



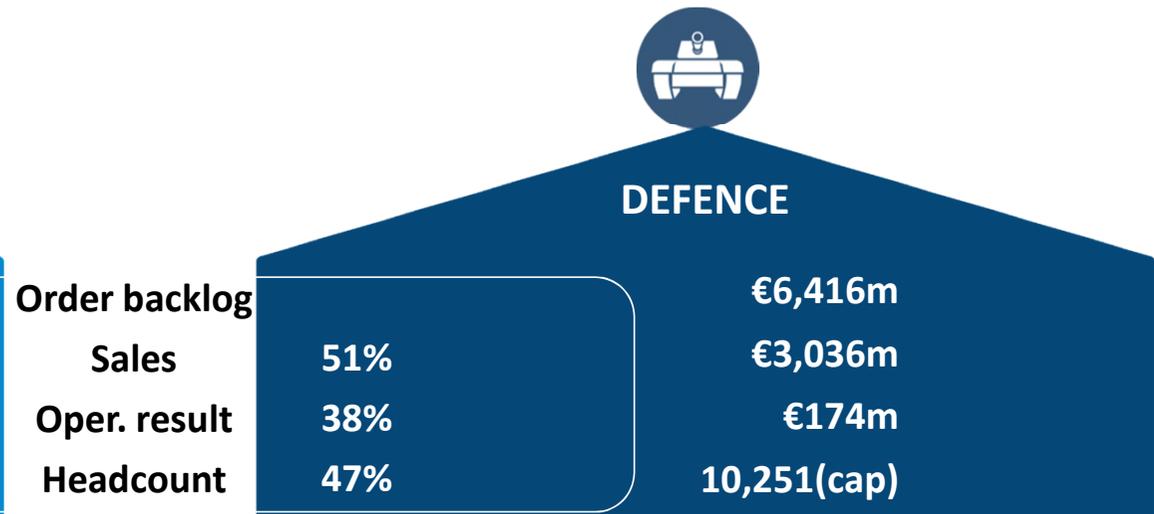
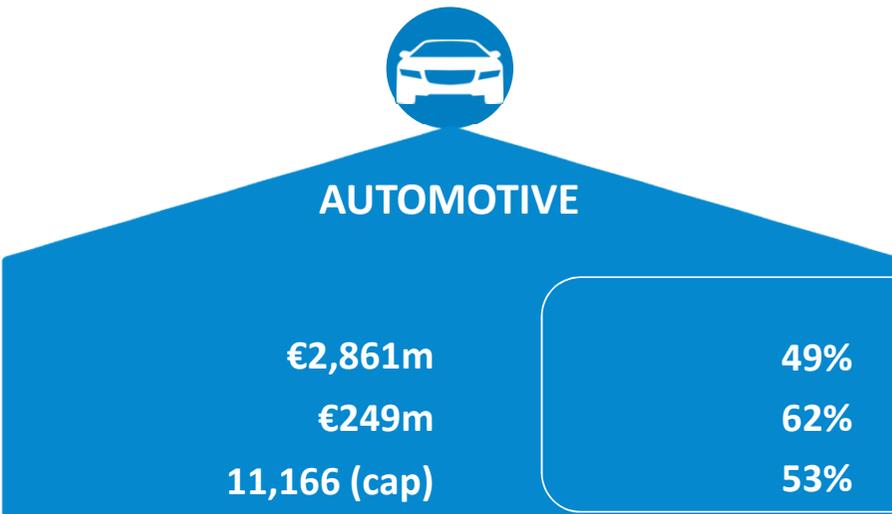
Rheinmetall AG

Corporate Presentation Q1 2018

Düsseldorf, June 2018

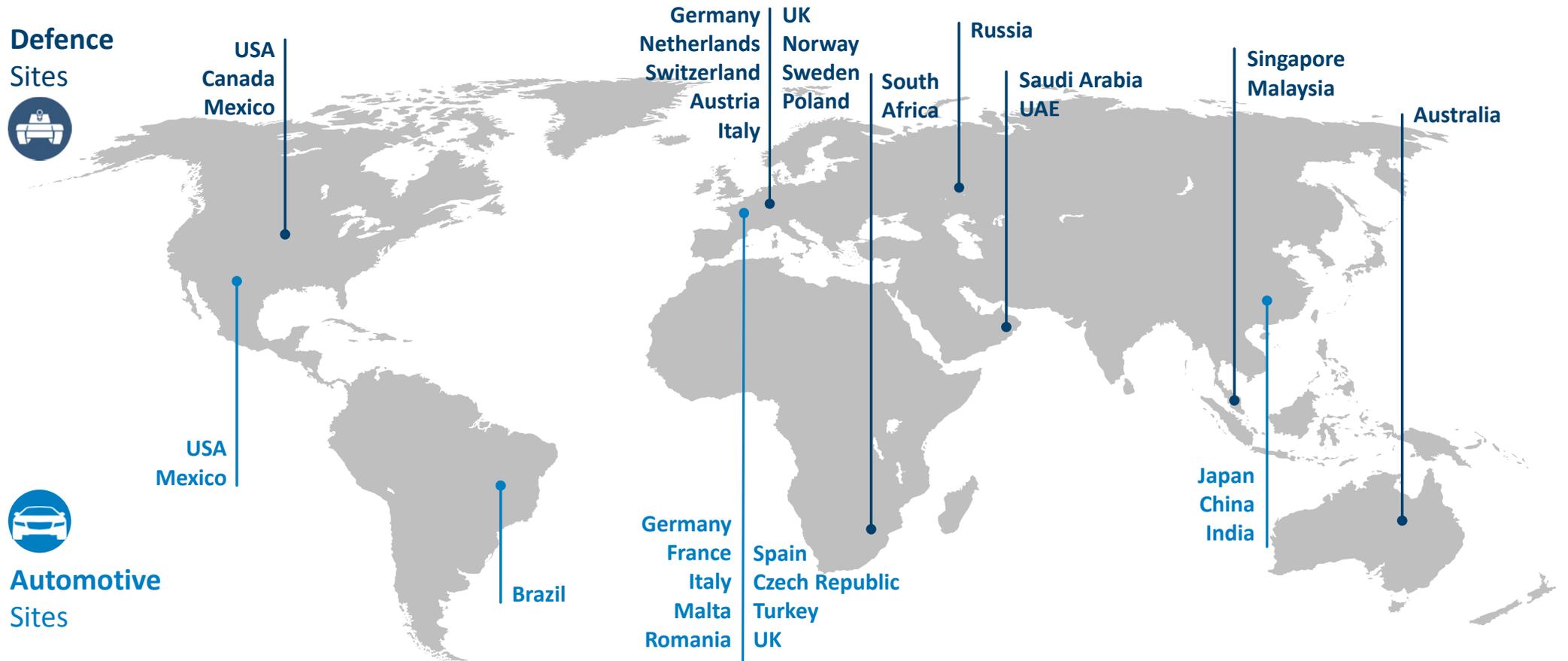
Serving the need for mobility and security

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			



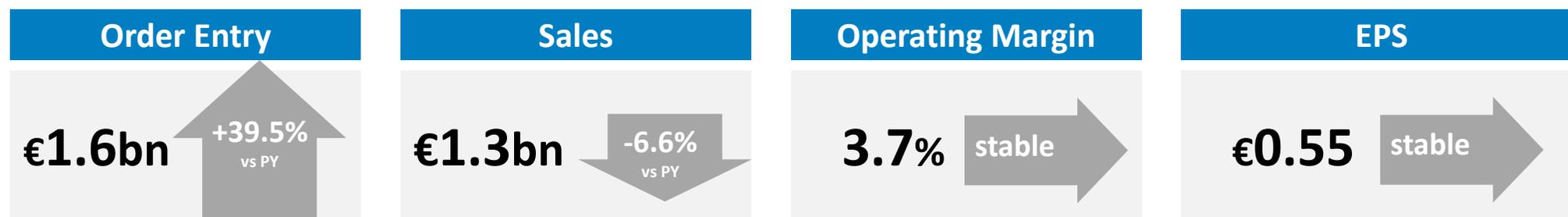
cap: at capacities

More than 100 production sites and offices on all continents



Q1 2018 Group Highlights

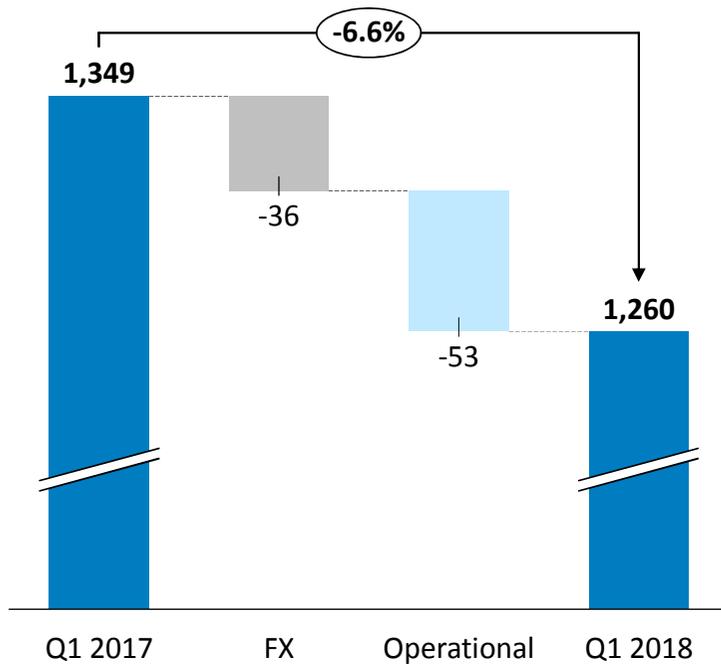
Steady margin in a slower quarter – guidance confirmed



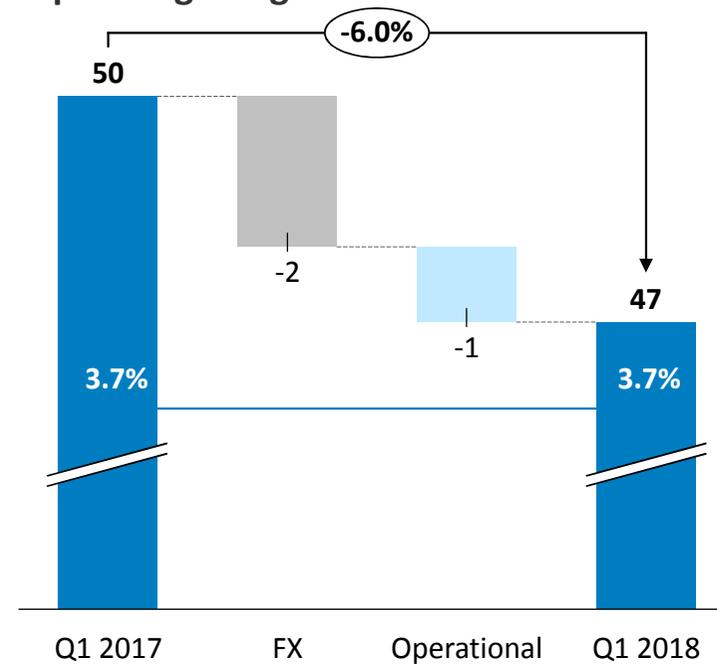
- Q1 with good order entry lifts order backlog to > €7bn again
- Decline of sales by -6.6% (FX-adjusted -3.7%) to €1.260m due to supply chain issues and at customer request in Defence
- Operating result softened €3m to €47m, leaving Group margin unchanged at 3.7% (PY 3.7%)
- Working capital build-up in Defence reduces operating free cash flow to €287m
- Moody's raised Rheinmetall to investment grade Baa3 stable
- FY guidance confirmed

Steady margin in a quarter dampened by FX

■ Sales
in €m



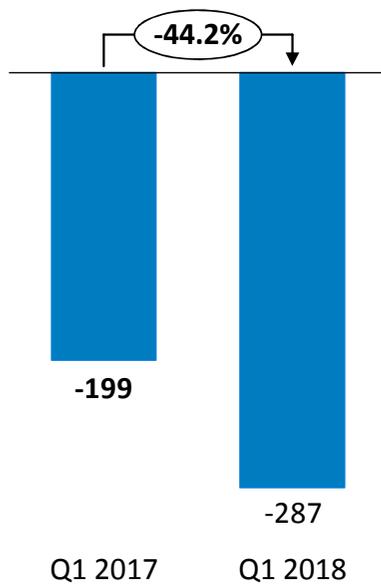
■ Operating result in €m
Operating margin in %



IFRS 15/16 effects on sales and operating result are negligible!

