS



Puma - D



Boxer - NL/D



Trucks - D

Large potential from multiple tenders
(top projects only)



Land 121 5b & Land 400



Challenger upgrade & MIV*

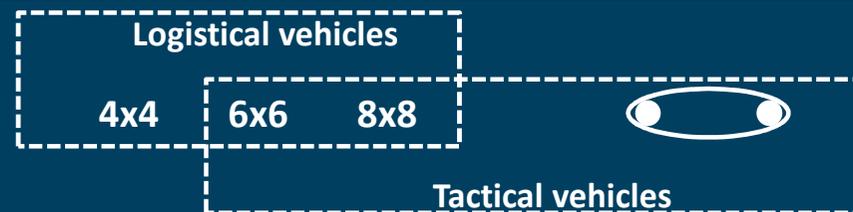


Agilis 8x8



Puma/Lynx

Comprehensive vehicle portfolio

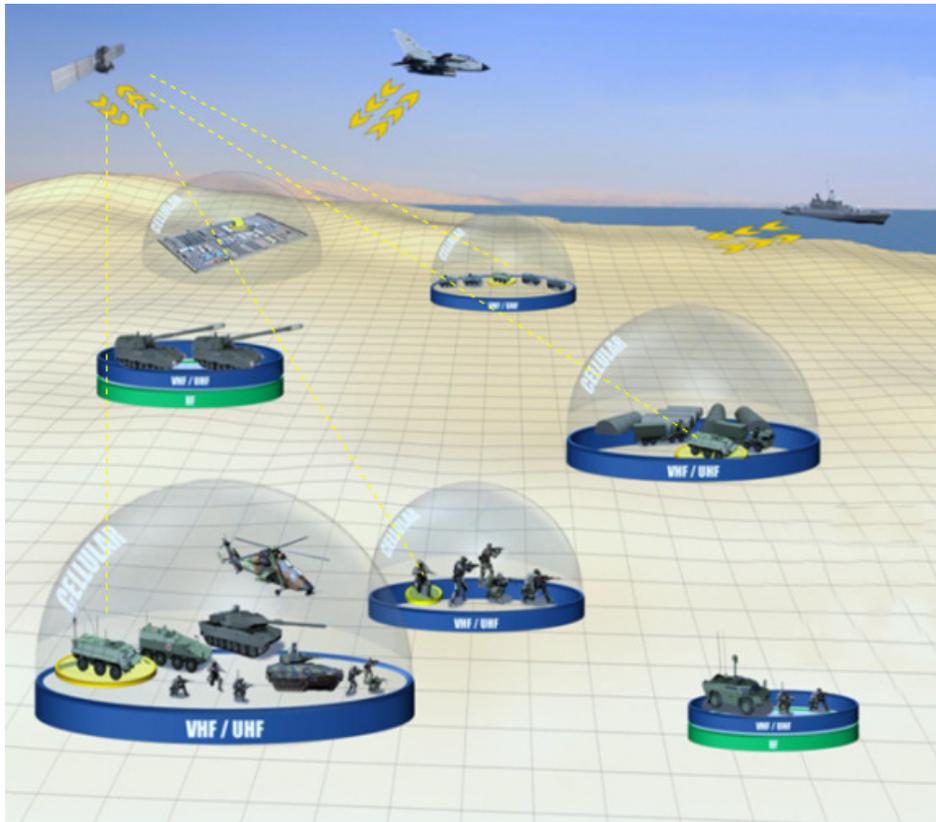


2017 marked by important strategic partnerships



	ROHDE & SCHWARZ	Raytheon	LOCKHEED MARTIN
Scope	Joint bid for MoTaKo /MoTIV project	Focus on cooperation regarding the successor system for the German tactical air defence	Complete solution consisting of the CH-53K helicopters as well as further services in maintenance, repair, training and support.
Status	JV agreement signed Sep 2017 (74.9% Rheinmetall)	“Strategic collaboration agreement “ signed end of June with defined work share and exclusivity for German market	Strategic teaming agreement the German Air Force’s “Heavy transportation helicopter Program” signed Feb 2018
Timing	Tender process starts 2019 Decision expected Q4 2020	3 years global exclusivity	German MoD expected to issue request in H2 2018; contract to be awarded in mid-2020; first deliveries in 2023

Army 4.0: MoTaKo / MoTIV will propel the German Army into the digital future



JV-share and core capabilities

Rheinmetall (74.9%):

- Command systems
- Cross-functional operator interface
- Vehicle integration

Rohde & Schwarz (25.1%):

