



Rheinmetall Group Corporate Presentation

April 2019



Rheinmetall Group structure

Group performance indicator

~€6bn sales	~8% op. margin
~2-4% Cash on sales	30-35% payout ratio

RHEINMETALL GROUP 2018

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%

DEFENCE

Force protection is our mission

		52%		
Sales			€3,221m	Op. margin
Oper. Result		47%	€247m	7.9%
Order backlog			€8,577m	
Headcount**		49%	10,948	

* Short-term; **Headcount at capacities;

FY 2018 Highlights: Group 2018 finished with new record levels



Order intake jumped 44% to a record €8.5bn

Solid sales development to €6.1bn on the back of a challenging environment

Operating result increased by €92m to €492m driven by both segments

EPS grew by 36% to €7.10 (including one-off effects)

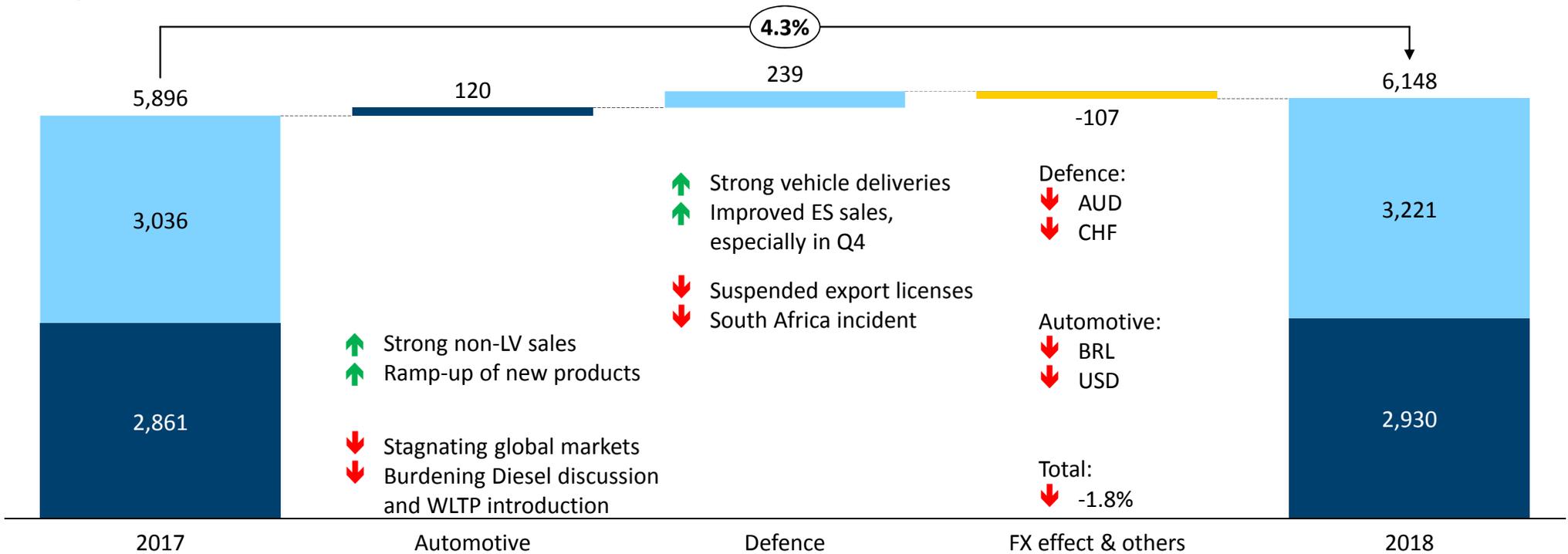
Dividend proposal* increased by 24% to €2.10

*Subject to AGM approval

FY 2018 Highlights: Group

Strong FX-adjusted sales growth of 6.1%

■ Sales
in €m

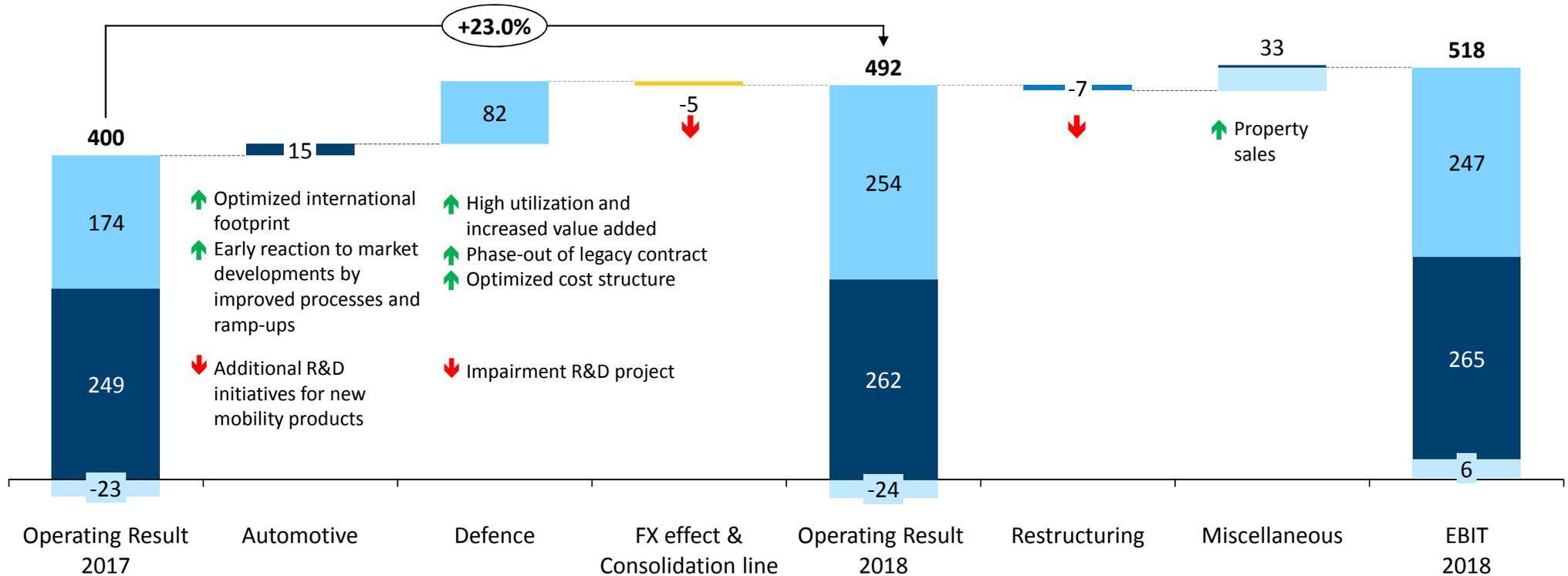


FY 2018 Highlights: Group

Strong profitability gains, Defence closing in on Automotive

Operating result

in €m



Rheinmetall Group

Sturdier equity ratio and return to investment grade in 2018

■ Key financials

in €m

	FY 2017*	FY 2018	Δ
Equity ratio improved to 32.1%			
Upgrade to investment grade in April 2018			
Net-debt remains on low level			
Solid credit KPIs			
Total assets	6,330	6,759	429
Equity	1,860	2,172	312
Equity ratio	29.4%	32.1%	270bp
Net debt	-56	31	n.a.
Investment grade	Ba1 _(positive)	Baa3 _(stable)	
Debt ratio ¹	-4.3%	0.5%	160bp
Net gearing ²	-12.3%	1.4%	460bp
Leverage ratio ³	-0.1x	0.04x	0.14x

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

² Net financial debt / Shareholder's equity

³ Net financial debt / EBITDA

*FY 2017 adjusted for IFRS 9/15/16 and re-evaluation effects

Rheinmetall Group

Strong value generation

In €m	FY 2017	FY 2018	Δ
EBITDA	626	836	33.5%
EBIT	385	518	34.5%
Interest result	-39	-33	-15.4%
EBT	346	485	40.2%
Net income	252	354	40.5%
Minorities	28	49	75.0%

In €m	31/12/17*	31/12/18	Δ
Equity	1,860	2,172	16.8%
Net debt (+) / Net cash (-)	-56	31	n.a.
Pension provisions	1,080	972	-10.0%
Average capital employed**	2,792	3,030	8.5%
ROCE (in %)	13.8%	17.1%	331 bp

*FY 2017 adjusted for IFRS 16 effects

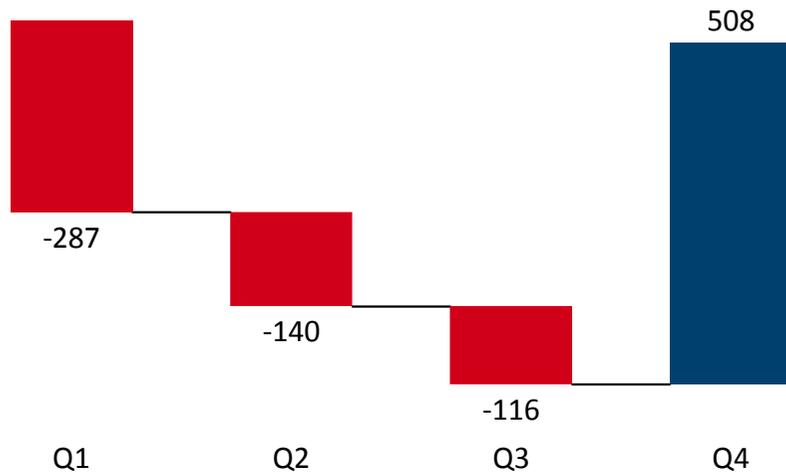
**average capital employed is the mean of 2017/2018 year-end figures

- EBITDA included €41m exceptional D&A
- EBIT benefited from €27m special effects
- Interest result improved also due to divestment of US pension plan
- Underlying effective tax rate unchanged at 27%
- Minorities grew on RMMV performance
- Net debt swung to lower level
- Pension provisions lower due to CTA contribution and higher discount rate
- ROCE improved significantly by 331bp to 17.1% (Group pre-tax WACC: 10.7%)

Rheinmetall Group

Q4 catch-up effect strongly underpinned by working capital

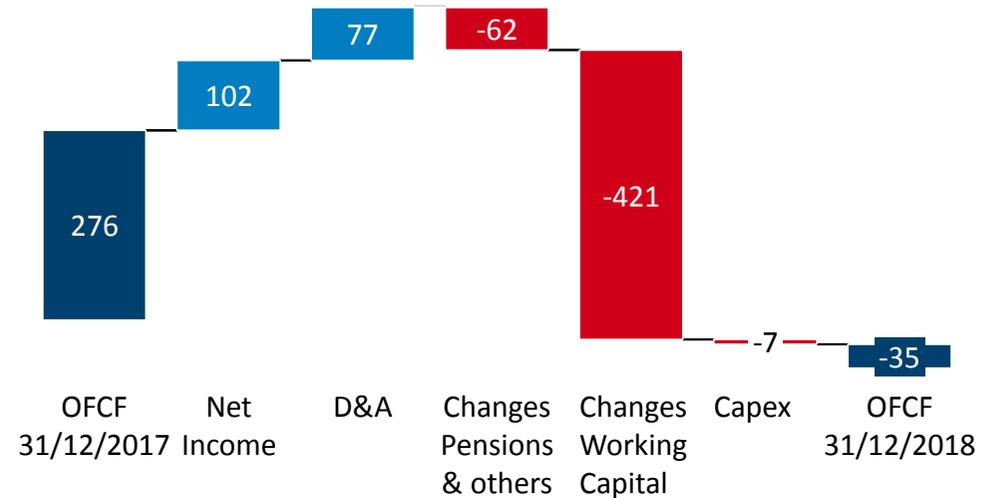
■ **Operating free cash flow per quarter**
in €m



■ **Drivers**

- Trend reversal of negative quarterly operating free cash flow in Q4
- Q4 fell short due to a late milestone payment received in January 2019

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



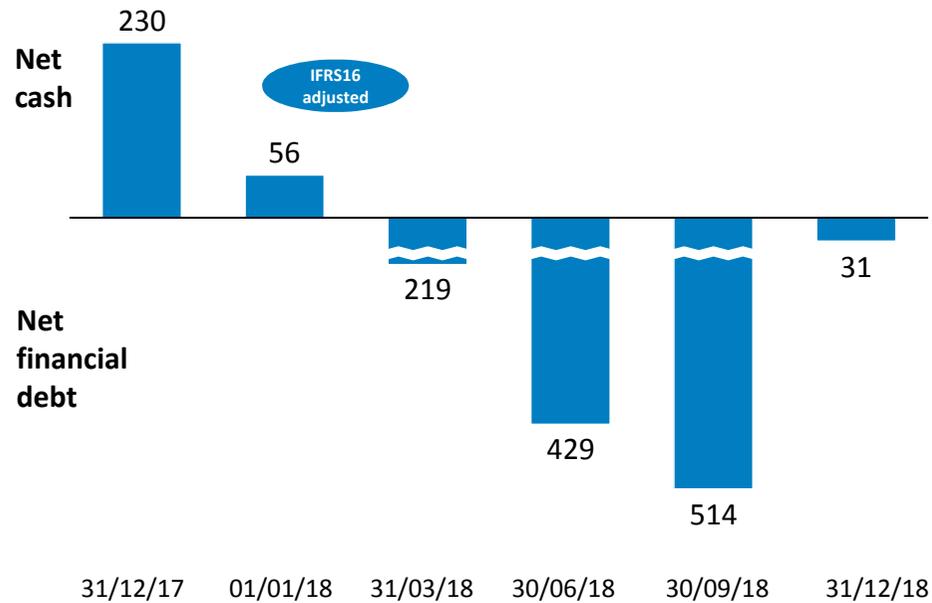
■ **Drivers**

- Higher receivables after strong Q4 sales rally
- Increase in safety stock for bottleneck intermediates
- Export ban for trucks
- Milestone payment delayed to early January

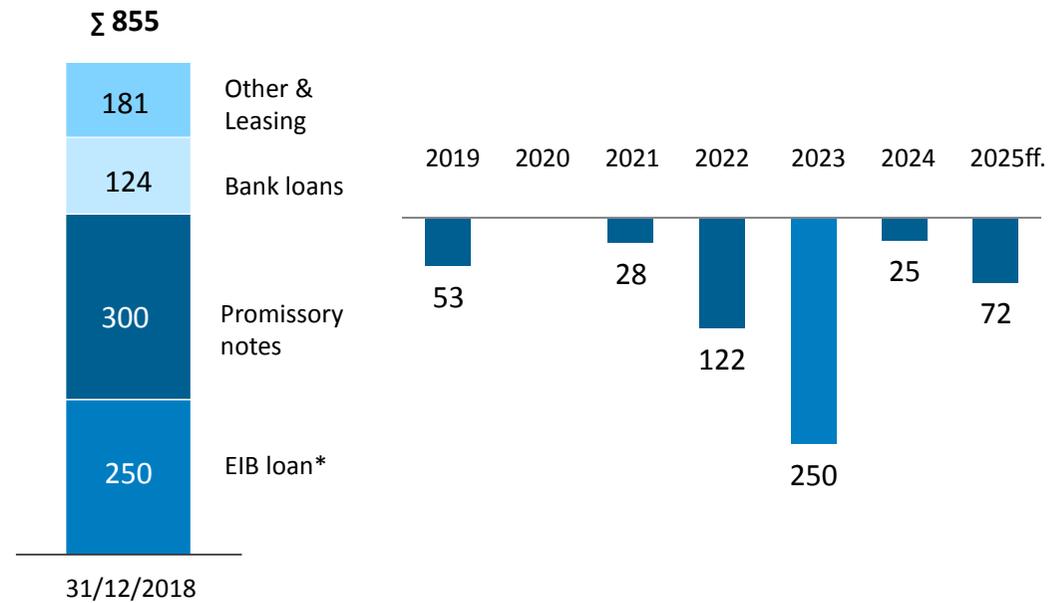
Rheinmetall Group

Net-debt remained on a satisfactory level

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



Debt composition and maturity profile
in €m



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

FY 2018 Highlights: Automotive Concluding a challenging year with resilient profitability

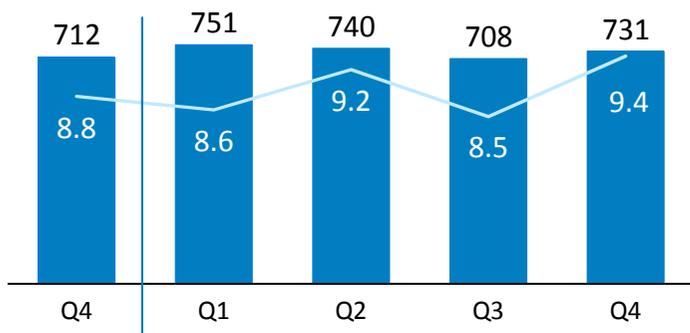


- **Difficult market environment particularly in H2**
- **Sales growth of €69m to €2,930m (4.2% FX-adjusted) in a contracting market**
- **Operating margin of 8.9% on record level**
- **Operating FCF of €26m supported by sequentially improved Q4 performance**
- **Inauguration of new production sites for e-mobility and innovative casting products**

Q4 2018 Highlights: Automotive

Q4 with market outperformance and record margin

Quarterly sales and margin development



Comments on quarterly performance

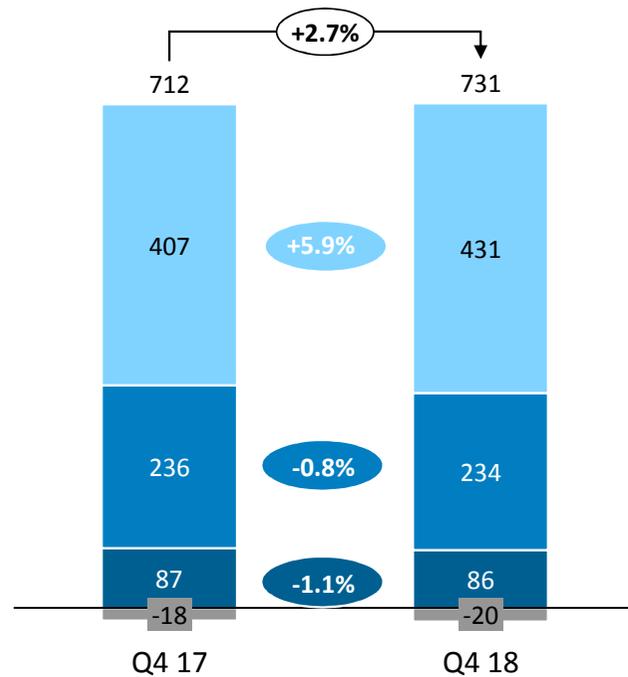
- Sales growth of 2.7% (FX-adjusted 4.2%) with strong outperformance
- Operating result increased to €69m, raising margin to 9.4%
- OFCF sequentially improved, but significantly below PY quarter due to inventory build-up of safety stock for scarce components
- Cash-to-sales ratio in Q4 recovered, but FY below guided range