Defence working capital build-up impacts OFCF

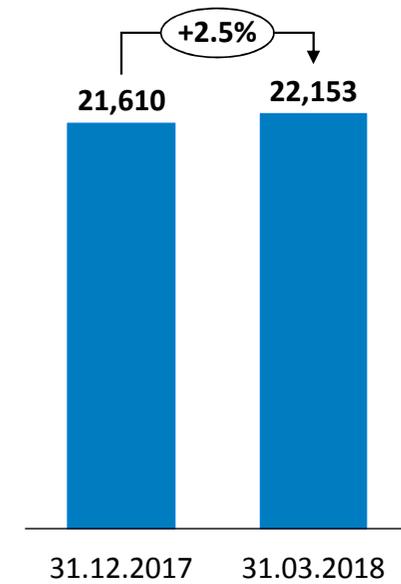
■ Operating Free Cash Flow
in €m



■ Earnings per share
in €

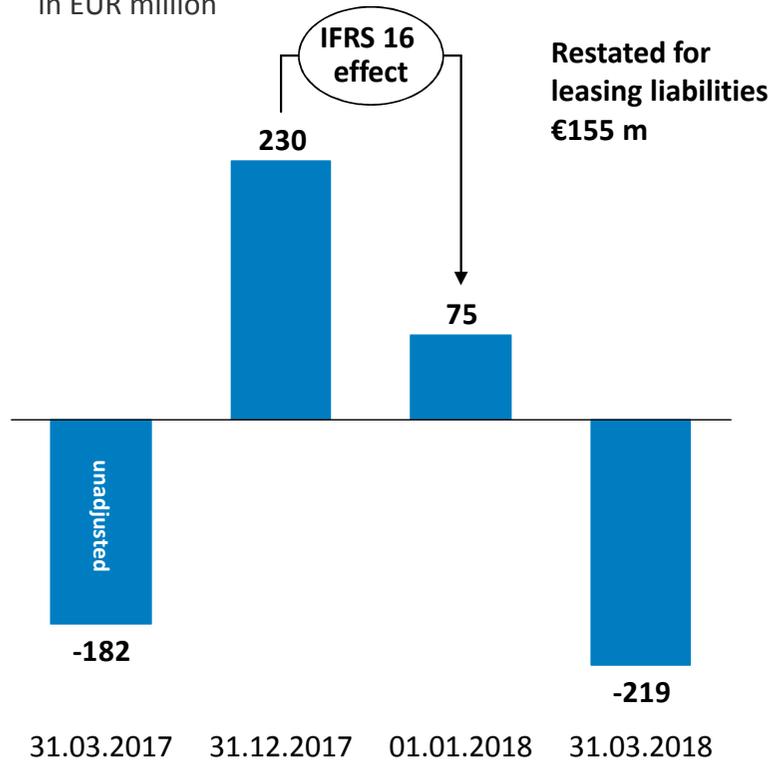


■ Headcount
in FTE

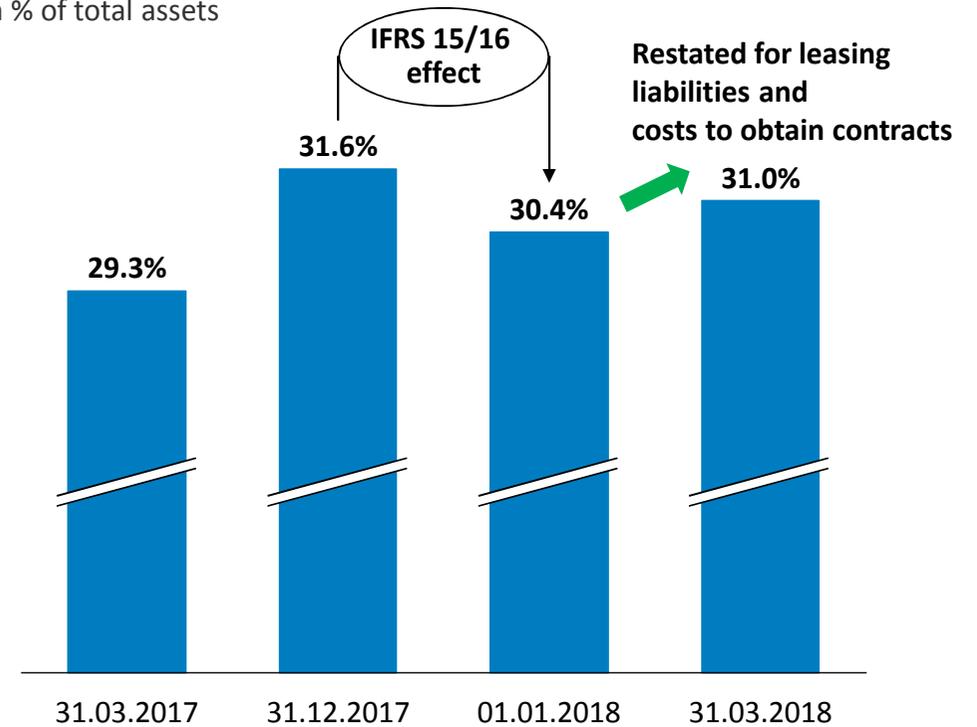


Balance sheet stands strong

Net debt
in EUR million



Equity ratio
in % of total assets

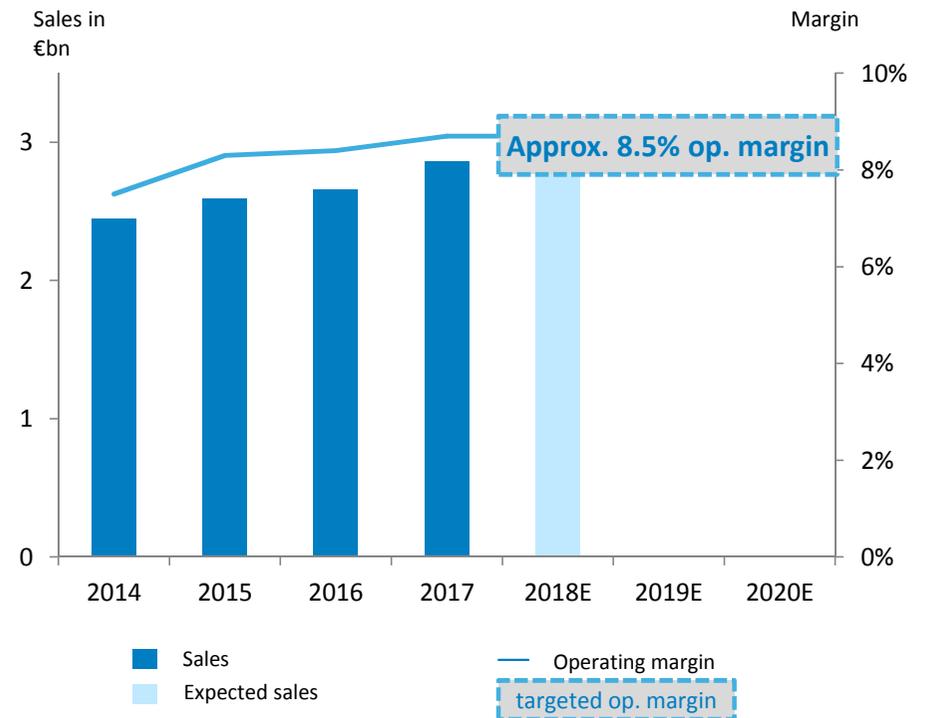


Mid-term outlook

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



Q2 forecast

Automotive

- Positive market environment continues
- Q2 growth above Q1
- Positive margin leverage expected
- Persisting FX headwinds

Defence

- Flat sales development in Q2 expected
- But: Q2 18 growth of >10% compared to PY sales adjusted for ammunition trading contract
- Higher value creation in Q2 sales with positive margin effect
- Persisting FX headwinds

Guidance confirmed!

FY Guidance

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

Defence with pronounced seasonality!

IHS LV growth assumption as per April 2018

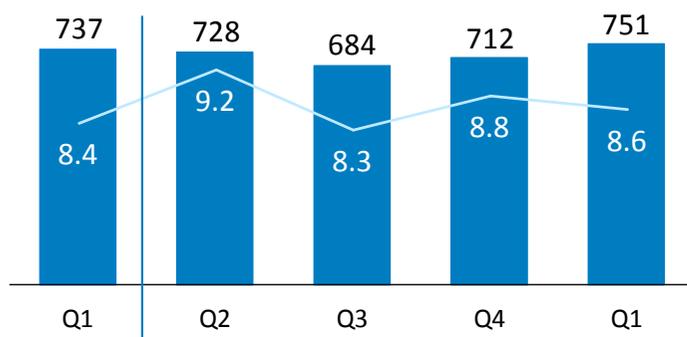


FINANCIAL DETAILS

Automotive Highlights

Maintaining high level of profitable growth

Quarterly sales and margin development



Comments on quarterly performance

- Sales grew by 1.9% (FX-adjusted +4.8%) to €751m
- Operating result improved to €65m lifting margin to 8.6%
- OFCF improved on better working capital management
- Slipping Diesel sales compensated by Non-LV sales and stable Gasoline sales

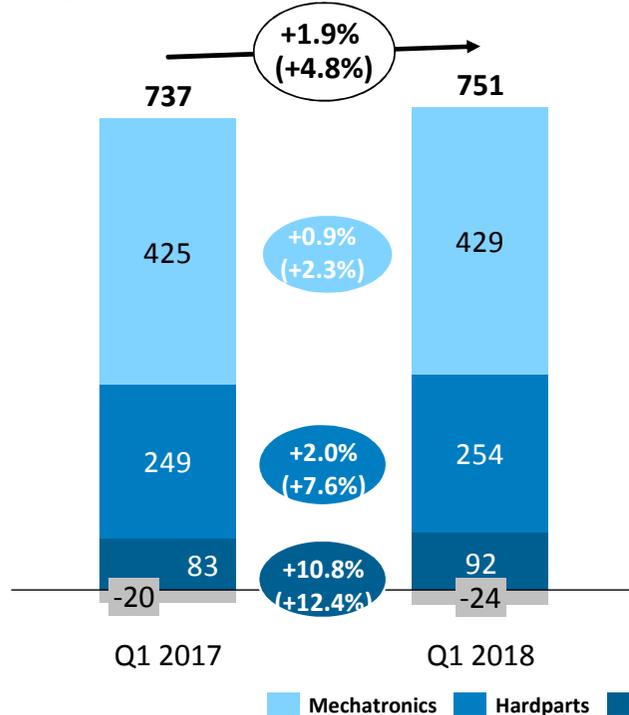
in €m	Q1 2017	Q1 2018	Δ
Sales	737	751	1.9%
Operating result	62	65	4.8%
Operating margin in %	8.4	8.6	0.2%p
EBIT	62	65	4.8%
Operating Free Cash Flow	- 118	- 50	57.6%
Operating FCF / Sales in %	- 16.0	- 6.7	9.6%p

Q 1

Margin expansion in all Divisions

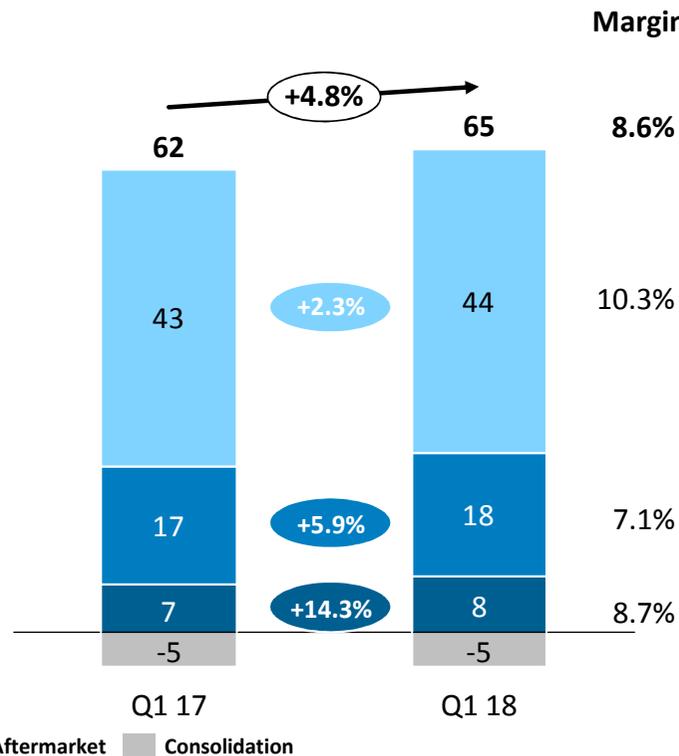
Sales Automotive

in €m
growth in % (FX adjusted)



Operating result Automotive

in €m



Margin

8.6%

10.3%

7.1%

8.7%

Mechatronics

- Slow LV-Diesel business and adverse FX overcompensated by good demand for emission reduction and fuel efficiency products
- Commercial Diesel Systems enjoyed a high demand

Hardparts

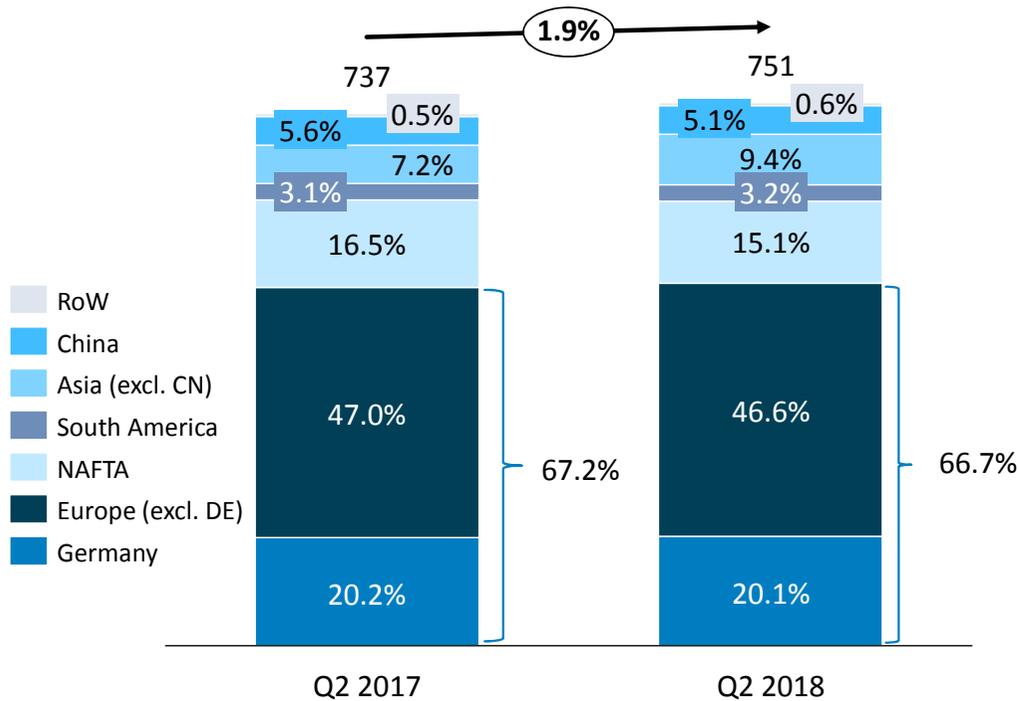
- Positive sales development for the Bearings business in all regions
- Good performance of small bore pistons in Brazil

Aftermarket

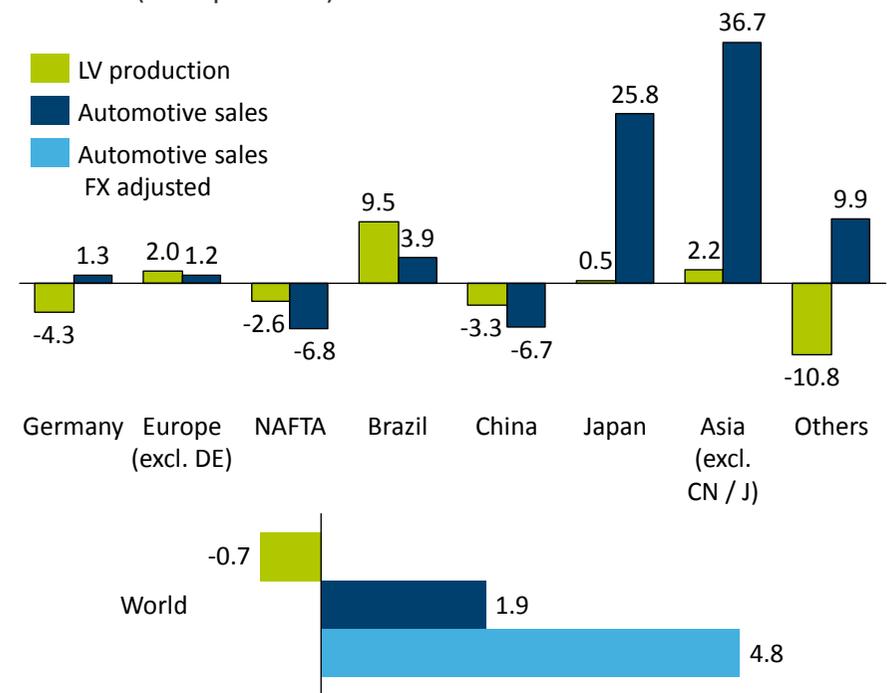
- Good sales momentum in all regions, particularly in Europe

Growth impacted by FX headwinds

Regional sales development Automotive
in €m



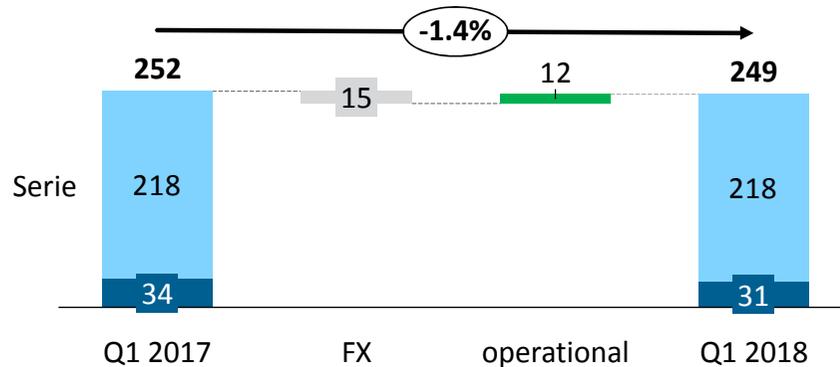
Regional Automotive sales growth Q2 2018
in % (IHS April 2018)



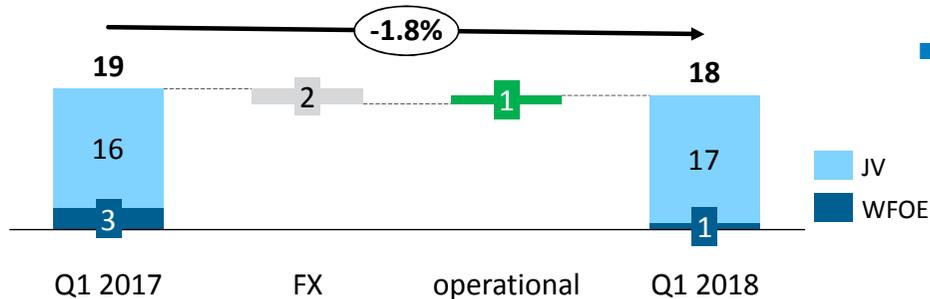
China

Start up cost and FX headwinds

Sales in €m



EBIT in €m



- Total sales of our Chinese activities grew 4.5% FX adjusted while Chinese LV production contracted by -3.3% in Q1
- JV Sales grew organically 5.6% to €218, completely off-set by adverse FX effects
- JV Results improved but were held back by start up cost for the pistons plant in Chongqing and a new Mechatronics JV for emission technology
- 100% subsidiaries were affected by the timing of in and out phasing products, further to the unfavorable FX development

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

FY 2017 Highlights: Automotive

Successful launch of innovative products

Market introduction of new ICE products



Catering to the demand for lightweight parts



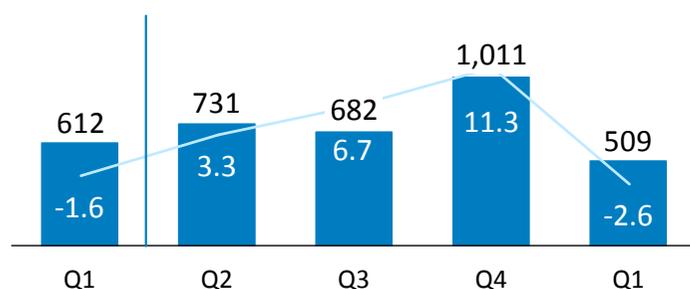
Well-received demonstration of EV
competence at the IAA 2017