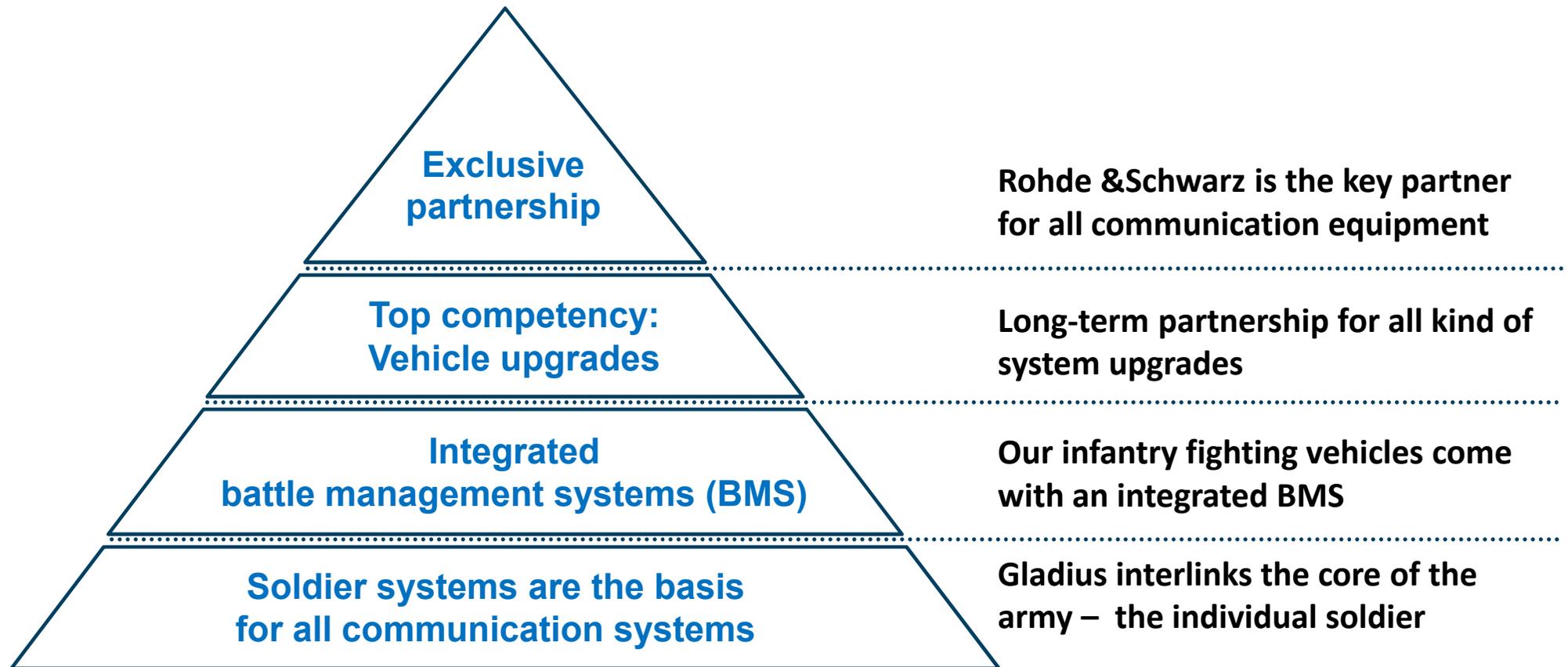
- Communication system architecture, IP based solution for voice and data transmission
- Incorporation of third party components and solutions

Scope and Timeline

- Most important strategic procurement project for the German army
- Total value exceeds € 5 bn
- Tender process starts 2019
- Start of production Q2 2021

Mobile Taktische Kommunikation
Mobiler Taktischer InformationsVerbund

Army 4.0: MoTaKo/MoTIV: What supports our ambition?



Lockheed Martin partners with Rheinmetall to offer the “full package”

Strategic teaming agreement

Rheinmetall teams up with Lockheed Sikorsky to introduce the CH-53K as the heavy lift helicopter for the Bundeswehr