In €m	Q4 2017	Q4 2018	Δ	FY 2017	FY 2018	Δ
Sales	712	731	2.7%	2,861	2,930	2.4%
Operating result	63	69	9.5%	249	262	5.2%
Operating margin in %	8.8%	9.4%	59 bp	8.7%	8.9%	24 bp
Operating Free Cash Flow	74	42	-43.2%	106	26	-75.5%
Operating FCF / Sales	10.4%	5.7%	-465 bp	3.7%	0.9%	-282 bp

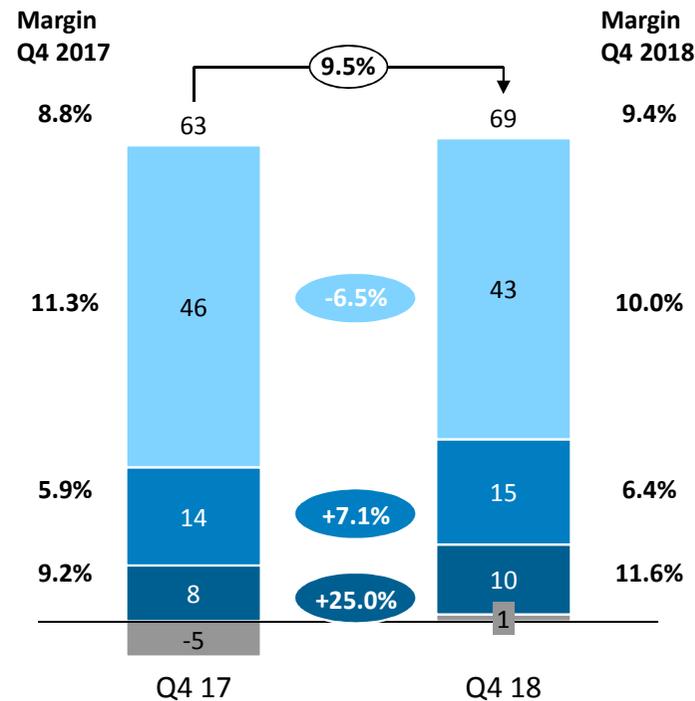
Q4 2018 Highlights: Automotive

Automotive still strong in a weakening market

Sales Automotive
in €m



Operating result Automotive
in €m



Mechatronics

Positive leverage, especially in the pump business
 Ramp-up cost for new products and capacity expansion
 Transfer of e-mobility R&D expenses from central to Mechatronics

Hardparts

Improved ramp-up in casting business led to higher contribution of at equity entities

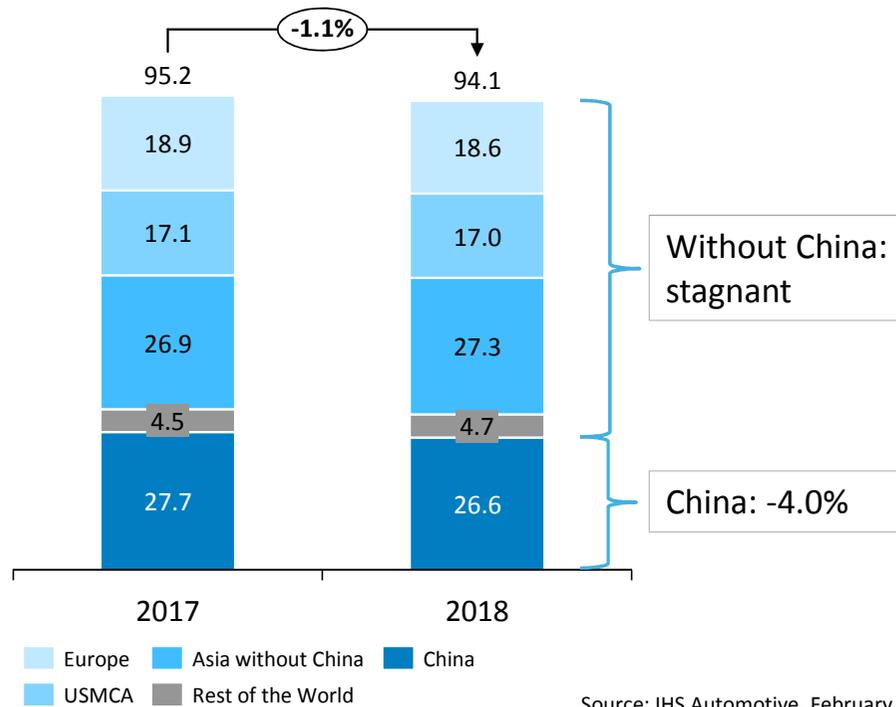
Aftermarket

Slow sales in Middle East but profitable business in Brazil, USA and Russia
 Process improvements in production

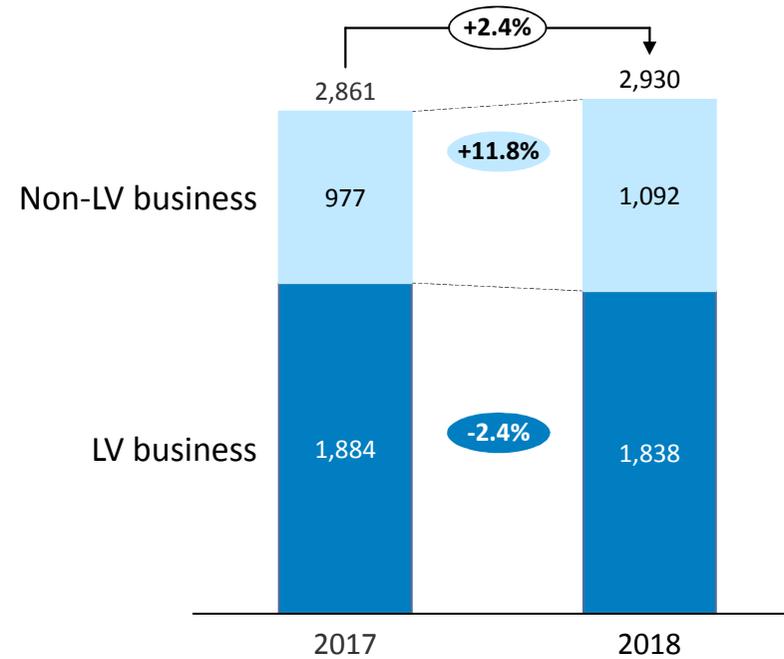
FY 2018 Highlights: Automotive

Non-LV business overcompensated lagging LV sales

Global LV production
in million units



Sales Automotive LV / Non-LV
in €m

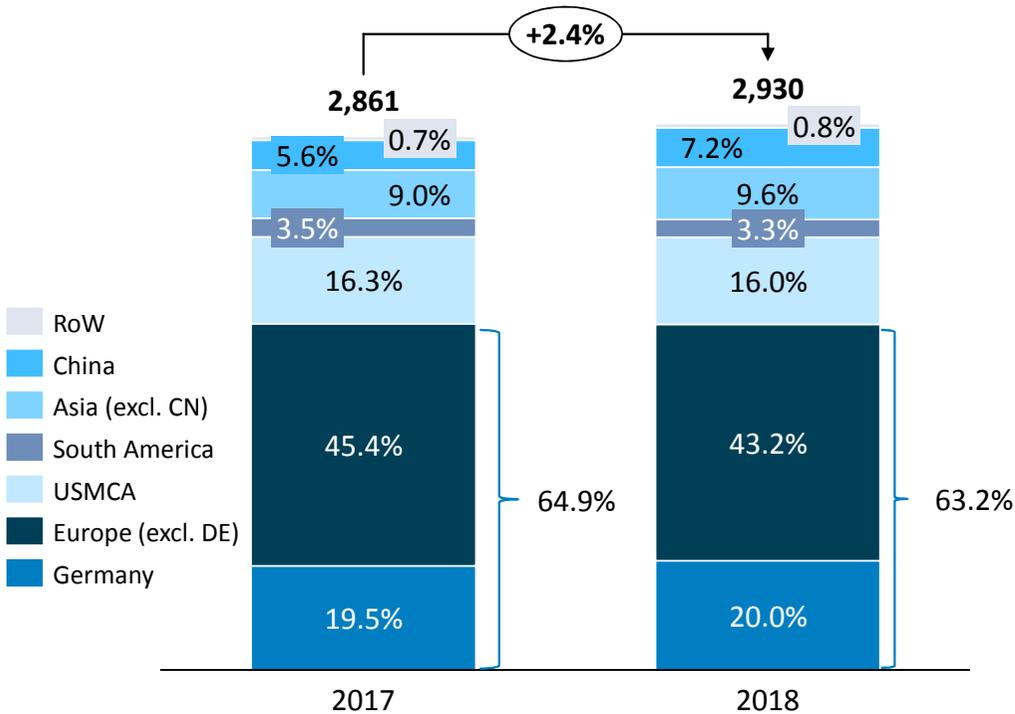


Source: IHS Automotive, February 2018

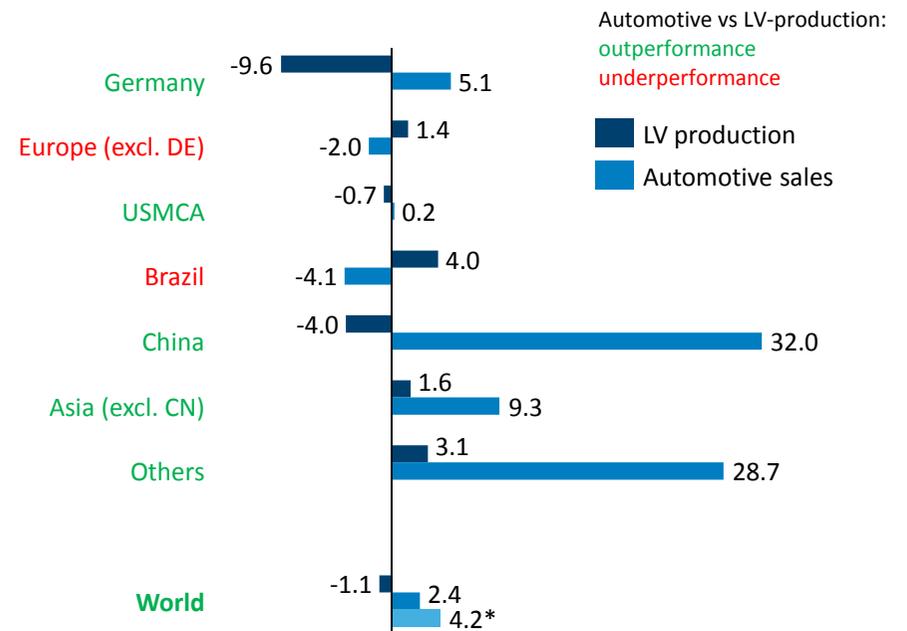
FY 2018 Highlights: Automotive

FX-adjusted sales growth of 4.2% in a regionally very mixed market

Regional Automotive sales development
in €m



Regional Automotive sales growth FY 2018
in % (IHS February 2019)

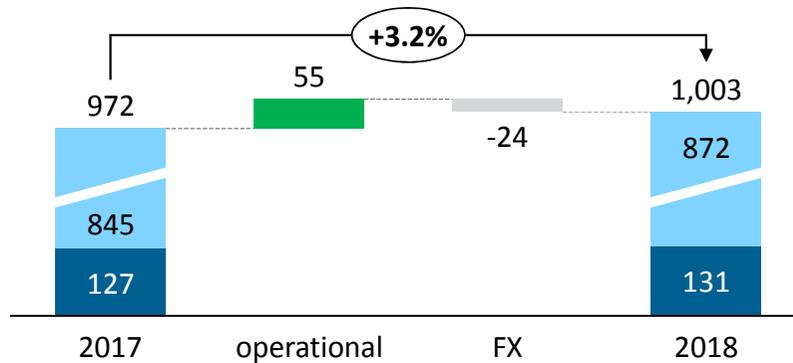


*Automotive sales
FX-adjusted

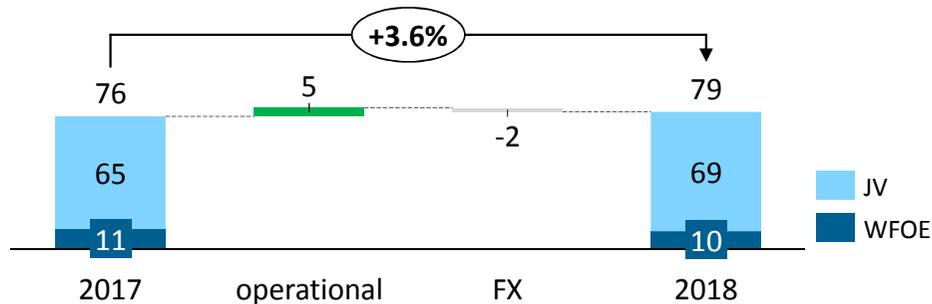
FY 2018 Highlights: Automotive

China in 2018 reported a positive development

■ Sales
in €m



■ EBIT
in €m



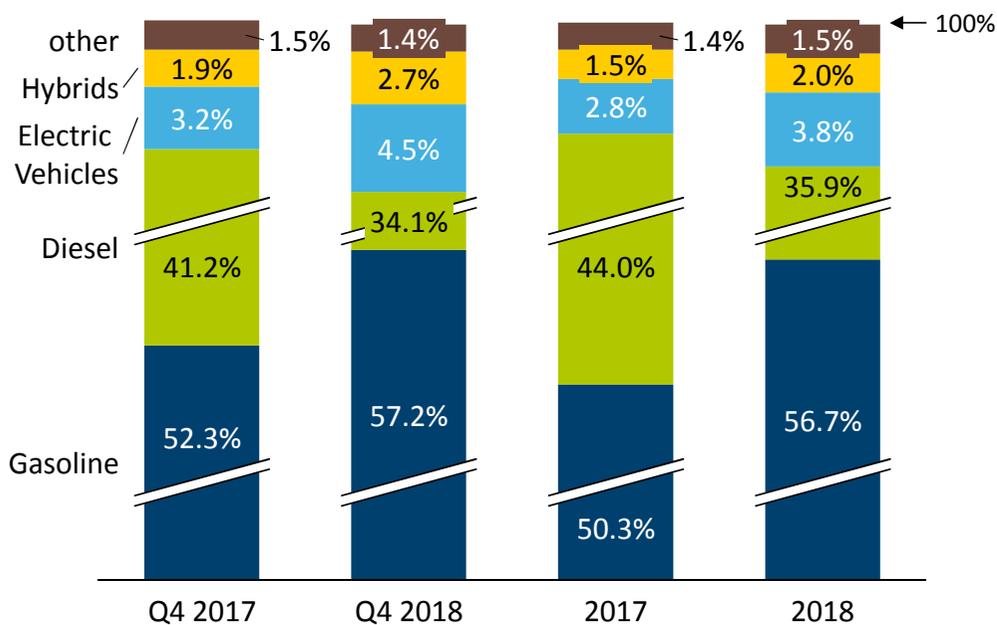
- Operational sales growth of 5.7% in a contracting market of -4.0%
- Margin slightly improved from 7.8% to 7.9%
- Burdening start-up costs for piston plant and development costs related to new project acquisitions
- Positive trend for clean and e-mobility

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

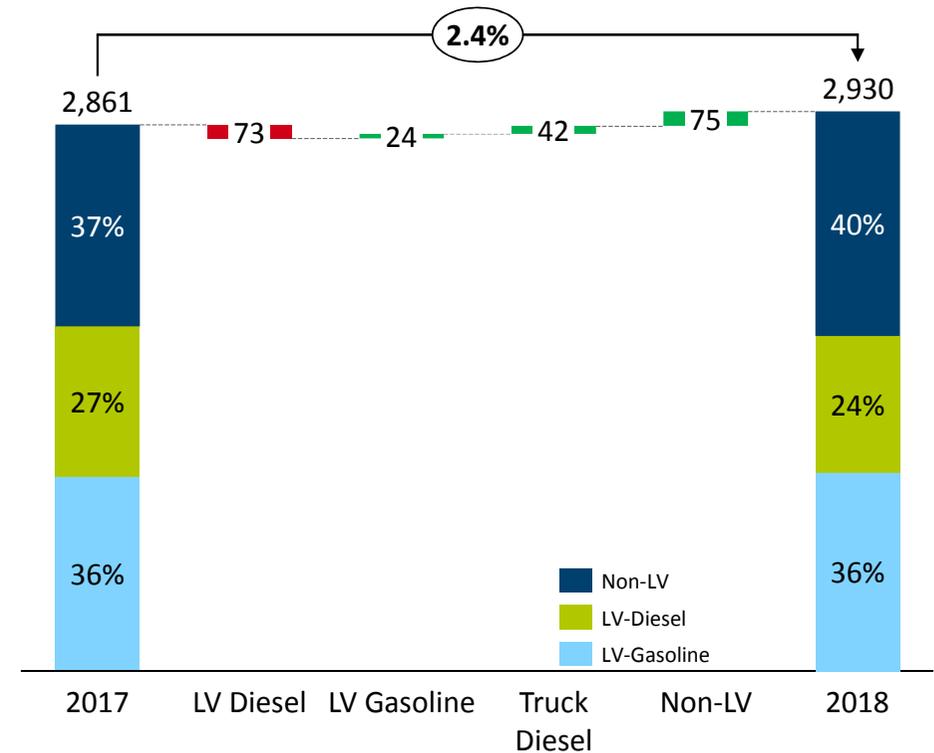
FY 2018 Highlights: Automotive

Diesel saw further decline in 2018, but overcompensated by Non-LV growth

■ EU registrations by fuel type
in % of total registrations



■ Sales by fuel type
in €m



Source: ACEA.be

FY 2018 Key Events: Defence

2018 marked the beginning of the “super cycle”