Q1 2018 Highlights: Defence

Slower start to the year with comforting high order entry

Quarterly sales and margin development



Comments on quarterly performance

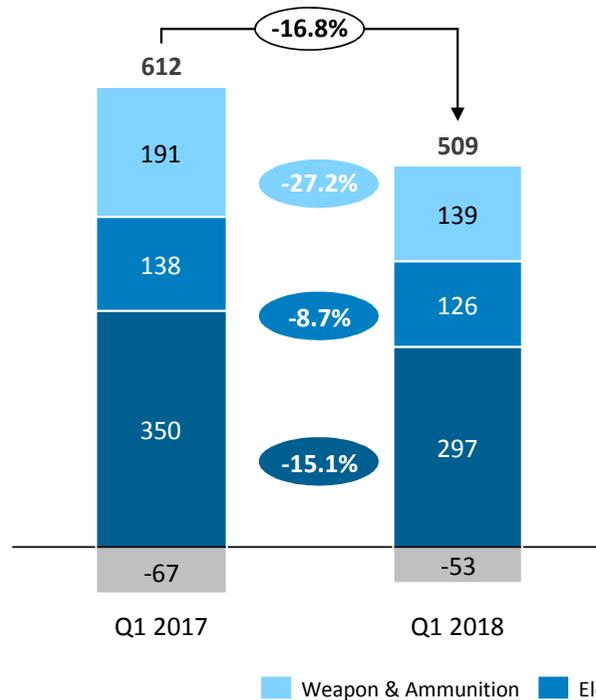
- Promising news flow on Boxer, especially Land 400 (Australia)
- Order entry more than doubled to €857m
- Lower sales execution and adverse FX effects
- Result slightly below Q1 17, benefiting from operational progress in ES and VS
- OFCF declined on working capital build-up

in €m	Q1 2017	Q1 2018	Δ
Order intake	391	857	119.1%
Sales	612	509	-16.8%
Operating result	- 10	- 13	-30.0%
Operating margin in %	- 1.6	- 2.6	-1%p
EBIT	- 10	- 13	-30.0%
Operating Free Cash Flow	- 72	- 239	-231.9%
Operating FCF / Sales in %	- 11.8	- 47.0	-35%p

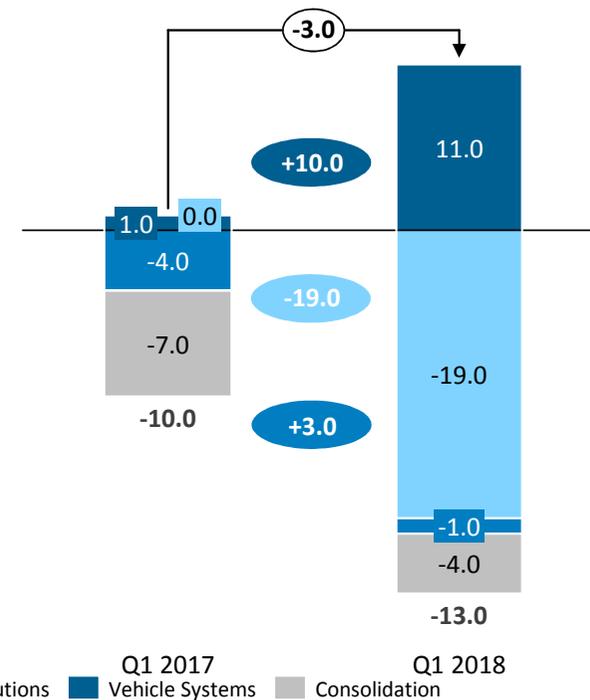
Q1

Catch-up of low Q1 during the course of the year anticipated

Sales Defence in €m



Operating result Defence in €m



Weapon and Ammunition

- PY included two high margin orders
- Customer-induced delivery shifts
- Missing export approvals

Electronic Solutions

- Different time pattern of project execution
- Lower cost base
- Reduced losses in Norway

Vehicle Systems

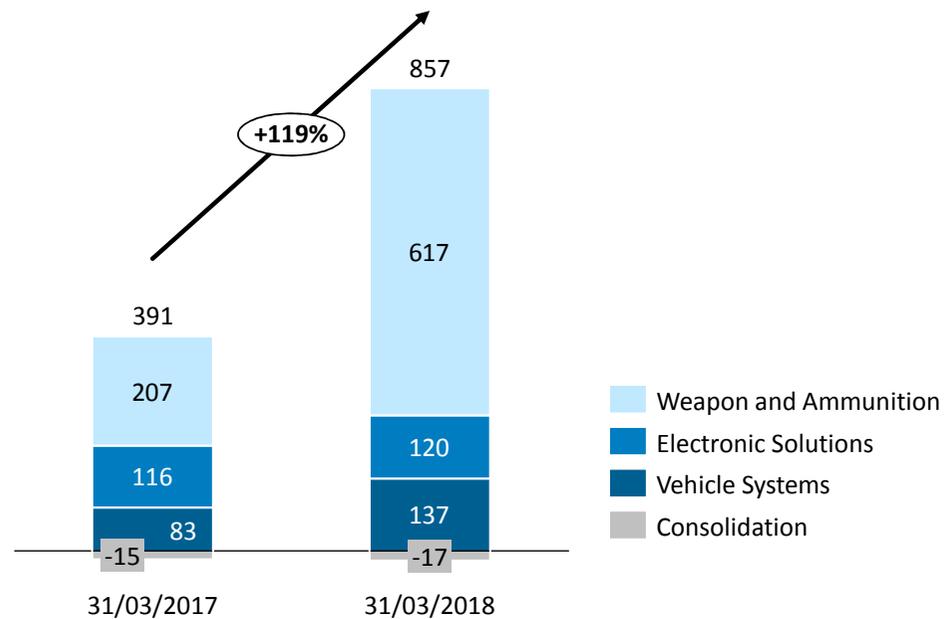
- Phasing out of the Dutch Boxer order
- Delayed sales execution because of supply chain issues
- Positive mix effects
- Reduced cost base

Consolidation

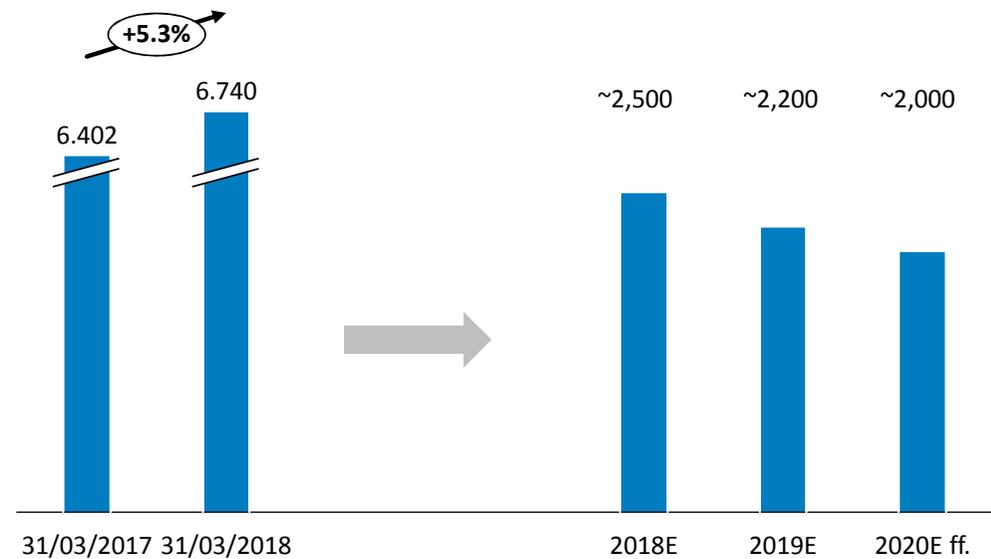
- PY burdened by RIE losses

Good order entry and further increase of order backlog

Order intake by division
in €m

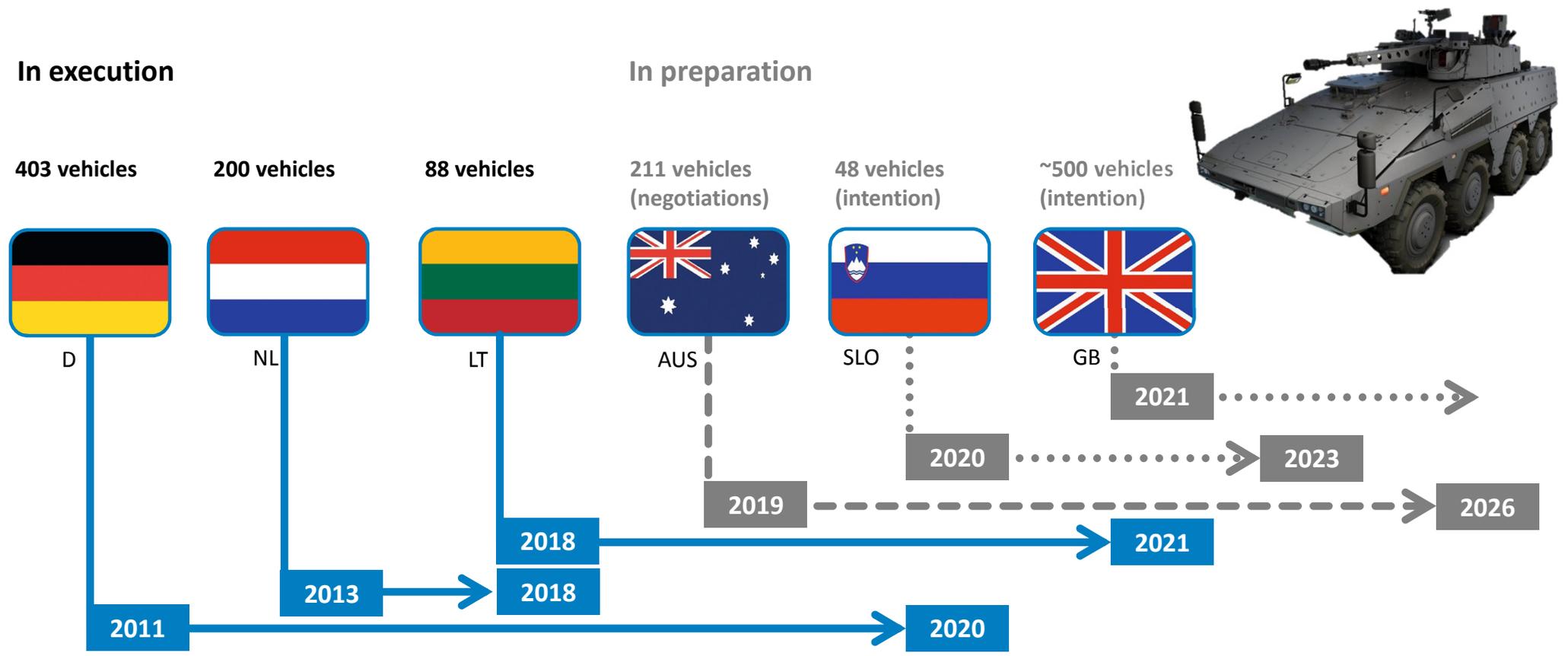


Order backlog profile
in €m per 31/03/2018



Q1 2018 Highlights: Defence

The Boxer - crystallizing a success story



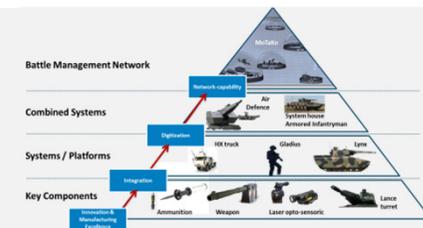
FY 2017 Highlights: Defence

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





AUTOMOTIVE APPENDIX

Automotive with leading technology and market positions

Key Figures

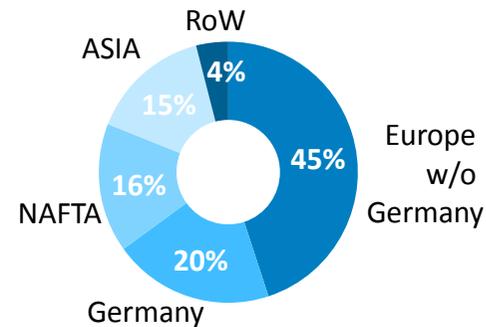
Sales:	€2.9bn
Op. result:	€247m
Op. margin:	8.7%
R&D:	€151m
Capex:	€176m
Headcount:	11.166

Structure

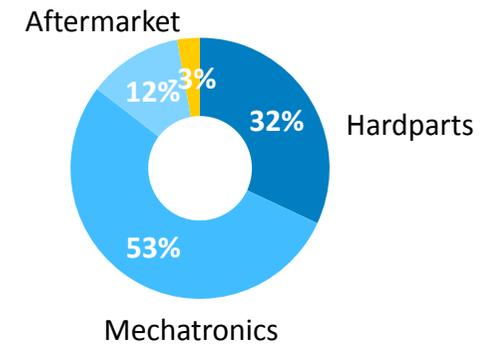
Hardparts	
Pistons	Large-bore Pistons
Bearings	Castings
Mechatronics	
Pump Technology	Automotive Emission Systems
Solenoid Valves	Commercial Diesel Systems
Actuators	
Aftermarket	

All figures refer to FY 2017

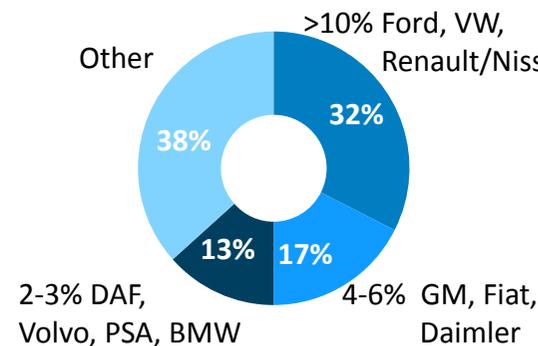
Sales by region



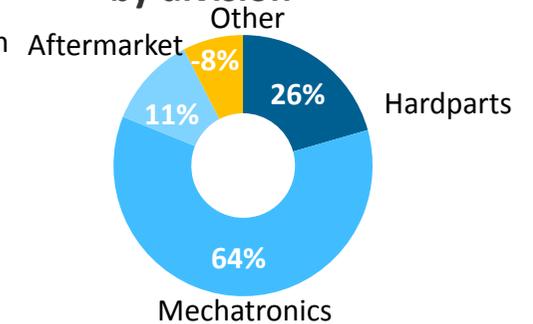
Sales by division



Sales by customer



Operating result by division

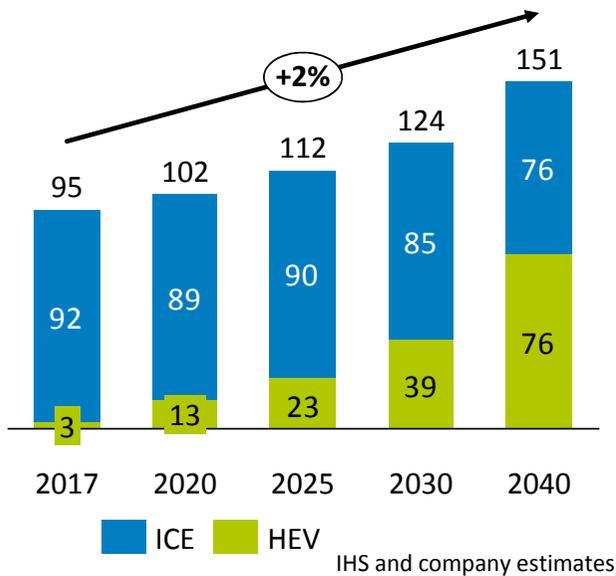


Drivers for growth

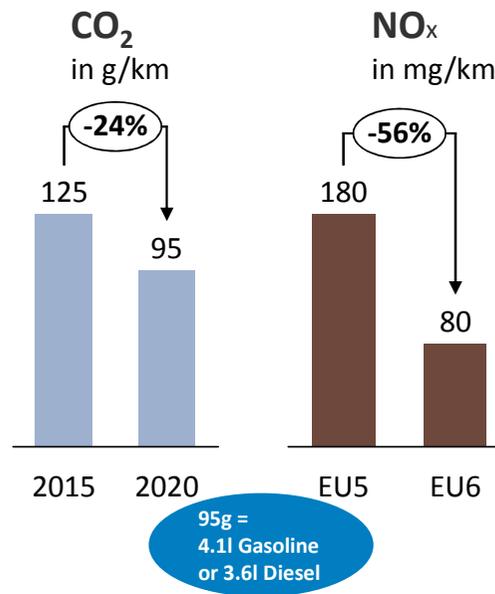
Rising global fleet and regulatory restrictions are supporting our growth

Light vehicle production grows

million vehicles per year



Emission thresholds decrease



Stricter emission testing

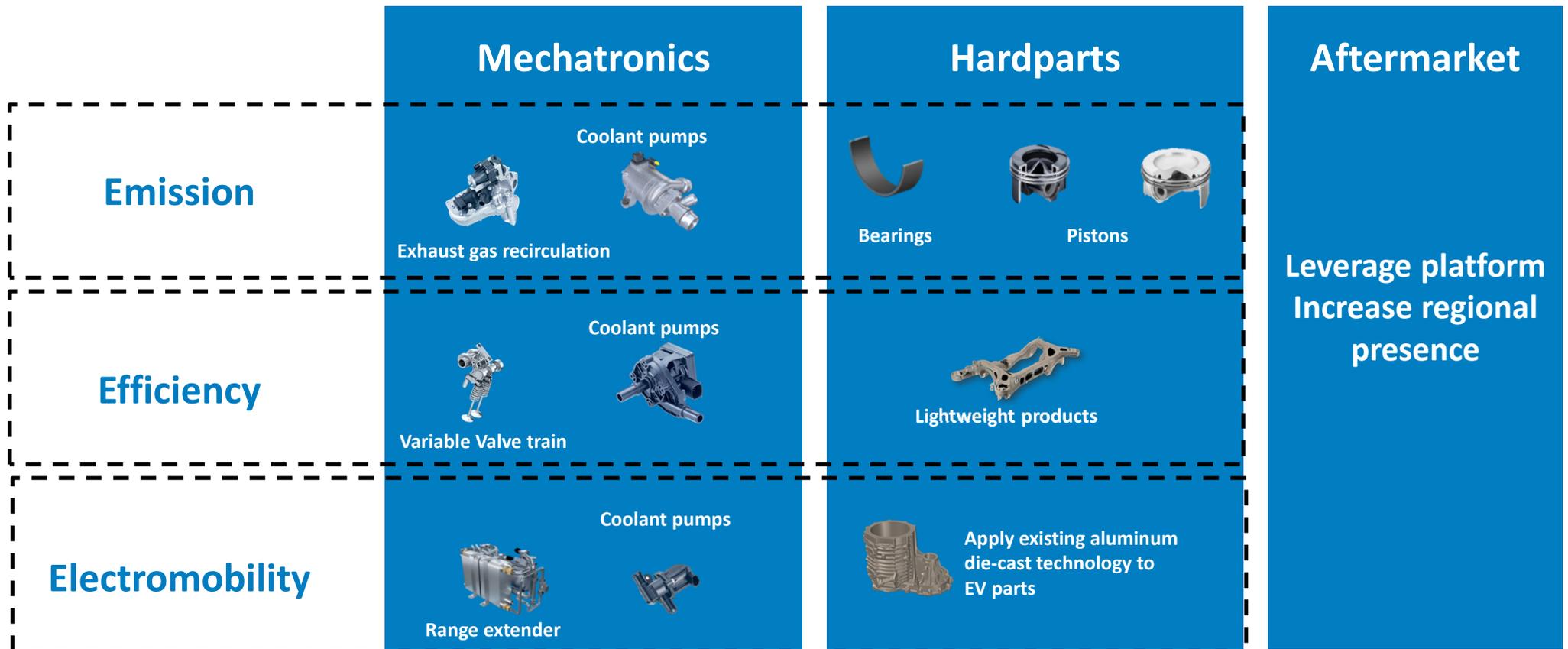


Switch to RDE puts higher pressure on OEM to reduce emissions!