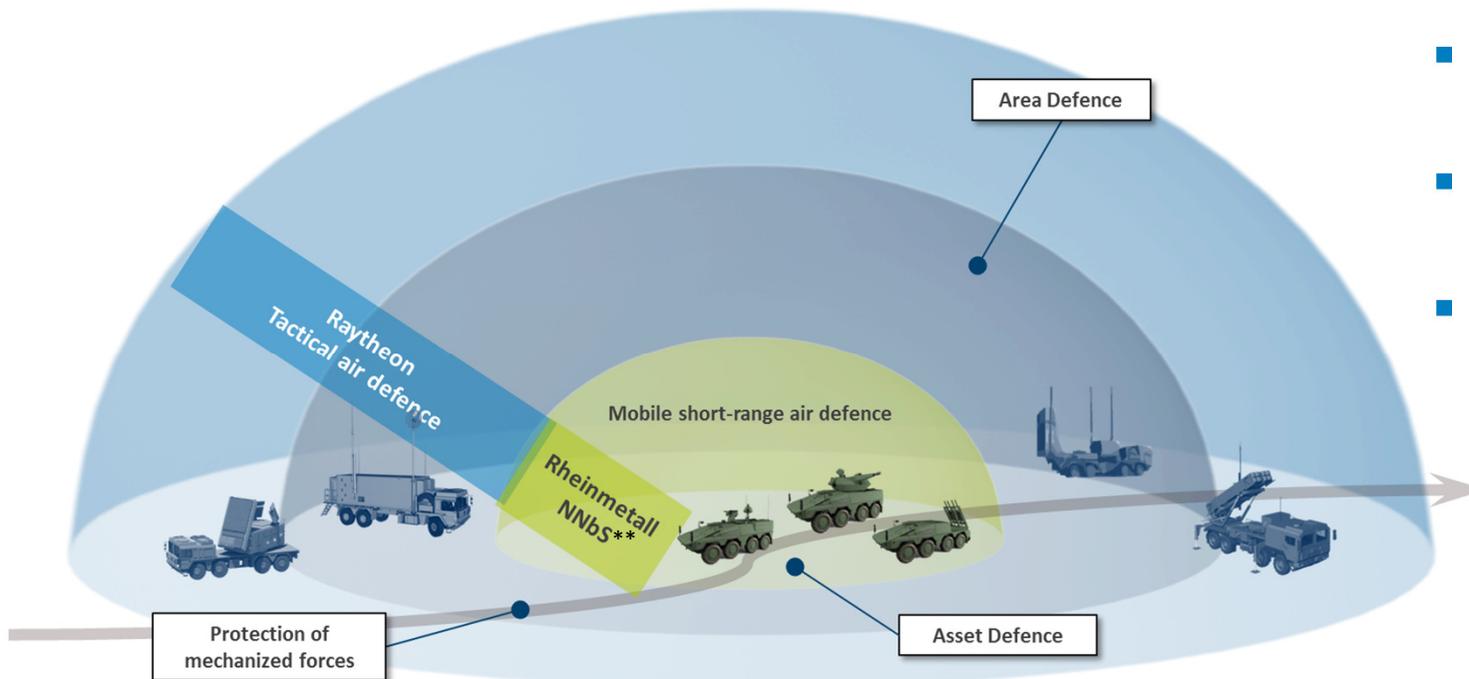
Rheinmetall contributes:
Longstanding experience in documentation, logistical system support and simulation

