

December 4th, 2018

3Q/2018 figures

Rheinmetall Automotive raises sales and operating earnings

The 3Q/2018 sales of Rheinmetall Automotive again outpaced market performance. In the period January through September, the Company generated sales of €2,199 million, a growth of 2.3 or, currency adjusted, 4.5 percent over the prior-year period. Once more, all the divisions shared in the growth which compares with the distinctly weaker 1.2-percent gain in global production of Light Vehicles.

Rheinmetall Automotive's operating earnings for the first nine months climbed by €7 million to €193 million, the operating margin inching up slightly from 8.7 to 8.8 percent. Rheinmetall Automotive CEO Horst Binnig comments: "Our performance in the third quarter of 2018 again underscores that our company is moving in the right direction. With our advanced internal combustion products, we have compiled the right mix while our additional innovative components for alternative drivelines are readying us for the emerging shift in the market."

Within the Rheinmetall Group's Automotive sector, the Mechatronics division increased its 3Q/2018 sales by 1.6 percent to €1,233 million (currency-adjusted up 2.7 percent). The Commercial Diesel Systems unit reported the steepest growth rate, albeit division growth was held back by the repeated decline in the Western European diesel market. Operating earnings for 3Q/2018 added up to €128 million, thus a little short of the high year-earlier €130 million.

3Q/2018 sales by the Hardparts division grew 3.1 percent to €755 million (currency-adjusted up 7.1 percent). The Plain Bearings unit topped its prior-year performance through further growth in India and North America. Sales in Europe advanced, too. The Small and Large Bore piston units also reported improved figures versus 2017. As of September 30, 2018, the division's operating earnings had risen from the year-earlier €46 million to €50 million.

The Aftermarket division lifted its 3Q sales by 3.7 percent to €281 million (currency-adjusted up 6.1 percent), with sales in the Western and Eastern European, North and South American markets especially strong. The division's operating earnings for the 9-month period advanced from €25 million to €26 million.

Although the market in China was down 4.7 percent, sales by the Chinese joint ventures which are not included in the Automotive sector's figures, again expanded, by 4.3 percent in local currency (currency adjusted, up 7.9 percent) to €661 million (converted).

FORECAST

Sales by Rheinmetall Automotive are decisively affected by economic trends in the globally significant auto markets. Such trends are compounded by external factors as the current changeover in the European test cycles. Based on the newest expert forecasts for global auto production in 2018, which are subject to some uncertainties (compared with previous estimates, the growth forecast has been reduced to 1.4 percent), Rheinmetall Automotive now expects growth of 2 to 3 percent for fiscal 2018 (previously 3 to 4 percent). On the assumption of a stable economy, for all of fiscal 2018, Rheinmetall now predicts an improvement in operating earnings for the year (in absolute terms) and an operating margin slightly above 8.5 percent.

Forward-looking statements and forecasts

This report contains forward-looking statements. These statements are based on Rheinmetall AG's current estimates and forecasts and the information currently available to it. The forward-looking statements are not to be understood as guarantees of the future developments and outcomes stated. Instead, they depend on numerous factors; they entail various risks and imponderables and are based on assumptions that may prove inaccurate. Rheinmetall assumes no obligation to update the forward-looking statements made in this report.

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