09/2017

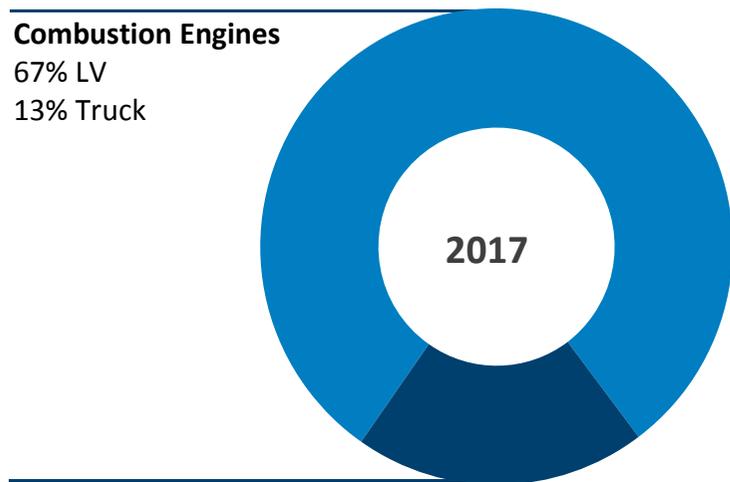
Our goal is to outperform global market growth by 100 to 200 bp

Our portfolio addresses the three basic drivers



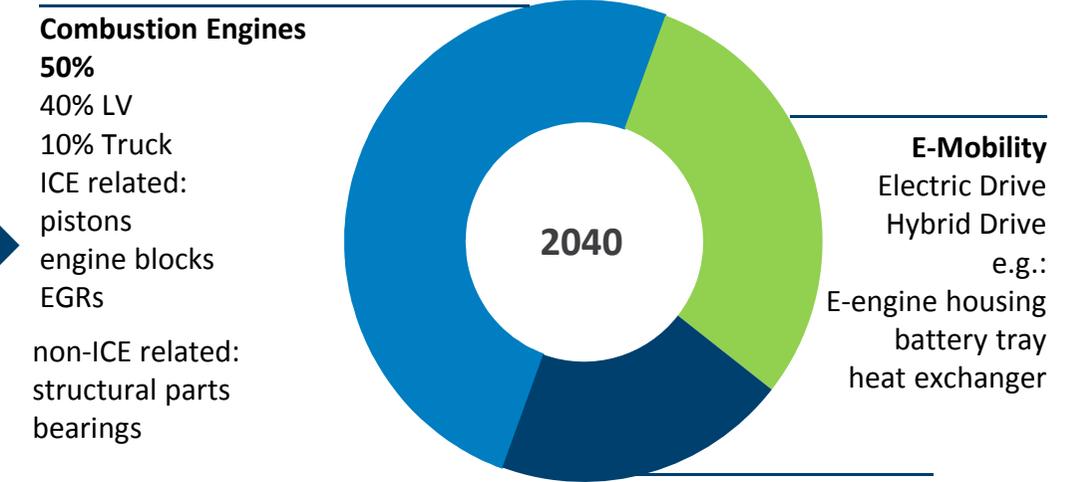
Strategic goal to reduce ICE exposure

Actual sales split



Non-Combustion Business
Continuous Casting
MIR, LB
Aftermarket
Others

Strategic sales split

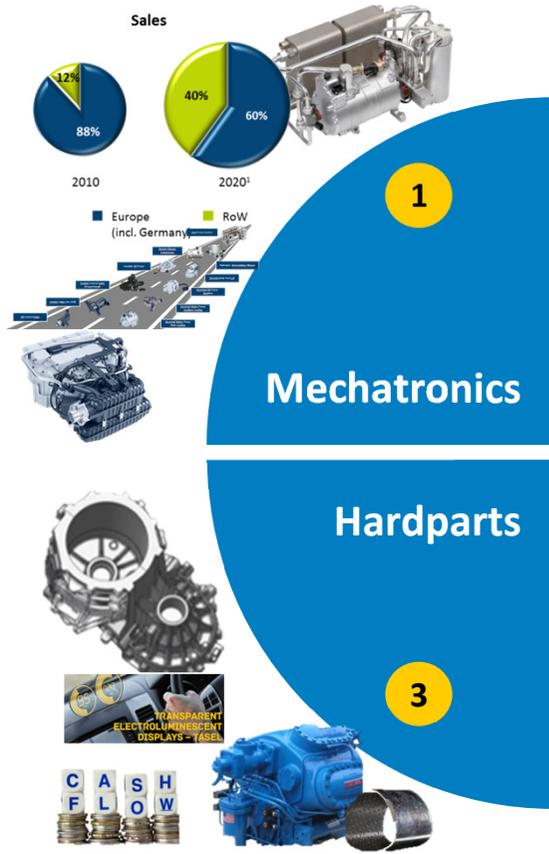


Non-LV Business
Continuous Casting
MIR, LB
Aftermarket
Others

Data based on fiscal 2017

Summary Rheinmetall Automotive

Executive Summary



1

Mechatronics

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

3

Hardparts

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

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

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

2

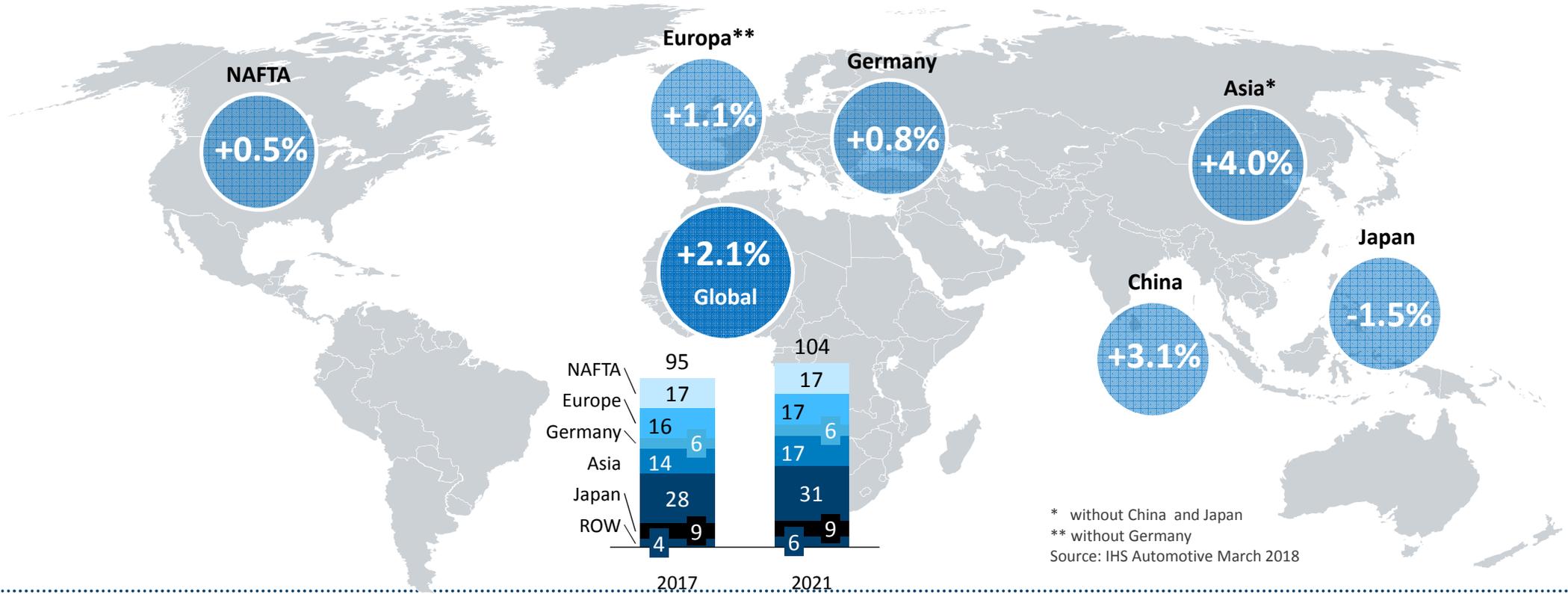
KSPG China

4

Aftermarket

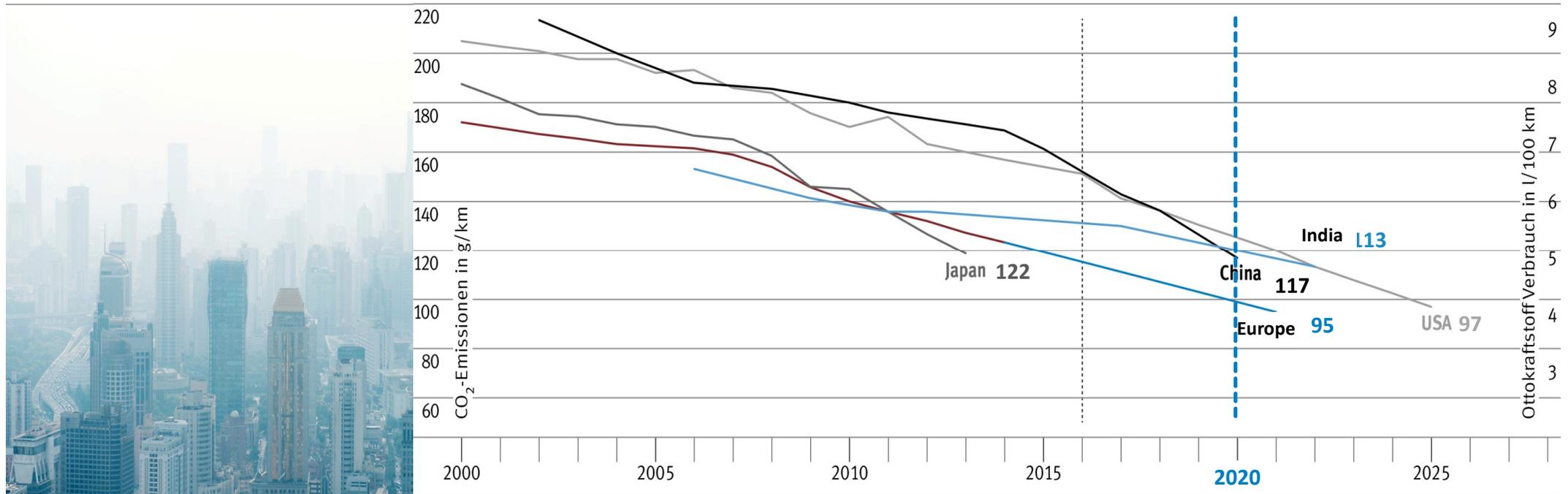
Rising global light vehicle production

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



Governments will continue to demand reduction of CO₂ emissions

■ CO₂ emission
in g/km

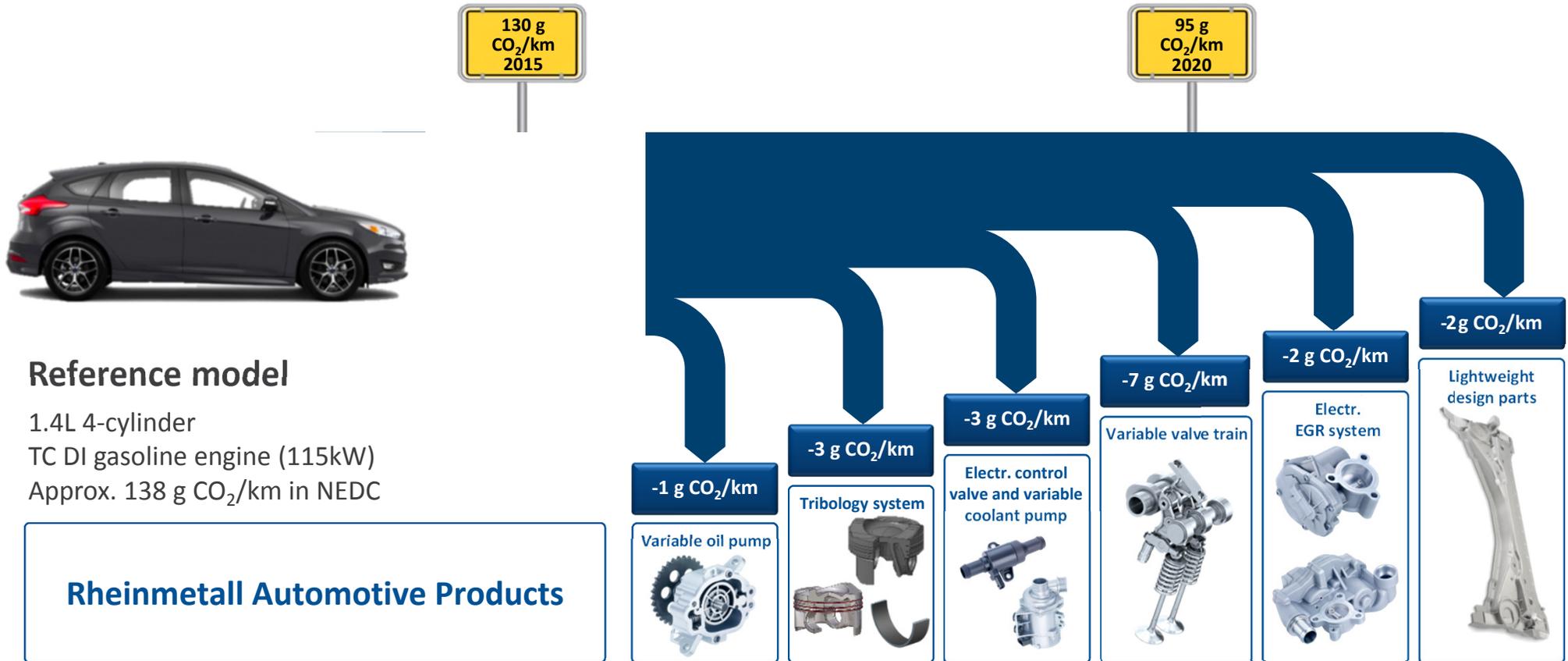


*Note that Japan has already exceeded its 2020 statutory target, as of 2013

Source: ICCT

Efficiency

CO₂ Reduction with Automotive Products – Gasoline Engine Vehicle



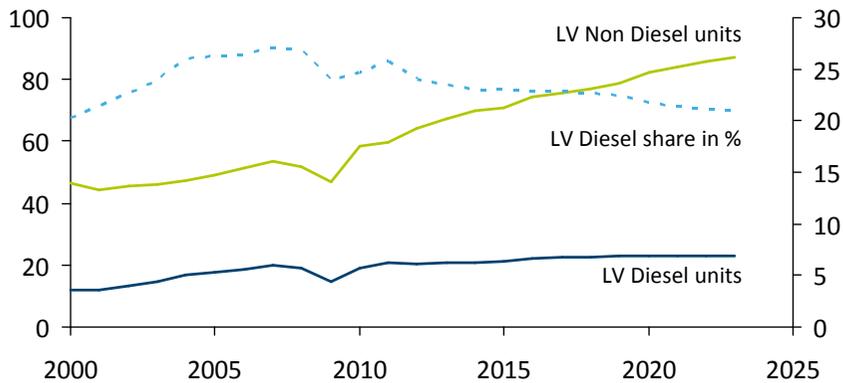
Reference model

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

Rheinmetall Automotive Products

LV Diesel exposure limited; powertrain neutrality is the strategic target

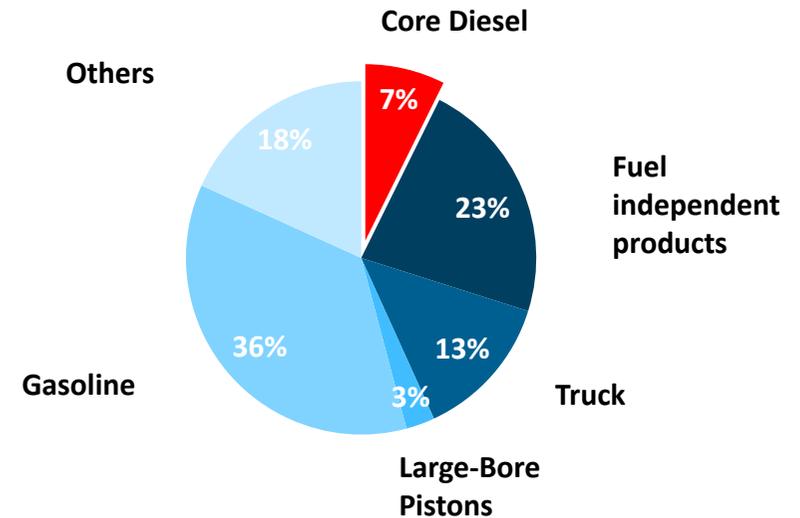
■ Combined global engine production forecast*