Tender scope and volume

Tender starts H2 2018
Delivery starts 2023
45-60 helicopters



Raytheon/Rheinmetall*: System house approach for ground based air defence

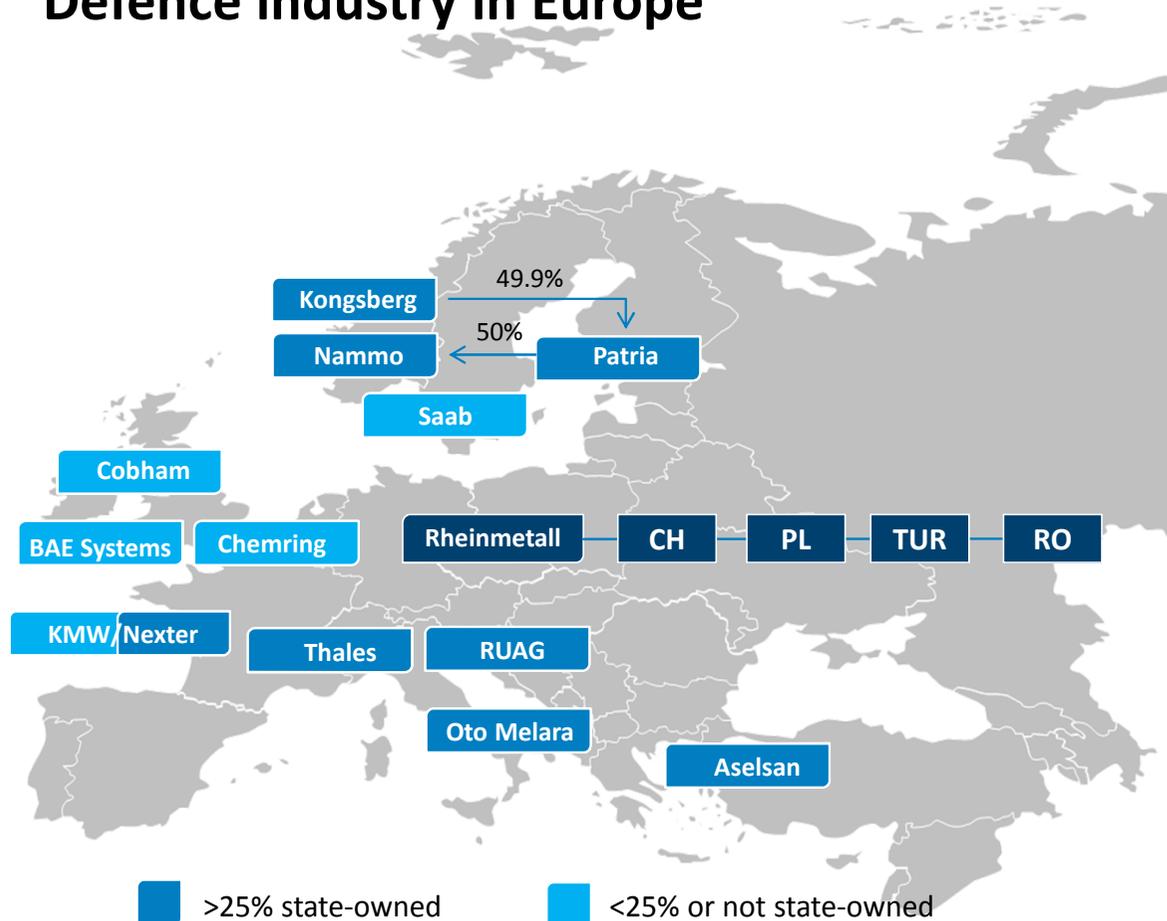


- Rheinmetall is a system provider for NNBS and Raytheon's national partner for the modernization of Patriot
- Rheinmetall is the only provider of supplier independent effector integration
- Rheinmetall accompanies the lifetime servicing of the integrated system
- Rheinmetall offers an integrated and systemic approach to ground based air defence for the entire threat scenario

*Memo of understanding signed June 2017

**NNBS= short-range air defence

Defence industry in Europe



- **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

Growing at improved performance

GROWTH

Long-term growth trend fully intact

Defence business growth returns to double digit %-rate

PERFORMANCE

Profitability improved on product mix and higher leverage

Lagging business in Electronic Solutions is stabilizing

OUTLOOK

Well on track to enter target corridor of 6-7% operating margin mid-term

High order backlog

Great growth potentials for all three divisions



APPENDIX

Select key data: outlook 2018

Rheinmetall Group		In % of sales		
		Automotive	Defence	
				
Holding cost	~€30m (PY: €23m)	Capex	~5.5 - 6.0%	~3.5 - 4.5%
Tax rate	<30% (PY: 27%)	D&A	~5.5%	~3 - 3.5%
Interest expense	On previous year level	R&D	~5 - 5.5%	~2 - 2.5%
CTA funding	€40m in Q1 2018 (already cashed out)			