2018

- **Impressive order intake of €5.6bn**

- **Sales growth of €185m to €3,221m (7.9% FX-adjusted)**

- **Operating margin increased to 7.9%**

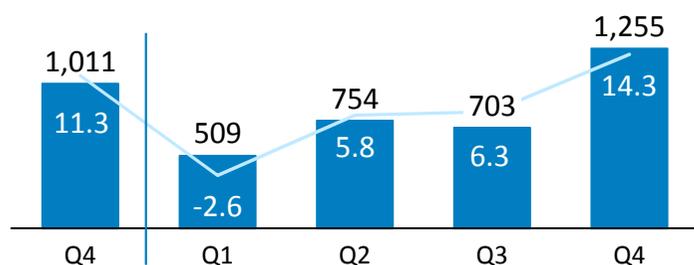
- **Q4 OFCF of €479m raised FY to -€29m OFCF**

- **Tragic incident at South Africa plant**

Q4 2018 Highlights: Defence

Record fourth quarter in relevant KPIs

Quarterly sales and margin development



Comments on quarterly performance

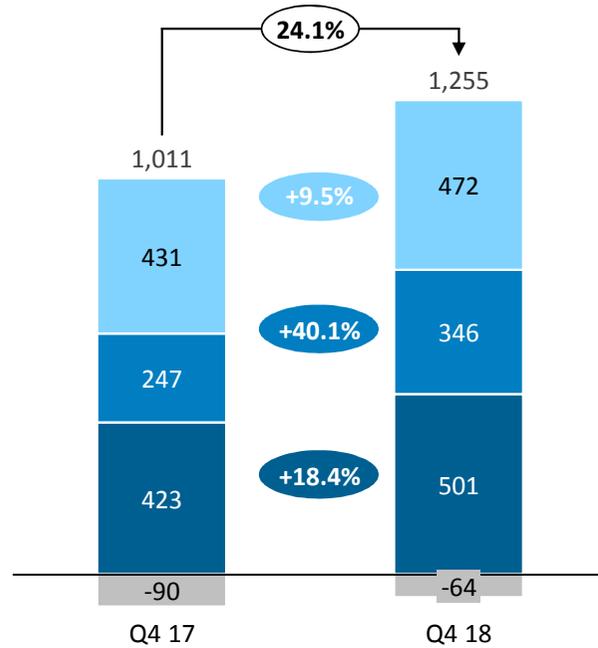
- High order intake of €1bn drove FY to €5.6bn
- Strong year-end sales rally of plus 24%
- High utilization and favorable product mix boosted margin
- Q4 18 abs. OFCF exceeded Q4 17 by 21%, full year however negative

In €m	Q4 2017	Q4 2018	Δ	FY 2017	FY 2018	Δ
Order intake	671	1,094	63.1%	2,963	5,565	87.8%
Sales	1,011	1,255	24.1%	3,036	3,221	6.1%
Operating result	114	179	57.0%	174	254	46.0%
Operating margin in %	11.3%	14.3%	299 bp	5.7%	7.9%	215 bp
EBIT	115	181	57.4%	172	247	43.6%
Operating Free Cash Flow	395	479	21.3%	238	-29	n.a.
Operating FCF / Sales	39.1%	38.2%	-91 bp	7.8%	-0.9%	-874 bp

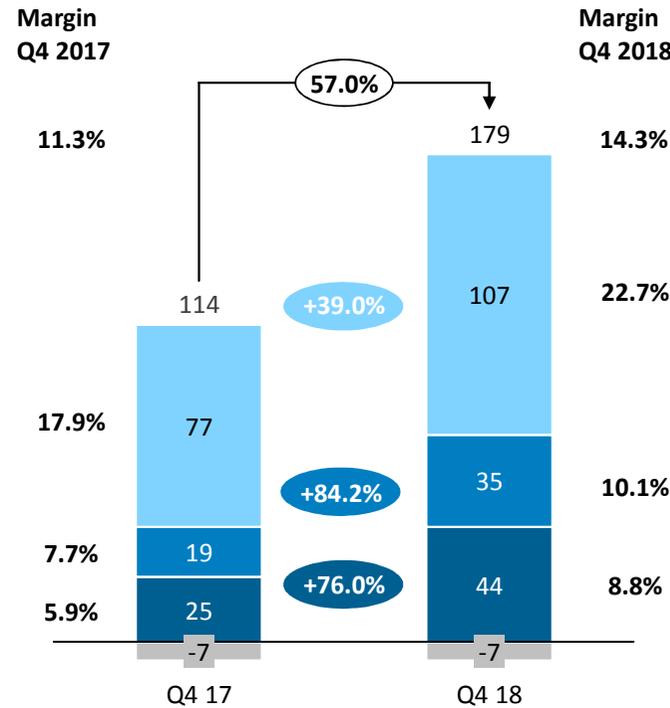
Q4 2018 Highlights: Defence

Strong finish by all divisions as expected

Sales Defence
in €m



Operating result Defence
in €m



Weapon & Ammunition Electronic Solutions Vehicle Systems Consolidation

Weapon and Ammunition

Strong demand and larger share of high profit ammunition business

Electronic Solutions

Strong sales with high leverage and benefits of improved cost structure

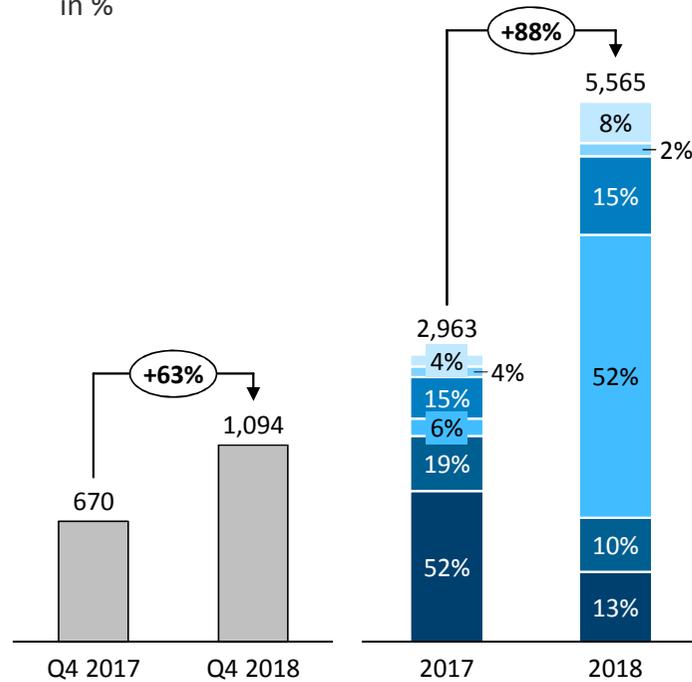
Vehicle Systems

Continuously improved product mix (phasing out of Dutch Boxer)
High utilization in BUs Tactical and Logistical Vehicles

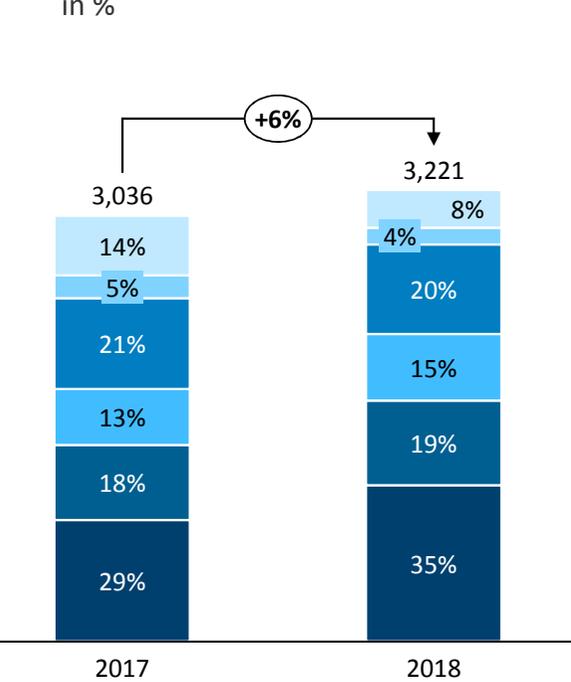
FY 2018: Defence

Huge Australian orders boost order intake and backlog

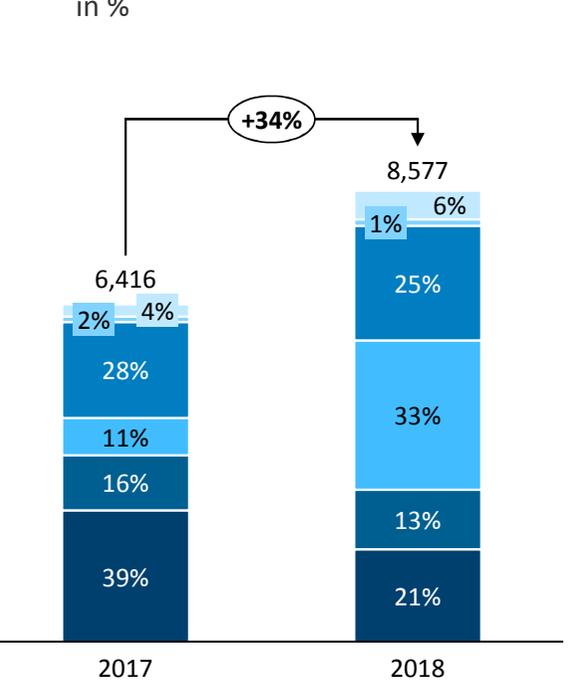
Order intake by region
in %



Sales by region
in %



Order backlog by region
in %

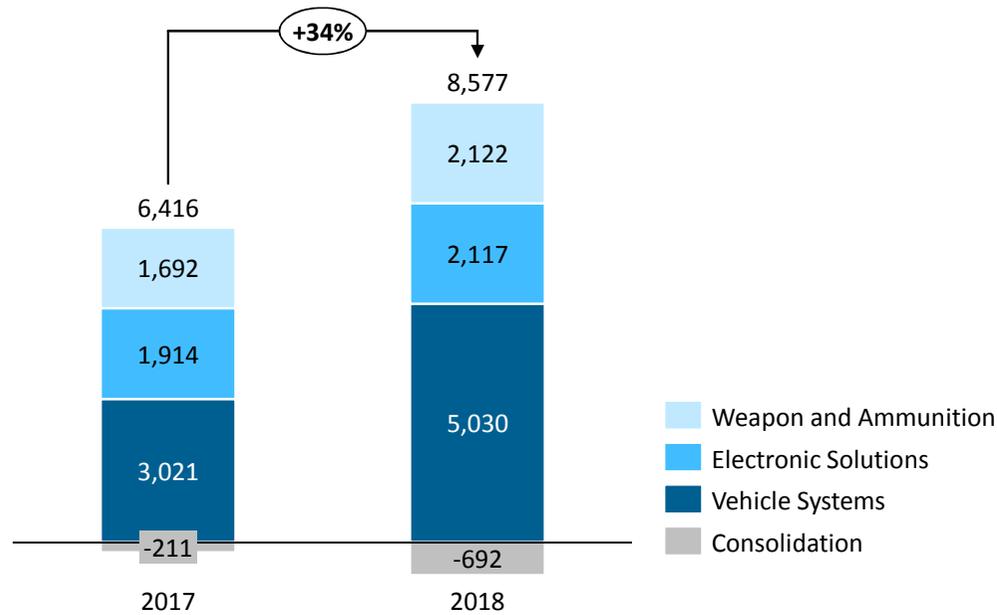


- Germany
- Australia / NZ
- North America
- Europe (w/o Germany)
- Asia/Middle East
- Rest of the World

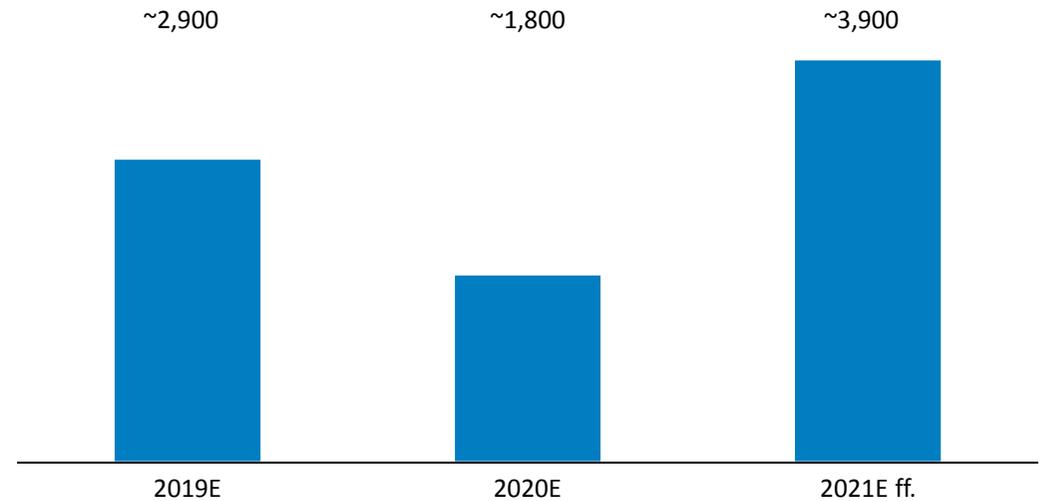
FY 2018: Defence

2018 laid the foundation for further growth

Order backlog by division
in €m

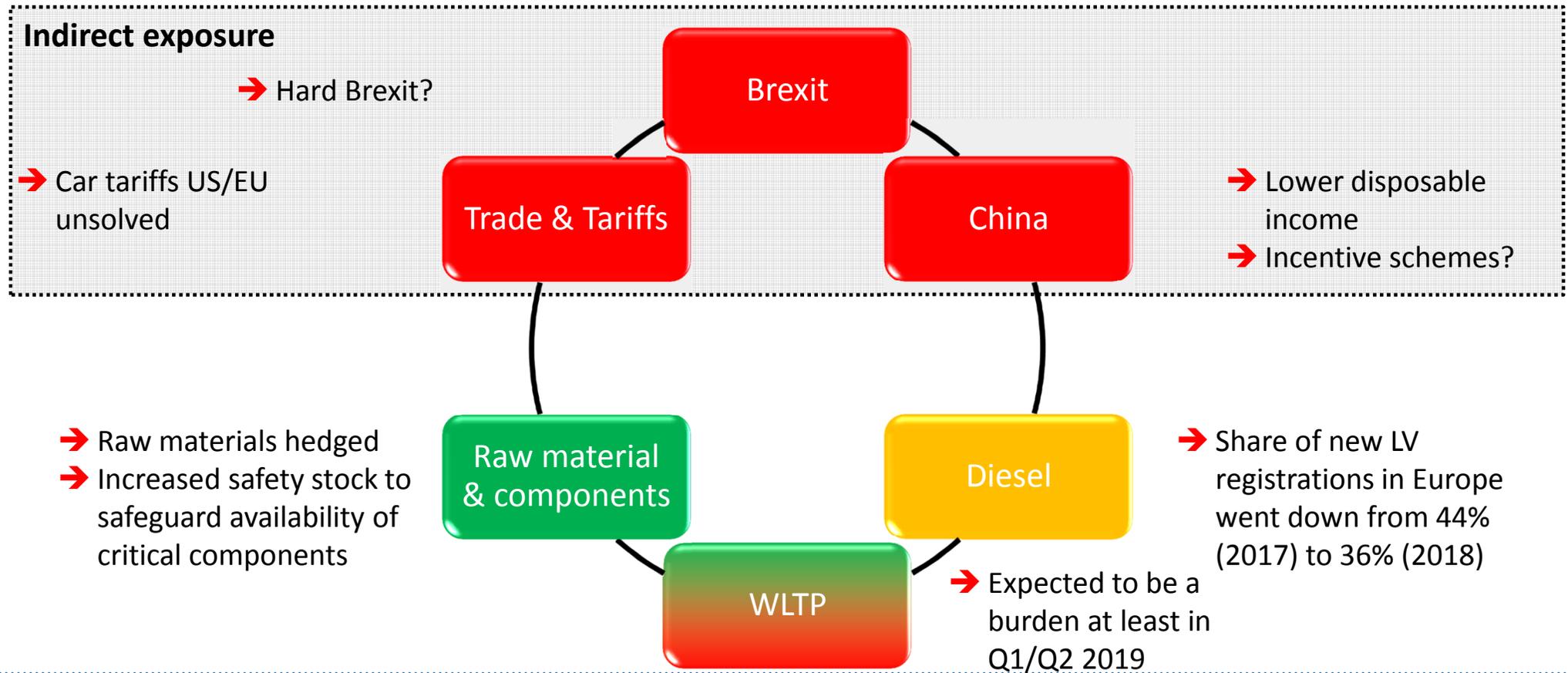


Order backlog profile
in €m per 31/12/2018



Outlook Automotive: 2019

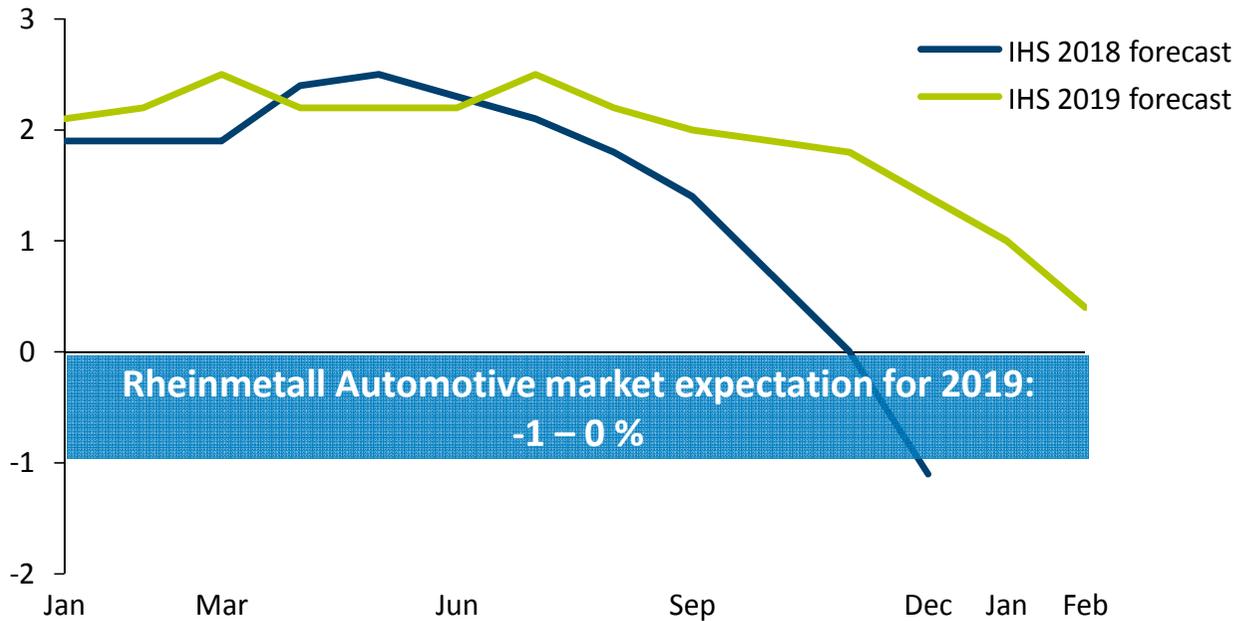
The risk map for Automotive has gained complexity