■ 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

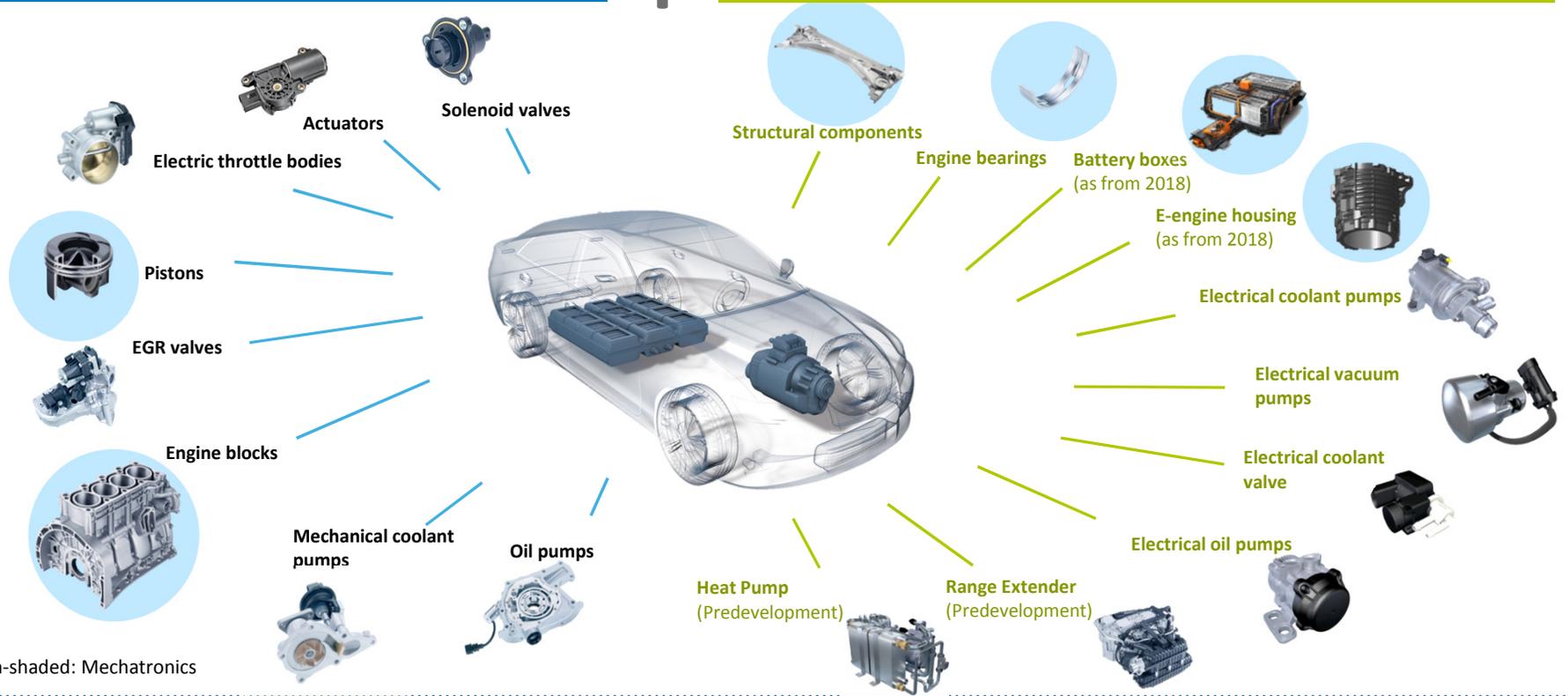
** Rheinmetall Automotive sales FY 2017

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



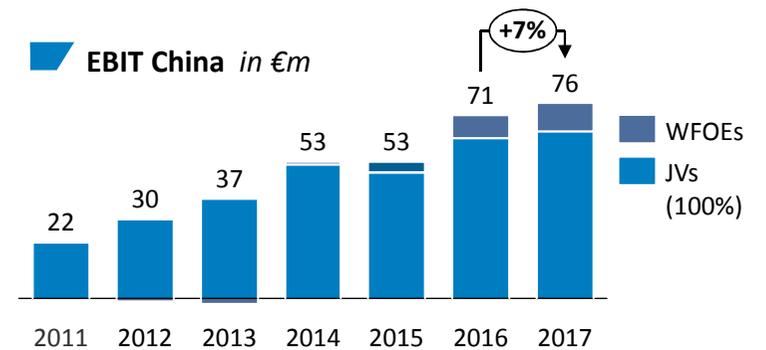
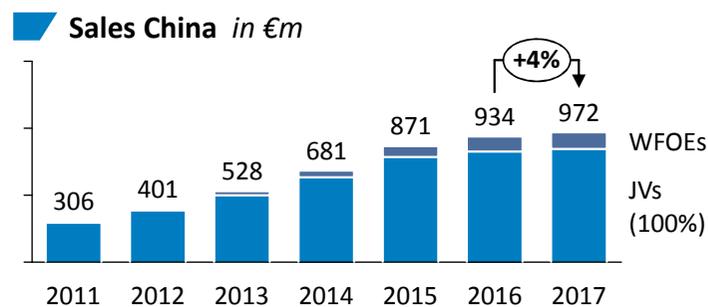
>3x



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

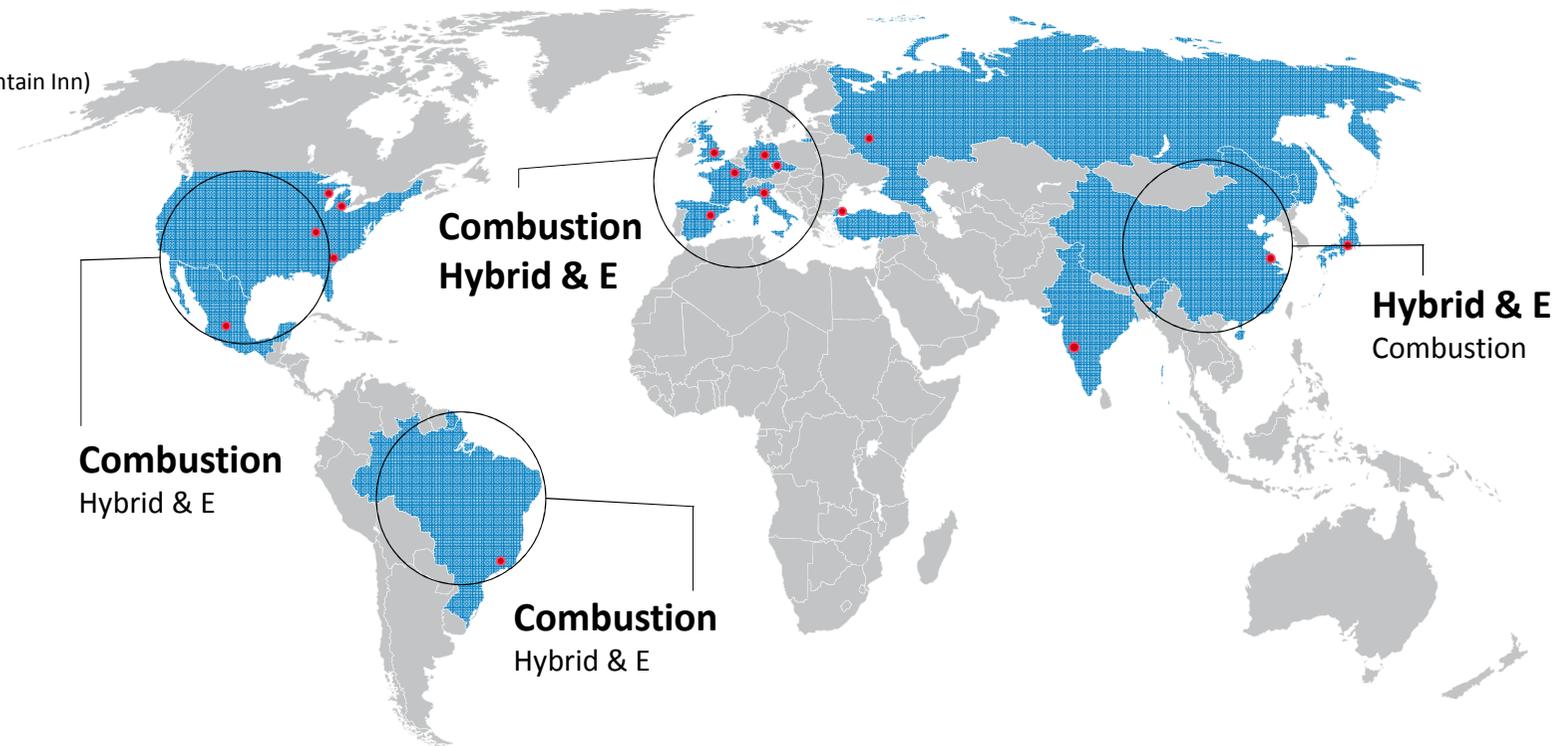
- Pune
- New Delhi
- Supa

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

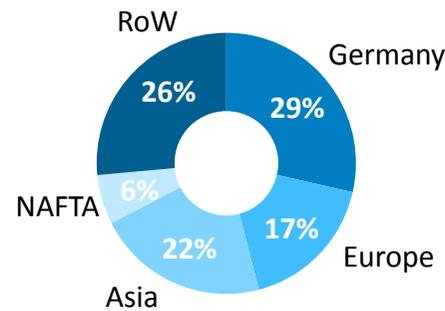
Key Figures

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

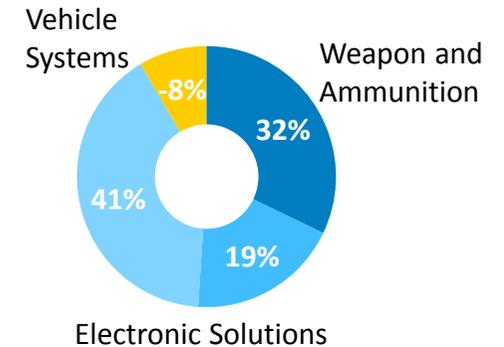
Structure

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

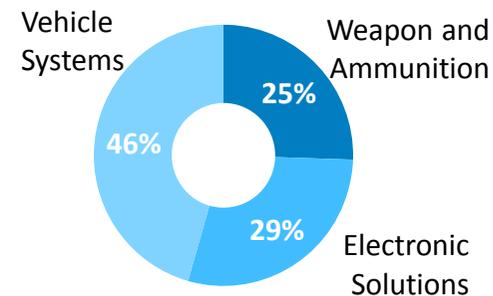
Sales by region



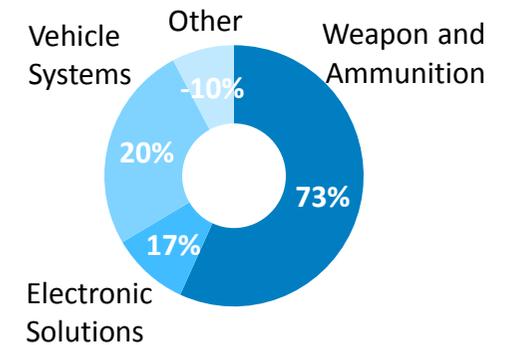
Sales by division



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

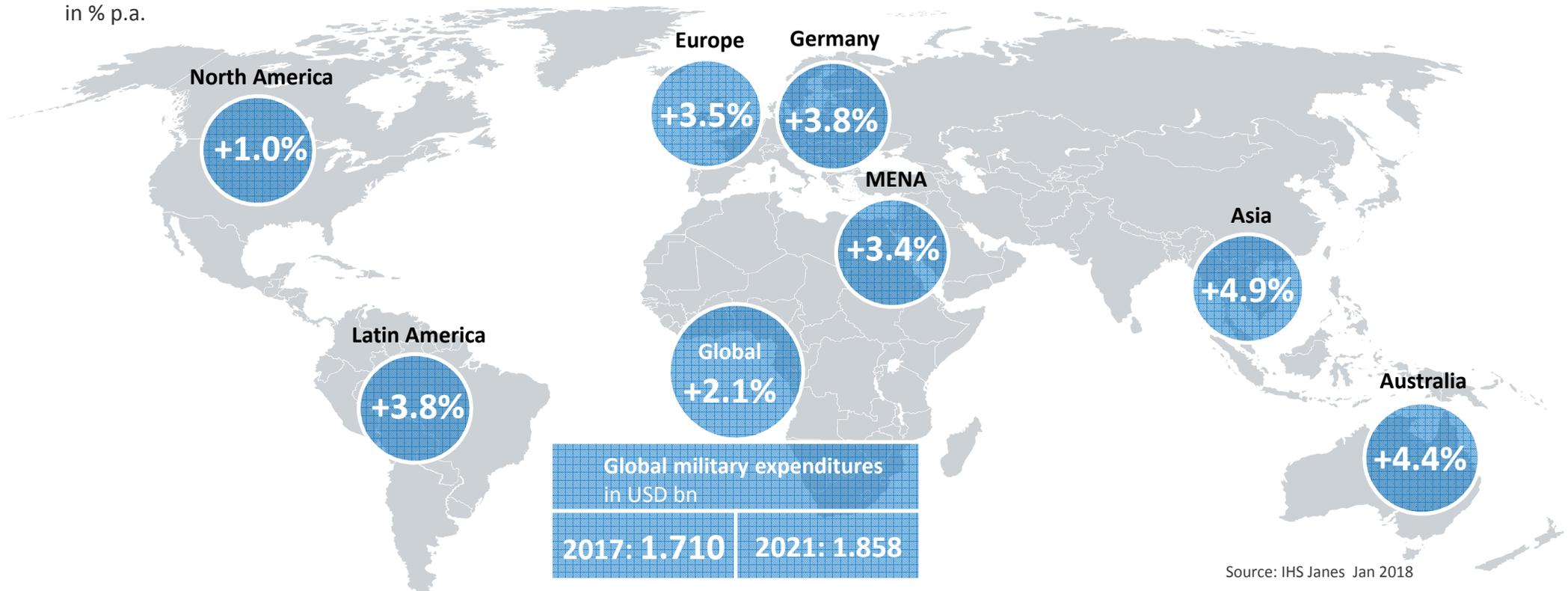
Creating innovations

- 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

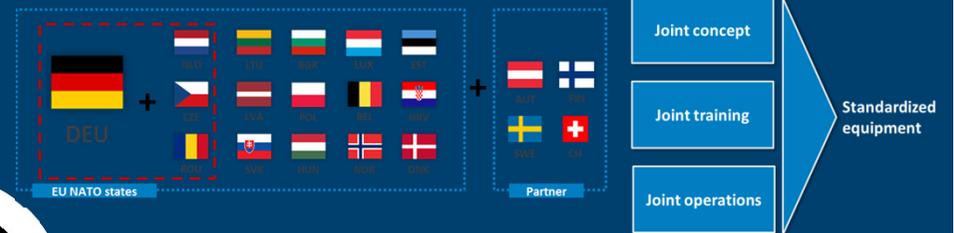
- Germany announced to spend €130 bn over the next decade
- Defence budget increases 3% cagr 2016-2022
- UK tank programs
- Franco-German defence initiative
- EU Defence Initiative
 - EU Funds
 - Pesco
- NATO returns to territorial defence strategy
- 2% spending target
- East European armies set up various 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 24% from 2016 to 2021