ESG with high importance for Rheinmetall

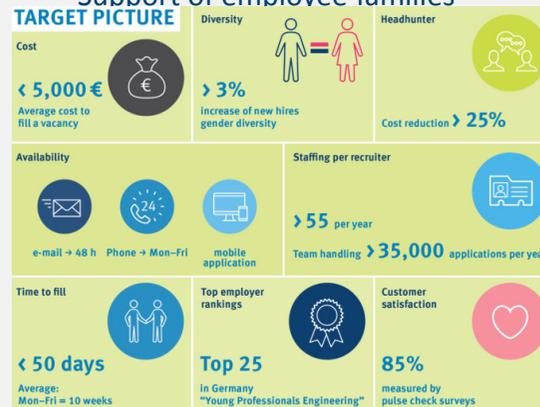
■ Environment

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



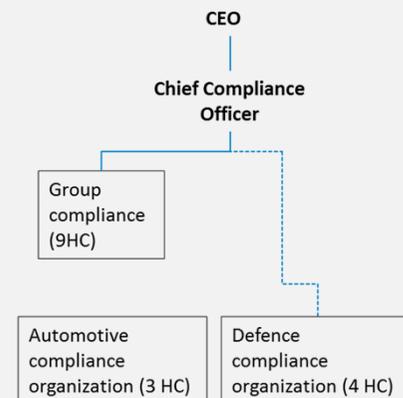
■ Social

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

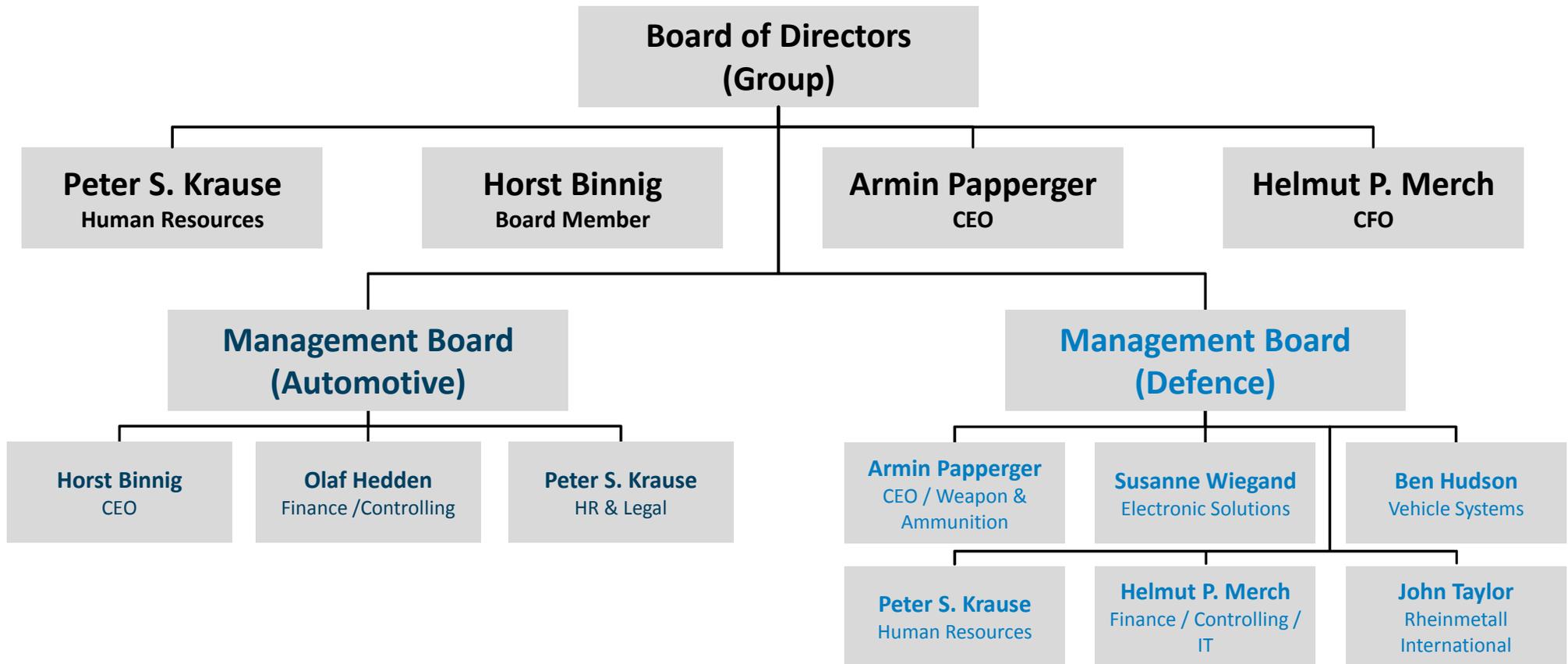


■ Governance

- **Transparency towards customer, investors and other stakeholder**
- **Non-compliant business behavior is unacceptable**
- **Zero tolerance of corruption and fraud**
- **Central Compliance Management System**
 - Employee awareness initiative



Management Structure



Group 2013 – 2017: Key figures

In €m		2013	2014	2015	2016	2017
Balance sheet	Total assets	4,866	5,271	5,730	6,150	6,186
	Shareholder's equity	1,339	1,197	1,562	1,781	1,955
	Equity ratio (in %)	27.5	22.7	27.3	29.0	31.6
	Pension liabilities	891	1,121	1,128	1,186	1,080
	Net financial debt	147	330	81	-19	-230
	Net gearing (in %)	11.0	27.6	5.2	-1.1	-11.8
Income statement	Sales	4,417	4,688	5,183	5,602	5,896
	Operating result	211	160	287	353	400
	Operating margin (in %)	4.8	3.4	5.5	6.3	6.8
	EBITDA	315	299	490	581	626
	EBIT	121	102	287	353	385
	EBIT margin (in %)	2.7	2.2	5.5	6.3	6.5
	EBT	45	22	221	299	346
	Net income after minorities	29	18	151	200	224
	Earnings per share (in EUR)	0.75	0.47	3.88	4.69	5.24
	Dividend per share (in EUR); 2017: proposal	0.40	0.30	1.10	1.45	1.70
	ROCE (in %)	4.7	3.9	10.1	12.3	13.4
	Cash flow statement	Free cash flow from operations	20	-182	29	161
Headcount	Employees (Dec 31) according to capacity	20,264	20,166	20,676	20,993	21,610

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

Segments 2012 – 2017 Key figures

AUTOMOTIVE				
2013	2014	2015	2016	2017
2,270	2,466	2,621	2,670	2,922
392	416	445	459	520
2,262	2,448	2,592	2,656	2,861
158	184	216	223	249
7.0	7.5	8.3	8.4	8.7
225	295	332	356	367
124	184	216	223	227
5.5	7.5	8.3	8.4	7.9
142	158	167	174	176
10,927	10,830	10,934	10,820	11,166
1,171	1,322	1,450	1,527	1,621
66	96	119	142	176
5.6	7.3	8.1	9.3	10.9
889	934	952	921	968
27	72	73	62	38
3.0	7.7	7.7	6.7	3.9
268	269	285	305	358
27	26	27	27	33
10.1	9.7	9.5	8.9	9.2

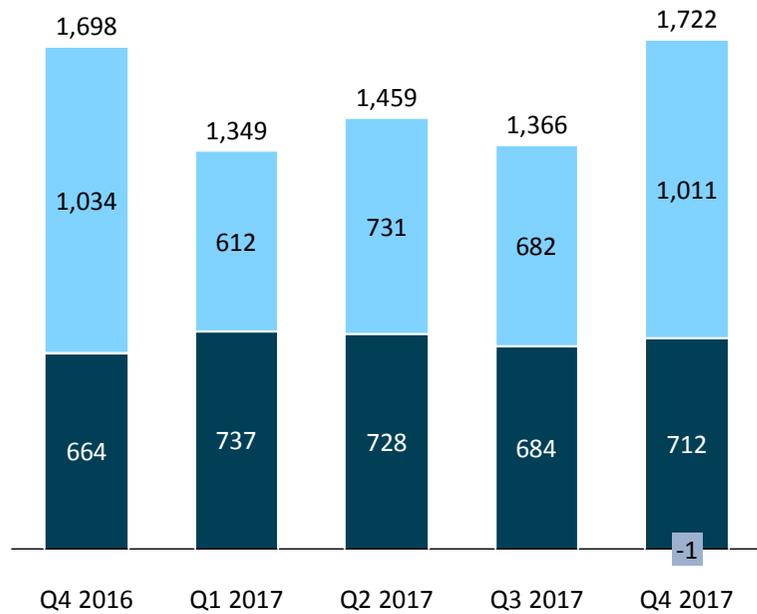
in EUR million		
Order intake		
Order backlog (Dec. 31)		
Sales		
Operating result		
Operating margin (in %)		
EBITDA		
EBIT		
EBIT margin (in %)		
Capex		
Employees (Dec 31) according to capacity		
Mechatronics	Sales	Weapon & Ammunition*
	EBIT	
	EBIT margin	
Hardparts	Sales	Electronic Solutions
	EBIT	
	EBIT margin	
Aftermarket	Sales	Vehicle Systems*
	EBIT	
	EBIT margin	

