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## **Rheinmetall Automotive with new earnings high**

Rheinmetall Automotive again enhanced its business volume in an increasingly challenging market environment in 2018, generating sales of €2,930 million, an increase of €69 million or 2.4% compared with the previous year. When adjusted for currency effects, the growth is 4.2%. By comparison, the global production of light vehicles declined by 1.1% in 2018.

Operating result of Rheinmetall Automotive (EBIT before special items) came to €262 million for the last fiscal year, a new record in the company's history. This is growth of €13 million or 5% compared with the previous year's figure of €249 million. The sector's operating margin rose to 8.9% (previous year: 8.7%), which also represents a new record.

Rheinmetall Automotive CEO Horst Binnig commented: "In 2018, our company was once again able to outpace an international market clouded by new challenges. The sustainability of the measures initiated in recent years in our international network of locations, our product portfolio and Rheinmetall Automotive's strategic focus is rewarded not least in a new all-time earnings high."

All three divisions once again recorded year-on-year sales growth. Declining demand for diesel products for the light vehicles market was offset, among other things, by new product launches and growth in business with other product groups (including commercial diesel systems, large-bore pistons and gasoline drives).

Sales of the Mechatronics division rose by 2.7% to €1,664 million in 2018, owing to a further increase in demand from automotive manufacturers for solutions to reduce fuel consumption and emissions and dynamic growth in business with commercial vehicles. The Hardparts division expanded its sales by 2.2% to €989 million, largely owing to the positive development of business with large-bore pistons and pistons for trucks and off-road vehicles. The Aftermarket division expanded its worldwide replacement parts business by 2.2% to €367 million.

The regional distribution of sales for fiscal 2018 remained virtually unchanged year-on-year. The share of sales generated with customers abroad totaled 80% (previous year: 81%).

The joint ventures operated with a Chinese partner in China and Germany are accounted for using the equity method and are therefore not included in the sales of Rheinmetall Automotive. Sales of these companies totaled €1,193 million in fiscal 2018, which corresponds to a year-on-year growth of 2.6%, or 4.4% after adjustment for currency effects.

## Outlook 2019

Sales performance in the Automotive sector is strongly influenced by the economic development in the automotive markets of Europe, North and South America and Asia, as well as by an anticipated, perceptible market recovery in the second half of the year. In the context of a currently cautious market expectation for the Automotive sector, for the year as a whole Rheinmetall anticipates for the Automotive sector a generally stagnating to slightly positive sales performance before currency effects. Rheinmetall expects an operating margin of approximately 8% for the Automotive sector in fiscal 2019, based on the anticipated market development and the sales forecast derived from this.

### ***Statements and forecasts referring to the future***

*This release contains statements referring to the future. These statements are based on the current estimates and forecasts of Rheinmetall AG and the information currently available to it. The statements referring to the future are not to be understood as guarantees of the future developments and results that they describe. These instead depend on a number of factors. They involve various risks and uncertainties, and are based on assumptions that may prove to be inaccurate. Rheinmetall does not undertake a commitment to update statements referring to the future made in this release*

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