

December 2, 2024

Rheinmetall completes strategic acquisition of U.S. vehicle specialist Loc Performance Products, LLC

Market position in North America in the competition for high-volume major orders in the USA is strengthened

Rheinmetall AG has now completed the takeover of the U.S. company Loc Performance Products, LLC. The Düsseldorf-based technology group announced the purchase of the renowned vehicle specialist based in Plymouth, Michigan, in August 2024. Following approval by competent supervisory authorities, the transaction was closed on November 29, 2024. In future, the company will operate under the name American Rheinmetall Vehicles. The agreed purchase price is based on an enterprise value of USD 950 million.

With this strategic acquisition in the USA, Rheinmetall is expanding its position in the world's largest defense market and strengthening its core business in the field of land vehicles for military customers worldwide.



The investment follows Rheinmetall's drive for growth in the United States, which will be an important domestic market for the Group in the future. Rheinmetall expects the acquisition to bring considerable benefits not only for its American business, but also for its global activities. With this acquisition, Rheinmetall is expanding its industrial base in the USA and creating further access for its technologies in North America.

The acquisition strengthens Rheinmetall's production capacities in the USA in particular, with a view to targeted high-volume major orders for U.S. Army vehicle programs with a total potential of over USD 60 billion. Rheinmetall is one of two remaining participants in the current prototype phase of the XM30 program. This serves to introduce a new generation of infantry fighting vehicles. The volume is estimated at around USD 45 billion for around 4,000 infantry fighting vehicles. At the same time, Rheinmetall is applying for the Common Tactical Truck (CTT) program, which has a volume of around USD 16 billion for around 40,000 trucks.

Armin Papperger, Chairman of the Executive Board of Rheinmetall AG: "We are making this investment because we have a clear strategy for growth and the United States will be an important core market for us in the coming years. I would like to extend a warm welcome to the approximately one thousand employees at Loc Performance Products to the Rheinmetall Group. We greatly appreciate your expertise and look forward to our joint successes."

► Key facts

- Strategic acquisition: Rheinmetall completes acquisition of US vehicle specialist Loc Performance Products, LLC, Plymouth MI
- Market presence in future as "American Rheinmetall Vehicles, LLC"
- Position for high-volume major orders in the USA is strengthened: XM30, CTT in focus
- Further advantages for the global business

► Contact

Oliver Hoffmann
Head of Press and Public Relations
Rheinmetall AG
Tel.: +49-(0)211 473 4748
oliver.hoffmann@rheinmetall.com

Dr. phil. Jan-Phillipp Weisswange
Deputy Head of Press and Public Relations
Rheinmetall AG
Tel.: +49-(0)211 473 4287
jan-phillipp.weisswange@rheinmetall.com

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Armin Papperger continues: “The acquisition of Loc Performance Products proves that we are consistently focusing on success in the USA and want to expand our share of the large market volume. We have a promising position in two major military projects, both in the XM30 infantry fighting vehicle program and in the CTT project. Everything therefore speaks in favor of this acquisition: Loc Performance Products is already pursuing a sustainable business model with robust organic growth, has a highly qualified workforce and offers us ample capacity reserves for the targeted orders in the USA. We can thus realize 100% local value creation in the USA.”

With the purchase, American Rheinmetall Vehicles is acquiring a modern, efficient production area of 160,000 square meters with considerable capacity for future expansion. The company’s broad-based activities will contribute directly to the Rheinmetall Group’s fast-growing U.S. military vehicle business, which is managed by American Rheinmetall Vehicles, based in Sterling Heights, MI.

Loc Performance Products, LLC was founded in 1971 in Plymouth, MI and is a diversified full-service provider for both military and commercial customers. In addition to its headquarters in Plymouth, MI, the company has additional locations in Lansing, MI and Lapeer, MI as well as in St. Marys, OH.

The vehicle specialist is a high-performance full-service provider of driveline, suspension, track systems, rubber products, armor products and fabricated structures for vehicle platforms. The company is an established supplier to the U.S. Government and, in particular, OEM for most military ground vehicle track systems in the USA. The company’s products are also used by well-known vehicle manufacturers in the agriculture, construction, mining, locomotive, mass transportation and oil and gas industries.

The production capacities of Loc Performance Products include, in particular, modernized manufacturing, machining and welding technologies that can meet the critical manufacturing requirements of the U.S. Army’s XM30 and CTT programs.

With more than 1,000 highly qualified employees, Loc Performance Products has an experienced workforce with a high level of technical expertise – including in the maintenance, repair and combat enhancement of military combat vehicles – whose services will now be integrated into Rheinmetall’s internal supply chains.

American Rheinmetall Vehicles, LLC offers U.S. customers next-generation tracked and wheeled combat vehicles and tactical wheeled vehicle platforms. The company is actively supporting the U.S. Army on two high priority modernization programs: the XM30 combat vehicle program, where the Lynx XM30 has reached Phases 3 and 4, and the Common Tactical Truck (CTT) program, where the HX3 CTT recently completed evaluation by the U.S. Army.

The American Rheinmetall family includes American Rheinmetall Vehicles in Sterling Heights (MI) and Troy (MI), American Rheinmetall Munitions in Stafford (VA), Windham (ME) and Camden (AR), American Rheinmetall Systems in Biddeford (ME) and the American parent company American Rheinmetall Defense in Reston (VA).

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