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Rheinmetall extends international cooperation agreement for an advanced engine block; first production order in hand

Rheinmetall is supplying its expertise in the world of mobility to provide initial support for producing a state-of-the-art engine block in Uzbekistan for a globally active American original equipment manufacturer. Under a cooperation agreement, the first 100,000 units of this three-cylinder engine block will be manufactured by the Group's Castings business unit in Neckarsulm, Germany, and shipped to Uzbekistan. The order is worth a figure in the lower two-digit million-euro range. Once the phase of providing initial support is complete, serial production of the engine blocks will start in Uzbekistan.

For the first time, the Düsseldorf-based technology group is cooperating with a company from Uzbekistan. The project is slated to get underway this year. Serial production of the engine blocks in Uzbekistan will use a cutting-edge pressure casting technique. Afterwards, the engines will be assembled on location in Uzbekistan.

Recently signed, the agreement came in the wake of intensive talks between the two cooperation partners as well as reciprocal site visits. Rheinmetall's partner in Uzbekistan is specialized in the production of key engine components, such as crank shafts, engine blocks and cylinder heads. The company already operates an aluminium cylinder head foundry in Central Asia. By taking part in this project, Rheinmetall's Castings business unit, which belongs to the Group's Materials and Trade division, is not only contributing to Uzbekistan's economic development, but also helping to cut global emissions of greenhouse gases harmful to the climate.

Among other things, the prime motors for which the 3-cylinder engine blocks were developed feature low fuel consumption. Having a new customer in Uzbekistan not only adds to Rheinmetall's list of clients. It also offers the chance for expanded cooperation in the manufacture of advanced engine blocks in future.

Both cooperation partners attach great importance to sustainability. Rheinmetall aims to be climate-neutral by 2035 and is increasingly booking orders in emission reduction realm, while the Group's ISO-certified Uzbek partner has installed a wastewater treatment facility that enables it to process wastewater on its own to a significant extent.

The Castings business unit is an international joint venture co-owned by Rheinmetall and HUAYU Automotive Systems Co., Ltd. (HASCO), a subsidiary of China's SAIC group. Castings consists of two major companies: KS HUAYU AluTech

► Key facts

- International cooperation leads to first production order
- Rheinmetall's partner is a manufacturer of engine components in Uzbekistan with unique selling points
- First order for engine blocks awarded through an American OEM
- Order opens the door to expanded production in future

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GmbH in Europe and HASCO KSPG Nonferrous Components (Shanghai) Co., Ltd. (KPSNC) in China. Rheinmetall and SAIC each hold a 50 percent stake in the joint venture.

Rheinmetall's new partner is one of the leading companies of Uzbekistan, a country whose economy has been developing along very positive lines in recent years. Although it ranks among the world's top emitters due to its fossil fuel-intensive energy mix, Uzbekistan has demonstrated its commitment to sustainability by signing the Paris Climate Agreement and has introduced a series of important reforms aimed improving the climate for domestic and foreign investment.