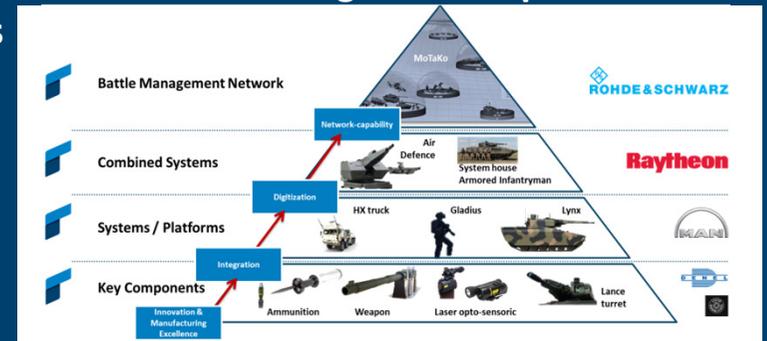
Framework nation concept triggers standardization of equipment



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)

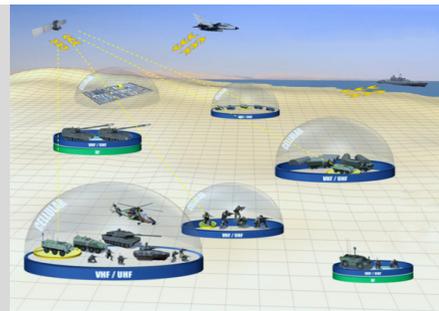
■ Equipment and ammunition – multi billion programs



NNBS (Short range air defence)



TLVS (Tactical air defence)



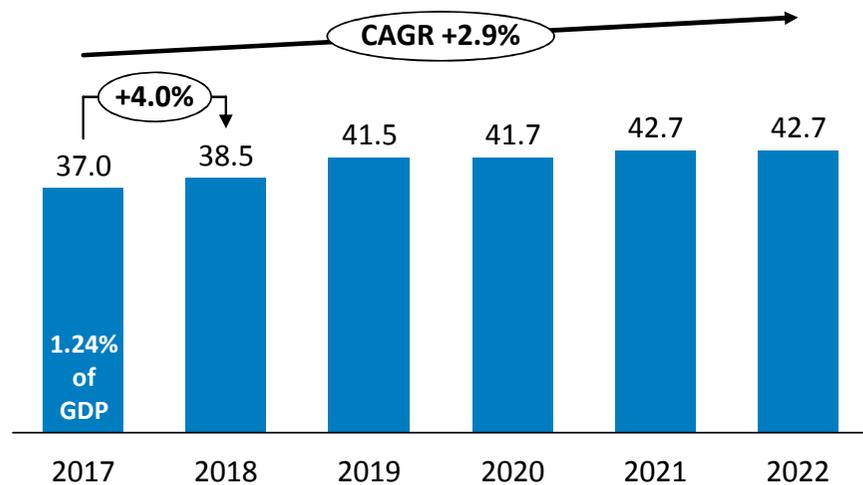
MoTaKo (> €5 bn net)



Ammunition (~€2 bn net)

Trend reversal en route with few NATO members complying with targets

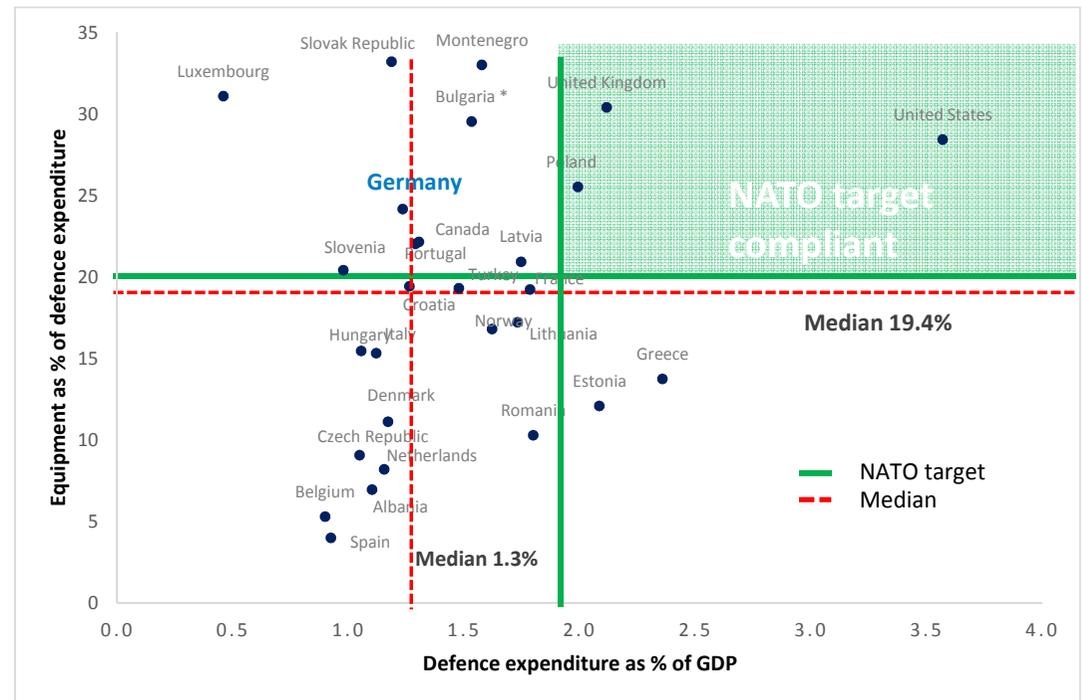
■ German defence expenditure*
in €m



Current political discussion suggests 1.5% defence expenditure target in 2025

*EPL 14 2018 und Finanzplan 2019-2022

■ 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*

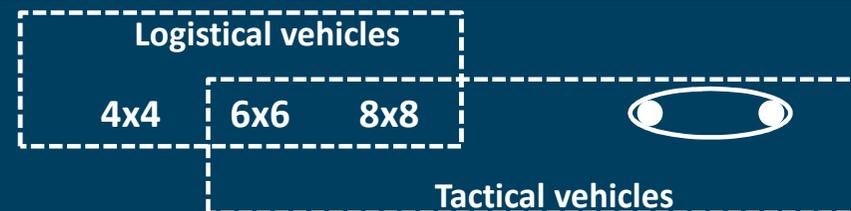


Agilis 8x8



Puma/Lynx

Comprehensive vehicle portfolio

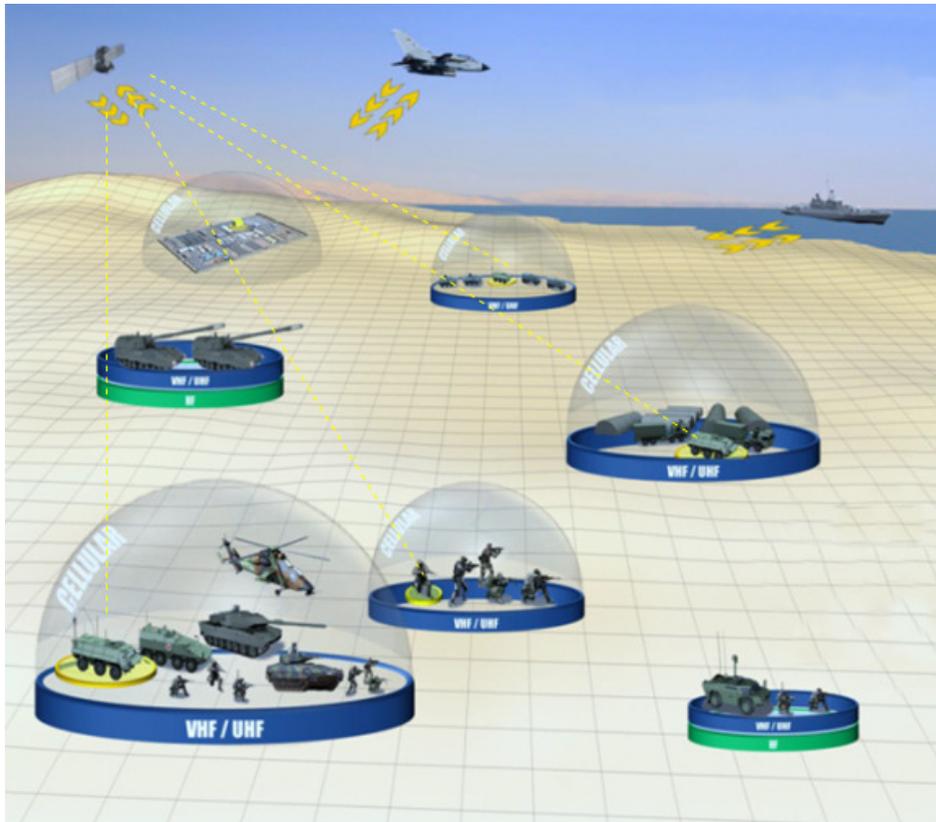


2017 marked by important strategic partnerships



	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: D-LBO 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%):

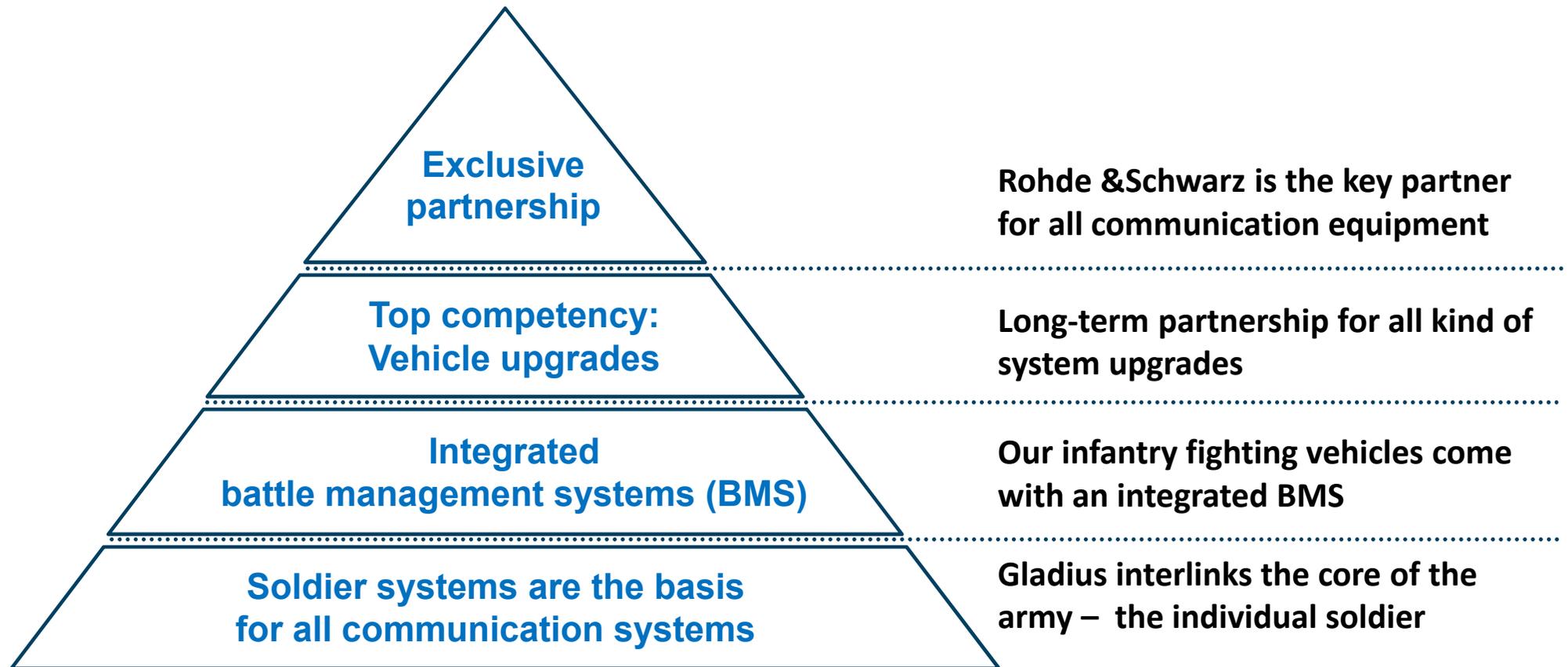
- Communication system architecture, IP based solution for voice and data transmission
- Incorporation of third party components and solutions

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

D-LBO = Digitization Landbased Operations { **Mobile Taktische Kommunikation**
Mobiler Taktischer Informations Verbund

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



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

Strategic teaming agreement

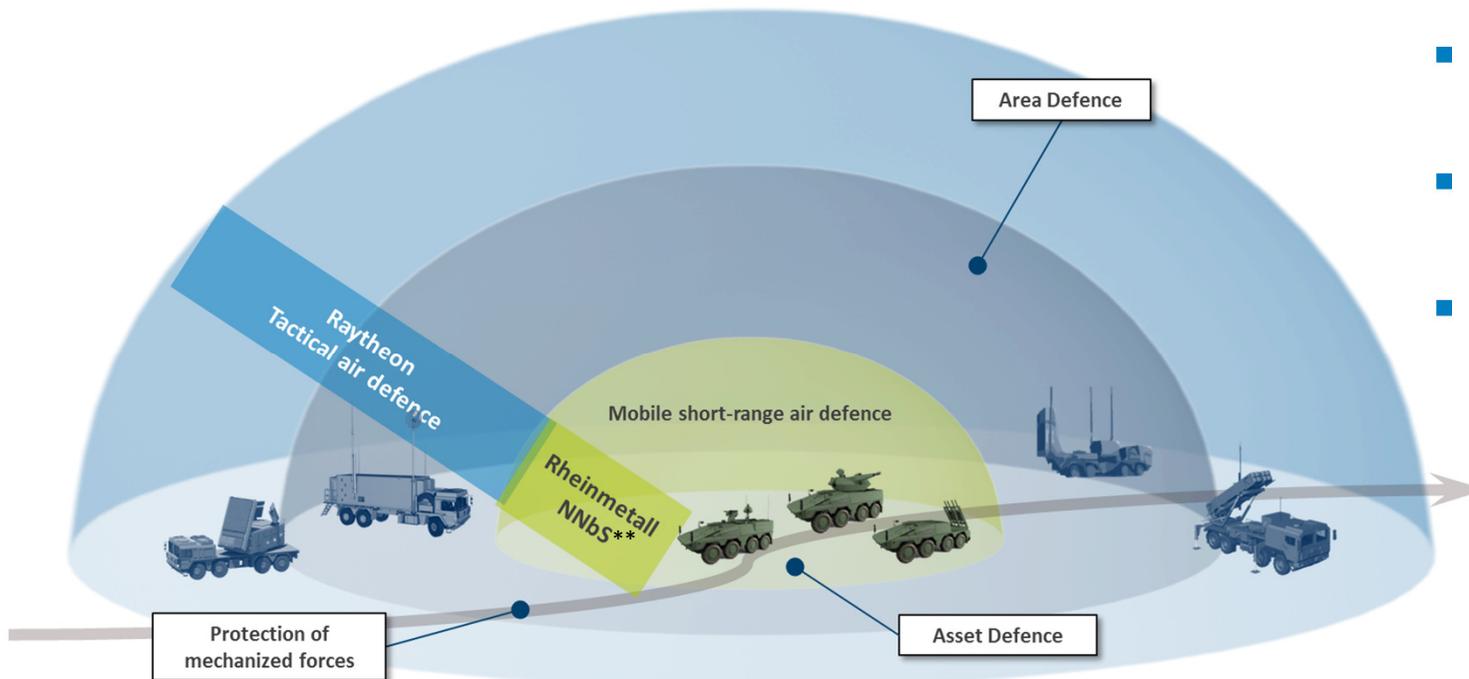
Rheinmetall teams up with Lockheed Sikorsky to introduce the CH-53K as the heavy lift helicopter for the Bundeswehr

Rheinmetall contributes enhanced support for the entire program:

- Maintenance capacities and know-how
- Simulation technology and
- Longstanding experience in documentation and logistical system support

Tender scope and volume
Tender starts H2 2018
Delivery starts 2023
45-60 helicopters

