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Rheinmetall optimizes location structure of piston production Earnings to improve by €10 million a year in the medium-term

As announced, Rheinmetall Automotive will continue to optimize its location and production structures in the Hardparts division. In connection with this, KS Kolbenschmidt France (KSKF) has now reached an agreement with the employee representatives and the responsible trade unions regarding the discontinuation of piston production in Thionville, France, in 2018.

This measure, which involves the relocation of existing piston production lines in Thionville to other international locations of the Hardparts division, will increase the earnings quality of this division starting from the next fiscal year and result in earnings improvements of €10 million a year in the medium term.

The latest figures show that around 140 employees generated annual sales of €40 million at the piston location in Thionville. The potential closing costs this year are estimated at a low eight-figure sum. This one-off expense will affect the EBIT reported in the third quarter of 2017. However, the forecasts for sales growth of 6% to 7% and for operating earnings (EBIT before special items) with a margin of around 8.4% in 2017 as whole, which were revised upward in August 2017, will not be affected.

Rheinmetall will report on developments in the first three quarters of 2017 and the expected business performance in the fourth quarter of 2017 on November 7, 2017.