Outlook Automotive: 2019

Automotive anticipates a contracting market

■ LV-production scenarios



Source: IHS monthly update

- IHS reported declining growth figures throughout 2018 continuing into 2019
- Rheinmetall Automotive anticipates a more negative market development than IHS based on:
 - Projection of negative IHS 2018 trend
 - Regional sales exposure
 - Structure of customer portfolio

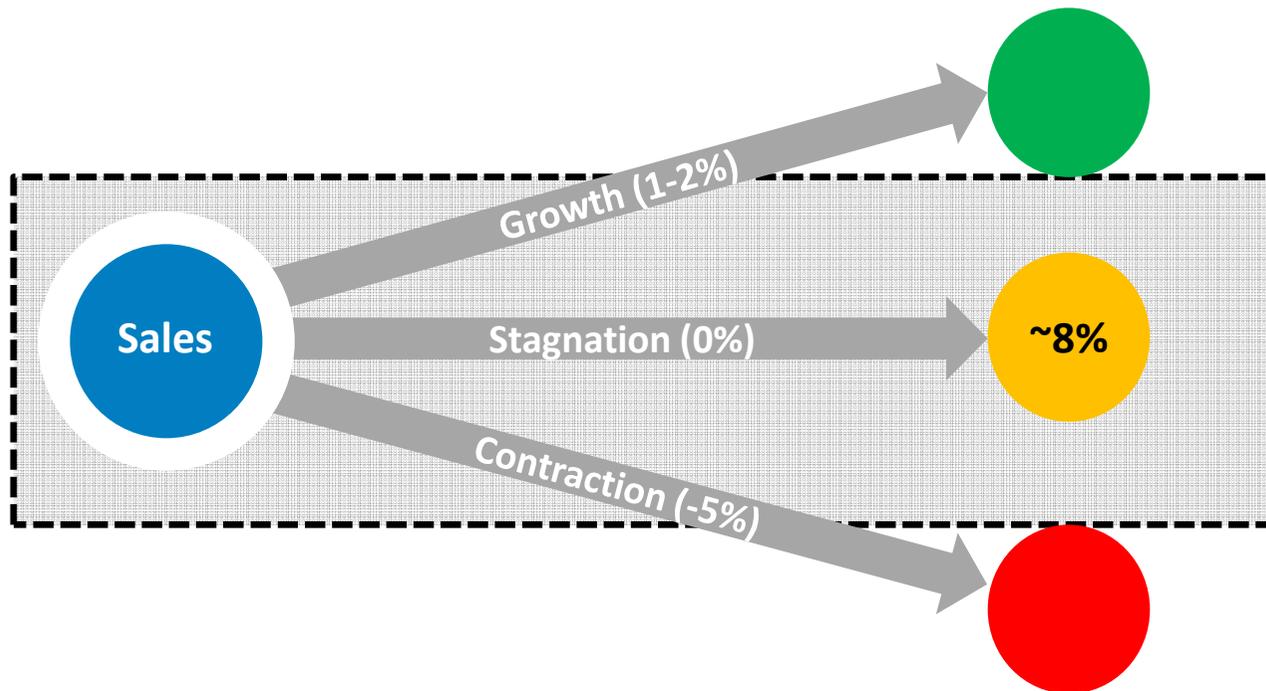
Outlook Automotive: 2019 and mid-term

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)

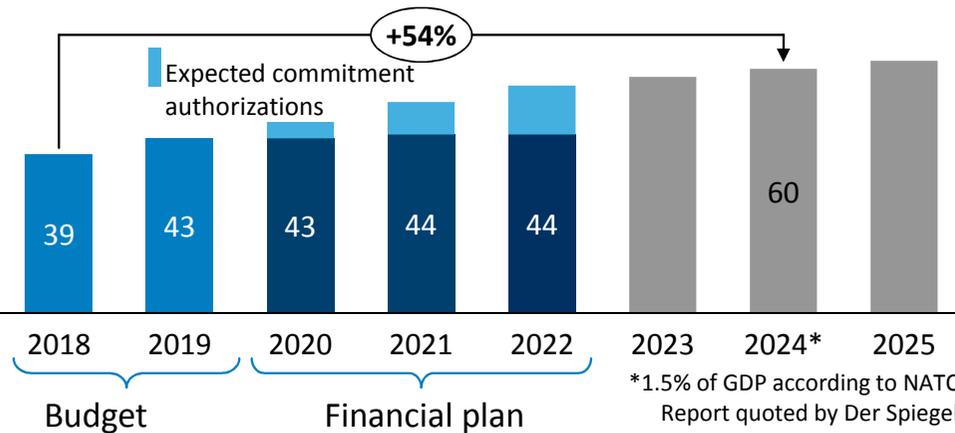
Structural

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

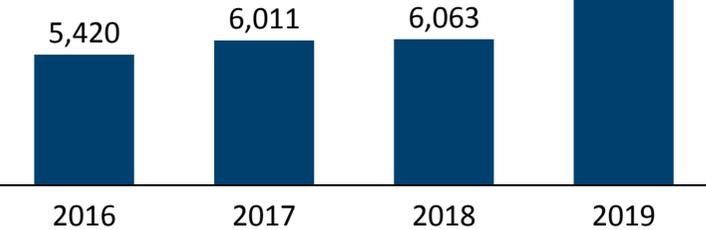
Outlook Defence: 2019

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

German defence expenditure
in €bn

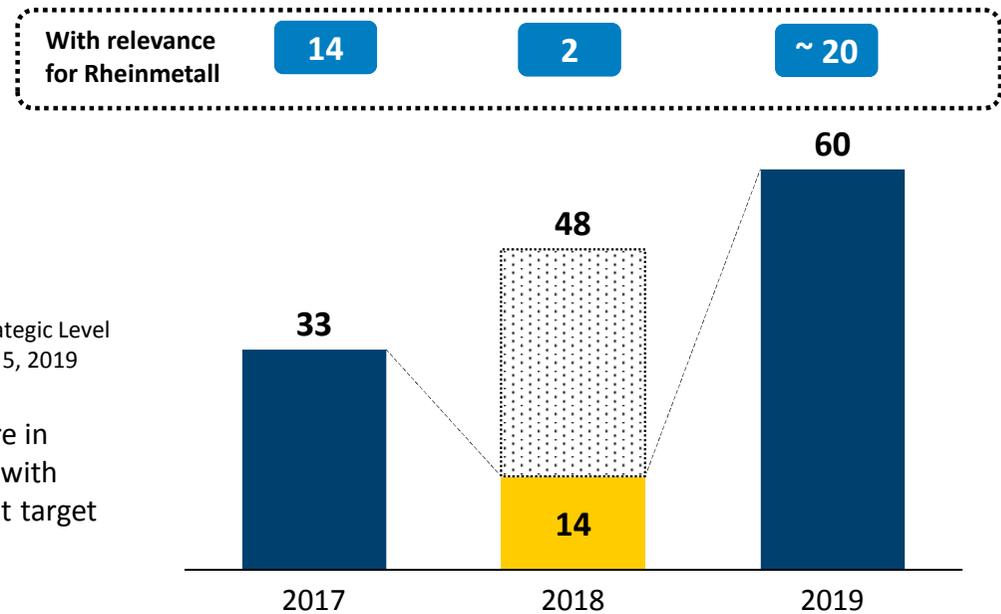


German defence investment
in €m



19.1% investment share in 2019 budget complies with NATO's 20% investment target

Pent-up demand of €25m proposals
number of proposals

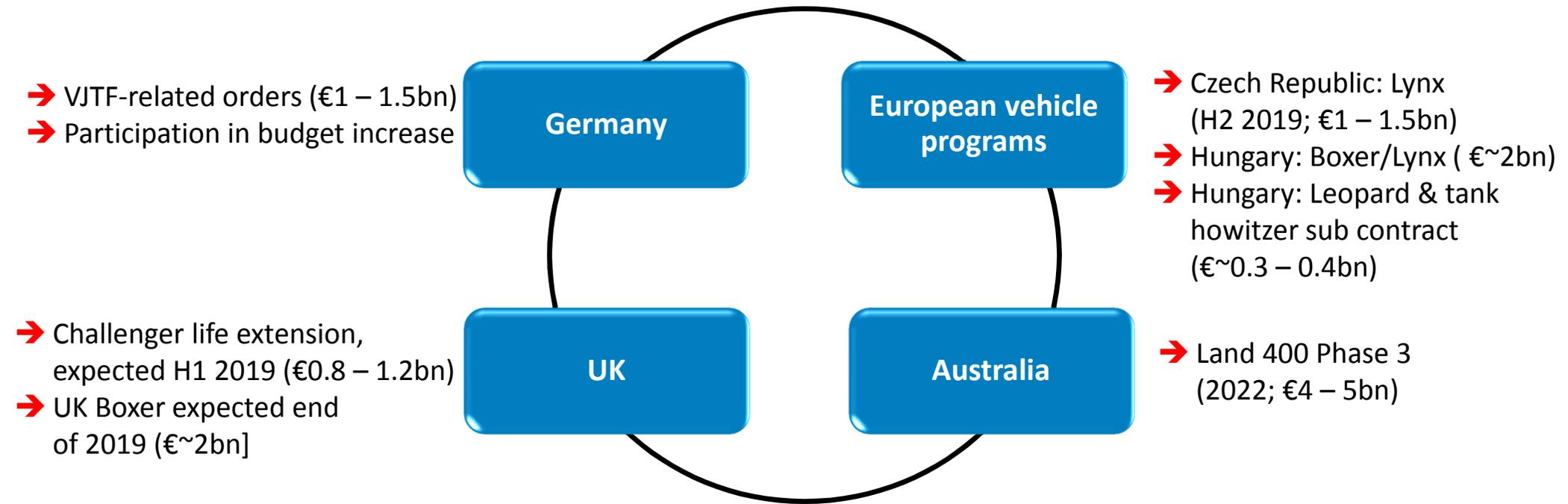


Source: German MoD

Outlook Defence: 2019

Solid pipeline of projects in our home markets

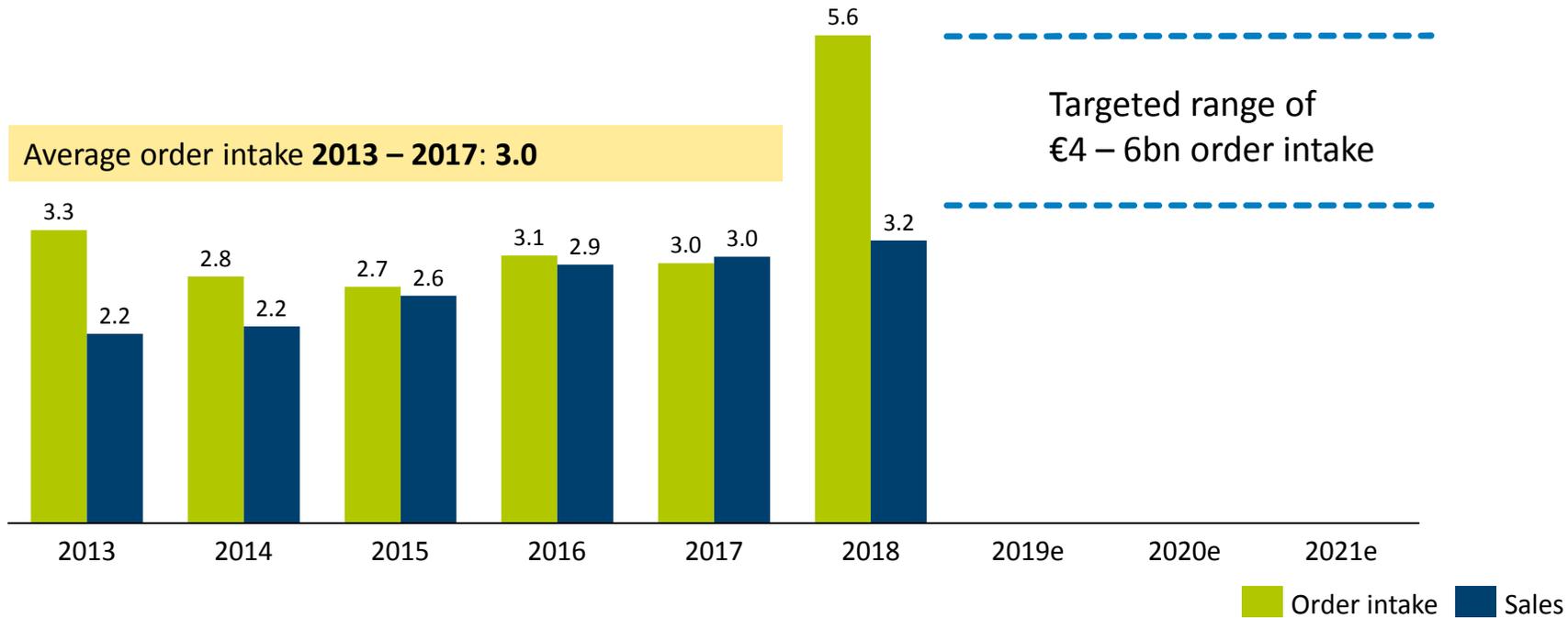
■ Key projects and potentials



Outlook Defence: Mid-term

Further big-ticket orders in sight

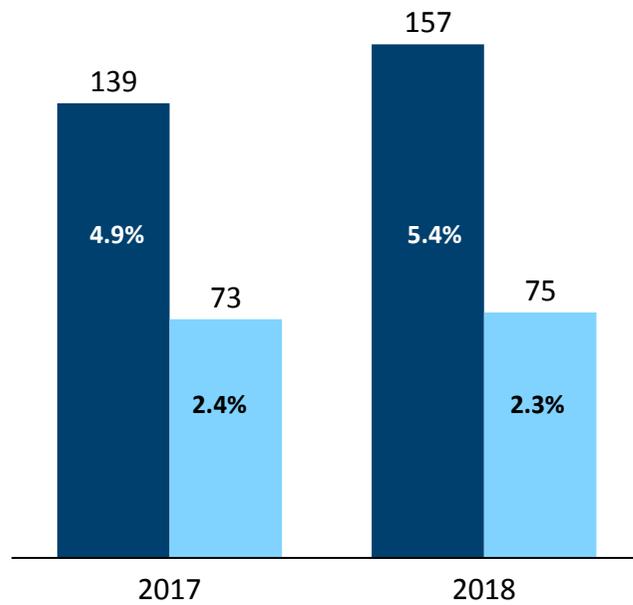
■ Order intake, sales
in €bn



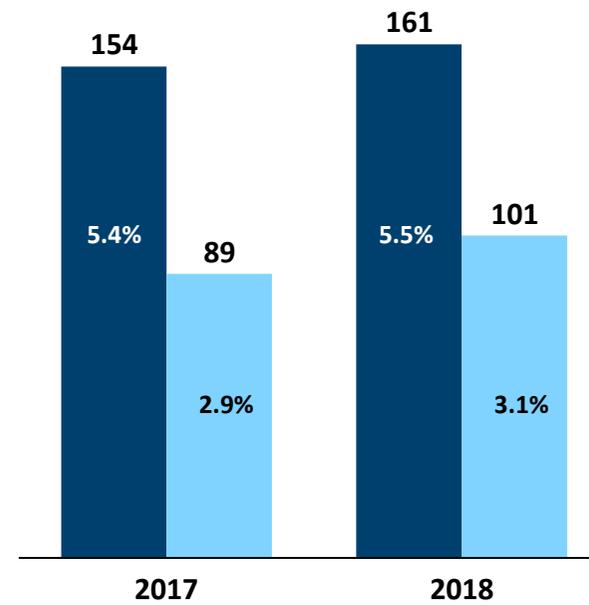
FY 2018 Highlights: Innovation

Focused R&D and capex within guided parameters

R&D
in €m and in % of sales



Capex
in €m and in % of sales



■ Automotive
■ Defence



FY 2019 Guidance

High sales growth and earnings improvement targeted

	Sales		Operating margin		
	2018 Growth y/y in % at constant FX	2019e Growth y/y in % at constant FX	2018 in %	2019e in %	Mid-term in %
Group	6.1	4 – 6	8.0	around 8	Minus €25 – 35m (consolidation line)
Automotive 	4.2	0 – 1	8.9	around 8	around 8
Defence 	7.9	9 – 11	7.9	8.0 – 8.5	8 – 9

