

1 September 2016

Rheinmetall repositioning itself: a Group for leading mobility and security technologies

Rheinmetall is pushing ahead with its integration as a Technology Group. Under the name ONE Rheinmetall, management has mapped out a comprehensive strategy program that lays the foundations for a new, unified corporate culture and will integrate the two sectors, Automotive and Defence, into an even more efficient alliance. The purpose is to optimize cooperation between the two sectors, generally enhance group effectiveness in its areas of business, generate growth, and expand market shares.

Public perception of Rheinmetall as an innovative high-technology group will also be intensified and fine-tuned. With its sophisticated solutions in security and mobility, the Group is addressing two core human needs by delivering substantial contributions toward protecting society and making mobility more compatible with the needs of the environment.

Rheinmetall has long been showing a wider understanding of its traditional business areas. The Automotive sector has been dedicating itself increasingly to new forms of mobility which do not necessarily focus on the internal combustion engine. Also, the Defence sector has long ceased to be simply an "arms manufacturer" but instead adopted an extended security concept by offering products and technologies that, tailored to present-day and future threats, ensure security in both the civilian and military sectors: laser effectors, interlinked vehicle systems, systems for property protection, for detecting drones and for the remote monitoring of aircraft operations at airports, to name but a few examples.

Armin Papperger, CEO of the Rheinmetall Group: "Our vision is to become a Group that supplies leading technologies for mobility and security. To this end, we have launched the ONE Rheinmetall strategy program: to more effectively interlink across their divisions the capabilities of the two sectors, Automotive and Defence, to become even more efficient and generally sharpen the Group's profile, both inwardly and outwardly."

The objective: unified profile and shared corporate Rheinmetall culture

Says Horst Binnig, Rheinmetall Group's Executive Board member in charge of Automotive: "With the ONE Rheinmetall initiative, we are mapping out an overarching and unified strategic framework that will proactively change how people relate within the Group and pave the way for a new public perception of the enterprise as a whole. In the past, Rheinmetall's civilian operations especially, i.e., as a supplier of components for the automotive industry, have frequently been overshadowed by the public perception of the military equipment sector of Rheinmetall Defence, despite the fact that the Automotive sector generates around one-half of the Group's total annual sales of about €5.2 billion (2015)."

The aim is to change the way Rheinmetall is perceived. Armin Papperger comments: "We're firmly committed to Defence yet we're more than "just" military hardware. As Rheinmetall Group we capitalize on the strengths of a group with expertise acquired in over 125 years, on our capabilities, on our resources, and on a closer sharing of technologies among our divisions. Under the roof of Rheinmetall Group we will develop a shared corporate culture and consolidate a unified profile to the world outside."

New brand architecture under *Rheinmetall Group* umbrella brand

"Together we're stronger." Hence our goal to position Rheinmetall as a group consisting of two closely cooperating sectors, each learning and benefiting from the other, and appropriately perceived as a unified entity by the general public," continues Armin Papperger.

The rollout of the new identity will be accompanied by revamped brand architecture as reflected in the new umbrella brand: **Rheinmetall Group**. Under this name, Rheinmetall will in future present itself as an integrated technology group whose divisions cooperate on a wide variety of levels.

This is also reflected in the names of the two sectors which will include "Rheinmetall" as family brand. Rheinmetall Defence will stay unchanged.

"Our Automotive sector **KSPG** will operate under the name **Rheinmetall Automotive**, thus reflecting membership of the Group," says Horst Binnig. The premium global brands, Kolbenschmidt, Pierburg and Motorservice will, however, continue as before yet visually restyled and with the addition to their name as a direct reference to Rheinmetall Automotive and hence to their association with Rheinmetall Group.

Mobility and security with high tech as common denominator

Armin Papperger: "Now and in future, the name Rheinmetall will stand for innovative solutions to two of the biggest challenges of our era: eco-friendly mobility and security technology that is adapted to the threats that challenge us.

It is becoming more and more evident just how closely mobility and security are related. Even now, Rheinmetall Defence is working on high-tech solutions that prevent unauthorized access to certain systems by third parties. In future, these technologies will also be important in the automotive market when, for example, protecting vehicles from access to their control systems and preventing unauthorized intervention by hackers. Reciprocally,

the Defence sector can benefit from comprehensive expertise assimilated by Rheinmetall Automotive as an auto-industry supplier, e.g. prototype construction using 3D printers, in automated production processes and in manufacturing processes of ultimate precision.

Inwardly, the progressing integration of the Technology Group evolving from the ONE Rheinmetall strategy is already reflected in a series of cross-divisional initiatives: the inhouse ideas initiative *Intrapreneur Award*, interlocking technologies shared between the two sectors and ongoing harmonization in HR development. All these initiatives aim to further enhance efficiency and exploit as yet untapped potentials.

Outwardly, Rheinmetall is morphing into a supplier with a broader interpretation of mobility and an all-embracing understanding of security, hence lending the Group the strategic momentum for continuing growth and success in the global markets.

The Rheinmetall Group: sophisticated technologies of tomorrow

With around 23,000 employees and some 80 production plants worldwide, Rheinmetall is well prepared and positioned to provide the right solutions to future challenges in the fields of mobility and security. In the automotive segment, new modes of propulsion will impact on personal mobility: besides all-electric drive systems (battery/fuel cell), hybrid drives will gain ground in the medium term. Rheinmetall Automotive already has cutting-edge technologies for the mobility of tomorrow, such as electric pump systems and actuators or components for intelligent thermal management for fuel-cell vehicles.

In its Defence sector, Rheinmetall with its new strategic focus will in future also take into account the stronger need for personal safety and security in a civilian environment. Already, the company is in close communication with public authorities and security organizations regarding threat analyses and suitable solutions. And it can offer leading technologies for tomorrow's security challenges today: be it in drone detection, security for electronic architectures, or new protection and vehicle technologies.