DEFENCE				
2013	2014	2015	2016	2017
3,339	2,812	2,693	3,050	2,963
6,050	6,516	6,422	6,656	6,416
2,155	2,240	2,591	2,946	3,036
60	-9	90	147	174
2.8	-0.4	3.5	5.0	5.7
96	17	175	239	268
4	-67	90	147	172
0.2	-3.0	3.5	5.0	5.7
62	76	96	95	89
9,193	9,184	9,581	10,002	10,251
1,027	977	881	1,112	1,175
31	-4	74	108	117
3.0	-0.4	8.4	9.7	10.0
710	705	759	745	691
11	-53	26	25	20
1.5	-7.5	3.4	3.4	2.9
539	667	1,195	1,392	1,480
-35	-9	3	29	51
-6.5	-1.4	0.3	2.1	3.5

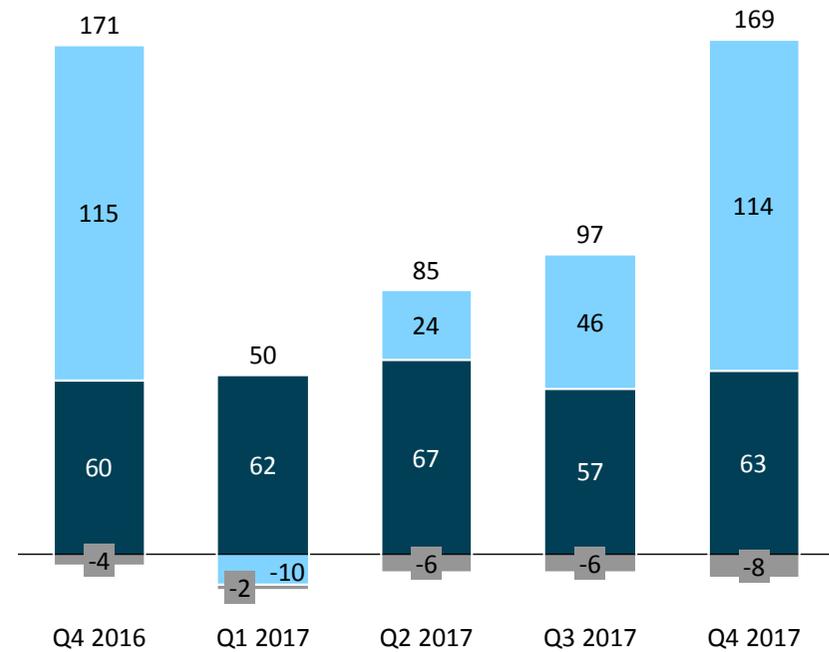
2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)

Quarterly development Group

Sales
in EUR million



Operational results
in EUR million



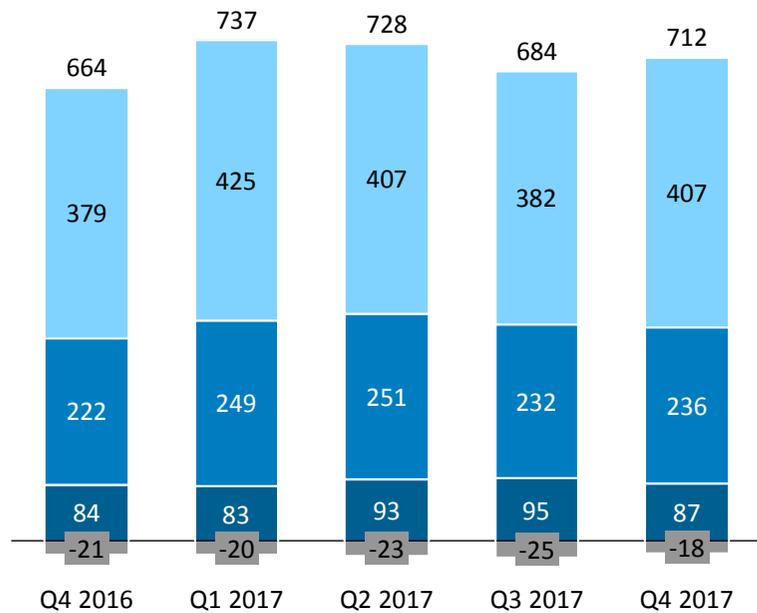
■ Defence ■ Automotive ■ Consolidation/Others