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

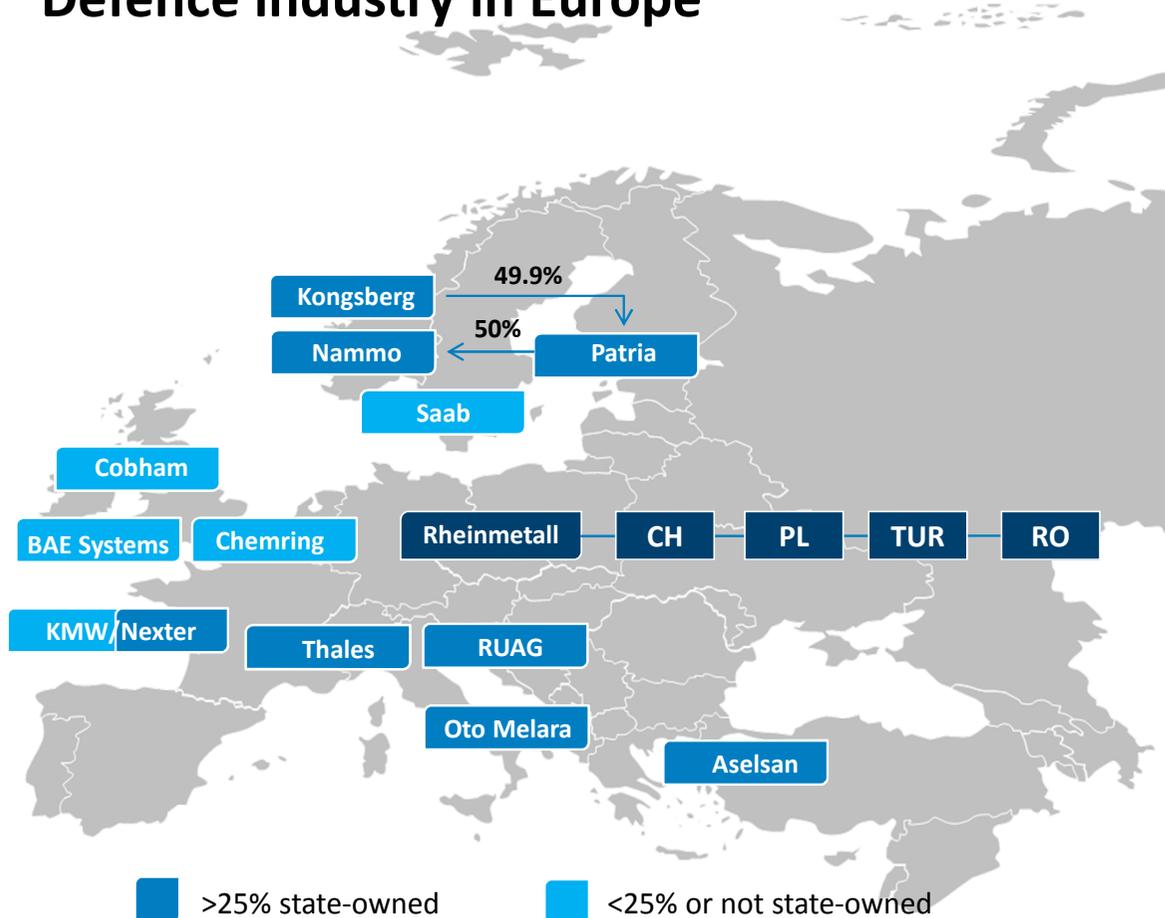


- Rheinmetall is a system provider for NNBS and Raytheon's national partner for the modernization of Patriot
- Rheinmetall is the only provider of supplier independent effector integration
- Rheinmetall accompanies the lifetime servicing of the integrated system
- Rheinmetall offers an integrated and 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			

ESG with high importance for Rheinmetall

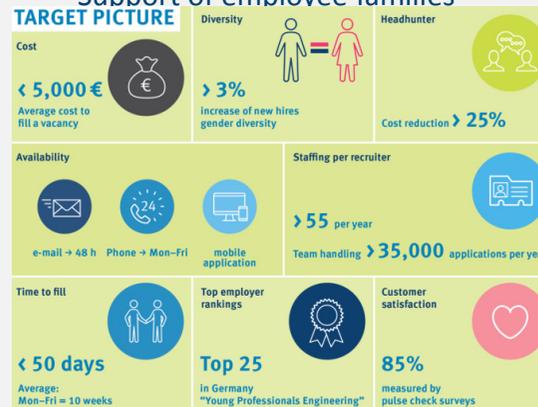
■ Environment

- **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**



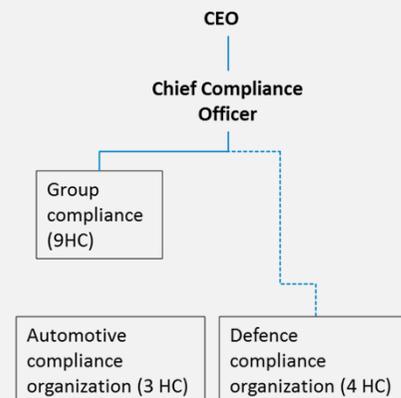
■ Social

- **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

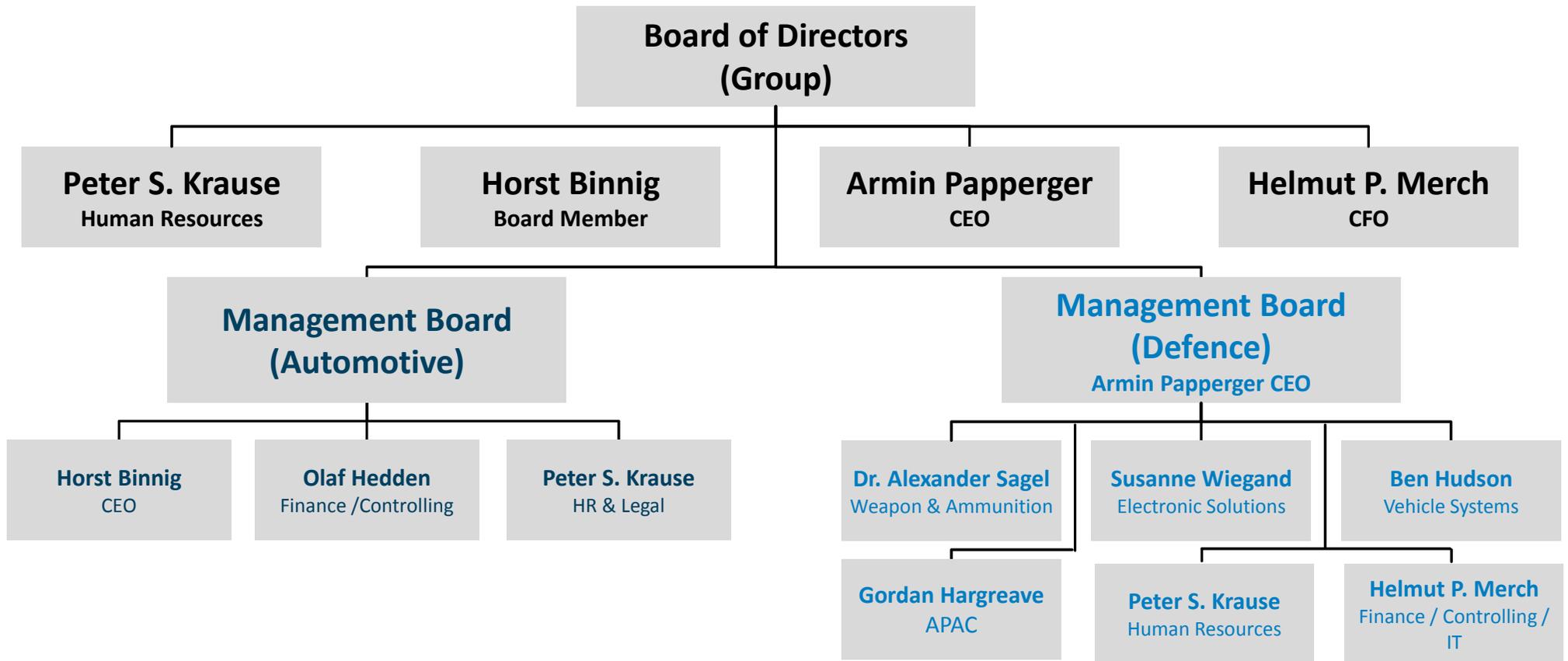


■ Governance

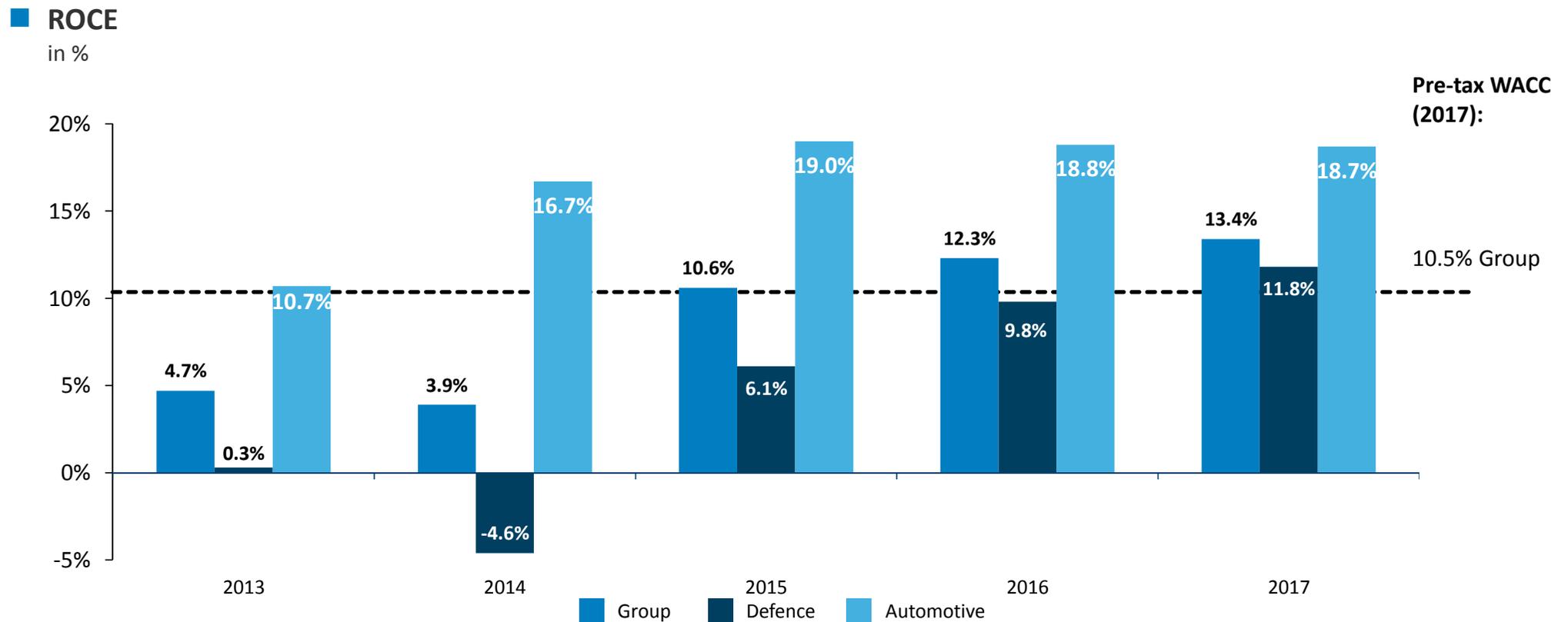
- **Transparency towards customer, investors and other stakeholder**
- **Non-compliant business behavior is unacceptable**
- **Zero tolerance of corruption and fraud**
- **Central Compliance Management System**
 - Employee awareness initiative



Management Structure



Continuing ROCE improvement

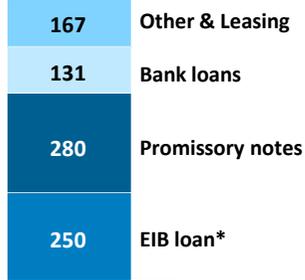


Stronger net cash position

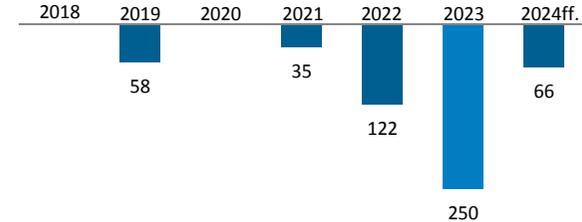
Debt composition and maturity profile

in €m

Σ 828



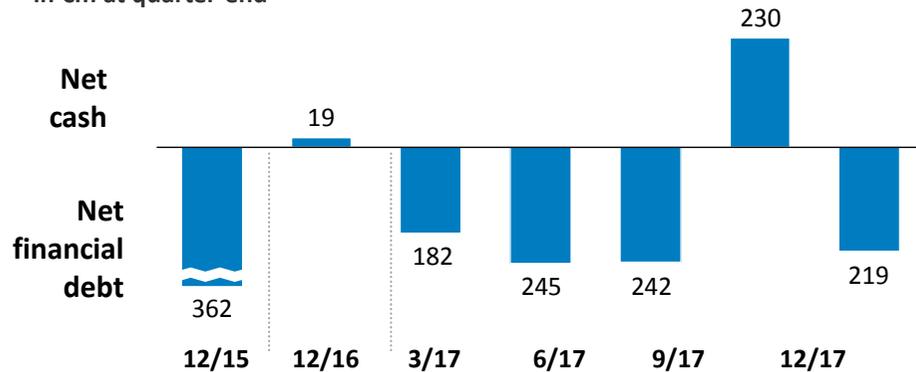
Q1 2018



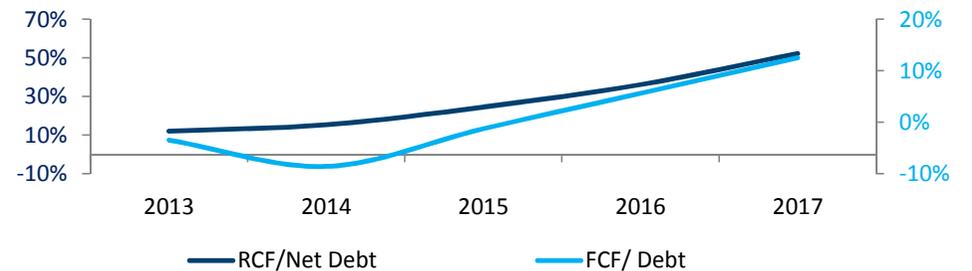
*€250 m EIB loan (0.962% coupon) maturing in August 2023

Net financial debt / net cash

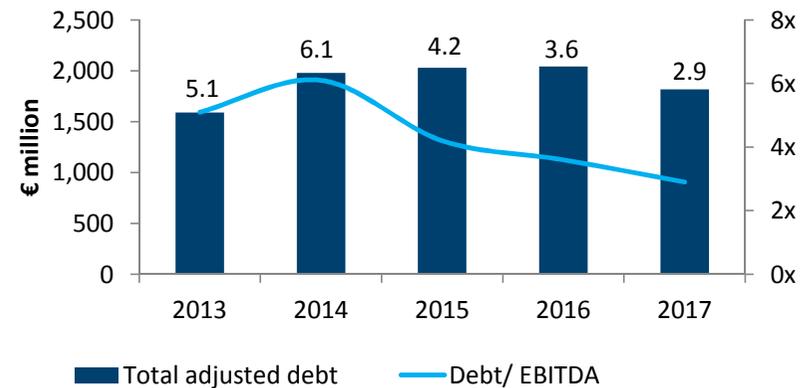
in €m at quarter-end



Moody's Coverage and Leverage



Gross leverage below 3.0x and will continue to reduce



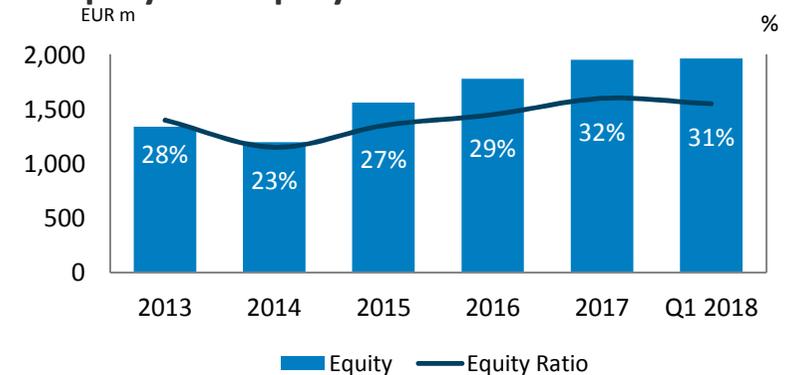
Financial solidity materially improved

■ Drivers

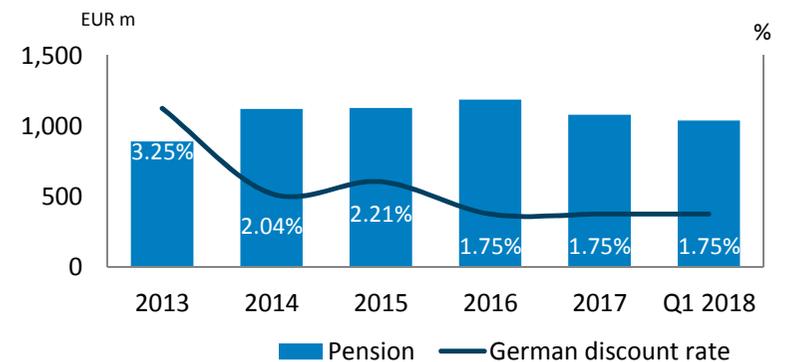
- Confidence increased by delivery on our targets
- Capitalizing on our restructuring efforts
- Equity ratio further improved
- Pension stabilized on further CTA funding
- Supportive market environment in both segments