Operational growth at constant FX

Select key data: outlook 2019

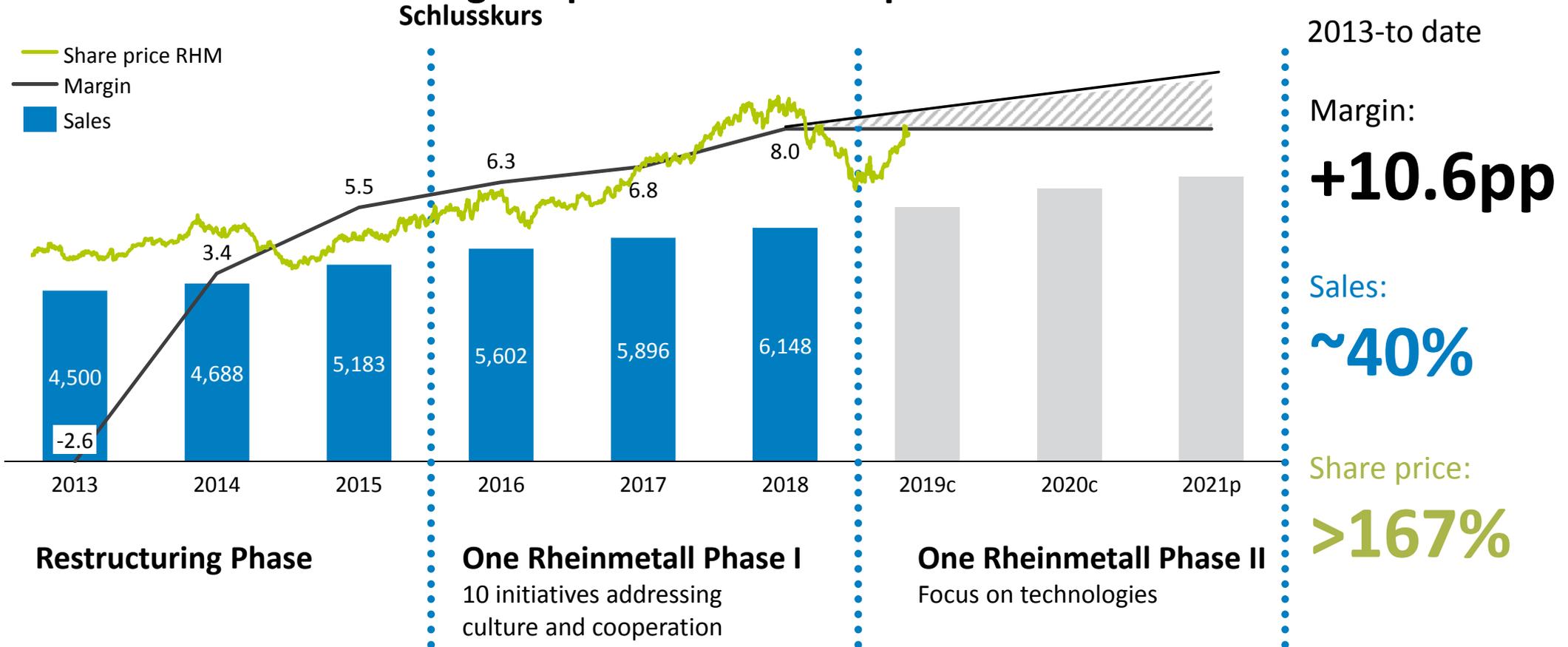
Rheinmetall Group		In %(PY)	Automotive 	Defence 
Holding cost	~€25-30m (PY: €24m)	Capex <small>(w/o IFRS 16)</small>	5.5-6% (5.5%)	3.5-4.5%(3.1%)
Tax rate	Comparable level (PY: 27%)	D&A	~5.5% (5.3% reported, scheduled 5.2%)	3-3.5% (4.8% reported, scheduled D&A 3.7%)
Interest result	~€40m (PY:-€33m)	R&D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



Leading and shaping change – Focus on technology

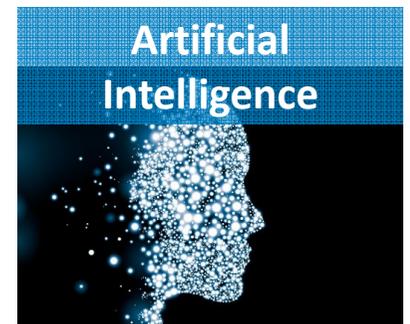
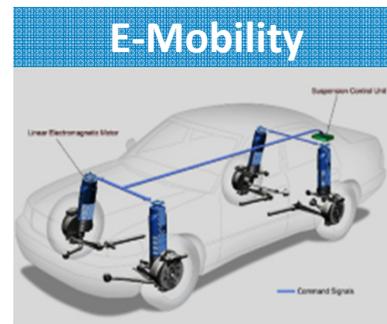
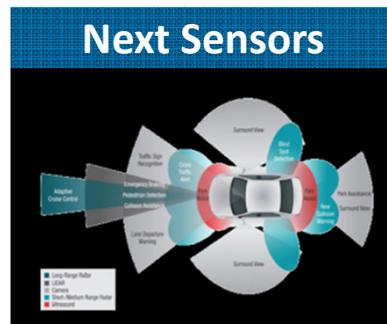
Rheinmetall Group

Markets have acknowledged operational development



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

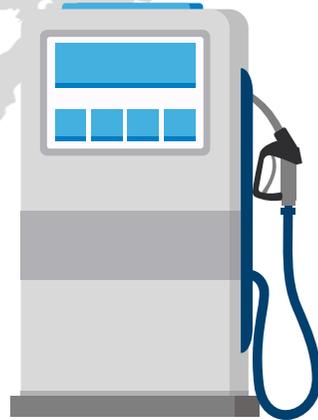
- AI supported technologies
 - to handle complex situations
 - for decision support
 - for information superiority

*LIDAR=light detection and ranging

Automotive

Meet the current challenges of the business

1 China



2 Diesel

3 Legislation



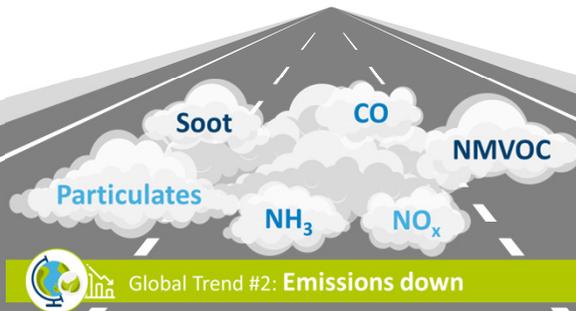
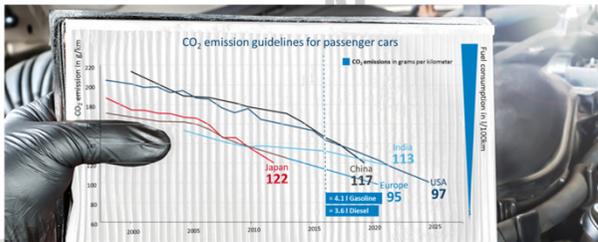
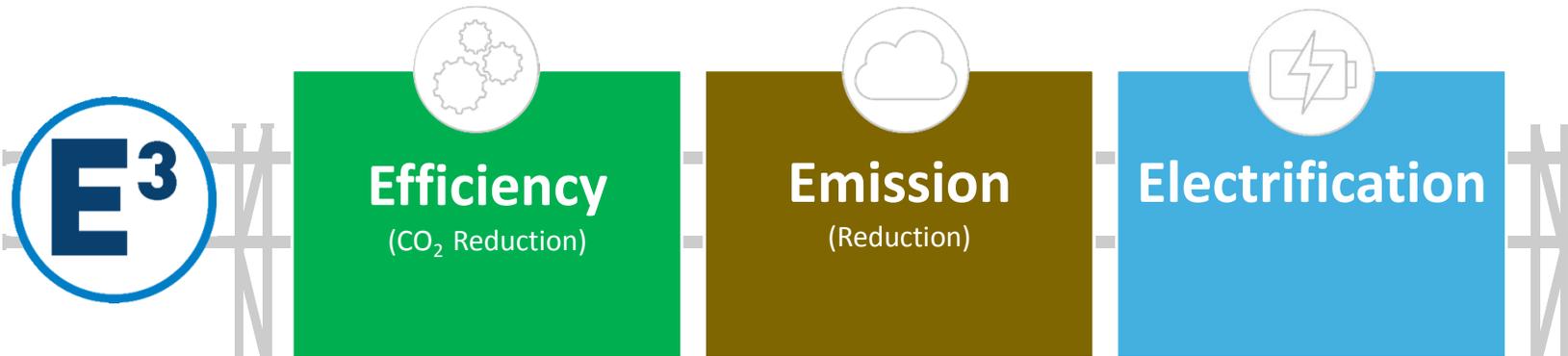
Worldwide Harmonised Light Vehicle Test Procedure



4 E-Mobility

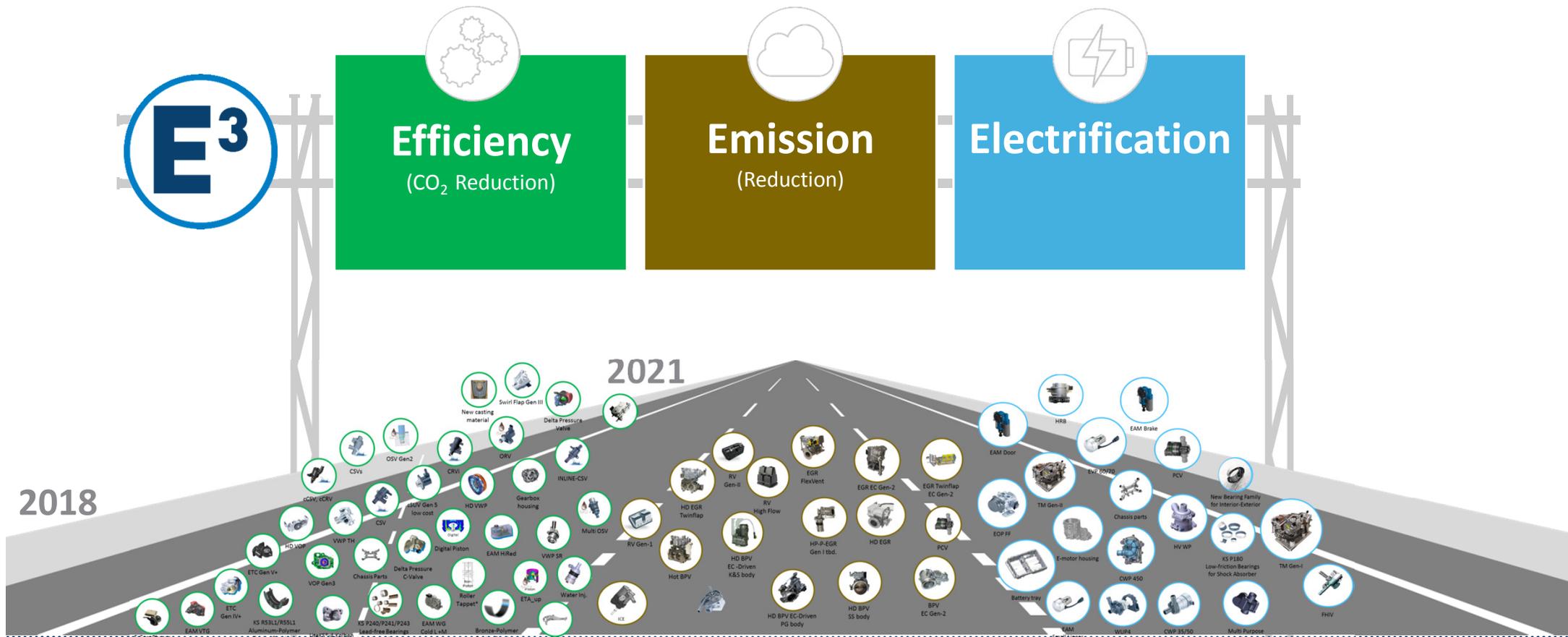
Market trends

The growth drivers of Rheinmetall Automotive



Innovations

The innovation pipeline for all three trends is packed



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

Summary Automotive

-  **1 On track to close 2018 on record levels**
-  **2 Markets are challenging, but outperformance realistic**
-  **3 Innovative portfolio accommodates growth trends**
-  **4 Margin resilience confirmed**

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

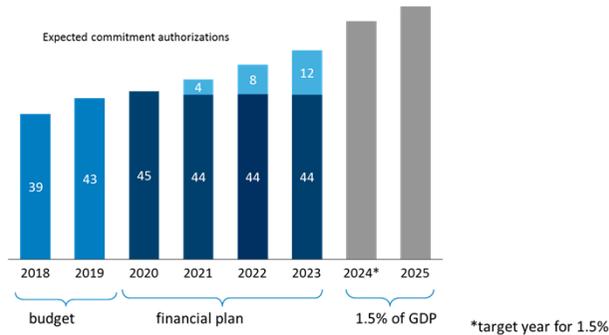
2035

Upscaling of
forces and
modernization

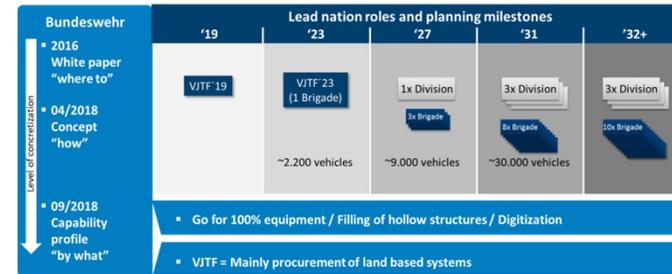
Drivers Defence

Well positioned to participate in “home markets” growth

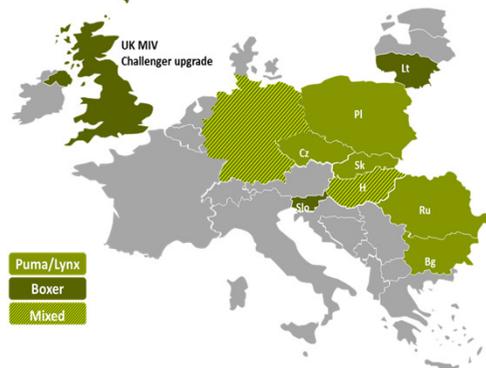
German Budget increase



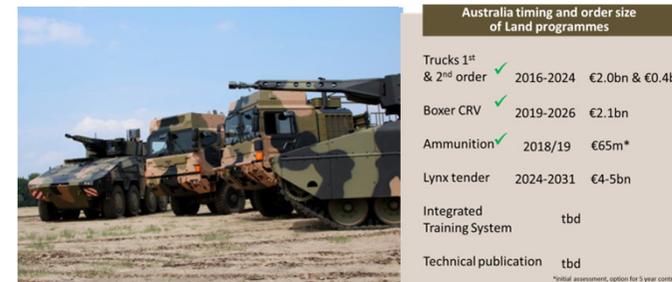
German NATO commitment



European Vehicle Programs



Australian Land Programs



German Defence Timeline for German 100% equipment level



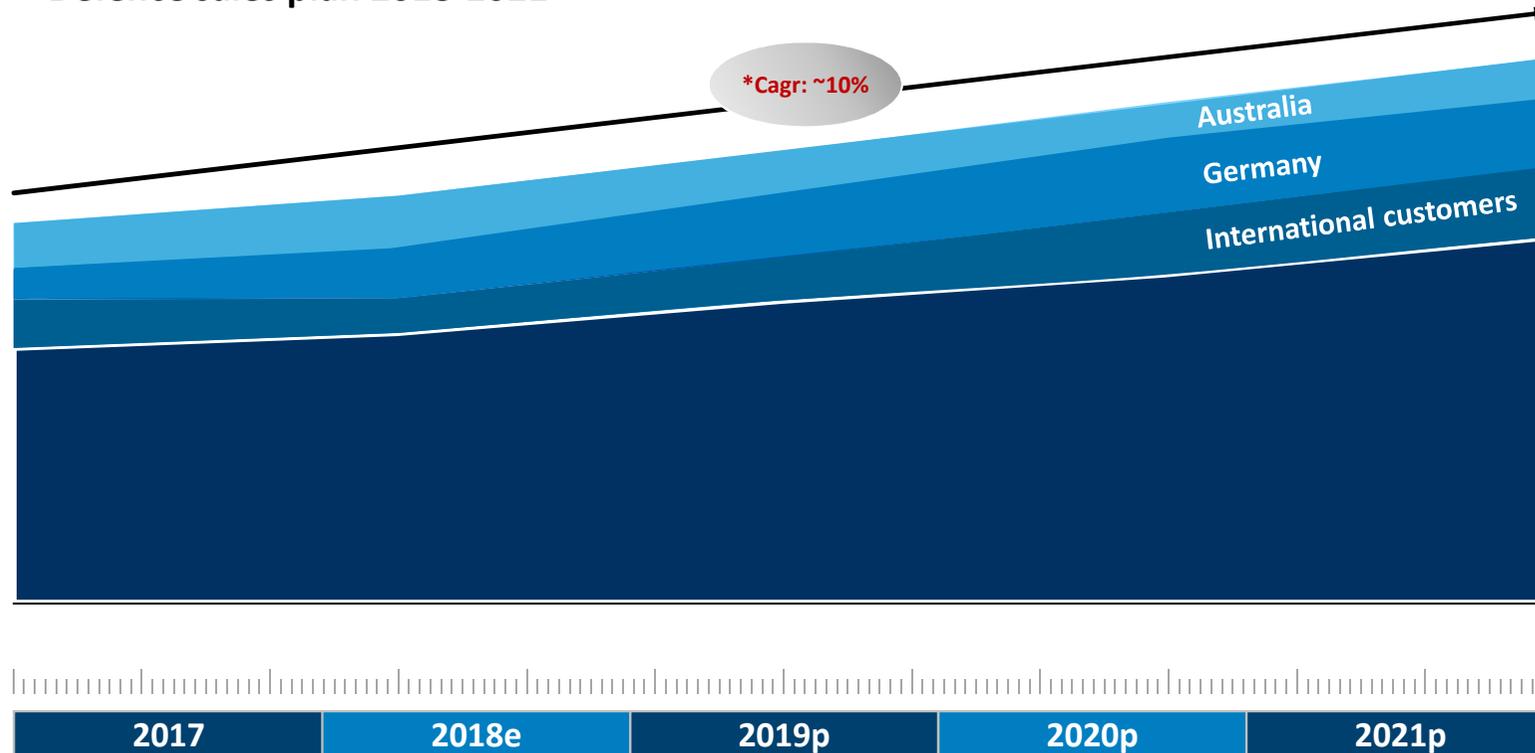
Defence International Creation of new hubs in 2018



Sales development

Strong sales growth supported by existing backlog

■ Defence sales plan 2018-2021



Top 10 booked projects

- Land 400 Boxer
- Land 121 5b
- Puma VJTF
- Trucks Bundeswehr
- Gladius
- Fox Kits
- Air Defence Systems
- 3x Ammunition contracts