Free Cash Flow summary Group

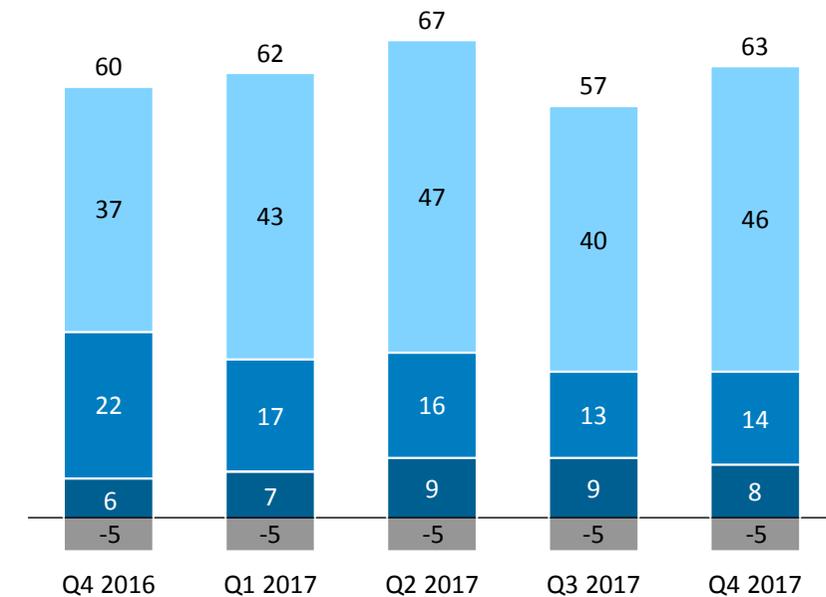
in €m	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Δ Q4 '16/'17	Δ FY '16/'17
Group Net Income	116	215	28	51	43	130	252	14	37
Amortization / depreciation	67	228	57	55	59	70	241	3	13
Change in pension accruals	-	-14	-34	-3	1	-8	-44	-8	-30
Cash Flow	183	429	51	103	103	192	449	9	20
Changes in working capital and other items	389	15	-207	-34	-36	374	97	-15	82
Net cash used in operating activities	572	444	-156	69	67	566	546	-6	102
Cash outflow for additions to tangible and intangible assets	-109	-283	-43	-50	-62	-115	-270	-6	13
Free Cash Flow from Operations	463	161	-199	19	5	451	276	-12	115

Quarterly development Automotive

Sales by division
in EUR million



Operational results by division
in EUR million



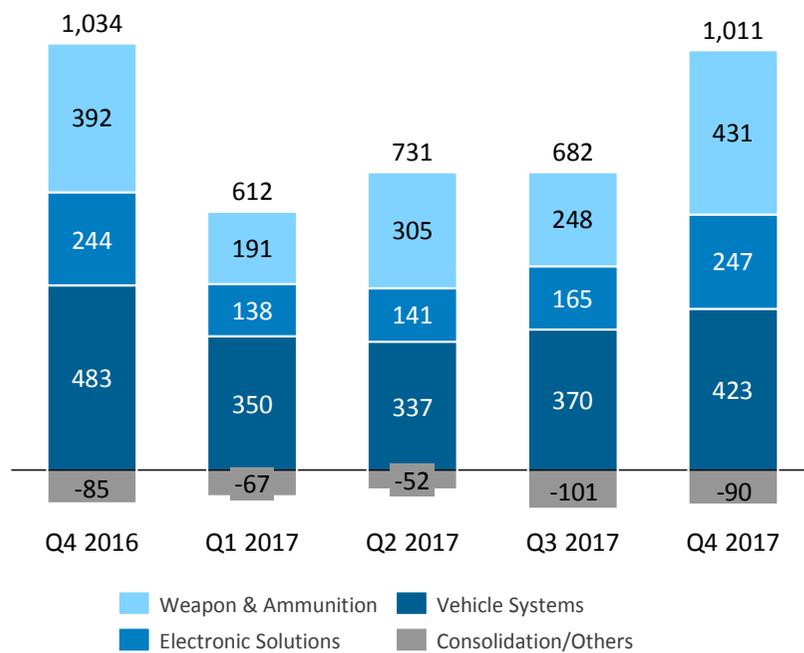
■ Mechatronics
 ■ Hardparts
 ■ Aftermarket
 ■ Consolidation/Others