**Investment grade rating
Baa3 with stable outlook
since April 2018**

■ Equity and Equity ratio



■ Pension liabilities and German discount rate



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

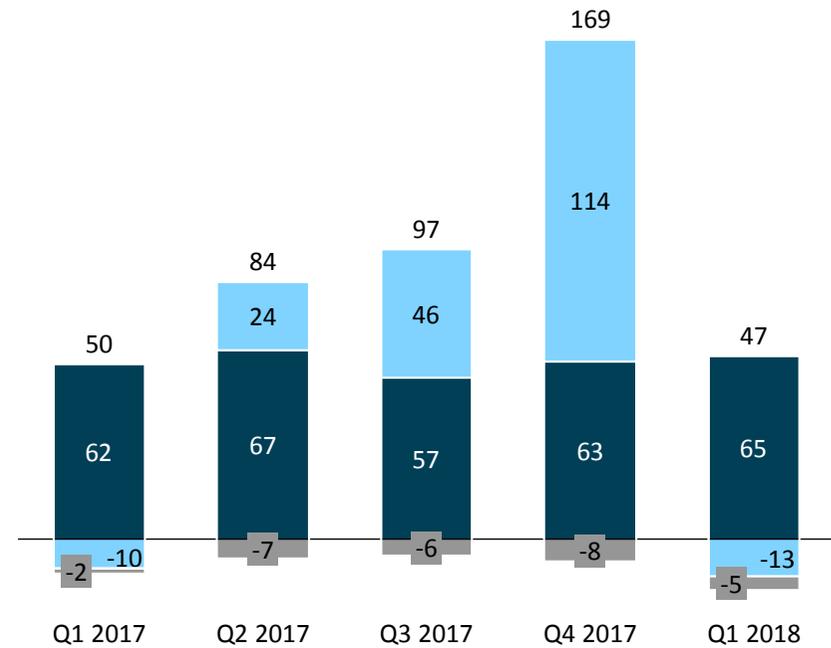
2013 figures adjusted according to IFRS 5 (Discontinued Operations) with regard to the formation of the ATAG JV and according to IFRS 11 (Joint Arrangements)

Quarterly development Group

Sales
in €m



Operational results
in €m

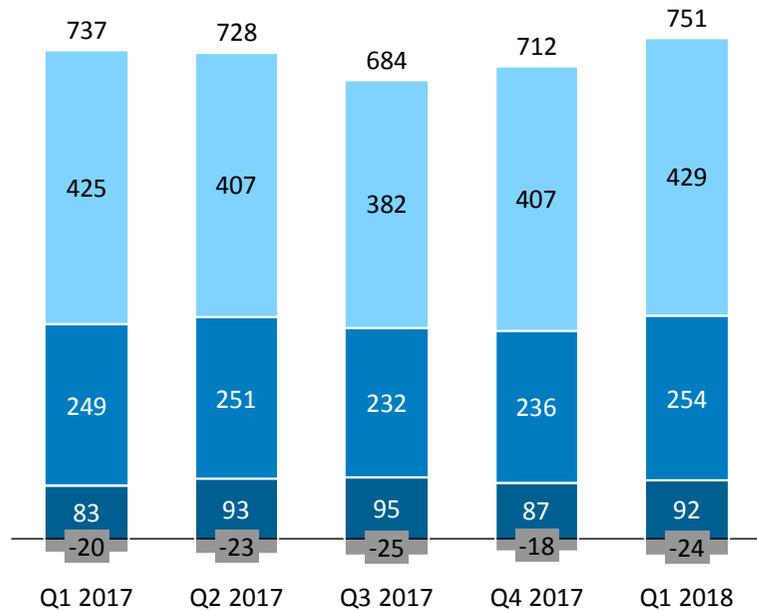


Free Cash Flow summary Group

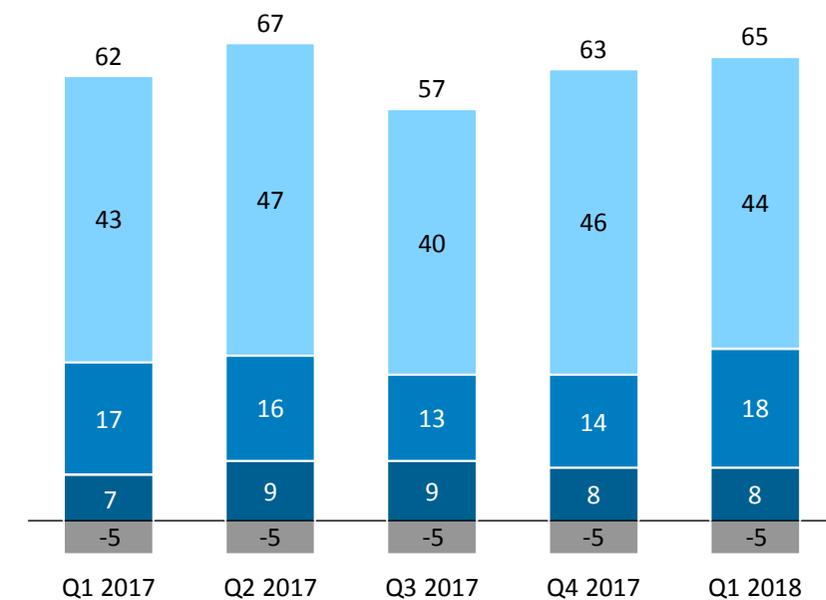
in €m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Δ Q1 '17/'18
Group Net Income	28	51	43	130	27	-1
Amortization / depreciation	57	55	59	70	64	7
Change in pension accruals	-34	-3	1	-8	-42	-8
Cash Flow	51	103	103	192	49	-2
Changes in working capital and other items	-207	-34	-36	374	-289	-82
Net cash used in operating activities	-156	69	67	566	-240	-84
Cash outflow for additions to tangible and intangible assets	-43	-50	-62	-115	-47	-4
Free Cash Flow from Operations	-199	19	5	451	-287	-88

Quarterly development Automotive

■ Sales by division
in €m



■ Operational results by division
in €m



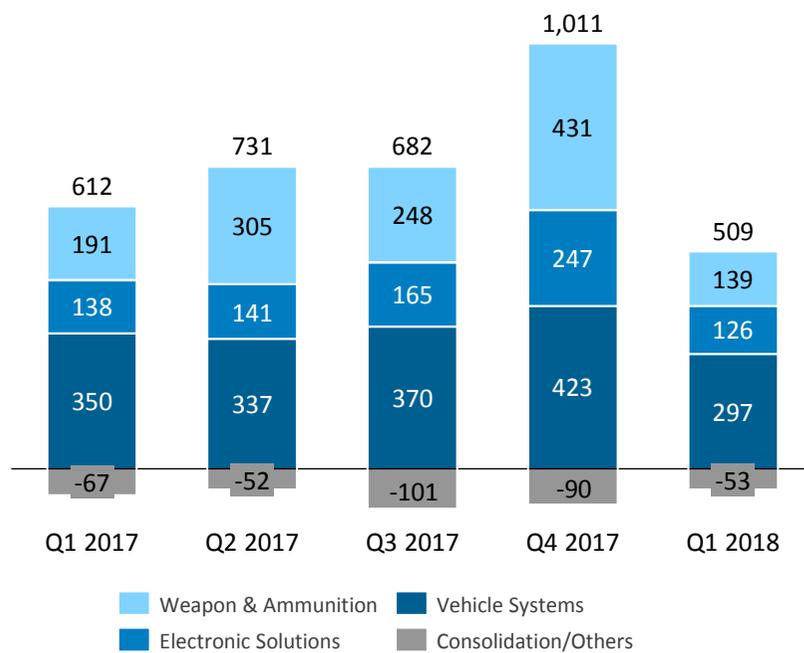
■ Mechatronics ■ Hardparts ■ Aftermarket ■ Consolidation/Others

Free Cash flow summary Automotive

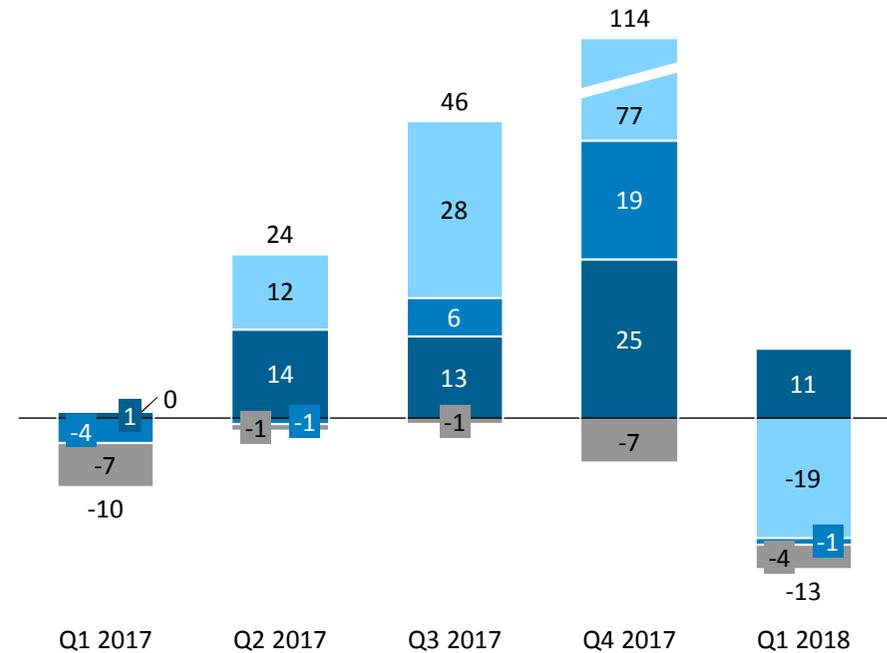
in €m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Δ Q1 '17/'18
Net income	46	50	25	44	45	-1
Amortization / depreciation	32	32	37	39	36	4
Change in pension accruals	-	-	-	-	-20	-
Cash Flow	78	82	62	83	61	3
Changes in working capital and other items	-172	20	61	68	-82	70
Net cash used in operating activities	-94	102	123	151	-21	73
Cash outflow for additions to tangible and intangible assets	-24	-33	-42	-77	-29	-3
Free cash flow from operations	-118	69	81	74	-50	70

Quarterly development Defence

■ Sales by division
in €m



■ Operational earnings by division
in €m



Free Cash flow summary Defence

in €m	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Δ Q1 '17/'18
Net income	-16	8	32	76	-21	-6
Amortization / depreciation	24	22	21	29	26	2
Change in pension accruals	-3	-6	2	-2	-2	1
Cash Flow	5	24	55	103	3	-3
Changes in working capital and other items	-61	-38	-88	327	-225	-164
Net cash used in operating activities	-56	-14	-33	430	-222	-167
Cash outflow for additions to tangible and intangible assets	-16	-19	-19	-35	-17	-1
Free cash flow from operations	-72	-33	-52	395	-239	-168

Income statement Group

In €m		Income Statement						
	Q1 2017	Q1 2018	Δ		Q1 2017	Q1 2018	Δ	
Sales	1,349	1,260	-89					
	67	120	53					
Total operating performance	1,416	1,380	-36	→	Net operating income (EBIT)	50	47	-3
Other operating income	27	33	6		Net interest income	-12	-10	2
Cost of materials	762	731	-31		Earnings before tax (EBT)	38	37	-1
Personnel expenses	398	395	-3		Income tax	-10	-10	0
Amortization, depreciation and impairment	57	64	7		Net income	28	27	-1
Other operating expenses	174	179	5		—of which:			
Income from companies carried at equity	4	7	3		Minority interest	4	3	-1
Other financial results	-6	-4	2		Rheinmetall shareholders	24	24	0
Net operating income (EBIT)	50	47	-3		Earnings per share	0.56	0.55	
					EBITDA	107	111	4

Cash flow statement Group

In €m				Cash Flow Statement			
	Q1 2017	Q1 2018	Δ		Q1 2017	Q1 2018	Δ
Net Income	28	27	-1	→ Dividends paid out by Rheinmetall AG	0	0	0
Amortization, depreciation and impairment	57	64	7	Other profit distributions	-5	-2	3
Dotation of CTA	-30	-40	-10	Sale of treasury shares	0	0	0
Changes in pension provisions	-4	-2	2	Capital payment to/capital contributions by non-controlling interests	4	0	-4
Changes in other provisions	56	55	-1	Increase in shares in consolidated subsidiaries	0	0	0
Changes in inventories	-145	-156	-11				
Changes in receivables, liabilities(w/o financial debts) and prepaid & deferred items	-120	-181	-61	Borrowing of financial debts	14	54	40
Pro rata income from investmenst carried at equity	-4	-7	-3	Repayment of financial debts	-8	-23	-15
Dividends received from investments carried at equity	2	1	-1	Repayment of leasing obligations	0	-7	-7
Other non-cash expenses and income	4	-1	-5	Cash flows from financing activities	5	22	17
Cash flows from operating activities	-156	-240	-84	Changes in financial resources	-274	-314	-40
Investments in assets	-43	-47	-4	Changes in cash and cash equivalents due to exchange rates	2	-3	-5
Cash receipts from the disposal of assets	2	1	-1	Total change in financial resources	-272	-317	-45
Payments for the purchase of liquid financial assets	-202	-110	92	Opening cash and cash equivalents January 1	616	757	141
Cash receipts from the disposal of liquid financial asse	120	60	-60	Closing cash and cash equivalents	344	440	96
Cash flow from investing activities	-123	-96	27				

Balance Sheet Group

Balance Sheet

	31.12.'17	01.01.'18	31.03.'18	Δ		31.12.'17	01.01.'18	31.03.'18	Δ
Non-current assets	2,712	2,940	2,931	-9	Equity	1,955	1,950	1,968	17
Intangible assets	729	729	770	41	Share capital	112	112	112	0
Usage rights		155	163	8	Additional paid-in capital	540	540	540	0
Property, plant and equipment	1,387	1,387	1,369	-18	Retained earnings	1,209	1,205	1,220	15
Investment property	46	46	46	0	Treasury shares	- 25	- 25	- 25	0
Investments carried at equity	242	242	248	6	Rheinmetall AG shareholders' equity	1,836	1,832	1,847	15
Other non-current assets	73	146	148	2	Minority interests	119	118	121	2
Deferred tax assets	185	185	187	2					
					Non-current liabilities	1,905	2,057	2,039	-15
Current assets	3,474	3,467	3,415	-52	Provision for Pensions and similar obligatin	1,080	1,080	1,039	-41
Inventories (net)	1,172	1,165	1,326	161	Other provisions	185	207	191	-16
Contractual property assets		325	329	4	Financial debts	572	702	742	43
Trade receivables	1,217	896	886	-10	Other liabilities	54	54	47	-7
Other financial assets	190	186	223	37	Deferred tax liabilities	14	14	20	6
Other receivables and assets	11	11	34	23					
Income tax receivables	119	119	169	50	Current liabilities	2,326	2,400	2,339	-60
Cash and cash equivalents	757	757	440	-317	Other provisions	595	648	699	51
Assets for disposal	8	8	8	0	Financial debts	74	99	86	-13
					Contractual obligations		637	602	-35
					Trade liabilities	760	760	691	-69
					Other liabilities	823	182	169	-12
					Income tax liability	74	74	92	18
Total assets	6,186	6,407	6,346	-61	Total liabilities	6,186	6,407	6,346	-61

Glossary

bn	billions	m	millions
bp	basis points	NNBS	Short range air defence
CAGR	compounded average growth rate	NWC	Net working capital
CTA	Contractual trust agreement	OEM	Original Equipment Manufacturer
D&A	Depreciation & Amortization	Operating FCF	Operating free cash flow
E	Expected	Op. margin	Operating margin
EBIT	Earnings before Interest and Tax	%P	Percentage points
EBITDA	Earnings before Interest, Tax , Depreciation and Amortization	P&L	Profit & Loss Account
EBT	Earnings before Tax	PY	Previous Year
EIB	European Investment Bank	RDE	Real Drive Emissions
EPS	Earnings per share	ROCE	Return on capital employed
EPL	Einzelplan	RoW	Rest of the World
EV	Electric Vehicle	TLVS	Tactical air defence system
FTE	Full Time Equivalents	WACC	Weighted average cost of capital
FX	Foreign exchange rate	WLTP	Worldwide Harmonized Light-Duty Vehicles Test Procedure
GDP	Gross Domestic Product	WOFE	Wholly owned foreign enterprise
HEV	Hybrid and Electric Vehicles		
IAA	Internationale Automobil Ausstellung		
ICE	Internal combustion engine		
IFRS	International Financial Reporting Standards		
JV	Joint Venture		
LBP	Large bore piston		
LV	Light vehicle		

Next events and IR contacts

■ Events 2018

Conference Deutsche Bank	Berlin	6-7 June
Eurosatory Investor Meeting	Paris	13 June
Berenberg US RS	Toronto/Chicago/Los Angeles/San Francisco	19-22 June
UBS RS Switzerland	Zurich/Lugano	25-26 June
Q2 2018 Earnings call		2 August

■ 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.