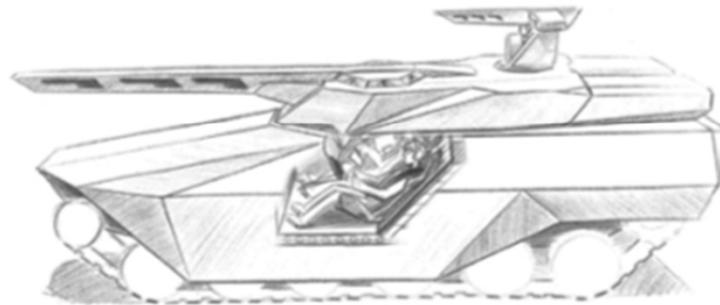
Innovations

Demand-driven product development and targeted cooperations



New logistical platforms

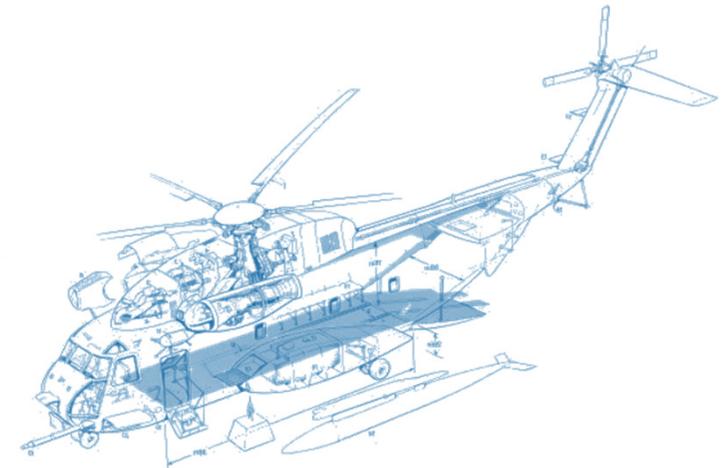
Groundbreaking sub-systems



New tactical platforms

Innovative weapon and ammunition

Digitized command and reconnaissance

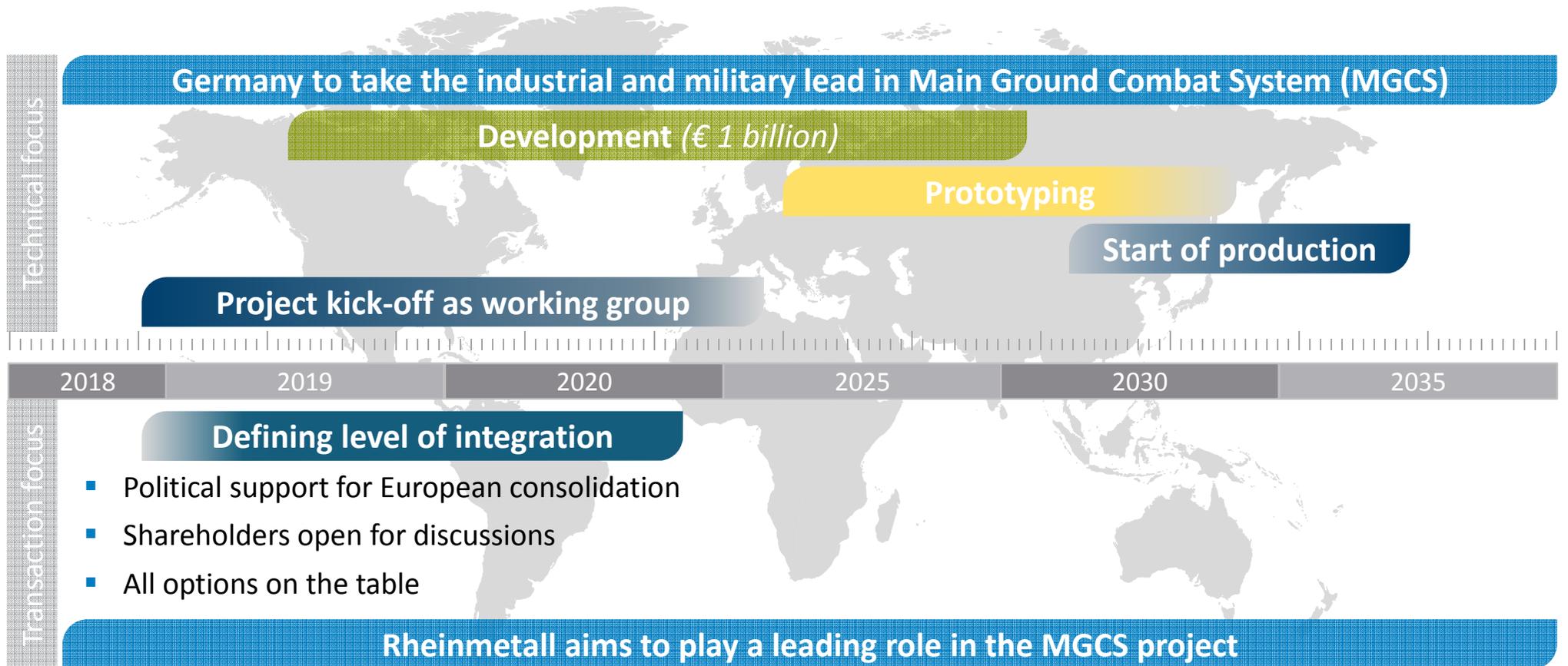


New business models

New cooperations with
Sikorsky, Raytheon

European Defence

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



Summary Defence

-  **1 On track to close 2018 on record levels**
-  **2 Start of “super cycle” provides for long-lasting profitable growth**
-  **3 Continued internationalization taps into additional regional potentials**
-  **4 Sharpening profile of ES division as a system provider creates opportunities**
-  **5 Mid-term guidance update in 2019 after acquisition of further orders**



Automotive – Focus on innovation

Automotive with leading technology and market positions

Key Figures

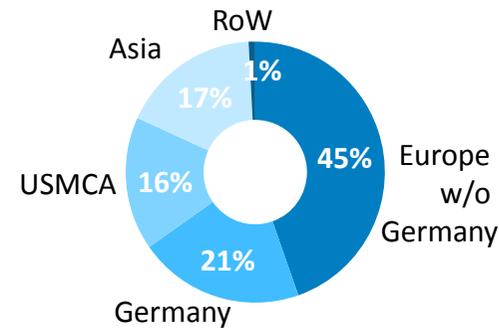
Sales:	€2.9bn
Op. result:	€262m
Op. margin:	8.9%
R&D:	€157m
Capex:	€161m
Headcount:	11.710

All figures refer to FY 2018

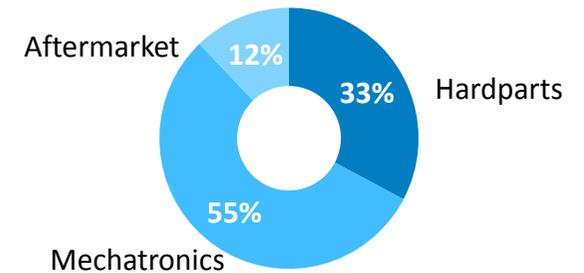
Structure

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

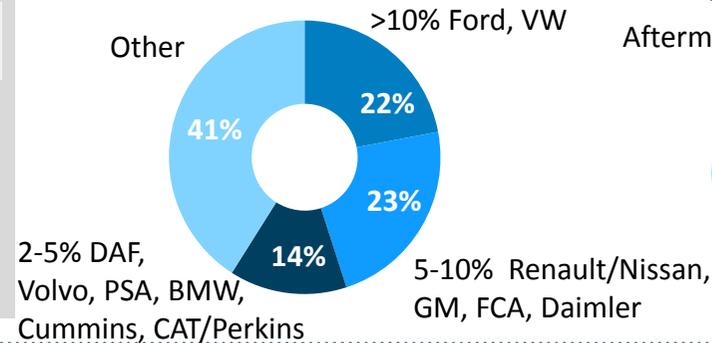
Sales by region



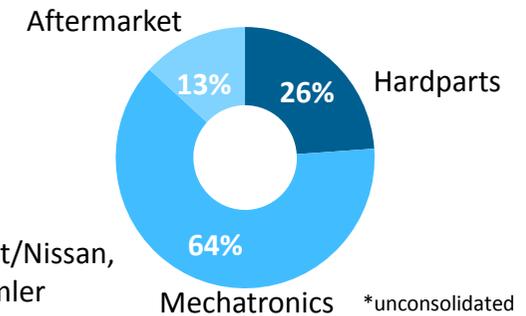
Sales by division*



Sales by customer



Operating result by division*



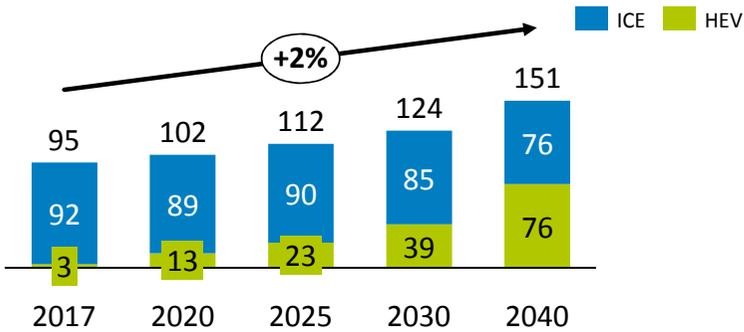
*unconsolidated

Drivers for growth

Rising global fleet and regulatory restrictions are supporting our growth

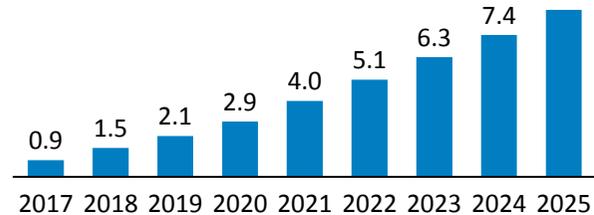
Light vehicle production grows

million vehicles per year



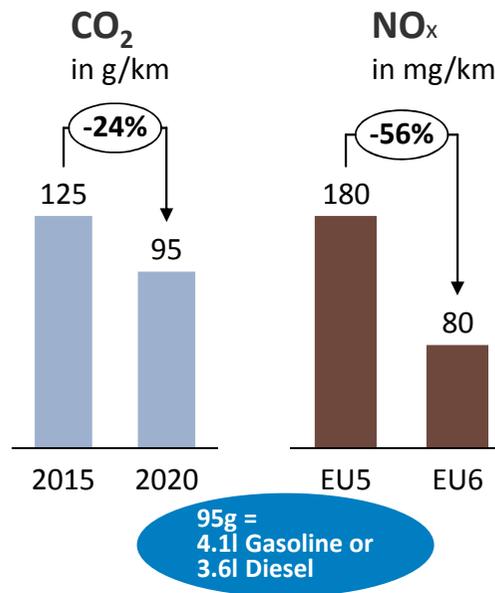
BEV 2017-2025

million vehicles per year



IHS and company estimates

Emission thresholds decrease



Stricter emission testing

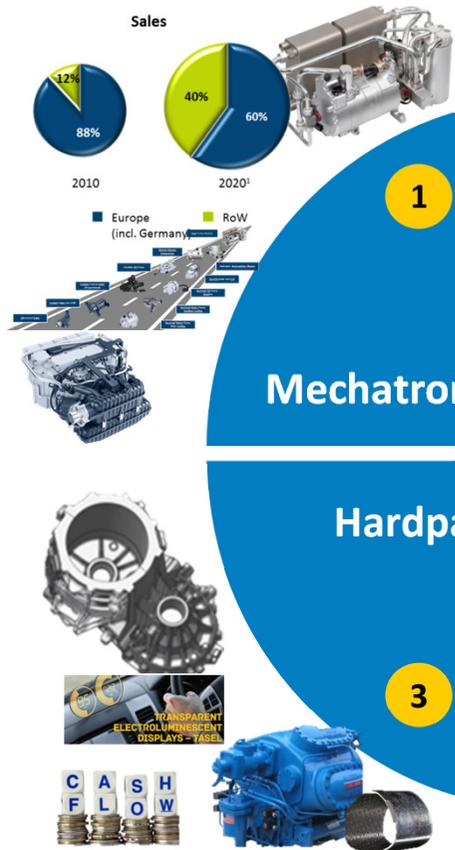


Mainly EU!



Stricter testing sets the benchmark even higher!

Overview Rheinmetall Automotive



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

2

China

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

4

Aftermarket

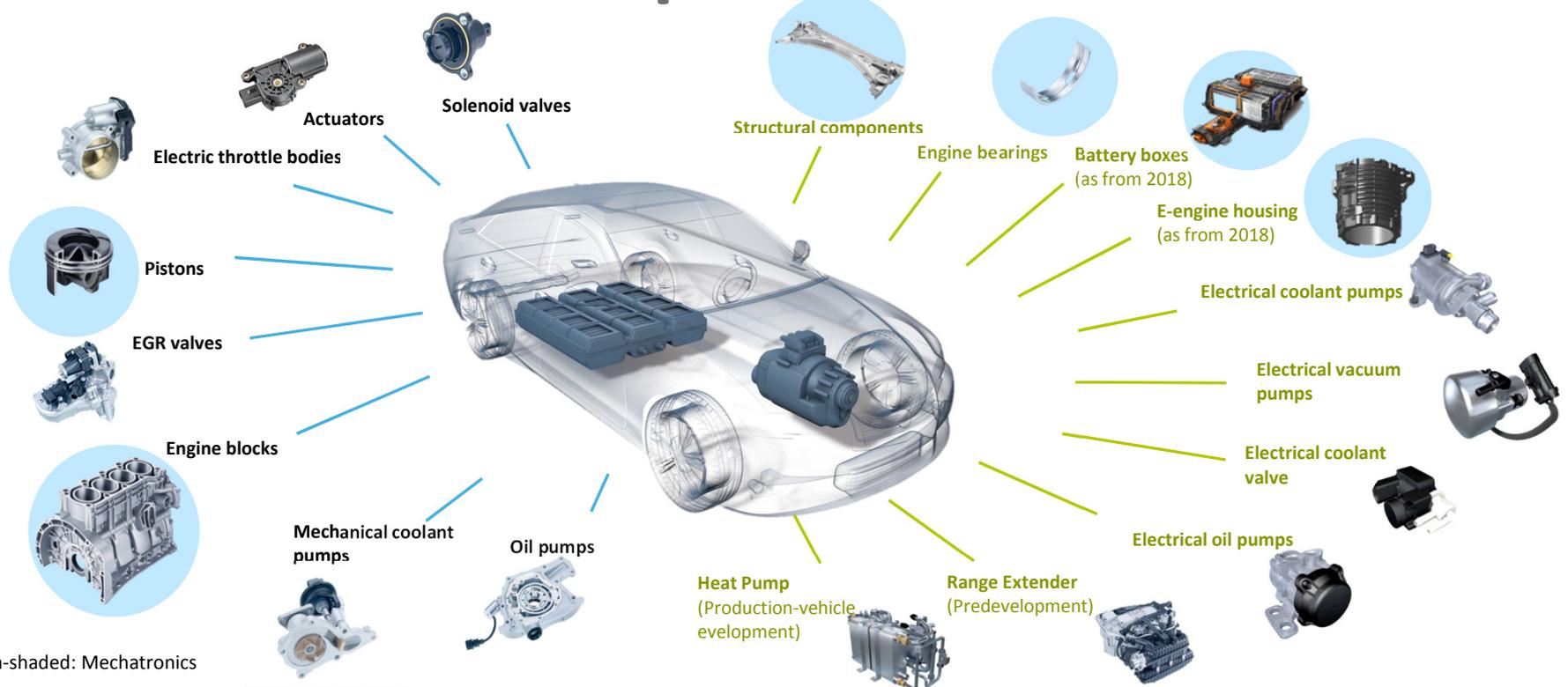
- Optimize In-house production
- Focus on high tech products and **expand product portfolio**
- Increase sales through **new sales channels** and customers
- Implement BU (Matrix) organization and optimize processes / project management

Broad product range for alternative drive systems

Enlarging the traditional product portfolio for combustion engines ...