Free Cash flow summary Automotive

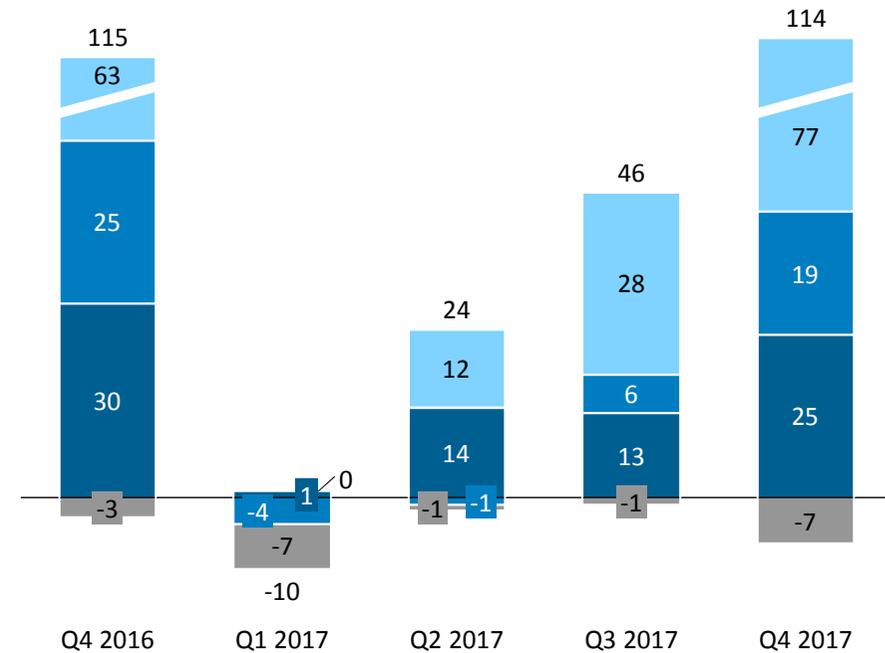
in €m	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Δ Q4 '16/'17	Δ FY '16/'17
Net income	49	165	46	50	25	44	165	-5	-
Amortization / depreciation	40	133	32	32	37	39	140	-1	7
Change in pension accruals	-1	-2	-	-	-	-	-	1	2
Cash Flow	88	296	78	82	62	83	305	-5	9
Changes in working capital and other items	129	-17	-172	20	61	68	-23	-61	-6
Net cash used in operating activities	217	279	-94	102	123	151	282	-66	3
Cash outflow for additions to tangible and intangible assets	-71	-174	-24	-33	-42	-77	-176	-6	-2
Free cash flow from operations	146	105	-118	69	81	74	106	-72	1

Quarterly development Defence

Sales by division
in EUR million



Operational earnings by division
in EUR million



Free Cash flow summary Defence

in €m	Q4 2016	FY 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	FY 2017	Δ Q4 '16/'17	Δ FY '16/'17
Net income	78	74	-16	8	32	76	100	-2	26
Amortization / depreciation	26	92	24	22	21	29	96	3	4
Change in pension accruals	1	5	-3	-6	2	-2	-9	-3	-14
Cash Flow	105	171	5	24	55	103	187	-2	16
Changes in working capital and other items	248	27	-61	-38	-88	327	140	79	113
Net cash used in operating activities	353	198	-56	-14	-33	430	327	77	129
Cash outflow for additions to tangible and intangible assets	-34	-95	-16	-19	-19	-35	-89	-1	6
Free cash flow from operations	319	103	-72	-33	-52	395	238	76	135

Glossary

bn	billions	ROCE	Return on capital employed
bp	basis points	RoW	Rest of the World
CAGR	compounded average growth rate	TLVS	Tactical air defence system
CTA	Contractual trust agreement	WACC	Weighted average cost of capital
D&A	Depreciation & Amortization	WOFE	Wholly owned foreign enterprise
E	Expected		
EBIT	Earnings before Interest and Tax		
EBITDA	Earnings before Interest, Tax , Depreciation and Amortization		
EBT	Earnings before Tax		
EIB	European Investment Bank		
EPS	Earnings per share		
EV	Electric Vehicle		
FX	Foreign exchange rate		
IAA	Internationale Automobil Ausstellung		
ICE	Internal combustion engine		
IFRS	International Financial Reporting Standards		
JV	Joint Venture		
LBP	Large bore piston		
LV	Light vehicle		
m	millions		
NNBS	Short range air defence		
NWC	Net working capital		
Operating FCF	Operating free cash flow		
Op. margin	Operating margin		
P&L	Profit & Loss Account		

Next events and IR contacts

■ Events 2018

Roadshow FY 2017	Frankfurt	20 March
Conference Bank of America Merrill Lynch	London	22 March
Roadshow FY 2017	Dublin / Edinburgh	26/27 March
Q1 2018 Earnings call		4 May
Annual General Meeting	Berlin	8 May

■ Quick link to documents

Corporate Presentation



Interim Reports



Annual Reports



■ IR Contacts

Franz-Bernd Reich

Head of IR

Tel: +49-211 473-4718

Email: franz-bernd.reich@rheinmetall.com

Dirk Winkels

Senior Investor Relations Manager

Tel: +49-211 473-4749

Email: dirk.winkels@rheinmetall.com

Rosalinde Schulte

Investor Relations Assistant

Tel: +49-211 473-4718

Email: rosalinde.schulte@rheinmetall.com

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 2018.

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 to 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.

MOBILITY. SECURITY. PASSION.