... by products for hybrid and electric engines



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

■ Contract volume for electric vehicles (EV)*

€ ~800 m

▪ Lifetime order value
€ ~250m BEV, € ~550 m Hybrid

E-Taxi London

Pump technology for pure electric taxis



Battery cell boxes

Aluminum battery boxes for German premium OEM



Electric engine housing

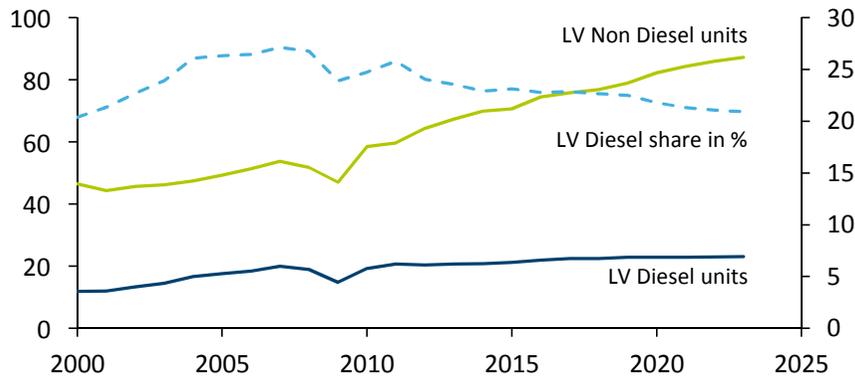
Electric engine housing for German premium OEM to serve the Chinese market



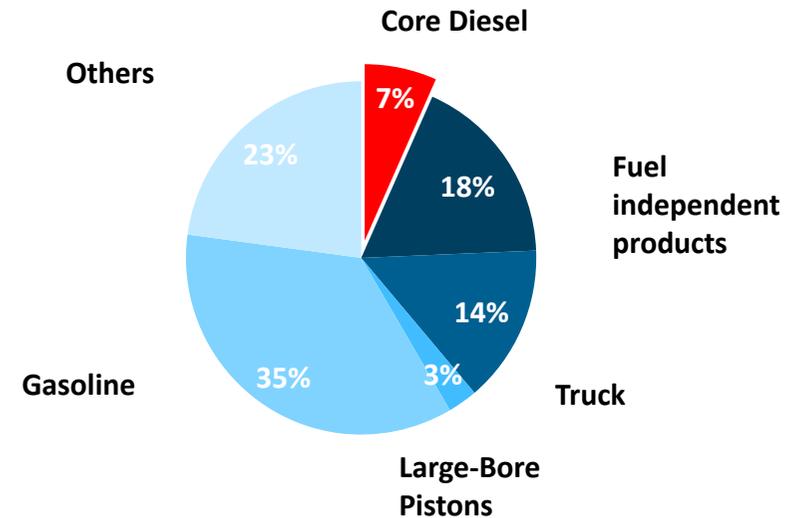
* Rheinmetall Automotive and Joint Ventures

LV Diesel exposure limited; powertrain neutrality is the strategic target

■ Combined global engine production forecast*



■ Automotive sales distribution by engine type**



■ Further regulatory pressure expected

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

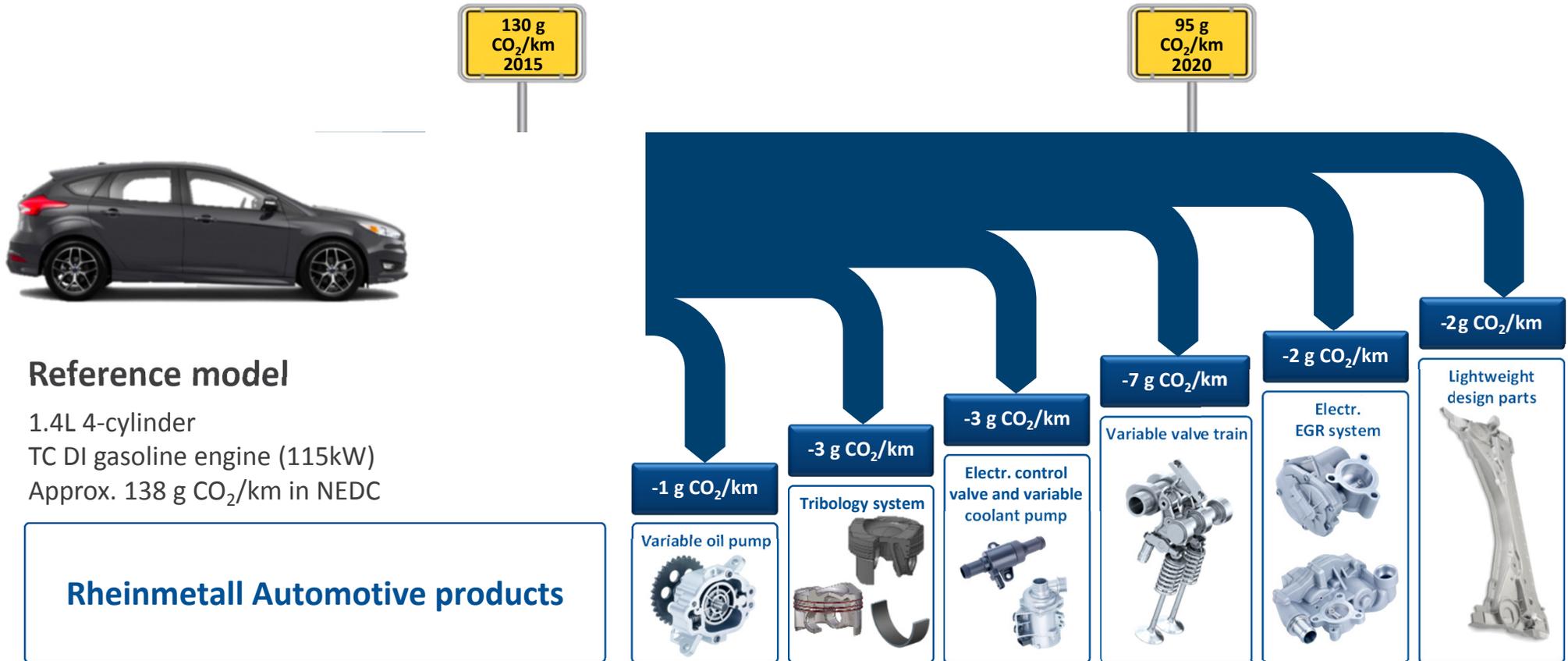
Benefitting from OEM's effort to reduce emissions and to avoid penalties

* IHS: Combined Engine Production Forecast April 2017

** Rheinmetall Automotive sales FY 2018

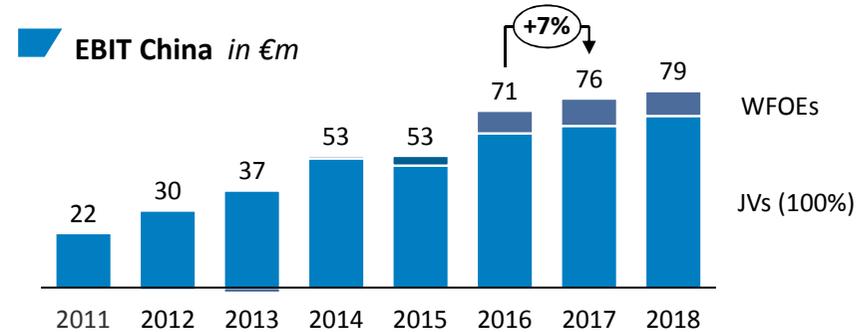
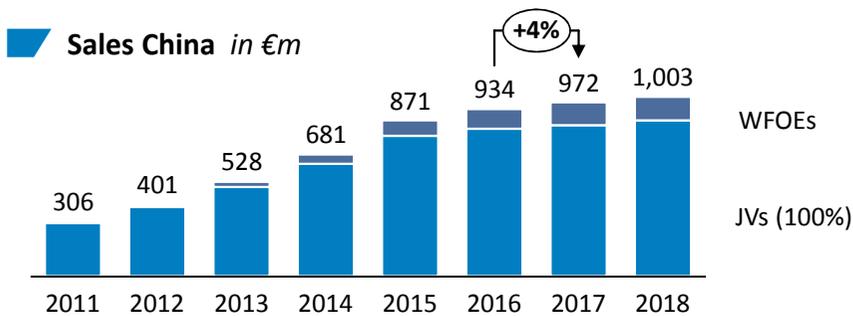
Efficiency

CO₂ - reduction with Automotive products – gasoline engine vehicle



Automotive in China

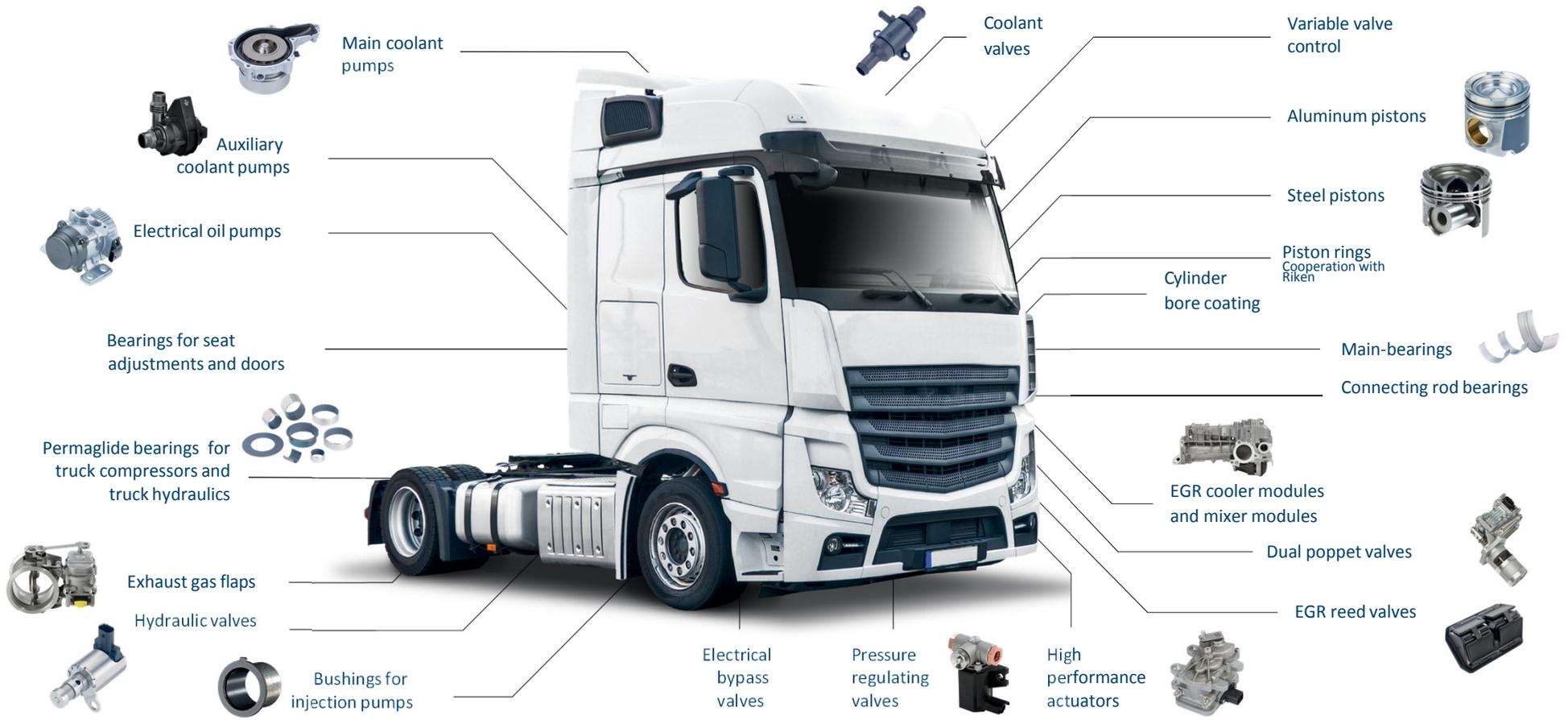
50/50 joint ventures with HASCO (SAIC group)				Wholly Foreign-Owned Enterprises (100% Rheinmetall Automotive)			JV subsidiary
Castings (KSHA)	Pistons (KSSP)	Castings (KPSNC)	Pumps (PHP)	Aftermarket	Pierburg	Large-bore pistons	Pumps (PMP Ch.)
2014	1997	2001	2012	2008	2009	2013	2012
Engine blocks and 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

Truck

Our current product portfolio





Defence – at the beginning of a “super cycle”

Defence is a leading supplier with an increasing international presence

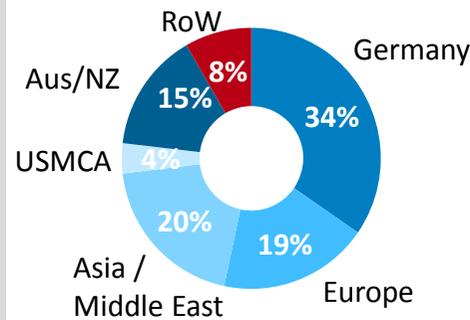
Key Figures

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

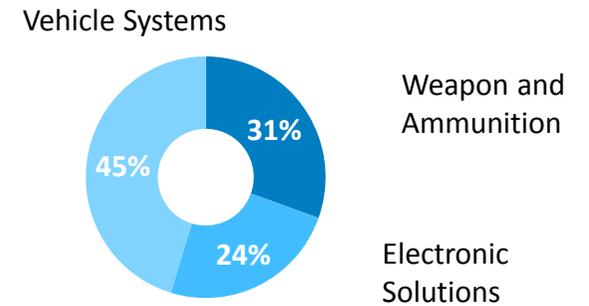
Structure



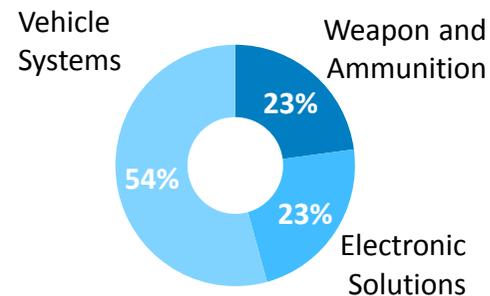
Sales by region



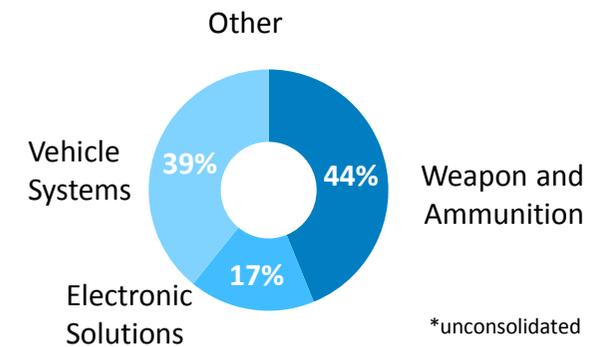
Sales by division*



Order backlog by division



Operating result by division*



All figures refer to FY 2017

*unconsolidated

Defence at the beginning of long-lasting market growth

Rising awareness of military threats

Changes in macro environment...



...trigger comprehensive defence programs



Growing project portfolios and rising budgets

- 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 setting up various vehicle programs
- Australian „One Defence“ program
- Singapore and Indonesia accelerating defence spending

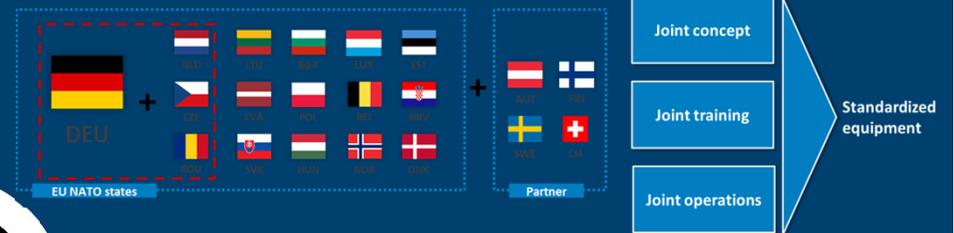
Germany

Drivers behind 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 24% from 2016 to 2021

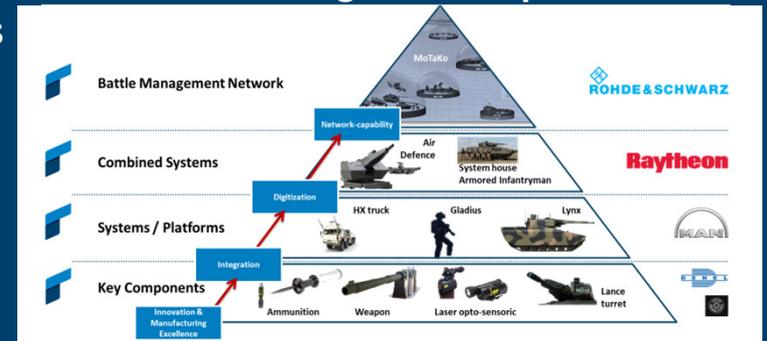
Framework nation concept triggers standardization of equipment



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)

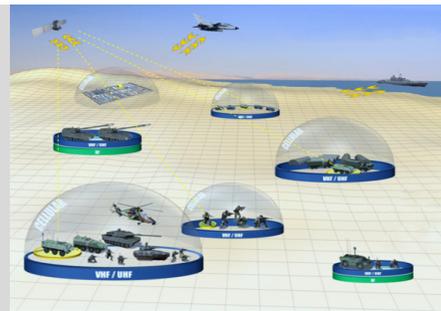
■ Equipment and ammunition – multi billion programs



NNBS (Short range air defence)



TLVS (Tactical air defence)



D-LBO (> €5 bn net) (MoTaKo)



Ammunition (~€2 bn net)

German Defence

Strong German project pipeline line up – upcoming tenders by 2021

Major mid-term potentials Germany



NNBS
~€ 4 billion



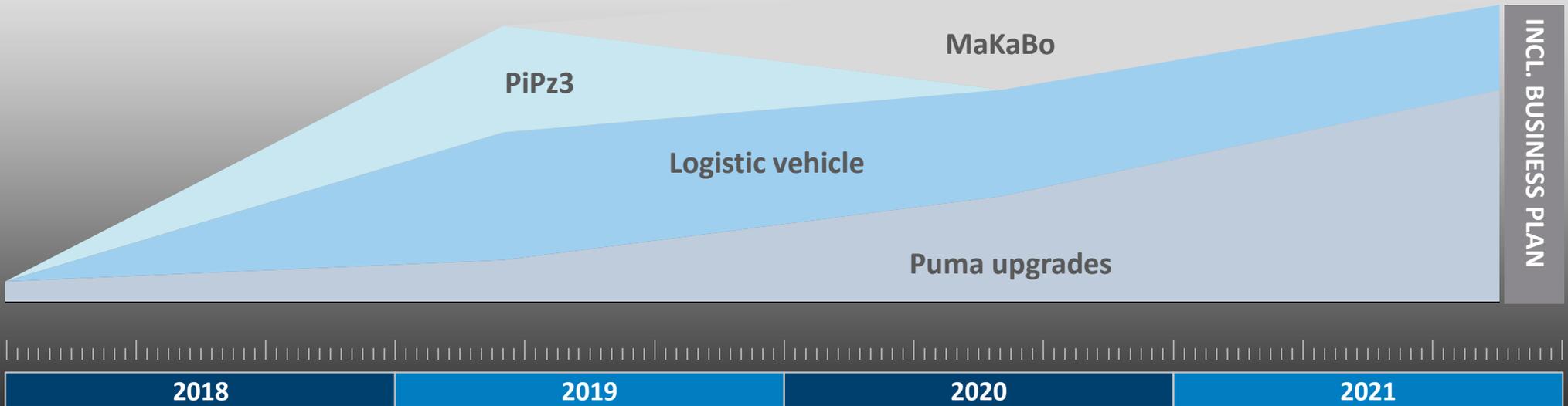
TLVS
<€ 1 billion until 2021



STH
~€ 1 billion



D-LBO
~€ 2 billion



Defence industry in Europe



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

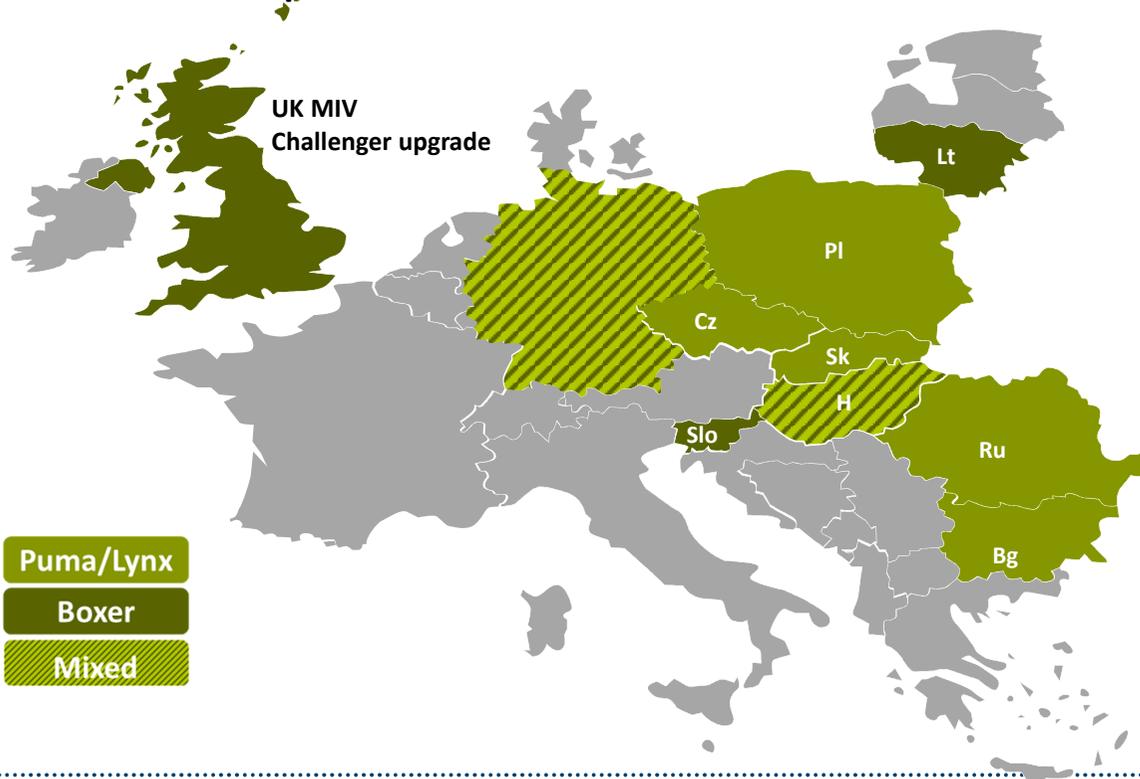
Rheinmetall's approach:

- **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

European Defence

Rheinmetall is a key beneficiary of large European vehicle programmes

Current or expected tenders tactical vehicles



Drivers for European vehicle programs

- Return to territorial and treaty 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** (includes Lithuania, Slovenia and UK)

* Fox and Boxer
 ** only Boxer

Mission Australia

Establishing a new “home market” down under



Australia timing and order size of Land programs

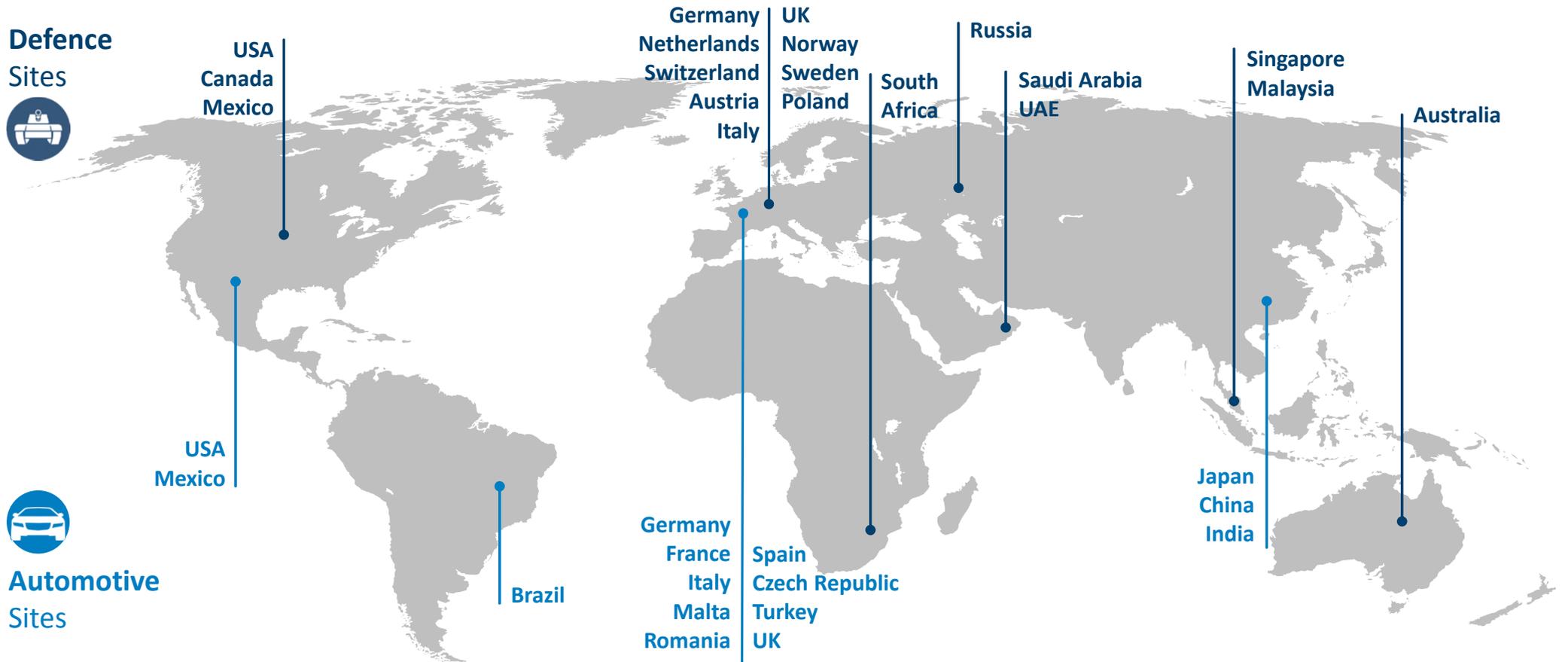
Trucks 1 st & 2 nd order ✓	2016-2024	€2.0bn & €0.4bn
Boxer CRV ✓	2019-2026	€2.1bn
Ammunition ✓	2018/19	€65m*
Lynx tender	2024-2031	€4-5bn
Integrated Training System		tbd
Technical publication		tbd

*initial assessment, option for 5 year contract



GROUP APPENDIX

More than 100 production sites and offices on all continents



ESG with high importance for Rheinmetall

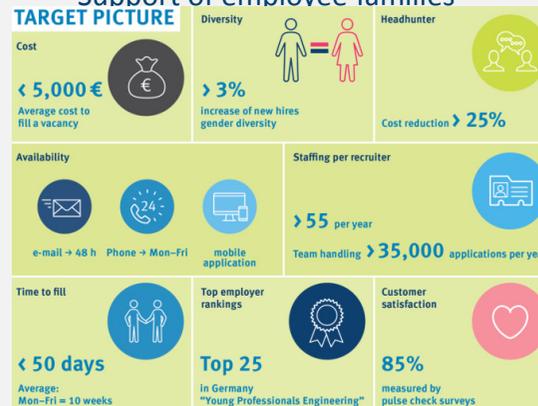
■ Environment

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



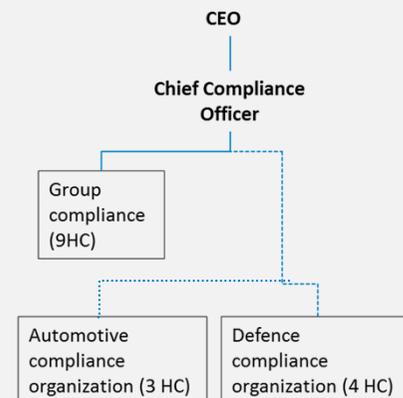
■ Social

- **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



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

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

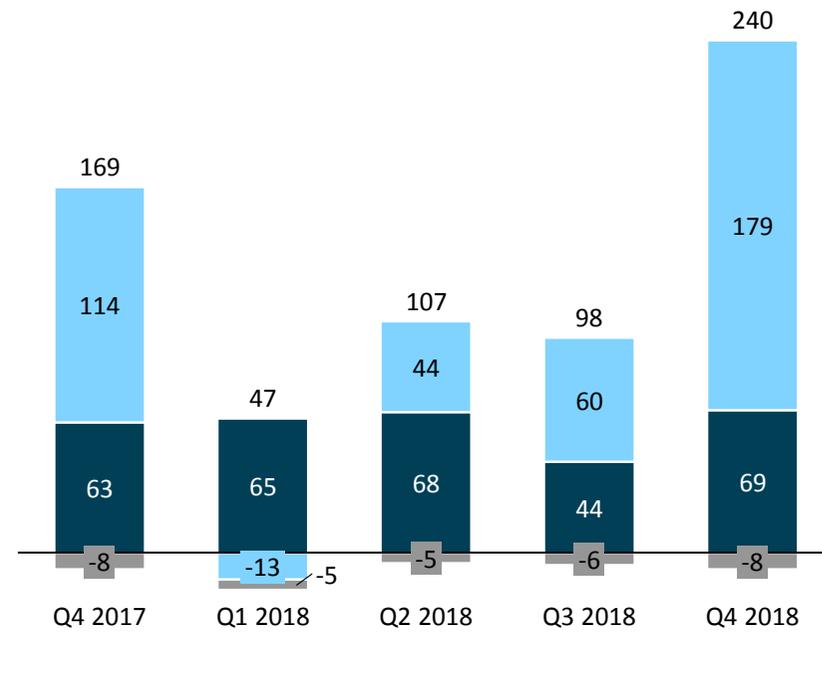
AUTOMOTIVE								DEFENCE				
2014	2015	2016	2017	2018	in €m			2014	2015	2016	2017	2018
2,466	2,621	2,670	2,922	2,889	Order intake			2,812	2,693	3,050	2,963	5,565
416	445	459	520	478	Order backlog (Dec. 31)			6,516	6,422	6,656	6,415.8	8,577
2,448	2,592	2,656	2,861	2,930	Sales			2,240	2,591	2,946	3,036	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	101
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	10,251
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

Quarterly development Group

Sales
in €m



Operational results
in €m

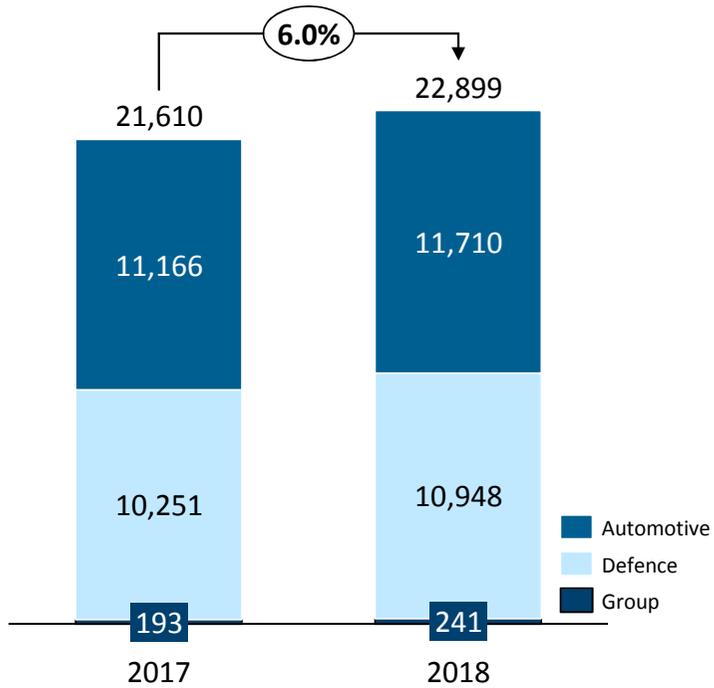


Free Cash Flow summary Group

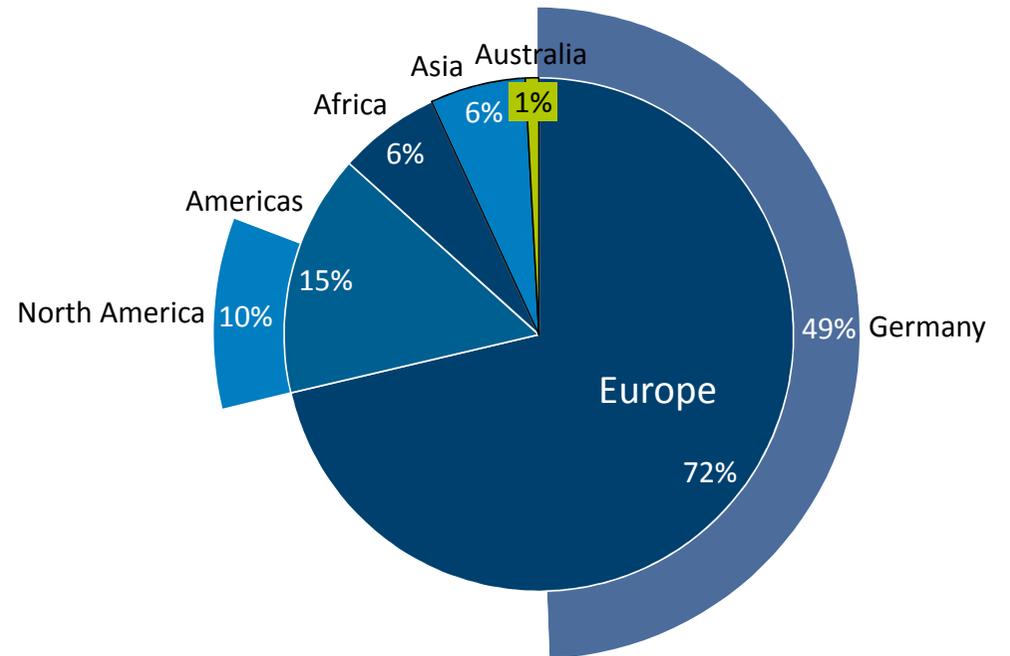
in €m	Q4 2017	FY 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	FY 2018	Δ Q4 '17/'18	Δ FY '17/'18
Group Net Income	130	252	27	65	85	178	355	48	103
Amortization / depreciation	70	241	64	91	68	95	318	25	77
Change in pension accruals	-8	-44	-42	1	1	-8	-48	-	-4
Cash Flow	192	449	49	157	154	265	625	73	176
Changes in working capital and other items	343	22	-258	-197	-200	257	-398	-86	-420
Changes in other items	31	75	-31	-47	-3	98	17	67	-58
Net cash used in operating activities	566	546	-240	-87	-49	620	244	54	-302
Cash outflow for additions to tangible and intangible assets	-115	-270	-47	-53	-67	-112	-279	3	-9
Free Cash Flow from Operations	451	276	-287	-140	-116	508	-35	57	-311

Headcount details

Headcount per segment
in capacities at year end

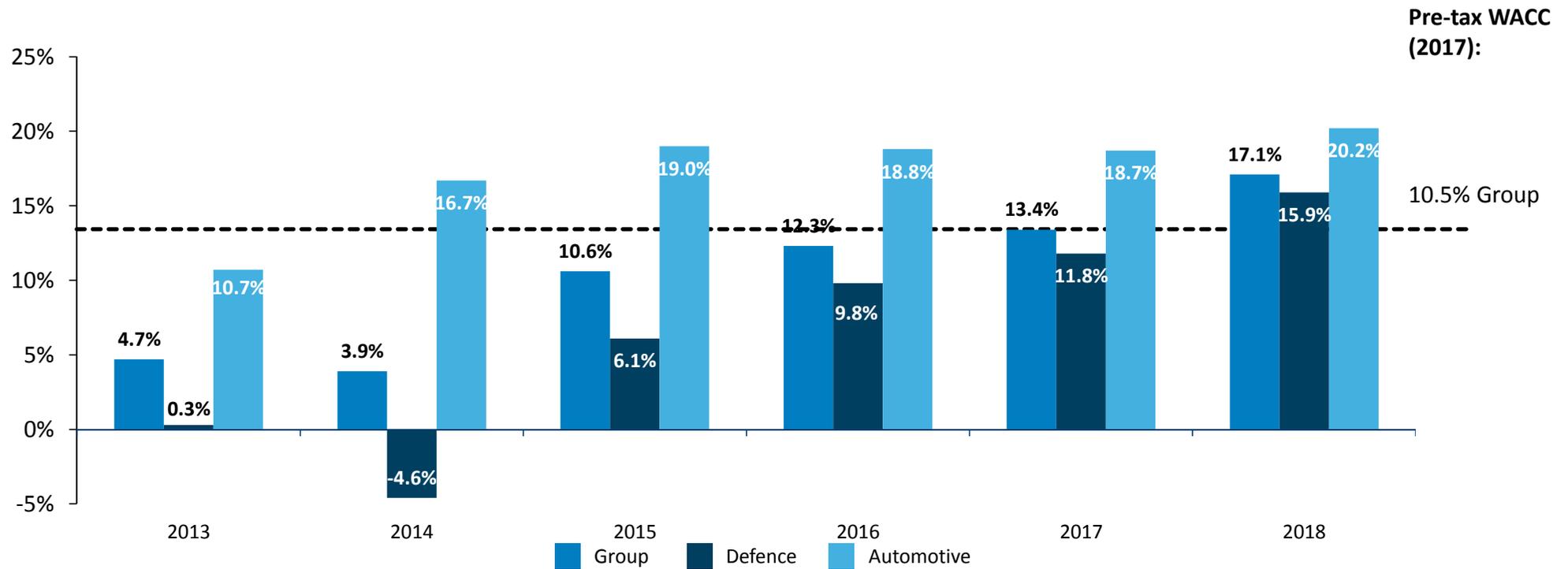


Headcount per region
in capacities



Continuing ROCE improvement

■ ROCE
in %



Next events and IR contacts

■ Next Events

Roadshow London		26/27 March
Roadshow Dublin		28 March
Roadshow Frankfurt		2 April
Lampe Conference Baden-Baden		5 April
Q1 2019 Earnings call		9 May
Annual General Meeting	Berlin	28 May

■ Quick link to documents

Corporate Presentation



Interim Reports



Annual Reports



■ IR Contacts

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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.

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